

**MINUTES OF THE REGULAR MEETING  
OF THE  
POWER AUTHORITY OF THE STATE OF NEW YORK**

**June 26, 2012**

**Table of Contents**

<b><u>Subject</u></b>	<b><u>Page No.</u></b>	<b><u>Exhibit</u></b>
<b>Introduction</b>	<b>3</b>	
<b>1.</b> Adoption of the June 26, 2012 Proposed Meeting Agenda	<b>4</b>	
<b>2.</b> Board Resolutions: Michael J. Townsend, D. Patrick Curley, Mark O’Luck Resolution	<b>5</b>	
<b>3.</b> Election of Chairman of the Authority Resolution	<b>10</b>	
<b>4. Consent Agenda:</b>	<b>11</b>	
<b>a.</b> Minutes of the Regular Meeting held on April 24, 2012	<b>12</b>	
<b>b.</b> Expanded Green Power Program – Authorization	<b>13</b>	
<b>c.</b> Niagara Power Project – Lewiston Pump Generating Plant Life Extension and Modernization Program – Servomotor Design and Fabrication – Contract Award	<b>15</b>	
<b>d.</b> Niagara Power Project – Switchyard Structures Foundation Repair – Contract Award	<b>17</b>	
<b>e.</b> Procurement (Construction) Contract – St. Lawrence/FDR Power Project Relicensing – Implementation of the Nichols Island Habitat Improvement Project – Contract Award	<b>20</b>	
<b>f.</b> Procurement (Services) Contracts – Business Units and Facilities – Awards, Extensions and Additional Funding	<b>23</b>	<b>“4f-A”; “4f-B”</b>
<b>g.</b> NYPA Fleet Vehicles – Transfer of Ownership to the New York State Office of General Services	<b>33</b>	<b>“4g-A”; “4g-B”</b>
<b>h.</b> Allocation of Expansion Power	<b>35</b>	<b>“4h-A”; “4h-A-1”</b>
<b>i.</b> Municipal and Rural Electric Cooperative Economic Development Program – Allocations to City of Salamanca and Village of Skaneateles	<b>37</b>	
<b>j.</b> Authorization to Fund Statewide Energy Services Program Engineering, Design and Construction Services – Contract Awards	<b>40</b>	

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
k. Niagara Power Project – Winter Mooring Site – First Buffalo River Marina – Capital Expenditure Authorization Request	44	
Resolution		
<b>Discussion Agenda:</b>	<b>46</b>	
5. Reports from:		
a. President and Chief Executive Officer	46	“5a-A”
b. Chief Operating Officer	48	“5b-A”
c. Chief Financial Officer	50	“5c-A”
6. Power Allocations Under ReCharge New York Power Program Resolution	51	“6-A” – “6-E”
7. Power Contract with the Town of Massena – Massena Electric Department – Transmittal to the Governor Resolution	58	“7-A”; “7-B”
8. Transitional Electricity Discount Payments for Certain Power for Jobs and Energy Cost Savings Benefit Customers Resolution	61	“8-A”
9. <b>Informational Item:</b> Agreements Providing for Delivery of Recharge New York Power	64	
10. Energy Efficiency Market Acceleration Program Authorization Resolution	66	
11. Release of Funds in Support of the Western New York Power Proceeds Allocation Act Resolution	69	
12. Niagara Power Project – Lewiston Pump Generating Plant Life Extension and Modernization Program – Motor-Generator Upgrade, Accessory Replacement and Overhaul – Contract Award Resolution	72	
13. Motion to Conduct an Executive Session	75	
14. Motion to Resume Meeting in Open Session	76	
15. Contribution of Funds to the State Treasury Resolution	77	
16. Transitional Succession Insurance Coverage	79	
17. Committee Appointments Resolution	80	
18. Next Meeting	81	
Closing	82	

Minutes of the Regular Meeting of the Power Authority of the State of New York held via videoconference at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York at approximately 11:15 a.m.

The Members of the Board were present at the following videoconference locations:

John S. Dyson, Vice Chairman – Italy  
 Eugene L. Nicandri, Trustee – WPO  
 Jonathan F. Foster, Trustee – WPO  
 R. Wayne LeChase, Trustee – WPO  
 John R. Koelmel, Trustee – WPO  
 Terrance P. Flynn, Trustee – WPO  
 Joanne M. Mahoney, Trustee – WPO

---

Gil C. Quiniones	President and Chief Executive Officer
Judith C. McCarthy	Executive Vice President and General Counsel
Edward Welz	Chief Operating Officer
Donald Russak	Chief Financial Officer
Thomas Antenucci	Senior Vice President – Power Supply Support Services
Thomas DeJesu	Senior Vice President – Public, Governmental and Regulatory Affairs
Joseph Kessler	Senior Vice President – Power Generation, Power Supply
James Pasquale	Senior Vice President – Marketing and Economic Development
Joan Tursi	Senior Vice President – Corporate Support Services
Paul Belnick	Vice President – Energy Efficiency – Energy Services and Technology
John Canale	Vice President – Project Management
Thomas Davis	Vice President – Financial Planning and Budgets
Dennis Eccleston	Vice President – Information Technology/Chief Information Officer
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Michael Huvane	Vice President – Marketing – Business and Municipal Marketing
John Kahabka	Vice President – Environmental, Health and Safety
Joseph Leary	Vice President – Community and Government Relations
Patricia Leto	Vice President – Procurement
Lesly Pardo	Vice President – Internal Audit
John Suloway	Vice President – Project Development, Licensing and Compliance
Brain McElroy	Treasurer
Karen Delince	Corporate Secretary
Lori Alesio	Assistant General Counsel – Human Resources and Labor Relations
Carol Geiger-Wank	Director – Labor Relations and Special Projects
Mike Lupo	Director – Marketing Analysis and Administration
Michael Saltzman	Director – Media Relations
Guy Sliker	Director – Renewable Energy Resources and Technology
Lynn Hait	Regional Manager – Central New York
Michael Mitchell	Project Manager – Hydro/Transmission
James Bejarano	Program Manager – Energy Services (Niagara)
Dominick Luce	Program Manager – Energy Services
John Brennan	Manager – Strategy and Governance
Timothy Muldoon	Manager – Business Power Allocations and Compliance
Gary Schmid	Manager – Network Services Infrastructure
Mark Slade	Manager – Relicensing and Implementation
John Markowitz	Lead R & TD Engineer II – Renewable Energy Resources and Technology
Patricia Lombardi	Engineer I – Hydro/Transmission
Lorna M. Johnson	Assistant Corporate Secretary
Ruth Colon	Senior Business Integration Project Manager
Brian Wilkie	Rotational Business Integration Project Manager
Tabitha Robinson	BPAC Analyst I – Business Power Allocations and Compliance
Emily Alkiewicz	BPAC Analyst – Business Power Allocations and Compliance

Sheila Baughman	Senior Secretary – Corporate Secretary’s Office
Trish Hennessy	Photographer – Video and Photographic Services
Joe Bress	Consultant
Randal Lowman	Information Technology Consultant
Sheri L. Mooney	Senior Vice President, Senior Programs Manager - First Niagara Financial Group
Jennifer Sanfilippo	Partner - The Mullen Group
John Henao	Account Executive – Alston Power
Mark O’Luck	Former Trustee
D. Patrick Curley	Former Trustee

---

Trustee Nicandri presided over the meeting followed by Chairman John Koelmel. Corporate Secretary Delince kept the Minutes.

Introduction

*Trustee Eugene Nicandri presided over the meeting until the new Chairman of the Board was elected. He welcomed new members of the Board John Koelmel, President and Chief Executive Officer of First Niagara Bank; Joanne Mahoney, Onondaga County Executive and resident of the town of Dewitt; Terrance Flynn, a member of Harris Beach Attorneys at Law and resident of Snyder in the town of Amherst, Erie County; existing members of the Board, Vice Chairman John Dyson, participating via video conference, Trustees Jonathan Foster and R. Wayne Le Chase; and outgoing members of the Board, Trustees Mark O'Luck (WPO) and D. Patrick Curley, participating via video conference from the Buffalo Office. He also welcomed NYPA staff members who were present at the meeting.*

1. **Adoption of the June 26, 2012 Proposed Meeting Agenda**

*On motion made and seconded, the meeting Agenda was approved as amended. At its meeting earlier today, the Economic Development Power Allocation Board (“EDPAB”) recommended that the Authority’s Trustees approve item #6 (Power Allocations under the ReCharge New York Power Program); Trustee Nicandri recused himself from the vote on item #6 since he voted for its approval at the EDPAB meeting.*

2. **Board Resolutions**

*Trustee Jonathan Foster read the resolutions honoring former Chairman, Michael Townsend and Trustees D. Patrick Curley and Mark O’Luck. Trustee Nicandri noted that Governor Cuomo wrote letters thanking them for their service.*

a. **Resolution – Michael J. Townsend**

**WHEREAS, Michael J. Townsend played a vital role in strengthening and advancing the New York Power Authority’s policies and programs during an eventful and productive tenure of more than eight years as an Authority Trustee, Vice Chairman and Chairman; and**

**WHEREAS, throughout his service under four Governors, Mr. Townsend combined a solid knowledge of the issues facing the Authority with the sound judgment and negotiating skills honed during his distinguished career as an Attorney in the private sector; and**

**WHEREAS, as Chairman during a critical period of more than three years, preceded by a stint as Acting Chairman, Mr. Townsend provided invaluable leadership and continuity at times of major changes in the Authority’s senior management, all while maintaining his unruffled demeanor, keen sense of humor and unfailing respect for his fellow Trustees and for NYPA staff members; and**

**WHEREAS, he worked diligently to represent the Authority’s interests in matters concerning financial contributions to the State Government while also helping to ensure NYPA’s own ongoing financial strength as head of the Board’s Finance Committee; and**

**WHEREAS, as a specialist in economic development, he strongly supported the Authority’s low-cost power allocations that helped to create or protect thousands of jobs across the State during his years on the Board, as well as the establishment during his Chairmanship of the ReCharge New York Power program; and**

**WHEREAS, other highlights of Mr. Townsend’s service as Chairman included three consecutive years of record NYPA investments in energy efficiency and clean energy projects; completion, continuation or inauguration of Life Extension and Modernization programs at the Authority’s hydroelectric facilities; a focus on initiatives to upgrade the NYPA transmission system; and an agreement with a private developer for construction of a major transmission line from New Jersey to New York City; and**

**WHEREAS, his earlier years as a Trustee and Vice Chairman had been marked by such milestones as execution of long-term power supply agreements with NYPA’s governmental customers in New York City; completion of the Authority’s 500-megawatt power plant in Queens; and receipt of a new federal license for the Niagara Power Project; and**

**WHEREAS, with his term having concluded, Mr. Townsend has left a solid legacy of accomplishment and dedication that will continue to benefit the Authority and the people of New York State;**

**June 26, 2012**

**NOW THEREFORE BE IT RESOLVED, That the Trustees of the Power Authority of the State of New York express their profound appreciation to Michael J. Townsend for his exemplary service and wish him and his family a happy, healthy and fulfilling future.**

**June 26, 2012**

b. Resolution – D. Patrick Curley

WHEREAS, D. Patrick Curley brought a singular blend of expertise and enthusiasm to his nearly five years of distinguished service as a Trustee of the New York Power Authority; and

WHEREAS, Mr. Curley's deep and longstanding involvement in economic development as the founder and President of a prominent financial consulting firm and his profound understanding of the world of statistics, accounting and related fields proved of immense value as the Authority's Trustees assessed and acted upon allocations of low-cost power that helped to create or protect thousands of jobs throughout the State during his tenure; and

WHEREAS, Mr. Curley, a lifetime resident of Western New York, took particular interest in the Authority's activities in that vital region and considerable pride in his role as its senior representative in the area, frequently attending NYPA events at the Niagara Power Project and other venues; and

WHEREAS, while remaining acutely conscious of the Authority's statewide responsibilities, Mr. Curley applied his unparalleled knowledge of the Niagara Frontier and recognition of its needs to a number of critical matters ranging from extended Niagara hydropower contracts with more than 100 Western New York businesses to an agreement for enhanced and accelerated NYPA funding of the Buffalo harbor redevelopment; and

WHEREAS, Mr. Curley's years on the Board were also marked by such milestones as the start of a major Life Extension and Modernization program at the Niagara project's Lewiston Pump-Generating Plant, completion of a similar initiative at the Blenheim-Gilboa Pumped Storage Power Project and Trustee approval of the first allocations under the ReCharge New York Power program; and

WHEREAS, his tenure included invaluable service on the Board's Governance Committee and as Chairman of its Audit Committee--an assignment that gave full expression to the insights and professorial techniques honed during his years of teaching at D'Youville College and for the American Management Association; and

WHEREAS, Mr. Curley was distinguished as well by such attributes as his hearty sense of humor, his ownership of a sailboat bedecked in the colors of the Irish flag and his possible possession of the lifetime record for attendance at performances of "Les Misérables"; and

WHEREAS, his diverse civic, charitable, cultural and business interests have been reflected in a multitude of activities on the local, state and national levels; and

WHEREAS, Mr. Curley has left the NYPA Board following the expiration of his term;

**June 26, 2012**

**NOW THEREFORE BE IT RESOLVED, That the Trustees of the Power Authority of the State of New York commend Pat Curley for his many contributions to the Authority and the people of New York State and that they wish him; his wife, Carolyn; and their family a future of health, happiness and continued accomplishment.**

**June 26, 2012**

c. Resolution – Mark O’Luck

**WHEREAS, Mark O’Luck exerted a profoundly positive impact on the New York Power Authority during his more than two years as a NYPA Trustee; and**

**WHEREAS, Mr. O’Luck’s fervent commitment to the cause of diversity, with respect both to the Authority’s providers of goods and services and to its own staff, was a driving force behind the progress achieved in each of these areas during his tenure; and**

**WHEREAS, thanks in large part to his efforts and advocacy, the value of the Authority’s annual contract awards to minority- and women-owned businesses nearly doubled in his time on the Board and the share of overall expenditures directed to such firms rose to more than 20 percent, exceeding the ambitious target established in New York State legislation; and**

**WHEREAS, Mr. O’Luck forcefully urged the appointment of NYPA’s first Chief Diversity Officer, a hiring that has given new impetus to the Authority’s efforts to strengthen its staff by providing opportunities to the most talented of applicants from the most varied of backgrounds; and**

**WHEREAS, drawing upon his experience as a founder and leader of two business consulting firms, Mr. O’Luck brought a unique perspective to his focus on diversity and on the Authority’s efforts to create and protect jobs through use of economic power, most recently through Trustee approval of the first allocations under the ReCharge New York Power program; and**

**WHEREAS, Mr. O’Luck’s eventful years on the Board were also distinguished by vital initiatives ranging from record investments in energy efficiency and renewable energy to major upgrades at the Authority’s generating facilities (to say nothing of the birth of his daughter Jia Jia); and**

**WHEREAS, the Board benefited from Mr. O’Luck’s service on its Finance and Governance committees; his meticulous preparation and insightful discussion of critical issues; and, if reluctantly, from his insistence on a more healthful fare at Trustee working lunches; and**

**WHEREAS, Mr. O’Luck’s tenure at the Authority was but the latest chapter in a distinguished history of public service that has included such positions as Chairman of the Brooklyn Economic Development Corporation; Vice Chairman of that Borough’s Chamber of Commerce; and Regent of Long Island College Hospital; and**

**WHEREAS, Mr. O’Luck has stepped down as a NYPA Trustee following the completion of his term;**

**NOW THEREFORE BE IT RESOLVED, That the Trustees of the Power Authority of the State of New York salute Mark O’Luck for his outstanding service to the Authority and the people of New York State and that they convey to him and his family their best wishes for many years of health, happiness and success.**

June 26, 2012

3. **Election of Chairman of the Authority**

The Vice Chairman submitted the following report:

**SUMMARY**

“In accordance with §1004 of the Public Authorities Law (the ‘Power Authority Act’), the Trustees are requested to elect Mr. John R. Koelmel, of Erie County, New York as Chairman of the Authority, effective immediately.

**DISCUSSION**

“The Senate has confirmed Mr. Koelmel’s nomination as Trustee by Governor Cuomo effective immediately. Section 1004 of the Power Authority Act provides that the Trustees may select from among their own, a Trustee to hold the position of Chairman. Section 1003 of the statute also provides that when a Trustee is selected to serve as the Chairman, he or she is eligible to receive an annual salary to be set by the Trustees of the Authority and which shall not exceed the salary prescribed for the positions listed in paragraph (f) of subdivision one of Section 169 of the Executive Law. Mr. Koelmel has advised that he wishes to serve as Chairman without compensation and that he declines any eligibility for the prescribed salary.

**RECOMMENDATION**

“Mr. Koelmel has held leadership roles in numerous professional and community organizations in Buffalo and Western New York. Based on his strong managerial and business talents and many years of experience, it is hereby recommended that Mr. Koelmel be elected to fill the vacancy of Chairman of the Authority effective immediately.”

*Trustee Dyson presented highlights of the recommendation for the election of the Chairman of the Board and Trustee Nicandri read the resolution, for the record. On motion made and seconded, the resolution was unanimously adopted.*

*Chairman Koelmel thanked the Trustees for their vote of confidence and said he is honored to have the opportunity to serve on the Board. He looks forward to working with the board members and President Gil Quiniones and his team which will be a collaborative effort. He added that the Authority has been doing a great job for the State and he will do his part to contribute to the Authority’s continued success.*

The following resolution, as submitted by the Vice Chairman, was unanimously adopted.

**RESOLVED, That Mr. John R. Koelmel, of Erie County, New York be, and hereby is, elected as Chairman of the Power Authority of the State of New York, effective immediately.**

4. **Consent Agenda:**

*On motion made and seconded, the Consent Agenda was approved as amended.*

*Trustee LeChase was recused from the vote on items #4d (Niagara Power Project – Switchyard Structures Foundation Repair – Contract Award) as it relates to BVR Construction Company Inc.; #4f (Procurement Services Contracts – Business Units and Facilities - Awards, Extensions and Additional Funding) as it relates to CH2M Hill Engineering, P.A., CHA Consulting, Inc., M/E Engineering, P.C., Northland Associates, Inc., and Siemens Industry, Inc.; #4i (Municipal and Rural Electric Cooperative Economic Development Program – Allocations) as it relates to Seneca Allegany Casino & Hotel; and #4j (Authorization to Fund Statewide Energy Services Program Engineering, Design and Construction Services – Contract Awards) as it relates to Cannon Design-Built, Inc.*

*Trustee Flynn was recused from the vote on item #4f as it relates to Siemens Industry, Inc., Tetra Tech EC, Inc. and Siemens Energy Inc. and #4j as it relates to Parsons Brinckerhoff, Inc.*

*Trustee Mahoney was recused from the vote on item #4i as it relates to Skaneateles Recreational Charitable Trust.*

a. Approval of the Minutes

*The Minutes of the Regular Meeting held on April 24, 2012 were unanimously adopted.*

**b. Expanded Green Power Program – Authorization**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to authorize the expansion of the Green Power Program (‘GPP’), more fully described below, through which the Authority may buy and sell Renewable Energy Credits (‘REC’) on behalf of eligible customers of the Authority’s Energy Services Program (‘ESP’). The New York State Legislature amended the Authority’s enabling legislation in 2009 and twice in 2011 to authorize an expanded ability to provide energy efficiency and clean energy programs and services. The direct costs associated with the GPP will be passed through and paid for by the customers who request the Authority’s services.

BACKGROUND

“Environmental attributes are intangible assets that represent the environmental benefits of renewable energy generation and are traded separately from the energy itself. All the environmental attributes associated with 1 MWh of renewable energy generation constitute one REC. Since 2005, the Authority has provided RECs to certain customers to assist them in complying with Executive Order 111 (‘*Green and Clean State Buildings and Vehicles*’). The Order was enacted to bolster demand for renewable energy in New York, and states that all State agencies must source twenty percent of their electrical load from renewable resources by 2010, which may be achieved through the purchase of RECs. Further, the GPP is consistent with the New York State Energy Law, which states that it is the State’s policy to ‘accelerate development and use within the state of renewable energy sources.’

“The Power Authority Act provides in Section 1005 (17) that as ‘deemed feasible and advisable by the trustees’ the Authority may supply energy-related projects, programs and services for any public entity, any independent not-for-profit institution of higher education within the state and any Authority power program participants, including Recharge New York customers. This legislation expanded the Authority’s potential pool of energy services customers as well as the range of its energy services offerings. Authority staff now seeks Trustee approval to expand the GPP and offer RECs to potential customers authorized in the legislation.

“There are existing standards, safeguards and procedures to administer the GPP. The Executive Risk Management Committee (‘ERMC’) determined during its December 12, 2011 meeting that the REC purchase transactions involved in the GPP fall under the September 28, 2010 Policy for Energy Risk Management thus requiring the approval of the ERMC. During its January 26, 2012 meeting, the ERMC authorized the Energy Resource Management department to execute transactions with values not to exceed \$1 million and terms not to exceed two years. The procedure adopted July 26, 2011 governing the issuance of competitive solicitations for power supply products requires that Trustee approval be sought for, not only the execution of contracts with terms exceeding four years, but also the issuance of RFPs which may lead to contracts with terms exceeding four years. Thus, appropriate safe-guards are in place.

DISCUSSION

“The Authority has received inquiries from entities other than Authority power customers as to whether the Authority could provide market-based renewable energy by procuring RECs on their behalf. The Authority has not previously provided RECs to all Energy Service Program eligible entities and, until now, has only provided RECs to current power program customers. Authority staff now requests authorization to provide RECs to all entities incorporated under the current enabling legislation.

FISCAL INFORMATION

“No additional funding is requested to implement the expansion of the GPP. The Authority’s GPP is a procurement-based program, where the Authority semi-annually collects customer requests and conducts a competitive solicitation to meet its customers’ needs. The Authority does not maintain an inventory of RECs.

Agreements with customers provide for a complete pass through of direct costs and risks, which are executed prior to the agreements with suppliers. Standard templates have been developed and agreements with customers and suppliers are reviewed for congruence prior to execution. Incremental indirect costs are initially expected to be insignificant; however, as the program expands, indirect costs may be recovered from the program participants in accordance with ESP guidelines. The full direct cost of any purchases resulting from the program will be paid for by the participants in accordance with current GPP guidelines.

RECOMMENDATION

“The Senior Vice President – Energy Resource Management, the Senior Vice President – Economic Development and Energy Efficiency, the Vice President – Energy Efficiency and the Director – Market Analysis and Hedging recommend that the Trustees authorize the proposed expansion of the Green Power Program.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, that the Trustees hereby authorize the expansion of the Green Power Program to include the procurement of Renewable Energy Credits on behalf of eligible recipients as described in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**c. Niagara Power Project – Lewiston Pump Generating Plant Life Extension and Modernization Program – Servomotor Design and Fabrication – Contract Award**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve the award of a five-year contract to Voith Hydro Inc. of York, PA (‘Voith’) in the amount of \$5,999,139, for the procurement of 12 sets of servomotors and associated items, as part of the Life Extension and Modernization (‘LEM’) Program at the Lewiston Pump Generating Plant (‘LPGP’).

**BACKGROUND**

“In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services contracts in excess of \$3 million or contracts exceeding a one-year term requires Trustee approval.

“At their June 29, 2010 meeting, the Trustees approved the LPGP LEM Program at the estimated cost of \$460 million and authorized capital expenditures in the amount of \$131 million. This program is designed to preserve an aging generating facility so that it can continue to reliably provide power, enhance unit capacity and to improve water-to-wire efficiency.

“There are two servomotors per unit located inside the turbine pit. These servomotors are large oil-operated pistons that regulate the water flow through the turbines by moving the wicket gates. They are the original servomotors, having been placed in service in 1961. The housings are constructed of cast iron which has experienced cracking and have been temporarily repaired; permanent repair of the cast iron is not possible.

“Based on additional equipment condition assessment, it was deemed impractical to continue with temporary repairs and a decision was made to replace all of the existing cast iron servomotors with a new steel design.

**DISCUSSION**

“The scope-of-work under this contract includes the design, manufacturing and delivery of 12 sets of servomotors. The installation of the servomotors will take place during the planned individual unit outages in the LPGP LEM Program.

“The Authority issued an advertisement to procure bids in the New York State *Contract Reporter* and bid packages were available on July 15, 2011. On September 8, 2011, proposals were received from two bidders. By post-bid addendum, the scope of supply was increased to 12 sets of servomotors, and final prices for all 12 sets were received on May 1, 2012. The final proposal prices are listed below:

<b><u>Bidder</u></b>	<b><u>Location</u></b>	<b><u>Lump Sum Price</u></b>
Alstom Hydro Power Inc.	Littleton, CO	\$5,628,375*
Voith Hydro Inc.	York, PA	\$5,999,139

“The proposals were reviewed by an evaluation committee comprising staff from Engineering, Procurement and Project Management.

“Alstom Hydro Power Inc. of Littleton CO’s (‘Alstom’) bid was the lowest-priced and was evaluated as technically acceptable. However, Alstom took commercial exceptions such as insurance, consequential damages and limitation of liability which were not acceptable to the Authority. Alstom was non-responsive to follow-up inquiries to resolve these issues. A portion of Alstom’s bid would be subject to material escalation (\*estimated to be \$300,000, included in the Lump Sum Price above).

“Voith’s bid included a firm price for all 12 sets of servomotors and was determined to be the second lowest-price and was evaluated as technically and commercially acceptable. The existing servomotors at LPGP were manufactured by Allis Chalmers. Voith acquired Allis Chalmers in 1986 and owns all of the detailed drawings for the existing servomotors. This factor will expedite the design process by avoiding the need for extensive field measurements.

“Voith has broad experience with projects of this magnitude, has demonstrated knowledge of the scope-of-work and is capable of completing this project in a timely manner. Voith has taken some minor commercial exceptions that should be resolved prior to any contract award and without impacting the schedule.

“Staff recommends that a contract for the described work be awarded to Voith as Voith is the technical and commercially acceptable bidder.

“The estimated cost of this work is within the authorization of this project and is included in the 2012 approved Capital Budget. Future funding will be included in the Capital Budget request for those years.

FISCAL INFORMATION

“Payment associated with this project will be made from the Authority’s Capital Fund.

RECOMMENDATION

“The Senior Vice President – Power Supply Support Services, the Vice President – Project Management, the Vice President – Engineering, the Vice President – Procurement, the Project Manager and the Regional Manager – Western New York recommend that the Trustees approve the award of a multi-year contract to Voith Hydro Inc. of York, PA, in the amount of \$5,999,139.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a five-year contract to Voith Hydro Inc. of York, PA, in the amount of \$5,999,139, for the procurement of 12 sets of servomotors and associated items as part of the Life Extension and Modernization program to renovate and modernize the Lewiston Pump Generating Plant, as recommended in the foregoing report of the President and Chief Executive Officer;**

<u>Contractor</u>	<u>Contract Approval</u>
Voith Hydro Inc. of York, PA	<u>\$5,999,139</u>

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**d. Niagara Power Project – Switchyard Structures  
Foundation Repair – Contract Award**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the award of a three-year contract in the amount of \$1,074,900 to BVR Construction Company, Inc. (‘BVR’), of Rochester, NY to repair the switchyard foundations at the Niagara Power Project.

BACKGROUND

“In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services contracts exceeding a one-year term require the Trustees’ approval.

“The foundations in the switchyard area are deteriorating and require repair to prevent damage to the transmission infrastructure and to maintain a safe work environment for plant personnel. A condition assessment of all the foundations in the Niagara Switchyard was completed in 2010 by Lu Engineers. The twelve most critical tower foundations were repaired in 2011. The balance of the foundations will be repaired beginning in the summer of 2012 and continuing through 2014.

DISCUSSION

“The scope of work under this contract includes the removal, disposal and replacement of the delaminated concrete and steel rebars. The work will be performed in three phases as follows:

Phase 1 Foundations in 345 kv	July 2, 2012 – Nov. 20, 2012
Phase 2 Foundations in 230 kv	May 6, 2013 – Oct. 25, 2013
Phase 3 Foundations in 115 kv	May 5, 2014 – Oct. 31, 2014

“The Authority issued an advertisement to procure bids in the New York State *Contract Reporter* and bid packages were available as of February 13, 2012. The bid documents were downloaded by 40 potential bidders and 5 potential bidders participated in a site visit on February 23, 2012.

The following five proposals were received on March 20, 2012:

<u>Bidder</u>	<u>Location</u>	<u>Lump Sum Bid</u>
Scrufari Construction Co., Inc.	Niagara Falls, NY	\$1,056,600
BVR Construction Co., Inc.	Rochester, NY	\$1,074,900
EdBauer Construction	West Seneca, NY	\$1,888,000
Pinto Construction Services, Inc.	Buffalo, NY	\$2,293,293
Sicoli & Massaro, Inc.	Niagara Falls, NY	\$3,916,900

“The five proposals were evaluated, using technical, safety, cost and similar work experience as criteria, by an evaluation committee comprised of staff from Engineering, Procurement and Project Management.

“Scrufari Construction Co. Inc. (‘Scrufari’) submitted the lowest-cost proposal but did not submit the proper shoring plan that was required in the specification. A post-bid letter was sent to Scrufari to include a shoring plan as further explained during the site visit. Scrufari responded that the design of the temporary shoring would be submitted after the award and therefore Scrufari’s bid is considered non-responsive and was not considered in further evaluation.

“The evaluation committee recommends that the contract be awarded to BVR for the total lump-sum amount of \$1,074,900. BVR has performed satisfactorily on previous Authority Projects including the initial phase of the Niagara switchyard concrete foundation repair work in 2011. BVR’s experience, safety record, resources, pricing and technical capabilities are sufficient to perform this work. BVR took no commercial exceptions to the bidding document.

“Temporary supports are necessary to be installed before removing the foundations during concrete repairs. BVR has successfully designed and installed temporary supports during the switchyard work completed in 2011. BVR plans to utilize the same shoring plan and design in the next 3 phases of concrete repair.

“Funding in the amount of \$400,000 has been approved for 2012 O&M Budget. The future expenditures of \$400,000 per year will be included in the O&M Budget for 2013 and 2014.

FISCAL INFORMATION

“Payment associated with this project will be made from the Authority’s Operating Fund.

RECOMMENDATION

“The Senior Vice President – Power Supply Support Services, the Vice President – Project Management, the Vice President – Engineering, the Vice President – Procurement, the Project Manager and the Regional Manager – Western New York recommend that the Trustees approve the award of a multi-year contract to BVR Construction Company, Inc. of Rochester, NY, in the amount of \$1,074,900, to repair the switchyard foundations located at the Niagara Power Project.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a three-year contract to BVR Construction Company, Inc. of Rochester, NY, in the amount of \$1,074,900, to repair the switchyard foundations located at the Niagara Power Project, as recommended in the foregoing report of the President and Chief Executive Officer;**

Contractor

Contract Approval

BVR Construction, Inc.,  
Rochester, NY

\$1,074,900

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**e. Procurement (Construction) Contract –  
St. Lawrence/FDR Power Project Relicensing –  
Implementation of the Nichols Island Habitat  
Improvement Project – Contract Award**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the award of a procurement contract to J.E. Sheehan Contracting Corp. (‘Sheehan’) of Potsdam, New York for the construction of new dikes and water control structures at the St. Lawrence/FDR Power Project that will create the Nichols Island Controlled Level Pond Habitat Improvement Project (the ‘Project’). The term of the contract will be from July 1, 2012 through June 30, 2015. The amount for which authorization is requested is \$3,300,000, which includes the contract price and contingency.

BACKGROUND

“Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustee’s approval for procurement contracts involving services to be rendered in excess of one year. The Authority’s Guidelines for Procurement Contracts also require the Trustee’s approval for procurement contracts in excess of \$3 million.

“Pursuant to the new license for the St. Lawrence/FDR Power Project issued by the Federal Energy Regulatory Commission (‘FERC’) on October 23, 2003, the Authority is required to implement a variety of Habitat Improvement Projects (‘HIPs’). Among these is the Nichols Island Controlled Level Pond Project. This Project will provide the ability to control the water level at the western end of the Wilson Hill Wildlife Management Area, independent of water levels in the St. Lawrence River. The contract being recommended for award will implement the Project through 1) the construction of three new dikes connecting islands in the Nichols Island complex; 2) the rehabilitation of an existing dike connecting Bradford and Nichols Islands; and 3) the installation of two new water control structures.

“The Trustees previously authorized capital expenditures in the amount of \$169 million to support the compliance and implementation program associated with the new license at the St Lawrence Project. The Nichols Island HIP is part of that capital expenditure plan.

DISCUSSION

“A Request for Quotation (‘RFQ’) for these construction services was publicly noticed in the New York State *Contract Reporter* on April 11, 2012 and the full RFQ was made available on the Authority’s Procurement Web site. Bids were due in White Plains by close of business on May 8, 2012.

“Three bid addenda were issued responding to questions from the bidders; responses to requests for additional information were also provided. Responses to the RFQ were as follows:

- One hundred-twenty-two (122) firms downloaded the RFQ from the Authority’s Procurement Web site
- Six (6) firms attended a pre-award site meeting and tour on April 20, 2012
- Two (2) firms provided a proposal:
  - J.E. Sheehan Contracting Corp. (Potsdam, NY)
  - Perras Excavating (‘Perras’) (Massena, NY)

“Staff from the Relicensing and Implementation Division and Procurement Division reviewed and evaluated the bids. Bid Pricing is as follows:

<u>Bidder</u>	<u>Cost</u>
Perras Excavation	\$2,737,950
J.E. Sheehan Contracting Corp.	\$2,737,365

“For practical purposes, the bids are financially equivalent (~0.02% differential). In addition, the Authority has extensive, positive experience, recently, with both bidders performing similar tasks. Both bidders are technically qualified to perform the work required and have demonstrated these capabilities within the recent term of the Relicensing Implementation effort.

“Although the bidders’ pricing and qualifications were similar, detailed analysis of each bid raised questions about construction technique and sequencing. Discussions with each bidder, based on specific questions, revealed that Perras intended to substitute vibratory pile setting in an application where the specification had assumed impact pile setting would be used (the foundation of the water control structure in Dike D). Consultation with the design engineers confirmed that impact setting was referenced in the specification and that vibratory setting raised substantial technical concerns.

“Discussions with Sheehan established that they intended to provide impact pile setting in the area in question as part of their original bid. Therefore, the Evaluation Team concluded that the lowest cost, qualified bid that conformed to the design engineers’ specification was that of Sheehan.

“Sheehan has presented a qualified, low-cost bid that conforms to the specification for the construction of the Nichols Island HIP. Sheehan did not take any commercial exceptions to the bid documents. It is recommended that a three-year contract be awarded to Sheehan in the bid amount of \$2,737,365. It is also recommended that a ~20% contingency (\$562,635) be authorized for potential and unforeseen field adjustments.

“Funds from the contingency would only be committed upon obtaining appropriate authorization from the Authority. With the contingency, the authorized contract budget proposed would be \$3,300,000 with the initial contract award to Sheehan for \$2,737,365.

FISCAL INFORMATION

“Since these expenditures are related to implementing commitments in the New License and the underlying settlement agreements for the St Lawrence Project, payments will be made from the Capital Fund.

RECOMMENDATION

“The Vice President – Licensing Acquisition, Planning and Development and the Vice President – Procurement recommend that the Trustees authorize award of a contract to J.E. Sheehan Contracting Corp. of Potsdam, New York in the amount of \$3,300,000 for construction services that will create the Nichols Island Controlled Level Pond Habitat Improvement Project at the St. Lawrence/FDR Power Project.

“For the reasons stated, I recommend the approval of the above requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a contract to J.E. Sheehan Contracting Corp. for a period commencing on July 1, 2012 and ending on June 30, 2015, in an amount of \$3,300,000 for construction services that will create the Nichols Island Controlled Level Pond Habitat Improvement Project at**

the St Lawrence/FDR Power Project, in compliance with that Project's New License, as recommended in the foregoing report of the President and Chief Executive Officer;

Contractor

J.E. Sheehan Contracting Corp.

Contract Approval

\$3,300,000

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

**f. Procurement (Services) Contracts –  
Business Units and Facilities –  
Awards, Extensions and Additional Funding**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit ‘4f-A,’ as well as the continuation and funding of the procurement (services) contracts listed in Exhibit ‘4f-B,’ in support of projects and programs for the Authority’s Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the bases for the new awards if other than to the lowest-priced bidders and the intended duration of such contracts, or the reasons for extension, the additional funding required and the projected expiration dates, are set forth in the discussion below.

BACKGROUND

“Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

“The Authority’s Expenditure Authorization Procedures (‘EAPs’) require the Trustees’ approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$3 million, as well as personal services contracts in excess of \$1 million if low bidder, or \$500,000 if sole-source or non-low bidder.

“The Authority’s EAPs also require the Trustees’ approval when the cumulative change- order value of a personal services contract exceeds the greater of \$500,000 or 25% of the originally approved contract amount not to exceed \$500,000, or when the cumulative change-order value of a non-personal services, construction, equipment purchase or non-procurement contract exceeds the greater of \$1 million or 25% of the originally approved contract amount not to exceed \$3 million.

DISCUSSION

Awards

“The terms of these contracts will be more than one year; therefore, the Trustees’ approval is required. Except as noted, all of these contracts contain provisions allowing the Authority to terminate the services for the Authority’s convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding all contracts, which range in estimated value from \$30,000 to \$10 million. Except as noted, these contract awards do not obligate the Authority to a specific level of personnel resources or expenditures.

“The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices can be negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Extensions

“Although the firms identified in Exhibit ‘4f-B’ have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. The Trustees’ approval is required because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions

allowing the Authority to terminate the services at the Authority’s convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority to a specific level of personnel resources or expenditures.

“Extension of the contracts identified in Exhibit ‘4f-B’ is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides a proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority needs to continue until a permanent system is put in place.

“The following is a detailed summary of each recommended contract award and extension.

**Contract Awards in Support of Business Units/Departments and Facilities:**

**Corporate Support Services**

***Human Resources – Benefits***

“The contract with **FBMC Benefits Management, Inc. (‘FBMC’)** (Q12-5184; 4600002526) would provide for services in connection with web-based open enrollment for the Authority’s Flexible Benefits Program and annual benefits / compensation statements for Authority employees. Services include, but are not limited to: importing / exporting data from/ to the Authority, with the capability of exporting data to the Authority in a format compatible with the SAP system; programming and administering a web-based enrollment system for flexible benefits, including personalized worksheets and modifications to accommodate plan changes; programming, generating and mailing customized annual benefits and compensation statements for all Authority employees; providing employee access to a self-service web portal on a 24/7 basis during the open enrollment period; and other related tasks, as may be required. To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 14 firms, including those that may have responded to a notice in the New York State *Contract Reporter*; three proposals were received and evaluated. One bidder was not fully responsive and therefore was not considered further. Staff held bid clarification meetings with each of the other two bidders and evaluated their respective proposals in greater detail. Based on the foregoing, staff recommends the award of a contract to FBMC, the lowest-priced bidder, which is qualified to provide such services and not only meets the bid requirements, but also offers additional features that would enhance the current enrollment process. Due to the need to commence services and based on interim approval authorized in accordance with the Authority’s Guidelines for Procurement Contracts and EAPs, the contract with FBMC became effective June 1, 2012, subject to ratification and approval by the Trustees at their next scheduled meeting. Such action was necessary in order to allow sufficient lead time for the new provider of such services to meet the Authority’s open enrollment schedule. The intended term of this contract is up to five years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$350,000.

**MED Energy Efficiency Resources & Technology Services**

***Energy Services***

“The contracts with **Antares Group, Inc. (‘Antares’)** and **M/E Engineering, P.C. (‘M/E Engineering’)** (Q12-5187; PO#s TBA) would provide for consulting services in support of biomass energy development projects and related activities, as part of the Authority’s comprehensive Energy Services Program offered to its public customers throughout New York State, on an ‘as needed’ basis. Services comprise providing guidance and expertise for all phases of a biomass project (from project feasibility studies to project operation and performance monitoring) and include, but are not limited to: providing assistance with the development of technical specifications and the preparation of Requests for Proposals, bid evaluations, engineering reviews, biomass market assessments, emissions technology and regulation tracking, and biomass fuel supply analysis. To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 92 firms, including those

that may have responded to a notice in the New York State *Contract Reporter*. Seven proposals were received and evaluated rigorously, as further set forth in the Award Recommendation documents. Based on the overall weighted ranking, resulting from a qualitative evaluation based on weighted criteria, followed by a quantitative evaluation of the three highest-ranked, short-listed firms (where staff calculated the projected cost for a typical project based on each bidder's proposed hourly rates) and subsequent telephone interviews with the three short-listed bidders, staff recommends the award of contracts to Antares and M/E Engineering, the two lowest most technically qualified bidders that meet the bid requirements. The contracts would become effective on or about July 1, 2012 for an intended term of up to three years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate total amount expected to be expended for the term of the contracts, \$150,000. Funds will be allocated as specific projects are developed or specific project sites are identified. Total commitments and expenditures for the contracts will also be tracked against the approved aggregate total. Such contracts will be closely monitored for utilization levels, available approved funding and combined total expenditures.

“The contracts with **Industrial Staffing Services, Inc. ('ISSI')**, **L.J. Gonzer Associates ('Gonzer')** and **Metro Tech Consulting Services, Inc. ('Metro Tech')** (Q12-5218; PO#s TBA) would provide for temporary engineering support services for Energy Services projects, in anticipation of an increased need for such services in order to support the Governor's \$800 million initiative to reduce energy usage in state facilities by 20% over the next four years. The Authority will be central to this effort and demand for such services is expected to increase significantly. Authority activities will also increase in response to initiatives by New York City ('NYC') to replace lighting and remove certain fixtures in NYC public schools and to support the NYC Department of Environmental Protection ('DEP') in their initiatives to improve efficiency and install combined heat and power equipment. To that end, bid documents were developed by staff and were downloaded electronically from the Authority's Procurement website by 131 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. Nine proposals were received and evaluated. Based on their percentage mark-up, staff recommends the award of contracts to three firms, ISSI, Gonzer and Metro Tech, as the lowest-priced bidders that are qualified to provide such services and meet the bid requirements. The contracts would become effective on or about July 1, 2012 for an intended term of up to five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate total amount expected to be expended for the term of the contracts, \$10 million. Funds will be allocated on the basis of the vendor's ability to provide the necessary resources. As specific staffing needs arise, resumes will be solicited from all three firms and candidates will be selected based on their qualifications. Total commitments and expenditures for the contracts will also be tracked against the approved aggregate total. Such contracts will be closely monitored for utilization levels, available approved funding and combined total expenditures. It should be noted that Industrial Staffing Services and Metro Tech Consulting Services are New York State-certified Minority/Woman-owned Business Enterprises ('M/WBEs'). It should also be noted that all costs in connection with such projects will be recovered by the Authority.

“At their meeting of October 28, 2008, the Trustees approved the award of a three-year competitively bid contract to **M.J. Bradley & Associates ('MJB&A')** for the evaluation of hybrid electric school buses in order to compare the fuel/energy efficiency and emissions reduction benefits of the standard ('no-plug') and plug-in hybrid systems and also to assist the State in prioritizing program budgets and developing transportation policies that support the transportation sector's transition toward cleaner alternative fuels. The New York State Energy Research and Development Authority ('NYSERDA') partnered with the Authority on this project and reimbursed the Authority for \$100,000 in project costs. The Authority has recently been notified that NYSERDA will award \$25,000 in American Recovery and Reinvestment Act of 2009 ('ARRA') funds to the Authority for additional hybrid bus evaluation to be performed in Phase Two of the project. As part of its ARRA Clean Cities agreement with the Authority, NYSERDA specified that the hybrid school bus evaluation will be conducted by MJB&A and that a testing protocol will be used similar to the one for monitoring and evaluating hybrid school buses in service under Phase One of the program. Calculation of hybrid vehicle performance, including energy efficiency and emissions reductions is complex, and there is currently no standard industry methodology. MJB&A has developed a sophisticated test plan for both the in-service bus evaluation and evaluation on simulated urban, suburban and rural routes, and has also developed a data collection and analysis methodology to evaluate the performance and energy efficiency of the hybrid drive systems. It is essential that the same method be used to evaluate the performance of the hybrid buses from both manufacturers to ensure that the results are consistent and meaningful. Based on the foregoing, staff recommends the award of a new single-source contract to **MJB&A (PO# TBA)**, which is uniquely qualified to perform such work and has provided satisfactory service under the contract for Phase One. Services to be provided under the new contract for Phase Two would include developing and managing an in-service test of the

Thomas Built hybrid electric school bus in the same manner as the test of buses manufactured by IC Corp., using a similar test plan and procedures as for Phase One. MJB&A will also conduct fuel economy testing on urban, suburban and rural/hill test routes, also using the same test protocol as for Phase One. The consultant will analyze all collected data and produce reports summarizing the results, including the fuel economy testing. The new contract would become effective on or about July 1, 2012 for an intended term of up to two years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$101,000.

"The contract with **Northland Associates, Inc. ('Northland') (Q10-4866; PO# TBA)** would provide for turnkey project services in connection with the furnishing, delivery and installation of a large-scale distributed wind power system on the campus of the State University of New York ('SUNY') at Canton. The scope of work includes the design, permitting, equipment purchase, construction and commissioning of the wind power system, as well as operation and maintenance ('O&M') services for a period of five years. To that end, bid documents were developed by staff and were downloaded electronically from the Authority's Procurement website by 95 firms, including those that may have responded to a notice in the New York State *Contract Reporter*; four firms submitted proposals. Due to the complexity of the project, as well as the range of turbine capacity options, the Evaluation Committee initiated a lengthy evaluation and review process, which determined that the larger proposed wind turbines were more cost-effective, but would require a larger open space in order to meet the setback requirements. Accordingly, an alternate, more remote location on the campus was selected in consultation with SUNY Canton, and Authority staff issued a Post-Bid Addendum requesting that bidders submit proposals for the alternate site. Two firms submitted proposals, which were reviewed and evaluated in greater detail, and both firms were also invited for an interview with Authority and SUNY Canton staff. Based on the foregoing, and as further set forth in the Award Recommendation documents, staff recommends award of a contract to Northland, the most technically qualified bidder, which meets the bid requirements.

"The Project will be implemented in two phases: Phase 1 covers the design, permitting and interconnection study; Phase 2 covers equipment procurement, construction, commissioning and a five-year O & M plan. It should be noted that the initial Customer Installation Commitment ('CIC') authorized by SUNY Canton is for \$400,000, which covers Phase 1 work only. Upon successful completion of Phase 1, a separate CIC will be executed by the Customer to proceed with Phase 2. The contract would become effective on or about July 1, 2012 for an intended term of up to eight years (including three years for the turnkey project plus five years for O & M services), subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$6,677,550 (including contingency for any unforeseen emergent work that may arise). It should be noted that all project costs financed by the Authority will be recovered from the Customer. (Other anticipated funding for the project includes grants from NYSERDA and National Grid for \$400,000 and \$750,000, respectively.)

#### Power Supply

"The contract with **Cemtek Systems, Inc. ('Cemtek') (Q12-5217; PO# TBA)** would provide for field service for hardware maintenance and parts, as needed, to support the Continuous Emissions Monitoring Systems ('CEMS') installed in ten LM6000 units at the six Small Clean Power Plant sites located within the New York City boroughs (excluding Brentwood), in compliance with New York State Title V Permit requirements. Services include, but are not limited to, preventive maintenance, corrective maintenance, cleaning and lubrication of equipment, equipment inspections and adjustments in accordance with all applicable standards and technical specifications, and compliance documentation and recordkeeping. To that end, bid documents were developed by staff and were downloaded electronically from the Authority's Procurement website by 24 firms, including those that may have responded to a notice in the New York State *Contract Reporter*; five proposals were received and evaluated. A Post-Bid Addendum was issued to request pricing clarifications; three of the original bidders responded. Based on the foregoing, staff recommends award of a contract to Cemtek, the lowest-priced bidder, which is qualified to perform such services, meets the bid requirements and has provided satisfactory service under an existing contract for such work. The new contract would become effective on or about July 1, 2012 for an intended term of up to three years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$600,000.

“The contract with **EmeraChem LLC (Q12-5162; PO# TBA)** would provide for chemical washing of the CO catalyst modules installed in the exhaust plenum of the LM6000 gas turbine generator units at the Small Clean Power Plants (‘SCPPs’) in order to restore catalyst performance and maintain compliance with regulatory emissions permit requirements. To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 18 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. Three proposals were received and evaluated. Staff reviewed the two lowest-priced bids in greater detail for technical compliance and determined that the marginally lower-priced proposal included subcontracting the catalyst cleaning and performing the services on-site, which staff considers environmentally unacceptable. Based on the foregoing and as further set forth in the Award Recommendation documents, staff recommends award of a contract to EmeraChem, the lowest technically acceptable bidder, which is qualified to perform such services, meets the bid requirements and has provided satisfactory service under an existing contract for such work. Furthermore, as the original equipment manufacturer, EmeraChem is uniquely qualified to provide such services, possessing specialized knowledge of the intricate molecular and chemical process by which the proprietary materials within the catalyst react with the New York City pollutant mix to cause a degradation of catalyst performance and demonstrating that its process will sufficiently restore the level of catalyst performance necessary to maintain emissions compliance. The new contract would become effective on or about July 1, 2012 for an intended term of up to five years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$1.75 million.

“The contract with **First Environment Inc. (‘First Environment’) (Q12-5215; PO# TBA)** would provide for consulting services involving verification of greenhouse gas emissions data reported by the Authority to the Climate Registry (‘Registry’) from all Authority facilities, to be expanded in a stepped approach during the contract term to also include microwave tower sites, substations and fuel cells, as well as the automotive fleet. To that end, the Authority sought the services of a verification body accredited by the American National Standards Institute (‘ANSI’) and recognized by the Registry, consistent with the Registry’s General Verification Protocol and the Electric Power Sector Protocol, as applicable, for 2011 - 2013 data to be reported annually in calendar years 2012 – 2014, respectively. Bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 32 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. One proposal was received and evaluated. Reasons for the lack of other proposals include, but are not limited to: not their scope of work, unable to submit a competitive bid at this time or meet specification requirements, or downloaded the bid documents for information purposes only. Based on its experience, employee qualifications, ability to perform the work and reasonable pricing, staff recommends award of a contract to First Environment, which is qualified to perform such services, meets the bid requirements and has provided satisfactory service under an existing contract for such work. The new contract would become effective on or about July 1, 2012 for an intended term of up to three years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$45,000.

“The contracts with **Hawkeye LLC (‘Hawkeye’) and Underground Systems, Inc. (‘USi’) (Q12-5173; PO#s TBA)** would provide for emergency repair services and related consultation, as needed, for the Authority’s land-based high-pressure fluid-filled, high-pressure gas-filled and solid dielectric underground transmission cable systems up to 345 kV located at the Niagara, St. Lawrence/FDR, Blenheim-Gilboa and 500 MW Projects, the Small Clean Power Plants, the Long Island Sound Cable Transmission Line, the Flynn Plant and the Q35 L & M cable Transmission Line. The award of such contracts will enable the Authority to have a mechanism in place to respond in a timely manner, in case of a failure of critical land cable transmission facilities, thereby minimizing system interruptions and associated costs and precluding the need for emergency sole-source awards. To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 63 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. Two proposals were received and evaluated based on technical ability, schedule adherence, experience, quality of proposals and cost. Based on the foregoing, staff recommends the award of contracts to both firms, Hawkeye and USi, utilizing their respective strengths and areas of expertise, as needed. Both firms are qualified to perform such services, meet the bid requirements and have provided satisfactory services to the Authority under prior contracts for such work. The new contracts would become effective on or about July 1, 2012 for an intended term of up to five years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the aggregate total amount expected to be expended for the term of the contracts, \$10 million. Total commitments and expenditures for the contracts will also be tracked against the approved aggregate total. Such contracts will be closely monitored for utilization levels, available approved funding and combined total expenditures.

“The contract with **National Vacuum Corp. (‘NVC’) (N12-20067978 / 6000130459; PO# TBA)** would provide for industrial cleaning services for drainage systems and galleries at the Niagara Power Project, on an ‘as needed’ basis. Such services include furnishing all labor, tools, equipment, materials, supervision and performing all operations required to clean various concrete decks, walls, hatch covers, structures, piping systems and related appurtenances at the Robert Moses Niagara Power Project and Lewiston Pump Generating Plant, using high-pressure water jet and vacuum cleaning processes. To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 22 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. Two proposals were received and evaluated. Staff recommends award of a contract to NVC, the lower-priced evaluated bidder, which is qualified to perform such services, meets the bid requirements and has provided satisfactory service under an existing contract for such work. The new contract would become effective on or about July 1, 2012 for an intended term of up to three years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$700,000, based on historical and projected usage.

“The contract with **Professional Health Services, Inc. (‘PHS’) (S12-02 / 6000129499; PO# TBA)** would provide for annual physical examinations for up to 200 employees at the St. Lawrence / FDR Power Project, as well as respirator clearance and fit tests and other related testing, where applicable, and as required by all applicable safety and health standards, federal and State requirements, and Authority policy and specifications. Such services will be performed on-site in PHS mobile testing units (fully-equipped trailers). To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 12 firms, including those that may have responded to a notice in the New York State *Contract Reporter*; one additional firm obtained the bid documents from an alternate source. Two proposals were received and evaluated. Based on unit pricing submitted by the bidders, staff recommends award of a contract to PHS, the lower-priced evaluated bidder, which is qualified to perform such services, meets the bid requirements and has provided satisfactory service under an existing contract for such work. The new contract would become effective on or about September 1, 2012 for an intended term of up to three years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$142,000.

“The contract with **Shred-it Buffalo (‘Shred-it’) (N12-20068684 / 6000131413; PO# TBA)** would provide for secure on-site paper shredding and recycling services for the Niagara Power Project. Services include all labor, supervision, equipment and materials (including bins and lockable containers/‘totes’ for staging at designated locations) to perform weekly shredding and recycling of office paper. To that end, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 10 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. One proposal was received and evaluated. The principal reasons for the lack of other proposals include, but are not limited to, not their scope of work or downloaded the bid documents for information purposes only. Staff recommends award of a contract to Shred-it, which is qualified to perform such services, meets the bid requirements and has provided satisfactory service under an existing contract for such work. The new contract would become effective on or about July 1, 2012 for an intended term of up to three years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$30,000.

“At their meeting of June 29, 2010, the Trustees approved the continuation and funding through 2015 of contracts with eight firms for regulated/hazardous waste disposal and transport services for the operating facilities. Since one of these previously-approved vendors, which provided bulk liquid waste disposal services, is no longer accepting such commercial waste shipments, Authority staff developed a new Request for Proposals (**Q12-5171**), in search of an alternative firm to provide such services. Bid documents were downloaded electronically from the Authority’s Procurement website by 46 firms, including those that may have responded to a notice in the New York State *Contract Reporter*. Nine proposals were received and evaluated. As the result of initial screening, which included a review of the bid proposals and online environmental compliance database searches, staff determined that six of the bids received did not exhibit the required qualifications with respect to waste water treatment capabilities and therefore were not considered further. The remaining three proposals were evaluated in greater detail, including their qualifications, compliance history and permitted treatment capabilities, as well as an onsite Transfer Storage Disposal Facility (‘TSDF’) audit and financial screening, as further set forth in the Award Recommendation documents. Based on the foregoing, staff recommends award of a contract to **United Oil Recovery, Inc. dba United Industrial Services (‘United’) (PO# TBA)**, to provide for the transportation, treatment and/or disposal of liquid waste generated by the Authority’s operating facilities, on an ‘as needed’ basis and in accordance with all

applicable regulatory requirements and Authority specifications. The United facility in Meriden, CT handles hazardous and non-hazardous petroleum and aqueous liquids, can accept the widest variety of liquid waste streams, holds a wastewater discharge permit and is capable of treating industrial and other aqueous waste streams. The facility has a good compliance record and highly qualified environmental compliance managers. The Authority audit found the facility to be operating in compliance with its permit, displayed good housekeeping and record keeping, as well as an adequate onsite laboratory for screening incoming waste shipments. Furthermore, the United facility is centrally located between the Authority's downstate and upstate facilities. Additionally, United also offers energy recovery for processed petroleum streams. Given the potential long-term liability and cost exposure associated with such work, staff determined that the selection of United, as the most technically qualified bidder, which meets the bid requirements and has provided satisfactory service under an existing contract for related work, would limit such risk. The contract would become effective on or about July 1, 2012 for an intended term of up to three and one-half years (coterminous with the other previously-approved waste disposal contracts), subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$600,000.

"The Authority periodically requires the services of consultants experienced in new generation facilities, new transmission facilities, fuel supply services, and energy policy and regulatory activities. The consultants' analytical tools and expertise in the subject areas provide the Authority with valuable knowledge, data and analysis. This input assists staff in identifying projects that the Authority could pursue in the future based on the changing regulatory landscape, the competitive utility industry and the Authority's mission. The contracts with **CAI Services, P.C. ('CAI')**, **CH2M Hill Engineering, P.A. ('CH2M')**, **CHA Consulting, Inc. ('CHA')**, **CRA International, Inc. ('CRA')**, **Navigant Consulting, Inc. ('Navigant')**, **Northeast Professional Engineering Consultants, LLC ('NPE')**, **Power GEM LLC ('Power GEM')**, **Quanta Technology, LLC ('Quanta')**, **Shaw Consultants International, Inc. ('Shaw')**, **Siemens Industry, Inc. ('Siemens')** and **Tetra Tech EC, Inc. ('Tetra Tech')** (Q12-5205; PO#s TBA) would provide for such consulting services to support Authority goals and initiatives in connection with generation project evaluation and analysis; transmission project evaluation and analysis; fuel supply planning, evaluation and analysis; and energy policy development and regulatory monitoring activities. These firms would provide a broad range of expertise with relevant experience in technical, economic, siting, and environmental aspects of power system development, on an 'as needed' basis. Since the existing contracts for such services are expiring and the need for such services is ongoing, bid documents were developed by staff and were downloaded electronically from the Authority's Procurement website by 77 firms, including those that may have responded to a notice in the New York State *Contract Reporter*; twelve proposals were received and evaluated. Staff reviewed the proposals based on evaluation criteria that included, but were not limited to: utility experience, references, ability to meet deadlines, resumes of key personnel, quality of proposal, information dissemination skills, technology transfer capabilities, hourly billing rates, and transmission system modeling capability, where applicable. Due to the diverse nature of the required services, staff anticipated awarding contracts to three or more firms in each area of expertise. This award strategy would afford the Authority more flexibility in obtaining sufficient resources and services when needed, ensure that a complete range of disciplines within each area of expertise would be available, allow the Authority to respond expeditiously to emergent generation and transmission needs and effectively evaluate the potential impacts of regulatory changes on the Authority's assets. Based on the foregoing, and as further set forth in the Award Recommendation documents, staff recommends award of contracts to eleven of the twelve firms that submitted proposals to provide services in one or more of the four distinct areas of expertise. The eleven firms listed above submitted proposals that demonstrated their respective experience and expertise in the various disciplines and scored well on the evaluation criteria; they are qualified to perform such services and meet the bid requirements. Several of these firms have provided satisfactory service under existing contracts for such work. Staff determined that one of the firms that submitted proposals to provide energy policy and regulatory services lacked the required experience and therefore an award was not recommended. The new contracts would become effective on or about July 1, 2012 for an intended term of up to five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate total amount expected to be expended for the term of the contracts, \$5 million. Funds will be allocated as specific projects or tasks are identified. Total commitments and expenditures for the contracts will also be tracked against the approved aggregate total. Such contracts will be closely monitored for utilization levels, available approved funding and combined total expenditures.

**Contract Extensions and Additional Funding:****MED Energy Efficiency Resources & Technical Services***Energy Services*

“The contract with **OHM’s Electrical Corp. (4500203778)** provides for electrical installation services to upgrade the lighting system at the New York City Municipal Building, 1 Centre Street, as part of the Authority’s High Efficiency Lighting Program. The original award, which was competitively bid, became effective on July 15, 2011 for an initial term of up to one year, in the amount of \$753,366. Due to delays caused by the facility’s ongoing construction work by other contractors and restricted access to the areas designated for the retrofit work planned under the subject contract, as well as changes (additions/ deletions) made by the customer regarding the designated areas, an extension of approximately eight months is now requested in order to complete the scope of work. The current contract amount is \$753,366; staff anticipates that no additional funding will be required for the extended term. The Trustees are requested to approve an extension of the subject contract through March 31, 2013, with no additional funding requested.

**Power Supply**

“At their meeting of September 26, 2006, the Trustees approved the award of a contract to **NAES Corp. (formerly North American Energy Services) (4500133069)** to provide for the operation and maintenance (‘O&M’) of the New York City Department of Environmental Protection’s (‘NYC DEP’) East Delaware and Neversink hydroelectric facilities (‘Facilities’). The original award, which was competitively bid, became effective on November 29, 2006 for an initial term of 19 months, with an option to extend for two additional years. (There are provisions in the contract to extend the contract term for additional periods of time, to a maximum of nine additional years; requests to exercise any such further renewal options and approval of additional funding beyond the current levels will be presented to the Trustees for review and approval as needs arise.) Several incremental additional funding increases, as well as contract term extensions, were subsequently authorized by the Trustees, most recently at their meeting of June 28, 2011, when the approved compensation limit was increased to \$13,749,957. Since the need for such services is ongoing and the contract provides the aforementioned option for additional extension(s), a two-year extension is now requested to provide for the continuation of such services through June 30, 2014. The current contract amount is \$13,700,956; staff projects that an additional \$4.21 million will be required for the extended term (\$2.6 million for O&M services and \$1.61 million to support new and/or ongoing capital projects that have been identified and agreed to by the NYC DEP for the extended term). The Trustees are requested to approve extension of the subject contract through June 30, 2014, as well as the additional funding requested, thereby increasing the approved contract value to \$17,959,957. All contract renewals between the Authority and NAES are subject to the Operating Agreement between the Authority and NYC DEP. The City of New York, acting through NYC DEP, will reimburse the Authority for all direct and administrative costs.

“At their meeting of December 16, 2008, the Trustees approved the award and funding of a three-year contract to Siemens Power Transmission & Distribution, Inc. (now **Siemens Energy Inc.; 4500166943**) to provide for the design, furnishing, delivery, installation, testing and commissioning of a Switchyard Automated Monitoring and Control System (‘SAMAC’) at the St. Lawrence/FDR Power Project, as part of the Authority’s Protective Relay Replacement Program. The subject contract, which was competitively bid, became effective January 1, 2009 for an approved amount of \$3,305,903. The scope of work includes, but is not limited to: furnishing protective relaying and control intelligent electronic devices (‘IEDs’), equipment and associated relay cabinets, redundant master and backup substation computers, substation fiber optic communications network equipment, system integration tools, development of system drawings and functional diagrams, testing, training and site commissioning. Technical issues related to development of the system delayed the Siemens design of the SAMAC system and caused the manufacturing to be delayed by one year. A nine-month extension and an additional \$472,263 were authorized in accordance with the Authority’s Guidelines for Procurement Contracts and EAPs. The SAMAC system was installed in the First Quarter of 2012 and site acceptance testing is currently underway. Staff has identified a number of additional technical modifications necessitated by new NERC CIP compliance-related requirements for additional security measures and other related requirements to be implemented by Siemens prior to system startup and cutover. An additional one-year extension is now requested to complete the required modifications and to

support cutovers. The current contract amount is \$3,778,166; staff estimates that an additional \$755,000 may be required for the extended term. The Trustees are requested to approve an extension of the subject contract through September 30, 2013 and the additional funding requested, thereby increasing the approved contract value to \$4,533,166.

FISCAL INFORMATION

“Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2012 Approved O&M Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating Fund.

“Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project’s Capital Expenditure Authorization Request. Payment for certain contracts in support of Energy Services Programs will be made from the Energy Conservation Effectuation and Construction Fund.

RECOMMENDATION

“The Deputy General Counsel, the Senior Vice President – Power Supply Support Services and Chief Engineer, the Senior Vice President – Generation, the Vice President – Project Management, the Vice President – Engineering, the Vice President – Environment, Health and Safety, the Vice President – Energy Efficiency, the Vice President – Procurement, the Vice President – Project Management, Licensing and Compliance, the Vice President – Human Resources, the Vice President – Transmission, the Director – Asset and Maintenance Management, the Regional Manager – Northern New York, the Regional Manager – Central New York, the Regional Manager – Western New York and the Regional Manager – Southeastern New York recommend that the Trustees approve the award of multiyear procurement (services) contracts to the companies listed in Exhibit ‘4f-A’ and the extension and additional funding of the procurement (services) contracts listed in Exhibit ‘4f-B,’ for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award and funding of the multiyear procurement services and other contracts set forth in Exhibit “4f-A,” attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the contracts listed in Exhibit “4f-B,” attached hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**g. NYPA Fleet Vehicles – Transfer of Ownership to the New York State Office of General Services**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the transfer of ownership of ten Authority fleet vehicles to the New York State Office of General Services (‘OGS’) for use by OGS in furtherance of its strategic goal to minimize state expenditures and become as efficient as possible in the use of all resources at their disposal.

DISCUSSION

“In September 2011, the Trustees challenged the newly appointed Executive Management Committee to reduce overheads, streamline the organization and explore shared services opportunities. Concurrently, Governor Cuomo directed all New York State agencies and authorities to achieve savings for the state, while improving efficiencies and streamlining government. Numerous recommended cost savings measures and overhead reductions have been implemented and staff continues to access new opportunities for continuous improvement.

“In support of the Authority’s ongoing assessments, the Corporate Support Services Fleet department has completed a fleet optimization study reassessing motor pool needs across all Authority facilities. Staff has also reevaluated the Authority’s assigned vehicle policy, which reduced the number of ‘take-home’ vehicles. These two actions have resulted in an excess of ten fleet vehicles. Consequently, staff has concluded that it is prudent to dispose of these vehicles which have a combined appraised fair market value of \$165,300 (Exhibit ‘4g-A’).

“By the attached letter, (Exhibit ‘4g-B’), OGS expressed interest in obtaining ownership of the vehicles as an addition to the state’s vehicle pool. The purpose of the transfer is to facilitate OGS’s expanded role in providing essential support and administrative services for the operations of state government, while reducing costs to New York taxpayers and increasing efficiencies across all agencies.

“OGS advises that the current OGS fleet of vehicles is limited in size, constricted by high mileage and vehicle age and maintenance issues. OGS’s budget does not allow for the purchase of additional vehicles so the transfer of these vehicles to OGS will result in benefits to the public with the execution of these sustainable enterprise initiatives through cost reductions to the state, public authorities, local governments, school districts and the public.

“Title 5-A of Article 9 of the Public Authorities Law (the ‘Act’) and the Authority’s Guidelines for the Disposal of Personal Property (the ‘Guidelines’) allow the Authority, with the approval of the Trustees, to dispose of Authority property by negotiation and for less than fair market value if the transferee is a government or other public entity and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any public entity.

“The transfer is to be further conditioned upon the execution of an agreement between OGS and the Authority. The terms of such an agreement are to include transferring the vehicles in their ‘as is’ condition and such additional provisions that reasonably safeguard the Authority from future responsibility and liability.

FISCAL INFORMATION

“In accordance with the foregoing, the vehicles will be transferred to the Office of General Services without payment to the Authority.

RECOMMENDATION

“The Senior Vice President – Corporate Support Services recommend that the Trustees approve the transfer of ownership of ten Authority fleet vehicles to the New York State Office of General Services.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That in order to accomplish the State’s efficiency and budgetary goals expressed to the Authority by the New York State Office of General Services (“OGS”) in Exhibit “4g-B” to the accompanying memorandum, there is no reasonable alternative to OGS’s proposal; and be it further.**

**RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Guidelines for the Disposal of Personal Property and the Power Authority Act, the Trustees hereby approve the transfer of ownership of the ten fleet vehicles listed in Exhibit “4g-A” to the accompanying memorandum to OGS for use by OGS in accordance with its vehicle use policies; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**h. Allocation of Expansion Power**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve an allocation of available Expansion Power (‘EP’) totaling 4,000 kilowatts (‘kW’) to Welded Tube USA, Inc., as described herein and detailed in Exhibit ‘4h-A.’ The allocation of hydropower will support a capital investment of \$48.25 million and the creation of 121 jobs in Western New York.

**BACKGROUND**

“Under §1005(13) of the Power Authority Act, as amended by Chapter 313 of the Laws of 2005, the Authority may contract to allocate 250 megawatts (‘MW’) of firm hydroelectric power as EP and up to 445 MW of Replacement Power (‘RP’) to businesses in the State located within 30 miles of the Niagara Power Project, provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county.

“Each application for an allocation of EP and RP must be evaluated under criteria that include, but need not be limited to, those set forth in Public Authorities Law (‘PAL’) Section 1005(13)(a), which details general eligibility requirements. Among the factors to be considered when evaluating a request for an allocation of hydropower are the number of jobs created as a result of the allocation; the business’ long-term commitment to the region as evidenced by the current and/or planned capital investment in the business’ facilities in the region; the ratio of the number of jobs to be created to the amount of power requested; the types of jobs created, as measured by wage and benefit levels, security and stability of employment; and, the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed.

“The Authority works closely with business associations, local distribution companies and economic development entities to garner support for the projects to be recommended for allocations of Authority hydropower. Discussions routinely occur with National Grid, Empire State Development Corporation, the Buffalo Niagara Enterprise and Niagara County Center for Economic Development and Erie County Industrial Development Agency to coordinate other economic development incentives that may help to bring projects to New York State. Staff confers with these entities to help maximize the value of hydropower to improve the economy of Western New York and the State of New York.

**DISCUSSION**

“At this time, there is 12,975 kW of unallocated EP and 26,818 kW of unallocated RP that are available to be awarded to businesses under the criteria set forth in PAL Section 1005(13)(a). One company has applied for hydropower as described below.

“Welded Tube USA, Inc. (‘Welded Tube’) submitted an application requesting 9,000 kW of hydropower to serve a new pipe manufacturing operation at the Tecumseh Business Park (the former Bethlehem Steel site) in Lackawanna, New York. The request consists of electric load associated with the equipment for the new production line and some ancillary electric load at the new facility.

“Staff recommends that an EP allocation of 4,000 kW be awarded to Welded Tube in return for an investment of \$48.25 million and creation of 121 jobs at its new facility in Lackawanna. The company will be allowed to phase-in use of the 4,000 kW allocation upon satisfying capital spending and job creation milestones that are being discussed in the incentive package under consideration. This recommendation is described in Exhibit ‘4h-A-1’ showing, among other things, the amount of power requested by the applicant, the recommended allocation amount and the applicant’s commitment to job creation and capital investment. Additional information on the project is contained in the application summary attached as Exhibit ‘4h-A-1.’

“Welded Tube of Canada, the applicant’s parent company, is a multi-faceted cold-formed carbon and high-strength low-alloy tubular steel producer headquartered in Concord, Ontario. Welded Tube USA, Inc. will be

producing the same products manufactured by the parent company at its Canadian operations. The creation of this start-up facility in Western New York is a result of the growing energy tubular industry. The company is considering locating in the business park, a designated Brownfield site, to produce steel tube drilling pipe to be used in the extraction of oil and natural gas. Post production, the tubing will be exported to Canada for finishing prior to being sold to distributors in the United States and Canada.

“With this project, Welded Tube commits to add 121 new jobs to operate and manage this new manufacturing facility. The job creation ratio for a recommended amount of 4,000 kW is 30 new jobs per MW; this ratio is above the recent historic average of 17.5 new jobs per MW. The total project investment of \$48.25 million will result in a capital investment ratio of \$12 million per MW; this ratio is below the recent historic average of \$22.4 million per MW.

“An allocation of hydropower would help incentivize the parent corporation to bring the production to Western New York rather than other attractive sites outside of the state. In particular, the State of Alabama is offering an incentive package for Welded Tube to bring its plant to the Southern U.S. The company also has two options under consideration in Ontario – to expand an existing facility or locate to a neighboring property – both providing logistical advantages.

“Additionally, low-cost hydropower is one component of a larger incentive package offer being considered by several organizations including Empire State Development Corporation, National Grid, New York Job Development Authority and NYPA. In summary, the incentives range from tax credits to Brownfield real property credit. The company is also being offered assistance from National Grid through its infrastructure grant program.

“The Authority’s hydropower allocation amounts are subject to enforceable employment and usage commitments. The standard contract includes annual job reporting requirements and a job compliance threshold of 90%. Should the customer’s actual jobs reported fall below the compliance threshold, the Authority has the right to reduce the allocation on a pro-rata basis. For the period July 1, 2013 and beyond, the allocations will be sold to the customers under a direct sale arrangement, the contract for which may be brought before the Trustees for approval at that time.

## RECOMMENDATION

“The Senior Vice President – Economic Development and Energy Efficiency, the Vice President – Marketing and the Manager – Business Power Allocations and Compliance recommend that the Trustees approve an allocation of hydropower totaling 4,000 kW to Welded Tube USA, Inc. as detailed in Exhibit ‘4h-A.’

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That an allocation totaling 4,000 kW of Expansion Power to Welded Tube USA, Inc., as detailed in Exhibit “4h-A,” be, and hereby is, approved on the terms set forth in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**i. Municipal and Rural Electric Cooperative Economic Development Program – Allocations to City of Salamanca and the Village of Skaneateles**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve allocations totaling 210 kW of hydropower under the Municipal and Rural Electric Cooperative Economic Development Program (‘Program’) to the City of Salamanca and the Village of Skaneateles.

**BACKGROUND**

“The 1991 amendment to the Power Sales Agreement between the Authority and the Municipal and Rural Electric Cooperative Systems set aside a block of 54 MW from the 752 MW of hydropower allocated to the systems for economic development in the systems’ service territories. The total allocation was increased to 764.8 MW as a result of additional power from the Niagara Project upgrade.

“Power from this block can be allocated to individual systems to meet the increased electric load resulting from eligible new or expanding businesses in their service area. Recommended allocations under the Program will now be made using guidelines that were approved by the Trustees on September 23, 2008. Under the revised program, the first 100 kW allocated will be 100 % hydropower and any additional kW at 50% hydropower and 50% incremental power.

“As of March 27, 2012, the amount allocated totaled 32,135 kW. The City of Salamanca and the Village of Skaneateles have submitted applications for power under the Program for consideration by the Trustees.

**DISCUSSION**

**Salamanca (Seneca Allegany Casino & Hotel)**

“An application has been submitted to the Authority by the City of Salamanca on behalf of Seneca Allegany Casino & Hotel (SAC&H). SAC&H is a regional resort and entertainment destination with multiple AAA Four Diamond distinction awards. SAC&H plans for a hotel expansion with an anticipated completion date of December 2012. The expansion is expected to include a capital expenditure of approximately \$53 million dollars; result in an additional 209 resort style rooms and suites; generate approximately 22 full-time jobs and, an additional 3 part-time jobs, in addition to further supporting the existing 1,054 jobs (full-time and part-time) at SAC&H.

“SAC&H’s expansion is expected to increase tourism and recreational opportunities in the area by attracting additional visitors from Western New York, Pennsylvania, Ohio and Canada. This hotel expansion will offer regional visitors new upscale amenities along with additional access to all of the activities offered in the region. The hotel expansion will add an approximately 600 kW to the existing 3,600 kW electric load.

“The region of Seneca Allegany is a popular destination, attracting visitors to partake in the abundant outdoor activities offered by the region such as winter skiing, snowmobiling, hiking, and summer outdoor activities amongst the spectacular fall foliage of the Allegheny Mountains. In 2011, SAC&H welcomed over 1.5 million tourists and it intends to attract and accommodate additional visitors with its hotel expansion.

“The Authority’s economic development program guidelines classifies this as an eligible business expansion because it is categorized as a tourism business whose purpose is to develop recreational, cultural or historical facilities likely to attract significant numbers of visitors, including ‘destination retail projects.’ The

allocation request is not for the casino portion of the property, but rather to serve the hotel expansion that is being made to the facility.

“This allocation enables the Authority to work closely with the City of Salamanca to coordinate a positive response to New York State tourism economy and spurring the local economy of Cattaraugus County in the Western New York region.

“It is recommended that the Trustees approve an allocation of 110 kW of Municipal and Rural Electric Cooperative Economic Development power for the City of Salamanca on behalf of SAC&H. SAC&H has an existing 876 full-time jobs, 178 Part time jobs and will be adding 22 new full-time jobs. The program guidelines allow for a minimum of 200 jobs per MW of hydropower to be attained; this allocation is equivalent to 200 jobs per MW of hydropower.

**Skaneateles (Skaneateles Recreational Charitable Trust)**

“An application has been submitted to the Authority by the Village of Skaneateles on behalf of Skaneateles Recreational Charitable Trust (SRCT).

“SRCT’s recreation center is the focus of much of the day-to-day activity in the Village of Skaneateles and provides a diverse range of activities to its residents. In 2002, SRCT completed the construction of the current 80,000 square-foot center. Its 2,600 square-foot member center is used by the central school district, the youth hockey association and the Skaneateles figure skating club, among other organizations. The expansion will create an additional 42,468 square-foot to the existing center, providing a location for a diverse array of programs, activities and organized sports. The recreation center has become a key part of the community that surrounds it and through this expansion it will respond to the specific needs and expectations of those residents. The expansion includes a second ice rink, new basketball courts, expanded fitness areas and additional community rooms. The expansion is expected to include a capital expenditure of approximately \$4.9 million dollars.

“In an addition to the committed investment, this expansion will create approximately 5 full-time jobs, as well as retain the center’s existing 19 full-time jobs. The total committed full-time employees working at the center (within the next 3 years) would be 24 employees. The expansion will add approximately 416 kW to the existing 225 kW electric load.

“It is recommended that the Trustees approve an allocation of 100 kW of Municipal and Rural Electric Cooperative Economic Development power for the Village of Skaneateles on behalf of SRCT. SRCT has an existing 19 full-time jobs and will be adding 5 new full-time jobs. The program guidelines allow for a minimum of 50 jobs per MW of hydropower to be attained; this allocation is equivalent to 50 jobs per MW of hydropower.

**RECOMMENDATION**

“The Senior Vice President – Economic Development and Energy Efficiency and the Vice President – Marketing recommend that the Trustees approve the allocations of hydropower, totaling 210 kW, under the Municipal and Rural Electric Cooperative Economic Development Program, to the City of Salamanca and the Village of Skaneateles in accordance with the above.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That the allocations of hydropower to the City of Salamanca and the Village of Skaneateles under the Municipal and Rural Electric Cooperative Economic Development Program is hereby approved as set forth in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Senior Vice President – Economic Development and Energy Efficiency or his designee be, and hereby is, authorized to execute any and all documents necessary or desirable to effectuate this allocation, subject to the approval of the form thereof by the Executive Vice President and General Counsel; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**j. Authorization to Fund Statewide Energy Services Program Engineering, Design and Construction Services – Contract Awards**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve the award of contracts for Engineering, Design and Construction services to PRES Services LLC (‘PRES Energy’), Parsons Brinckerhoff, Inc. (‘Parsons Brinckerhoff’) and Cannon Design-Build, Inc. (‘Cannon Design’) in the amount of \$200 million, in aggregate, in support of the Authority’s Statewide Energy Services Program (‘Statewide ESP’). The term of these contracts will be five years. Funding will be provided from the \$833 million previously approved by the Trustees at their May 26, 2010 meeting; therefore, no additional program funding is requested at this time. All project costs will be recovered from program participants.

**BACKGROUND**

“Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

“In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personnel services or equipment contracts in excess of \$3 million, as well as personnel services contracts in excess of \$1 million if low bidder, or \$500,000 if sole source or non-low bidder, requires the Trustees’ approval.

“The Authority’s mission is to provide clean, economical and reliable energy consistent with its commitment to safety, while promoting energy efficiency and innovation for the benefit of its customers and all New Yorkers. In that regard, since the late 1980s, the Authority has provided energy services programs throughout New York State (‘NYS’). In aggregate, the Authority’s energy services programs have been very successful, and to date, the Authority has achieved nearly \$143 million in annual customer savings at about 4,506 public facilities, including schools, hospitals and municipal buildings, for a reduction of annual greenhouse gas emissions of more than 846,000 tons.

“NYS has been at the forefront of creating a more sustainable and cleaner future with initiatives such as the NY-Sun Initiative and Energy Highway Project. On April 26, 2012, Governor Cuomo announced increased investments in clean energy and environmental projects through the Authority and NYS Energy and Research Development Authority (‘NYSERDA’), including \$450 million commitment to reduce energy consumption in state buildings by 20% over the next four years which will result in significant benefits for the environment. In addition, the Authority also intends to finance an additional \$350 million over the next four years to provide energy efficiency financing and technical services to county and local governments and schools, to help lower local government costs for taxpayers.

“The Authority provides services that include feasibility studies and energy master plans, engineering designs, life-cycle cost analyses, procuring equipment, contractor labor, hazardous waste disposal, managing projects/construction and financing projects. Measures include, but are not limited to: energy-efficient lighting and controls; building envelope-related improvements; heating ventilation and air-conditioning modernization, including energy-efficient chillers, boilers and controls; high-efficiency motors; variable-speed drives; energy management systems (‘EMS’); process controls and distributed generation and a variety of beneficial electrification technologies.

**DISCUSSION**

“As the general contractor for the Statewide ESP, the Authority contracts for the installation of ESP measures with Implementation Contractors (‘ICs’). The services provided by the ICs complement the Authority’s headquarters and field office resources. The ICs’ scope-of- work generally consists of the following:

- On-site screenings of customers' facilities to determine which ones are likely candidates for clean energy technologies projects and/or for realizing significant energy and operational cost savings from energy efficiency measures;
- On-site surveys, energy audits, technical feasibility studies and energy master plans to identify potential applications for clean energy or energy efficiency measures approved for the Statewide ESP;
- Detailed engineering studies and analyses of specific ESP measures or systems
- Design of proposed systems and/or measures;
- Preparation of project proposal documents and solicitation of competitive bids
- Procurement of equipment and installation services;
- Construction management and oversight of proposed system and/or equipment installation and project closeout (including waste management).

"In addition, ICs are required to work directly with the customer/program participants from facility audit to final acceptance of equipment installation. Procurement of materials and installation of the recommended ESP measures are competitively bid by the ICs and the ICs are required to guarantee the quality of all work performed.

"On March 7, 2012, the Authority advertised in the New York State *Contract Reporter* a Request for Proposals ('RFP') soliciting firms interested in providing the aforementioned services for Engineering, Design and Construction. In response to the advertisement and invitation to bid, 192 firms received the RFP packages. On March 20, 2012, a mandatory pre-bid conference for those bidders who registered on the Authority's Web site was held in the Jaguar Room at the Authority's White Plains Office to explain the proposed scope-of-work and provide an opportunity for potential bidders to ask questions and seek clarification. Twenty-nine (29) firms attended the mandatory pre-bid conference. The RFP was divided into three solicitations: Engineering Design and Construction Services; Additional Services; Retro-commissioning. The Bidders were instructed to bid on any or all three geographic regions. The geographic regions are broadly defined as Downstate, Northeast and Western New York.

"On April 24, 2012, eleven firms submitted bids for the aforementioned services. The bid evaluation committee reviewed the proposals and based on the evaluation of the firms' relevant experience and fees staff recommends the award of contracts for Engineering, Design and Construction Services to the three most qualified and overall lowest-cost bidders in the Downstate, Western and Northeast New York regions: PRES Energy, Parsons Brinckerhoff, and Cannon Design. Two contracts are recommended for each region based on the anticipated level of program activity and to ensure the availability of qualified resources in the event that the performance of a contractor does not meet the Authority's expectations.

#### PRES Energy

"PRES Energy is currently under contract for design and implementation services for Statewide ESP and as such, its proposal clearly showcases relevant experience in the design and construction management required as described in the RFP. PRES Energy provided pricing for Downstate, Western and Northeast New York regions and they are recommended for all three regions. PRES Energy fully understands the Authority's processes and has proven program experience. The company's staffing and work plan are the same as those under its current contract. The evaluation committee reviewed PRES Energy's performance history, specifically evaluating its performance on the completed \$12 million project at SUNY Buffalo. PRES Energy has demonstrated its ability to meet the requirements of the ESP successfully under its previous contract. PRES Energy's headquarter office is in Buffalo with NYS satellite offices in Rochester and Syracuse.

#### Parsons Brinckerhoff

"Parsons Brinckerhoff provided pricing for the Northeast and Downstate New York regions and the firm is recommended for both regions. Parsons Brinckerhoff is currently under contract for project management and implementation services for Statewide ESP and therefore fully understands the Authority's processes. With offices established in Albany and New York City, Parsons Brinckerhoff's staffing and work plan, as described in its proposal, will enable it to be effective in both regions. The evaluation committee reviewed Parsons Brinckerhoff performance history and concluded that it has satisfactorily completed projects with the Albany Central School District and is also currently managing several projects successfully. In addition, Parsons Brinckerhoff has

demonstrated its ability to meet the requirements of the RFP, including working with NYS agencies such as the NYS Education Department and the NYS Office of General Services. Parsons Brinckerhoff’s headquarters office is in New York City with a satellite office in Albany.

Cannon Design

“The proposal submitted by Cannon Design demonstrated relevant experience in the design and construction management of energy efficiency measures described in the RFP. Cannon Design provided pricing for the Western New York region only and is the second lowest bidder for the region. Cannon Design is new to the Authority’s programs and as such, the evaluation committee conducted a detailed review of its proposal. Cannon Design was able to clearly and successfully demonstrate to the committee its ability to satisfy the requirements of the RFP. Cannon Design has offices in Buffalo and New York City.

FISCAL INFORMATION

“The financing of these contracts will be provided by the previously approved \$833 million funding for the Statewide ESP approved by the Trustees at their May 26, 2010 meeting. The funding will be provided from the proceeds of the Authority’s Commercial Paper Notes and/or the Operating Fund. In addition, projects may be funded, in part, with monies from Petroleum Overcharge Restitution (‘POCR’) funds. An initial allocation of \$20 million will be made to PRES Energy and Parsons Brinckerhoff and a \$10 million allocation will be made to Cannon Design. Additional allocations will be based on each firm’s performance and subject to the approval limits for execution of commitments in the Authority’s then-current Expenditure Authorization Procedures (or equivalent limits set forth in any successor procedures). All Authority costs, including Authority overheads and the costs of advancing funds, but excluding the POCR grants, will be recovered consistent with other Energy Services programs.

RECOMMENDATION

“The Senior Vice President – Economic Development and Energy Efficiency and the Vice President – Energy Efficiency recommend that the Trustees approve the award of contracts for Engineering, Design and Construction Services to PRES Services LLC, Parsons Brinckerhoff, Inc. and Cannon Design-Build, Inc. for up to \$200 million, in aggregate, for a term of five-years.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That the Trustees authorize the President and Chief Executive Officer, the Chief Operating Officer, the Vice President – Energy Efficiency or such other officer designated by the President and Chief Executive Officer to execute agreements and other documents between the Authority and Statewide Energy Services Program (‘Statewide ESP’) participants and to execute agreements and other documents with Implementation Contractors, such agreements having such terms and conditions as the executing officer may approve, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to facilitate the development of the Statewide ESP and that the authorized funding level for the Statewide ESP of \$833 previously authorized remains, as listed below:**

<u>Commercial Paper Program/ Operating Fund/ POCR</u>	<u>Statewide ESP Authorization</u>
Previously Authorized	\$833 million
Additional Funding	<u>\$0 million</u>
Total Amount	<u>\$833 million</u>

**AND BE IT FURTHER RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the approved limits for execution of commitments in the Authority’s then-current Expenditure Authorization Procedures (or equivalent limits set forth in any successor procedures), \$200 million of the foregoing amount be allocated in aggregate to the approved contracts with PRES Services LLC, Parsons Brinckerhoff, Inc. and Cannon Design-Build, Inc. for a five-year term ending June 30, 2017 in the amount and for the purpose listed below:**

<u>Commercial Paper / Operating Funds/POCR</u>	<u>Expenditures Authorization (not to exceed)</u>
<p>PRES Services LLC Parsons Brinckerhoff, Inc. Cannon Design-Build, Inc.</p>	<p>\$200 million (aggregate) Funds will be allocated based on contractor performance and areas of specialization. Initial allocations of \$20 million each will be made to PRES Energy and Parsons Brinckerhoff and \$10 million will be allocated to Cannon Design</p>

**AND BE IT FURTHER RESOLVED, That the Authority’s Commercial Paper Notes, Series 1, Series 2 and Series 3, may be issued and Operating Fund monies may be used to finance Statewide ESP costs; and be it further**

**RESOLVED, That the Vice President – Energy Efficiency is authorized to determine which projects in the Statewide ESP will be deemed to be energy services projects within the meaning of Section (7) of Part P of Chapter 84 of the Laws of 2002 (the ‘Section (7) PO CR Legislation’) to be funded in part with Petroleum Overcharge Restitution (‘POCR’) Funds allocated pursuant to the Section (7) PO CR Legislation; and be it further**

**RESOLVED, That PO CR funds allocated to the Authority by the Section (7) PO CR Legislation may be used to the extent authorized by such legislation, in such amounts as may be deemed necessary or desirable by the Vice President – Energy Efficiency to finance Statewide ESP projects; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**k. Niagara Power Project – Winter Mooring Site –  
First Buffalo River Marina – Capital Expenditure  
Authorization Request**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to authorize capital expenditures in the amount of \$6,225,000 for the modifications and upgrades required at the First Buffalo River Marina (‘Marina’), the Authority’s winter mooring site for vessels used during ice boom operations.

“The total Capital Expenditure Authorization Request for this program is \$11,300,000. Funding in the amount of \$5,075,000 was previously authorized for procurement of the property, preliminary engineering and construction work.

**BACKGROUND**

“In accordance with the Authority’s Expenditure Authorization Procedures, capital expenditure authorizations in excess of \$3 million require Trustees approval.

“At their June 29, 2010 meeting, the Trustees approved the acquisition of the Marina in the amount of \$4,400,000. The property was purchased as it is needed for the storage and work area for the Authority’s barge, two tugboats and ice-breaking vessel used to annually install, maintain and remove the Lake Erie Ice Boom. The Authority took title to the property on October 10, 2010. This site requires several modifications and upgrades to meet the Authority’s operational requirements and to continue the function of a safe-operating marina. Subsequently, at their March 29, 2011 meeting, the Trustees approved a contract of up to five years for a marina management firm to operate, maintain and manage the Marina on the Authority’s behalf.

**DISCUSSION**

“In 2003, the City of Buffalo issued a demolition order for the existing storage building on the property. After acquiring the property, the Authority awarded a contract and demolished this building in 2011.

“Staff anticipates awarding three contracts for completing the necessary site improvements. The first contract will be to secure the dilapidated Connecting Terminal Grain Elevator (CTGE). The CTGE has deteriorated and poses a safety risk to Authority personnel working on the property as well as Marina customers. The scope-of-work includes the removal of the collapsed remains of the headhouses atop the CTGE, installation of concrete planks to cover silo openings to prevent water intrusion, netting the roof to prevent any potential future debris from blowing off or falling from the CTGE, securing window and door openings and the installation of a perimeter security fence to prevent unauthorized access. Securing of the silos will be completed by the end of 2012.

“To uphold the Authority’s commitment to continue operation of the Marina, a contract for a new travel lift to launch and retrieve customers’ vessels will be procured in 2013 as the existing travel lift is exhibiting signs of excessive wear and is approaching the end of its useful life. Finally, the existing docks are in state of disrepair, causing a safety issue for Marina customers and their vessels, as well as a liability concern for the Authority and the Marina operator. A contract will be awarded to procure new docks in 2013.

“The total project cost is estimated at \$11,300,000 as follows:

	<u>Previously Authorized</u>	<u>Current Request</u>	<u>Total Authorized</u>
Preliminary Engineering and Design	\$ 125,000	\$ 0	\$ 125,000
Detailed Engineering and Design	\$ 63,000	\$ 315,000	\$ 378,000
Marina Site Procurement	\$ 4,445,000	\$ 0	\$ 4,445,000
Total Construction/Installation	\$ 110,000	\$5,390,000	\$ 5,500,000
Authority Indirect and Direct Expenses	<u>\$ 332,000</u>	<u>\$ 520,000</u>	<u>\$ 852,000</u>
TOTAL	<u>\$5,075,000</u>	<u>\$6,225,000</u>	<u>\$11,300,000</u>

“Funding in the amount of \$2,050,000 has been included in the 2012 approved Capital Budget. Future funding for 2013 will be included in the Capital Budget request for that year.

FISCAL INFORMATION

“Payment associated with this project will be made from the Authority’s Capital Fund.

RECOMMENDATION

“The Senior Vice President and Chief Engineer – Support Services Operations, the Vice President – Project Management, the Vice President – Procurement, the Project Manager and the Regional Manager – Western New York recommend that the Trustees approve capital expenditures in the amount of \$6,225,000 for the modifications and upgrades required at the First Buffalo River Marina, the Authority’s winter mooring site for vessels used during ice boom operations.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to authorize capital expenditures in the amount of \$6,225,000 for the modifications and upgrades required at the First Buffalo River Marina, the Authority’s winter mooring site for vessels used during ice boom operations, as recommended in the foregoing report of the President and Chief Executive Officer;**

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

5. Discussion Agenda:

a. Report of the President and Chief Executive Officer

*On behalf of the Authority's staff, President Quiniones welcomed Chairman Koelmel and Trustees Flynn and Mahoney to the Board.*

Corporate Performance Measures

*President Quiniones provided an update of the Authority's performance to date. He said the Authority is meeting its goals as outlined in the Corporate Performance Measures and continues to perform at a high level.*

*In response to a question from Trustee Jonathan Foster, President Quiniones said 30 – 40 percent of the Authority's employees will be eligible for retirement over the next five years. The Authority is exploring succession planning for all levels of staff, not just at the senior level. He has directed the executive management team to analyze their business unit staffing with a goal to ensure the Authority has an appropriate succession plan for the next 5 – 10 years. He then provided an update of the Authority's key initiatives based on the Governor's directive during his state of the state address.*

Energy Highway

*President Quiniones said the goal of the Energy Highway Task Force, which the Authority co-chairs, is to create an Action Plan to revitalize the generation and transmission systems to submit the Action Plan to the Governor. To that end, a Request for Information ("RFI") seeking ideas from the private sector and financial institutions was issued on April 11. As of May 30th, 85 responses consisting of 125 individual generation and transmission projects comprising 20,000 MW of new capacity were received.*

*The task force will analyze the responses and submit an Action Plan for the state's aging infrastructure and the advancement of its energy, economic development and environmental goals to the Governor.*

*In response to a question from Chairman Koelmel, President Quiniones said he will report any action by the Task Force to the Board. Also, in an effort to be transparent, responses to the RFI will be posted on the New York Energy Highway Web site.*

Energy Efficiency

*President Quiniones said that the Authority is the lead agency to implement the Governor's goal to upgrade the state's facilities in order to reduce energy consumption by 20%. To that end, the Authority will finance and implement energy efficiency projects totaling \$800 million over the next four years. In response to a*

*question from Trustee Nicandri, President Quiniones said the energy efficiency projects will result in a significant reduction in energy consumption in all state buildings.*

b. **Report of the Chief Operating Officer**

*Mr. Edward Welz provided highlights of the report to the Trustees.*

**Performance Summary**

- *System-wide, Net Generation was below projections.*
- *No significant unplanned generation or transmission events occurred in May.*
- *Two reportable environmental incidents occurred in May. To date, there have been 11 reportable incidents; the target for the year is 29.*
- *One reportable safety incident occurred in May – there was injury at the Niagara facility.*

**Construction Update**

***St. Lawrence/FDR Power Project Life Extension and Modernization Program:***

- *Unit 20 – work began on May 9, 2012. The unit is expected to return to service on December 21, 2012.*
- *The Program completion schedule for 2013 remains unchanged.*

***Lewiston Pumped-Generation Plant Life Extension and Modernization Program:***

- *The feeder outage to replace the third generator step-up transformer is scheduled to begin on October 1, 2012 and will be completed November 23, 2012.*
- *Unit 11 performance testing began on May 1, 2012 and was completed on schedule*
- *The first Unit outage is scheduled to begin December 2012*
- *The program completion is scheduled for 2020.*

***Niagara Power Project:***

- *Unit 2 Standardization – delays in the stator fabrication; completion date changed to June 16.*
- *The Unit is expected to return to service at the end of July 2012*

**Organizational Review**

*Mr. Welz reported that, in response to a directive from President Quiniones, and after discussions with the Consultant engaged to review the Operations Business Unit as it relates to succession planning and the imminent retirement of senior staff, organizational changes were recommended and approved by the Governance Committee. In response to a question from Chairman Koelmel, Mr. Welz said that all organizational changes within the Operations business unit will be completed by the end of the year.*

*In response to a question from Trustee Nicandri, Mr. Welz provided the following updates:*

- *Niagara Project Upgrade – An upgrade to the turbines was done in order to increase the output at the Niagara Project.*

- *St. Lawrence Life Extension and Modernization Program – An upgrade of the 16 Units will be completed next year.*
- *Blenheim-Gilboa Power Project Life Extension and Modernization Program – This was a 4-year program to increase output at the Project by 120 MW. Work on this project ended in 2010 at a cost of 135 million.*
- *Lewiston Pumped Generating Plant Life Extension and Modernization Program –This 8-year program to upgrade 12 units at the Niagara facility is scheduled to be completed in 2020 at a cost of \$460 million.*

*In response to a question from Chairman Koelmel, Mr. Welz said he had some concerns with regards to forced outages at the Small Clean Power Plants (“SCPP”) which were installed in the Southeastern New York (“SENY”) area in 2001. A program was, however, put in place to refurbish them on a regular basis, and this has alleviated his concerns.*

c. **Report of the Chief Financial Officer**

*Mr. Donald Russak provided highlights of the financial report to the Trustees.*

**Net Income**

*Net income through May was \$118 million, prior to the recognition of the \$60 million voluntary contribution to New York State. This is \$14 million higher than budget.*

*Margins on market-based sales were largely on budget as the positive impact of higher net generation (due to the early spring run-off) was offset by lower energy prices*

**Year-End Projections**

*Developing trends indicate year-end net income for 2012 is expected to under-run by about \$6 million relative to the \$167 million budget. These trends include:*

*Energy Prices – A mild winter and low natural gas prices continue to depress market prices for energy.*

*Capacity Prices – An increase in market-based capacity prices are being observed as result of increase in reserve requirements and the announced moth-balling of several generating stations throughout New York in response to lower prices and lower demand.*

*Hydro Flows – Net generation at the Niagara and St. Lawrence hydroelectric facilities, which was running above budget, is now trending towards under-running for the latter part of the year.*

*O&M and Other Expenses – O&M is expected to finish the year near target, however, certain new, other expenses are now captured in the forecast, including: obligations relating RNY Transitional Energy Discounts and Energy Efficiency Market Acceleration Program, both being considered by the Board today.*

*At currently projected levels, business requirements for cash flow (debt service coverage) and liquidity are expected to be met.*

*In response to a question from Trustee Mahoney, Mr. Russak said most of the Authority's generation is sold to customers under low cost tariff rates. The modest amount of energy surplus to the contractual requirements may be sold in the wholesale market where market price fluctuations would have an effect on the Authority's year-end financial results.*

## 6. Power Allocations Under the ReCharge New York Power Program

The President and Chief Executive Officer submitted the following report:

### SUMMARY

“The Trustees are requested to approve allocations of available power under the ReCharge New York (‘RNY’) power program to the businesses and not-for-profit corporations listed in Exhibit ‘6-A,’ and authorize, as deemed feasible and advisable, those businesses and not-for-profit corporations listed in Exhibit ‘6-D’ to receive a transitional electricity discount. These actions have been recommended by the Economic Development Power Allocation Board (‘EDPAB’) at its June 25, 2012 meeting. The Trustees are also advised of the business listed in Exhibit ‘6-B’ that has been deemed ineligible by EDPAB. Exhibit ‘6-C’ has been included to inform the Trustees of the applications by businesses and not-for-profit corporations that are not recommended for a RNY allocation award.

### 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’). RNY makes available 910 Megawatts (‘MW’) of economic development power, 50% of which will be provided by the Authority’s hydropower resources and 50% of which will be procured by the Authority on the open market. RNY contracts can be for a term of up to seven years in exchange for job and capital investment commitments. The statewide program is available to businesses and not-for-profit corporations for job retention, expansion and attraction purposes.

“The legislation stipulates that at least 350 MW of RNY power will be allocated to entities served by the New York State Electric and Gas, National Grid and Rochester Gas and Electric utility companies. At least 200 MW will be set aside for the purpose of attracting new businesses and encouraging expansion of existing businesses statewide. In addition, the legislation stipulates that up to 100 MW will be awarded to not-for-profit corporations (as defined in section 102 of the State’s Not-for-profit Corporation Law subdivision five of paragraph (a)) and small businesses statewide.

“Under the legislation, eligible applicant shall mean an eligible business, eligible small business, or eligible not-for-profit. Further, 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. For purposes of the RNY power program, EDPAB adopted, at their meeting of April 24, 2012, the existing definition of 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 Economic Development Power program.

“RNY allocation awards are comprised of 50% hydropower and 50% Authority-procured market power. 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 the RNY power allocation, the Authority shall offer each eligible applicant the option to decline to purchase the RNY market power component of such allocation. If an eligible applicant declines to purchase the RNY market power component, the Authority shall have no responsibility for supplying such market power to the eligible applicant.

“As envisioned by the legislation, the Authority worked cooperatively with the Department of Public Service (‘DPS’) to recommend to the NYS Public Service Commission (‘PSC’) reduced rates by utility corporations of RNY power program allocations. Pursuant to Chapter 60 and by order of the PSC, NYS utilities are required to deliver RNY power using discounted delivery rates. The discount derives from exempting RNY power from the Renewable Portfolio Surcharges, the Systems Benefits Charge and the Energy Efficiency Portfolio Standard Surcharge. The delivery discount will apply to a customer’s total allocation even if the customer decides to purchase the RNY market power component of its allocation from a non-Authority source.

“The application for the RNY power program was approved by EDPAB at their meeting of September 26, 2011. Applications for RNY power were subject to a competitive evaluation process and were evaluated based on the twelve criteria set forth in the RNY legislation. Pursuant to legislation, the criteria were considered in the aggregate and no one of which was presumptively determinative.

“In an effort to receive high quality RNY applications and to announce the program, advertisements announcing the program were placed in major newspapers and business publications statewide; website postings were issued; mass emails were distributed and regional meetings were hosted by the Authority throughout the state. In addition, the program was promoted with assistance from state and local entities, including the Regional Economic Development Councils (‘REDCs’), the Empire State Development Corporation and other local and regional economic development organizations within the state such as the Manufacturers Association of Central New York. Further, a RNY Call Center was established to assist prospective applicants and to further disseminate information regarding the RNY program. The RNY Call Center remains in operation. Finally, a targeted postal mailing to business customers utilizing a list of ten thousand businesses in New York State was made to foster interest in the program.

“As part of Governor Andrew M. Cuomo’s ‘New York Open for Business’ initiative, requests for all statewide economic development programs, including RNY, have been incorporated into a single on-line Consolidated Funding Application (‘CFA’). Beginning in September 2011, the CFA was available to applicants, marking a fundamental shift in how economic development resources are allocated. 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 across the state. All applications that are considered for an RNY allocation were submitted through the CFA process.

“To support the Governor’s transformative plans to improve New York’s business climate and stimulate economic growth, ten REDCs were created. Through a performance-based, community-driven approach, each REDC has designed a strategic economic development model for their area and use the CFA as the primary support mechanism to work with eligible applicants to advance projects that demonstrate the greatest potential for job creation and economic opportunity.

“The Power for Jobs (‘PFJ’) and Energy Cost Savings Benefit (‘ECSB’) programs expire on June 30, 2012. Current customers participating in these programs are required under legislation to apply for RNY in order to be considered for a RNY power allocation. RNY is a new economic development power program unrelated to the earlier PFJ and ECSB programs. All RNY applications are considered solely on their merits under the criteria established by the RNY legislation.

“Current PFJ and ECSB customers who submit applications and who do not receive a RNY allocation will be 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 Authority shall identify and advise EDPAB whether sufficient funds are available for funding of such discounts through June 30, 2016. 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 of January 27, 2012, of the applications received, 410 PFJ and ECSB customers have applied for an RNY allocation.

“As of the January 27, 2012 deadline to submit an RNY application, 1,009 applications had been submitted via the CFA process, requesting over 2,100 MW, a figure more than twice the amount available for allocation under the legislation. Staff evaluated the completed applications pursuant to the following twelve criteria as set forth in the RNY legislation:

- ‘(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, staff scored and ranked the applicants. Staff’s recommendations also considered the scores of criteria numbers three and eight given by each REDC to each applicant in its region. All recommended RNY allocations are based on a composite of staff’s and REDC’s scoring. Allocations were recommended for those applicants who scored the highest under this evaluation process.

“In arriving at the recommended amount of each RNY allocation, staff attempted to maximize the economic benefits of low cost Authority hydropower – the critical state asset at the core of the RNY program. To do so, staff recommended allocation amounts for each applicant with the goals of expanding participation in the program while also assuring that each recipient receives a meaningful allocation.

“Accordingly, business applicants who scored high were recommended for allocations of RNY power of 50% of the requested amount or average historic demand, whichever was lower; business applicants were capped at 10 MW for any recommended allocation. Not-for-profit applicants who scored high were recommended for allocations of RNY power of 33% of the requested amount or average historic demand, whichever was lower; these allocations were capped at 5 MW. Authority customers currently receiving hydropower allocations under other Authority power programs were recommended for allocations of RNY power of 25% of the requested amount with the same caps as stated above.

“Based on this evaluation process, EDPAB recommended 517 allocations for Trustee approval and deemed three applicants ineligible at its April 24, 2012 EDPAB meeting. The April recommendations, all of which were approved by the Trustees at their April 24, 2012 meeting, were to 320 businesses recommended for 510.1 MW; 122 small businesses recommended for 12.7 MW; and 75 not-for-profit corporations recommended for 73.1 MW.

## DISCUSSION

“The Trustees are now being asked to approve additional RNY power allocations as recommended by EDPAB at its June 25, 2012 meeting, at which EDPAB addressed a majority of the remaining applications submitted prior to January 27, 2012. Consistent with the evaluation process used for the April recommendations as described above, the resulting EDPAB recommendations are as follows: 161 applications are being recommended for an allocation of RNY power. The 161 businesses or not-for-profit corporations, listed in Exhibit ‘6-A,’ have stated on their applications a willingness to create or retain nearly 25,000 jobs in New York State. Additionally, these applicants will be committing to capital investments totaling \$1 billion over five years in exchange for the allocations. Of these recommendations, 103 businesses are recommended for 73.3 MW; 57 small businesses are recommended for 6.4 MW; and one not-for-profit corporation is recommended for 0.33 MW.

“In addition to the 161 new recommendations, there are 49 applications previously recommended in April that required a modified recommendation based on evaluation data discrepancies discovered after the April meeting. The discrepancies involve the commitment of jobs or capital investment, or the amount of power recommended. EDPAB has recommended the Trustees approve these modified allocations as described in Exhibit ‘6-A.’ In total, RNY power allocations, including the April 24, 2012 awards and modifications to such awards as described herein, will have been made to 423 businesses recommended for 590.8 MW; 179 small businesses recommended for 21.0 MW; and 76 not-for-profit corporations recommended for 74.8 MW.

“The RNY allocations in Exhibit ‘6-A’ are recommended for a period of up to seven years. Consistent with the legislation, each allocation recommended by EDPAB shall qualify an applicant to enter into a contract with the Authority pursuant to the terms and conditions of the recommendation by EDPAB and on such other terms as the Authority determines to be appropriate. The contract will have provisions for 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, capital investment and/or energy efficiency measures. In addition, there shall be a requirement that a recipient of an allocation make its facilities available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform. At their March 27, 2012 meeting, the Trustees approved the form and substance of a retail contract that incorporates these requirements.

“At its meeting of June 25, 2012, EDPAB determined one applicant (listed in Exhibit ‘6-B’) was a retail business and was therefore ineligible for a RNY allocation.

“After careful consideration and evaluation, 255 of the 1009 applications have not scored high enough in the competitive evaluation process to receive an allocation of RNY power. As such, at its meeting of June 25, 2012, EDPAB determined that these applications, listed in Exhibit ‘6-C,’ are not recommended for an allocation of RNY power.

“Those existing PFJ and ECSB benefit recipients who applied for RNY through the CFA process but were not awarded an allocation may be considered for the transitional electricity discount under the RNY authorizing legislation. At its meeting of June 25, 2012, EDPAB recommended that the Trustees, as they deem feasible and advisable, provide transitional electricity discounts to 93 such applicants that are current PFJ and ECSB recipients as listed in Exhibit ‘6-D.’ As per statute, the Trustees will determine and advise EDPAB whether sufficient funds are available for funding of such discounts through June 30, 2016.

“There are, additionally, a number of applicants that are not being recommended for RNY power. Some applicants did not have demand meters to effectuate delivery of RNY power, others submitted incomplete applications and were unresponsive to follow-up outreach and some applicants were a public entity such as a

municipality or public benefit corporation. In some cases, the applicant formally withdrew its application. These applications are provided for information purposes to the Trustees as detailed in Exhibit '6-E.'

"Finally, EDPAB has advised that a remaining twelve applicants located in municipal or electric cooperative districts have yet to be evaluated due to unresolved issues regarding delivery of RNY within those districts. There are also applicants requesting power for expansion projects that have yet to be evaluated. All these applicants, along with additional applications received after January 27, 2012, will undergo review and will be brought to subsequent EDPAB meetings for potential recommendations to the Trustees.

#### RECOMMENDATION

"The Manager – Business Power Allocations and Compliance recommends that the Trustees approve the allocations of power under the ReCharge New York Power Program to the companies listed in Exhibit '6-A' and approve, as deemed feasible and advisable, those businesses and not-for-profit corporations listed in Exhibit '6-D' receive a transitional electricity discount.

"For the reasons stated, I recommend the approval of the above requested action by adoption of a resolution in the form of the attached draft resolution."

*Mr. Michael Huvane presented highlights of staff's recommendation to the Trustees. In response to a question from Trustee Foster, Mr. Huvane said the applications are evaluated based on 12 specific criteria and each criterion is scored independently; the recommended allocation is based on the aggregate score. Successful applicants receive 50 % of their requested allocations; not-for-profit businesses receives 33%. Trustee Nicandri added that the criteria are mandated by statute and President Quiniones stated that 20% of the total score is also based the Regional Economic Development Councils input in the process.*

*Trustee Mahoney said she understands that the requirements for ReCharge New York, which are statutorily prescribed, are different from those for the previous programs and appreciate Mr. Pasquale providing her with the scoring methodology; this gives her a certain level of confidence to vote on recommendations for ReCharge power.*

*In response to further question from Trustee Foster and comment from Chairman Koelmel, Mr. Pasquale said, going forward, staff's would provide the scoring methodology to Trustees with the recommendation for ReCharge power allocations. Chairman Koelmel said he understands this is a major initiative for the Authority and thanked Mr. Pasquale and staff for their collaborative work effort.*

*Trustee Nicandri recused himself from the vote since he voted for its approval at the Economic Development Power Allocation Board meeting. He added that, as a member of EDPAB, he wanted to acknowledge the hard work that Mr. Pasquale and his staff did in launching this program.*

*Trustee LeChase recused himself from the vote as it relates to the following companies: General Electric Company, Flower City Printing, Inc., Optimax Systems, Inc., Cives Corporation dba Viking Cives USA,*

*Alstom Transportation Inc., Alstom Transportation Inc., Corning Incorporated, Kraft Foods Inc., Klein Steel Service Inc.*

*Trustee Flynn recused himself from the vote as it relates to the following companies: General Electric Company, Plug Power Inc., Saint-Gobain Performance Plastics, Suit-Kote Corporation, Welch Allyn, Inc., Jrlon, Inc., Newport Corporation, Sutherland Global Services, Inc., Tompkins Metal Finishing, Inc., XLI Corporation, Henry Schein, Inc., Honeywell International, Inc., Pall Corporation, AT&T, International Business Machines, ConMed Corporation, Quandt's Foodservice Distributors, Inc., The Indium Corporation of America, Fordham University, NBCUniversal Media LLC, Pepsi Cola Bottling Co. of New York, Inc., Cives Corporation dba Viking Cives USA, Corning Incorporated, Philips Electronics North America Corporation, Allied Frozen Storage, Inc., API Heat Transfer, Inc., CWM Chemical Services, LLC, Greatbatch, Ltd., ITT Enidine, Inc., Klein Steel Service Inc., Moog Inc., and Special Metals Corporation*

*Trustee Mahoney recused herself from the vote as it relates to the following companies: 499 Syracuse City Centre, Anoplate Corp., Byrne Dairy, Inc. - Ice Cream Center, G&L Davis Meat Co Inc., Higbee Inc., ICM Controls Corp., Jaquith Industries Inc., Linde Merchant Production, Inc., Midstate Spring, Inc., Schilling Forge, Tessy Plastics Corp., The Specialized Packaging Group, Inc., and Welch Allyn, Inc.*

The following resolution, as submitted by the President and Chief Executive Officer, was adopted, with Trustee Nicandri abstaining and Trustees LeChase, Flynn and Mahoney being recused as it relates to the aforementioned companies.

**WHEREAS, the Economic Development Power Allocation Board has recommended that the Authority approve the ReCharge New York ('RNY') Power Allocations to the companies listed in Exhibit "6-A"; and**

**WHEREAS, the Economic Development Power Allocation Board has recommended that the Authority, as deemed feasible and advisable, approve the companies listed in Exhibit "6-D" for a transitional electricity discount;**

**NOW THEREFORE BE IT RESOLVED, That the Authority hereby authorizes the allocations of RNY power to the companies listed on Exhibit "6-A" in accordance with the terms described in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Authority, as deemed feasible and advisable, approve the companies listed in Exhibit "6-D" for a transitional electricity discount, and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**7. Power Contract with the Town of Massena Electric Department – Transmittal to the Governor**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve the proposed power contract (‘Contract’) for the sale of up to 20 megawatts (‘MW’) of hydropower to the Town of Massena Electric Department (‘MED’), and in accordance with Public Authorities Law (‘PAL’) 1009, to authorize transmittal of the Contract to the Governor for his review with a recommendation of approval on the ground that the Contract is in the public interest. Copies of the Contract and Service Tariff No. SC-1 which is incorporated into the Contract, are attached as Exhibit ‘7-A.’

**BACKGROUND**

“At their March 27, 2012 meeting, the Trustees, in accordance with PAL §1009, authorized a public hearing on the Contract which would provide for the sale of up to 20 megawatts (‘MW’) of hydropower (the ‘Allocation’) to MED. The purpose of the power, denominated in the Contract as ‘St. Lawrence County Economic Development Power’ (‘SCEDP’), is to support economic development in the St. Lawrence County area. Copies of the Contract were transmitted to the Governor and legislative leaders for their information and notice of a public hearing on the proposed contracts was published in six newspapers throughout the State in accordance with the PAL.

“In summary, under the Contract:

- MED and/or an agent would solicit applications for ‘sub-allocations’ of SCEDP. Applications would be evaluated in consultation with other entities identified in the Contract and based on an economic development plan incorporated into the Contract. Applications deemed acceptable would be forwarded to the Authority for consideration.
- If the Authority approves an application, MED would be authorized to enter into a ‘Sub-Allocation Contract’ with the applicant or ‘Qualified End User’ which would set forth the terms and conditions applicable to such person’s purchase of SCEDP from MED. The form of the sub-allocation Contract would be subject to Authority approval. The Authority would then make an ‘Allocation’ of SCEDP to MED to support the corresponding sub-allocation of SCEDP. Allocations of SCEDP from the Authority to MED may be used only to make a corresponding Sub-Allocation to the Qualified End User.
- Sub-allocations by MED to Eligible End Users may not exceed seven (7) years without good cause shown by MED.
- MED would be responsible (i) to serve as the New York Independent System Load Serving Entity for the SCEDP, and (ii) for the transmission and delivery of SCEDP from the Project’s switchyard to points of delivery to the Qualified End Users. MED would also be responsible for all costs associated with these matters, subject to recoupment of costs from Qualified End Users.

“The Contract contains numerous other provisions generally found in other Authority power contracts, relating to such matters as hydropower curtailments, prohibitions on the transfer of power and modifications and terminations of allocations due to jurisdictional rulings and orders.

“The Contract would have an effective termination date of September 1, 2025.

DISCUSSION

“A public hearing was held on May 10, 2012 at the Frank S. McCullough, Jr. Hawkins Point Visitors Center at the St. Lawrence/FDR Power Project in Massena. Three oral statements were offered at the public hearing in support of the Contract. Fifteen written statements were submitted in support of the Contract. The official transcript of the public hearing and the written submittal are attached as Exhibit ‘7-B.’

“The Contract would provide a significant resource to support economic development in the St. Lawrence County area, and give local officials a significant role in the process which could lead to economic development projects tailored to meet local needs. The formal and responsible application, allocation and sub-allocation process provided for in the Contract is intended to maximize participation, transparency and accountability. In addition, NYPA would retain the use of the underlying hydropower that has not been allocated.

RECOMMENDATION

“The Senior Vice President – Economic Development and Energy Efficiency and the Director – Marketing Analysis and Administration recommends that the Trustees approve the Contract for the sale of up to 20 MW of hydropower to MED, and authorize transmittal of the Contract to the Governor for his review with a recommendation that the Contract be approved as in the public interest.

“For the reasons stated, I recommend the approval of the above requested action by adoption of a resolution in the form of the attached draft resolution.”

*Mr. Mike Lupo presented highlights of staff’s recommendation to the Trustees. Trustee Nicandri stated that the recommendation is as a result of the outcome of negotiations for the relicensing of the St.*

*Lawrence/FDR Project whereby “host communities” are being compensated for loss of tax revenues for real property to the Authority. The purpose of the compensation is for economic development in those areas.*

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the proposed power contract between the Authority and the Town of Massena Electric Department (“MED”) and the associated Service Tariff no. SC-1 (collectively, the “Contract”) for the sale of up to 20 megawatts of hydropower to MED are in the public interest and should be submitted to the Governor for approval, and that the Contract, along with the record of the public hearing and written comments submitted thereon, be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to the Public Authorities Law §1009; and be it further**

**RESOLVED, That the Chairman and the Corporate Secretary be authorized and directed to execute such Contract in the name of and on behalf of the Authority after it has been approved by the Governor; and be it further**

**RESOLVED, That the Senior Vice President – Economic Development and Energy Efficiency, or his designee, be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contract with the company as set forth in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

## **8. Transitional Electricity Discount Payments for Certain Power for Jobs and Energy Cost Savings Benefit Customers**

The President and Chief Executive Officer submitted the following report:

### SUMMARY

“The Trustees are requested to authorize an initial amount of money, not to exceed \$9 million, that would be available to fund Transitional Electricity Discount (‘TED’) payments to certain Power of Jobs (‘PFJ’) and Energy Cost Savings Benefit (‘ECSB’) customers in accordance with the statutory authority provided to the Authority by Chapter 60 of the Laws of 2011, Part CC, §6 (‘Chapter 60’). The funds would be used to fund TED payments to PFJ and ECSB customers who: (1) applied for a Recharge New York (‘RNY’) Power allocation; and (2) the Economic Development Power Allocation Board (‘EDPAB’) determined at its April 24, 2012 meeting or June 25, 2012 meeting would not receive a recommendation for an allocation of RNY Power (‘Qualified Transitional Customers’). In accordance with Chapter 60, EDPAB, at its June 25, 2012 meeting, recommended that all businesses determined to be Qualified Transitional Customers should receive a TED. A listing of businesses that have been determined by EDPAB, to date, to be Qualified Transitional Customers is attached as Exhibit ‘8-A.’

### BACKGROUND

“Chapter 60 created the RNY Power program and provided for the expiration of the PFJ and ECSB programs. In addition, Chapter 60 provides that:

Notwithstanding any provision of title 1 of article 5 of the public authorities law or article 6 of the economic development law to the contrary, with respect to applicants who are in substantial compliance with all contractual commitments and receiving benefits under the power for jobs, energy cost savings benefit, economic development, high load factor or municipal distribution agency programs, but do not receive a recommendation from the New York state economic development power allocation board for a recharge New York power allocation pursuant to section 188-a of the economic development law, such board shall recommend that the power authority of the state of New York provide for a transitional electricity discount to such applicants. The power authority of the state of New York is authorized, as deemed feasible and advisable by the trustees, to provide such transitional electricity discounts as recommended by the New York state economic development power allocation board. The power authority of the state of New York shall identify and advise such board whether sufficient funds are available for the funding of such transitional electricity discounts through June 30, 2016. The amount of the transitional electricity discount for the period July 1, 2012 through June 30, 2014 shall be equivalent to 66 percent of the unit (per kilowatt-hour) value of the savings received by the applicant under the power for jobs or energy cost savings benefit programs during the 12 months ending on December 31, 2010. The amount of the transitional electricity discount for the period July 1, 2014 through June 30, 2016 shall be equivalent to 33 percent of the unit (per kilowatt-hour) value of the savings received by the applicant under the power for jobs or energy cost savings benefit programs during the 12 months ending on December 31, 2010.

### DISCUSSION

“The Trustees are requested to authorize an initial amount of money for the period from July 1, 2012 through June 30, 2013 (‘Year One’), not to exceed \$9 million (the ‘Authorized Amount’), that would be available to fund TED payments to Qualified Transitional Customers for Year One.

“In accordance with Chapter 60, EDPAB, at its June 25, 2012 meeting, determined that the businesses listed on Exhibit ‘8-A’ are Qualified Transitional Customers and recommended that these businesses receive a TED.

“Staff intends to make TED payments to Qualified Transitional Customers on a semiannual basis. TED payments will be subject to a certification on the date of such payment by the Authority’s Treasurer or Deputy Treasurer that the amount to be withdrawn is not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented.

“Staff has reviewed the effects of the TED payments of up to \$9 million on the Authority’s projected financial position and reserve requirements. In addition, in accordance with the Trustees’ Policy Statement dated May 24, 2011, staff calculated the impact of these payments on the Authority’s debt service coverage ratio and determined that it would not fall below the 2.0 reference point level. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to make the payments of up to \$9 million at this time.

“While the Trustees will not be asked to approve individual payment amounts on a semiannual basis, such information will be made available to the Trustees when requested. Staff intends to return to the Trustees, as may be necessary, to address such matters as necessary modifications to the Authorized Amount and additional recommendations made by EDPAB for Qualified Transitional Customers not yet considered for TED payments.

#### FISCAL INFORMATION

“At this time, staff estimates that the total amount needed for Year One for TED payments to (i) Qualified Transitional Customers listed on Exhibit ‘8-A’ and (ii) potential additional Qualified Transitional Customers who will be identified pending later evaluation, is not expected to exceed the Authorized Amount (\$9 million). Payments would be made from the Operating Fund.

#### RECOMMENDATION

“The Senior Vice President – Economic Development and Energy Efficiency and the Director – Market Analysis and Administration recommend that the Trustees approve the Authorized Amount for Transitional Electricity Discount payments to businesses that are determined to be Qualified Transitional Customers.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

*Mr. Mike Lupo presented highlights of staff’s recommendation to the Trustees.*

*In response to a question from Trustee LeChase, Mr. Russak said the cost of the transitional electricity discount payments are now reflected in the updated financial forecasts presuming authorization by the Trustees.*

*Trustee LeChase recused himself from the vote as it relates to Watson Bowman Acme Corp.; Trustee Flynn recused himself from the vote as it relates to Precision Systems Manufacturing Inc., American Cancer Society, Eastern Division, Inc., Kingsbrook Jewish Medical Center, Lewis County General Hospital, Cameron Manufacturing & Design, Inc., Cherry Creek Woodcraft, Inc., Consumers Beverages, Inc., Sentry Metal Blast, Inc., and Watson Bowman Acme Corp.; and Trustee Mahoney recused herself from the vote as it relates to Coyne International Enterprises Corp-DE, Meloon Foundries, Inc., Precision Systems Manufacturing Inc. and Syracuse Heat Treating Corporation.*

The following resolution, as submitted by the President and Chief Executive Officer, was adopted, with Trustees LeChase, Flynn and Mahoney being recused as it relates to the aforementioned companies.

**WHEREAS, the Economic Development Power Allocation Board (“EDPAB”) has recommended that the Authority approve the Transitional Electricity Discount (“TED”) payments to the businesses listed in Exhibit “8-A” (“Qualified Transitional Customers”);**

**RESOLVED, That the Trustees hereby authorize the use of up to \$9 million (the “Authorized Amount”) to fund TED payments to Qualified Transitional Customers, including those listed in Exhibit “8-A,” as discussed in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That it is hereby found that the foregoing amount may properly be withdrawn from the Operating Fund to fund such TED payments; and be it further**

**RESOLVED, That such monies may be withdrawn, pursuant to the foregoing resolution, upon the certification on the date of such withdrawal by the Treasurer or the Deputy Treasurer that the amount to be withdrawn is not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further**

**RESOLVED, That the Senior Vice President – Economic Development and Energy Efficiency or his designee be, and hereby is, authorized to prepare and execute any and all documents necessary or desirable to effectuate the foregoing, subject to the approval of the form thereof by the Executive Vice President and General Counsel; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**9. Informational item: Agreements Providing for Delivery of Recharge New York Power**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“This report is to advise the Trustees on the development of proposed agreements between the Power Authority of the State of New York (‘NYPA’ or ‘Authority’) and the State’s seven electric utility companies that would provide for the delivery of Recharge New York (‘RNY’) Power to RNY customers (‘Program Participants’) and related responsibilities that will be undertaken by NYPA and the respective utilities (‘Delivery Agreements’). In addition, this memorandum describes the NYPA-wide ‘back-office’ changes being made to implement the RNY Program, Delivery Agreements, and customer agreement and Service Tariff No. RNY-1 approved by the Trustees at their March 27, 2012 meeting that are necessary to provide for the sale and delivery of RNY Power to Program Participants.

**BACKGROUND**

“Chapter 60 (Part CC) of the Laws of 2011 (‘Chapter 60’) created the Recharge New York (‘RNY’) Power Program. The RNY Power Program makes 910 megawatts (‘MW’) of ‘Recharge New York Power’ (‘RNY Power’) available to ‘eligible applicants’ for the purpose of attracting new businesses and retaining and expanding existing businesses throughout the State of New York.

“RNY Power is comprised of: (1) fifty percent (50%) of firm hydroelectric power from the Authority’s Niagara and St. Lawrence/FDR hydroelectric projects (‘RNY Hydropower’) that was withdrawn, effective August 1, 2011, from the utility corporations that had purchased such power for the benefit of domestic and rural consumers; and (2) fifty percent (50%) of market power procured by the Authority from market or other appropriate sources (‘RNY Market Power’).

“Pursuant to Chapter 60, the Authority is authorized, beginning July 1, 2012, to ‘make available, contract with and sell’ to eligible applicants such RNY Power allocations as are recommended by the Economic Development Power Allocation Board (‘EDPAB’).

“The terms and conditions governing the allocation and sale of RNY Power by the Authority to individual Program Participants pursuant to the RNY Statutes will be set forth in a written agreement between the Authority and each Program Participant (‘RNY Contract’), the form of which was approved by the Trustees at their March 27, 2012 meeting.

“RNY Power will be delivered to Program Participants by the State’s local utility companies.

**DISCUSSION**

“NYPA and the utilities will each have certain responsibilities to facilitate the delivery of RNY Power. As discussed in more detail below, the Delivery Agreements between NYPA and each of the utilities would set forth procedures regarding the delivery of RNY Power sold by the Authority and address the allocation of other tasks and responsibilities relating to implementation of the RNY Power Program. Each of these matters is expected to be addressed in the Delivery Agreements.

“The basic form of the Delivery Agreement is different from delivery agreements used in other Authority power programs to account for the following RNY Power Program-specific features as well as other appropriate considerations: (1) RNY Power will be sold through a direct sale arrangement between the Authority and the Program Participant, in contrast to a sale-for-resale arrangement that has been used in some other Authority power programs whereby the Authority sells power to local utilities which in turn resells it to the program participant; (2) the utilities will bill RNY Power recipients directly for all charges related to delivery and other non-NYPA power the utility supplies; (3) the utilities will apportion the load of each Program Participant to respective Accepted

Allocation according to methodologies that will be provided for in the Delivery Agreement; and (4) staff expects data transmission between the Authority and utilities to occur via a standardized electronic format in accordance with an established technology protocol. In addition, staff expects the form of the Delivery Agreements to provide for the following:

- The Authority will directly bill Program Participants for commodity costs and related charges, including applicable ISO charges, as provided for in the Authority's tariff and the RNY Contract.
- The Authority will supply Program Participant data to the relevant utility to facilitate the utility's delivery of RNY power to Program Participants.
- Utilities will supply to the Authority appropriate information about Program Participant demand and energy usage to enable the Authority to render invoices to Program Participants for NYPA Charges.
- The Authority will serve as the ISO Load Serving Entity ('LSE') for all RNY Power it sells to Program Participants.
- The Utility (or an ESCO) will procure and sell to Program Participants other Power need by Program Participants including RNY Market Power if the Program Participant chooses to purchase such power from such entity.

"The Delivery Agreement includes other terms which are largely standard terms and conditions for such agreements, including provisions for the termination of delivery service, changes in legal requirements, and confidentiality of business information.

"Staff expects to finalize the Delivery Agreements before the end of June.

"The following are the most notable technical changes affecting the Authority's back-office operations have been implemented to commence the RNY Power Program:

- Automated NYPA/utility data transfer interfaces were built to accommodate uniform data transfers to and from all utilities.
- An automated internal Customer Relationship Management (CRM)/SAP billing system data exchange structure was created to assure accurate information transfer within different departments at NYPA.
- NYPA's wholesale billing system was adjusted to allow of processing of the RNY direct bill and zonal rate structure unique to RNY.
- An SAP data reporting cube was developed for processing, storing and reporting of RNY costs and credits.
- An Energy Charge Adjustment (ECA) mechanism was established to insure that actual costs are recovered from RNY Program customers through the new rate structure rates.
- Energy Resource Managements Data Warehouse was coded to apportion NYISO costs to billable customer zonal rate structure.
- An RNY customer savings model is being developed with expected deployment by year end 2012."

*Mr. Mike Lupo presented highlights of the report to the Trustees. In response to a question from Trustee Nicandri, Mr. Lupo said approval for the delivery rate charges is not required by the New York Power Authority Board of Trustees.*

10. Energy Efficiency Market Acceleration Program Authorization

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to authorize up to \$30 million in funding over a five-year period to implement the Energy Efficiency Market Acceleration Program (‘EE-MAP’). EE-MAP would be comprised of research, market development activities and demonstration projects targeting the deployment of commercial, but not as yet, widely deployed energy efficiency products and systems. The program would be developed in support of New York’s clean energy goals and to increase economic development activity in the New York State energy efficiency industry. To that end, the Authority would engage the services of research institutions, energy service contractors and technical consultants to provide research and training and to implement innovative programs. In addition, demonstration projects implemented at facilities of eligible participants of the Authority’s Energy Services Programs (‘ESPs’) would be funded through the EE-MAP.

BACKGROUND

“The Authority’s mission is to ‘provide clean, low-cost, and reliable energy consistent with our commitment to the environment and safety, while promoting economic development, job development, energy efficiency, renewables and innovation, for the benefit of our customers and all New Yorkers.’ Since the late 1980s, the Authority has provided energy services programs throughout New York State (‘NYS’). In aggregate, the Authority’s energy services programs have achieved over \$140 million in annual customer savings at about 3,800 public facilities, including schools, hospitals and municipal buildings, for a reduction of annual greenhouse gas emissions of more than 830,000 tons.

“New York’s commitment to achieve high levels of energy efficiency is highlighted by the ‘45 by 15’ clean energy goal, which challenges the State to meet 45 percent of its electricity needs by 2015 through increased energy efficiency and renewable energy. The ‘45 by 15’ clean energy goal proposes to reduce electricity end-use by 15 percent below 2015 forecasted levels, while simultaneously meeting 30 percent of the State’s electricity supply needs through renewable resources. Achieving this aggressive goal will require the cooperation of many entities, including state agencies and authorities, energy utilities and municipalities.

“With the support of the Governor and the State Legislature, the Authority has become the ‘go to’ enterprise for energy efficiency and clean energy programs that help public entities and other eligible participants save energy and money at their facilities. For over two decades, the Authority has partnered with these facilities to identify potential efficiency and clean energy projects, and to help finance, design and install energy saving equipment at these sites. Looking ahead, the Authority is committed to supporting New York’s clean energy goals and to expand and enhance the Authority’s energy efficiency program offerings as well as to develop new technologies to save energy and meet the needs of the State of New York.

DISCUSSION

“EE-MAP is designed to grow the energy efficiency industry in New York, help bring innovative energy saving technologies to market and advance New York’s technology leadership in this important industry. EE-MAP will also increase the efficiency and effectiveness of existing energy service programs in New York through improved implementation processes and delivery methods.

“If authorized by the Trustees, EE-MAP would consist of a non-recoverable energy efficiency fund of up to \$30 million to be available for expenditure over a five-year period commencing June 2012.

“The EE-MAP would consist of the following areas of activity:

1. Engage research institutions, not for profit entities, technology development companies and technical consultants, through competitive solicitations, either independently or in collaboration with entities such as the New York State Energy Research and Development Authority (‘NYSERDA’) and the Electric Power Research Institute (‘EPRI’), to accelerate the deployment of commercial, but not as yet widely deployed, energy efficiency products and systems. The focus will be on under deployed energy efficiency products and services that are already commercial. EE-MAP will not target early stage or proof of concept technologies as these are generally the target of traditional NYSERDA programs.
2. Develop and implement advanced energy auditing and energy efficiency master planning projects.
3. Identify and implement energy efficiency demonstration projects located at ESP participant sites to validate advanced and emerging energy efficiency technologies and equipment performance. Demonstration sites may also serve as testing laboratories and centers for training and education.
4. Develop new energy efficiency markets in coordination with state agencies and authorities and distribution utilities. These efforts will assist in forming strategic alliances and economic development opportunities for energy efficiency technology companies. Activities will include collaborating with research institutions, coordinating meetings between the technology companies, ESP eligible participants and other state agencies, and others to improve industry access to efficiency investments made at public facilities.
5. Attract technology companies with commercial, but not yet widely deployed energy efficiency products and systems to New York from other states.
6. Create or facilitate market channels for emerging technology companies with commercial energy efficiency products and services. The Authority is ideally positioned to accelerate the deployment of these products and services because of its very large annual energy efficiency business with public entities.
7. Work closely and provide training to consulting engineers, architects, contractors and maintenance service providers to design, specify, install and maintain these commercial but not yet widely deployed energy efficiency products and services.

“A steering committee will be formed within the Authority to review all competitive solicitations to be issued under EE-MAP, as well as all resulting contract and grant award recommendations. In addition, New York State economic development will be included as a criterion in the evaluation of the program competitive bids as allowed by the Authority’s procurement guidelines.

“Staff will also coordinate with NYSERDA to issue joint research opportunities, share expertise and results. Collaboration and additional co-funding would be sought from the US Department of Energy and EPRI to secure additional research dollars for New York.

#### FISCAL INFORMATION

“The \$30 million Energy Efficiency Market Acceleration Program will be funded from the Authority’s Operating Fund.

#### RECOMMENDATION

“The Senior Vice President –Economic Development and Energy Efficiency and the Vice President – Energy Efficiency recommend that the Trustees formally approve the Energy Efficiency Market Acceleration Program as described above.

“For the reasons stated, I recommend the approval of the above-requested actions by adoption of a resolution in the form of the attached draft resolution.”

*President Quiniones said the Authority will engage in energy efficiency projects in buildings of the state and local municipalities, colleges and universities and schools for a total cost of up to \$800 million. Also, NYSERDA and the utilities have committed to providing grants of up to \$7 million per year, over 5 years, toward energy efficiency projects in the state. He said the program, which will target emerging commercial technologies, will help to create jobs in the state.*

*In response to a question from Chairman Koelmel, Mr. Sliker said the target zone include companies that will provide local services for commercial projects of which service agreements and warranties are in place.*

*In response to a question from Trustee Foster, President Quiniones said at the Strategic Planning Retreat in March, the Authority considered other projects that would add value to it; also, the Authority is opening a door for more emerging commercial technology in the New York industry. He said emerging technologies is an opportunity for the Authority to help businesses invest in New York State.*

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Trustees hereby authorize up to \$30 million in total available funds to be used for energy efficiency research, market development activities and demonstration projects, with such funds being utilized over a five-year period for the Energy Efficiency Market Acceleration Program as described in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That Operating Fund monies will be used to fund such studies, training programs and grants in the amount and for the purposes listed below:**

<u>Operating Funds</u>	<u>Expenditure Authorization (not to exceed)</u>	<u>Authorization Expires</u>
Research, Studies, Demonstration Programs and Project Funding	<u>\$30 million</u>	6/27/2017

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**11. Release of Funds in Support of the Western New York Power Proceeds Allocation Act**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve the release of funds into the Western New York Economic Development Fund (‘WNYEDF’) representing net earnings from unallocated Expansion Power and Replacement Power sold into the wholesale energy market during the period August 30, 2010 through December 31, 2012 as set forth in Chapter 58 of the Laws of 2012.

**BACKGROUND**

“On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the ‘Act’) which directs net earnings from the sale of unallocated Expansion Power and Replacement Power from the Authority’s Niagara power project to be deposited into the WNYEDF. The Act repeals Chapter 436 of the Laws of 2010, which had amended the Public Authorities Law and the Economic Development Law, to create a somewhat similar program authorizing unallocated Expansion Power and Replacement Power to be utilized for WNYEDF benefits.

“As part of the Act, the Authority is directed to deposit the net earnings from unallocated Expansion Power and Replacement Power into the WNYEDF as deemed feasible and advisable by the Trustees. The effective date for calculating the net earnings is August 30, 2010, the original effective date of Chapter 436 of the Laws of 2010. Net earnings are defined as ‘the aggregate excess of revenues received by the power authority of the state of New York from the sale of expansion and replacement power and energy produced at the Niagara project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible expansion power or replacement power customer under the applicable tariff or contract.’

“The net earnings deposited into the WNYEDF will be utilized to fund economic development projects (‘eligible projects’) by private businesses, including not-for-profits, which are physically located within New York State and within a thirty-mile radius of the Niagara power project. Eligible projects are to support the growth of business in the state and thereby lead to increased tax revenues and job creation or retention. Eligible projects may include capital investment in buildings, equipment and associated infrastructure; research and development that benefits New York State; support for tourism and marketing and advertising for Western New York State tourism and business; and energy related projects as authorized under §1005(17) of Public Authorities Law.

“The Act also establishes the Western New York Power Proceeds Allocation Board (‘Allocation Board’) to consist of five members appointed by the Governor. The Allocation Board’s responsibilities include establishing written procedures for reviewing applications and making recommendations to the Authority for the allocation of fund benefits to eligible projects. In reviewing applications for benefits, the Allocation Board shall employ the same criteria used for determining eligibility for Expansion, Replacement and Preservation Power allocations as provided in §1005 of Public Authorities Law including, but not limited to, the number of jobs and type of jobs created as measured by wage and benefit levels; business’ long-term commitment to the region; amount of capital investment; and impact on competitiveness in the region. Upon recommendation of the Allocation Board, the Authority shall award fund benefits to an applicant, provided however, that upon a showing of good cause, the Authority shall have the discretion as to whether to adopt the Allocation Board’s recommendation, or to award benefits in a different amount or on different terms and conditions.

**DISCUSSION**

“The Authority is requested, from time to time, to provide financial support for various State programs, including rebates to customers of the Power for Jobs program, the provision of below-cost energy to the beneficiaries of the State’s Energy Cost Savings Benefits program, and the Residential Consumer Discount Program payments related to ReCharge New York.

“Any such transfer of funds must (1) be authorized by the Legislature; (2) be approved by the Trustees ‘as feasible and advisable,’ (3) satisfy the requirements of the Authority’s General Resolution Authorizing Revenue Obligations dated February 24, 1998, as amended and supplemented (‘Bond Resolution’) and (4) as set forth in the Trustees’ Policy Statement dated May 24, 2011, a debt service coverage ratio of 2.0 shall be used as a reference point in considering any such payments or transfers.

“The Bond Resolution’s requirements to withdraw monies ‘free and clear of the lien and pledge created by the [Bond] Resolution’ are such that withdrawals (a) must be for a ‘lawful corporate purpose as determined by the Authority,’ and (b) the Authority must determine, taking into account, among other considerations, anticipated future receipt of revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (i) payment of reasonable and necessary operating expenses, (ii) an Operating Fund reserve for working capital, emergency repairs or replacements, major renewals or for retirement from service, decommissioning or disposal of facilities, (iii) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt or (iv) payment of interest and principal on subordinate debt.

“Based on the amount of unallocated Expansion Power and Replacement Power, and Western New York wholesale energy prices during the period August 30, 2010 through May 31, 2012, staff has determined the amount of net earnings, calculated in accordance with the legislation, to be \$15.4 million. If deemed feasible and advisable by the Trustees, the \$15.4 million will be deposited into the WNYEDF no later than ninety days after enactment of the Act. The WNYEDF will be a separate fund residing within the Authority’s Operating Fund.

“In addition, staff is seeking authorization to deposit into the WNYEDF the net earnings for the period June 1, 2012 through December 31, 2012, estimated to be less than \$4.6 million based upon projected unallocated Expansion Power and Replacement Power and projected wholesale energy prices. If authorized by the Trustees, such net earnings would be deposited into the WNYEDF on a quarterly basis.

“Staff has reviewed the effects of the transfer of up to \$20 million into the WNYEDF on the Authority’s projected financial position and reserve requirements. In addition, in accordance with the Board’s Policy Statement, staff calculated the impact of this transfer on the Authority’s debt service coverage ratio and determined it would not fall below the 2.0 reference point level. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to make the deposit of up to \$20 million at this time.

#### FISCAL INFORMATION

“Since the passage of the initial legislation related to the WNYEDF (Chapter 436 of the Laws of 2010), the Authority has been accruing for this potential liability on a monthly basis. Provisions for this program were also included in the 2012 Operating Forecast approved by the Trustees in December 2011.

“Staff has determined that sufficient funds are available to provide up to \$20 million in support for WNYEDF benefits for the period August 31, 2010 through December 31, 2012 and that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s Bond Resolution. Net earnings to be deposited into the WNYEDF for periods beyond December 31, 2012 will be requested of the Trustees at a later date.

#### RECOMMENDATION

“The Treasurer recommends that the Trustees affirm the deposit of up to \$20 million into the Western New York Economic Development Fund is feasible and advisable and to authorize such deposit.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

***Mr. Brian McElroy presented highlights of staff’s recommendation to the Trustees. In response to a question from Chairman Koelmel, Mr. McElroy said the Western New York Power Proceeds Allocation Board***

*has not yet been established and Ms. Judith McCarthy added that the statute requires the funding to be available within 90 days after the Board has been established. Staff's recommendation is to ensure that the Authority will be ready to assist the Board as soon as it has been established.*

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Trustees hereby authorize the release of up to \$20 million from the Operating Fund to the Western New York Economic Development Fund as authorized by Chapter 58 of the Laws of 2012 and as discussed in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the amount of up to \$20 million to be used for the Western New York Economic Development Fund benefits described in the foregoing resolution is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further**

**RESOLVED, That as a condition to making the releases specified in the foregoing resolutions, on the day of such payment the Treasurer or the Deputy Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolutions, subject to approval as to the form thereof by the Executive Vice President and General Counsel.**

**12. Niagara Power Project – Lewiston Pump Generating Plant Life Extension and Modernization Program – Motor-Generator Upgrade, Accessory Replacement and Overhaul – Contract Award**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve the award of a nine-year contract in the amount of \$90,989,359 to Andritz Hydro Inc. of Charlotte, NC (‘Andritz’), for the motor-generator upgrade, accessory replacement and overhaul work as part of the Life Extension and Modernization (‘LEM’) Program at the Lewiston Pump Generating Plant (‘LPGP’).

“Interim approval was given, with a limited authorization not to exceed \$104,000, in order for Andritz to commence the engineering evaluation which is necessary to have the stator coils, field poles and related components delivered to the site by January 2013. The delivery of the components is vital to meet the installation schedule for the first unit’s planned outage starting in December 2012.

**BACKGROUND**

“In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services contracts in excess of \$3 million or contracts exceeding a one-year term requires Trustee approval.

“At their June 29, 2010 meeting, the Trustees approved the LPGP LEM Program at the estimated cost of \$460 million and authorized capital expenditures in the amount of \$131 million. This requested contract award is a part of the previous capital expenditure authorization.

“LPGP is a low-head pump storage plant with 12 reversible motor-generators. A hydroelectric generator converts mechanical energy into electricity; a motor converts electrical energy into mechanical energy and pumps the water into the reservoir. The principal reason for life extension work at LPGP is the condition and age of generating equipment, including the original transformers, motor-generators, pump-turbines, exciters and controls, potheads and High Pressure Fluid-Filled (‘HPFF’) plants. Failure to maintain LPGP would result in significant loss of peaking and firm capacity from the Niagara Power Project, preventing the Project from being able to meet power contracts with the Authority’s customers.

“The work under this contract includes complete engineering evaluation of the existing motor-generators and design of new field poles, stator windings and other systems and rehabilitation work to enhance unit capacity and improve water-to-wire efficiency. The existing LPGP motor-generators were re-wound in the 1980s; one unit was re-wound again in each of 2005 and 2009. The 2005 re-wind was based on a planned program of re-winds, which has been superseded by the present LEM Program.

**DISCUSSION**

“An advertisement to procure bids was issued and appeared in the New York State *Contract Reporter* on January 10, 2012. Five proposals were received on April 3, 2012. In addition, Post-Bid Addenda Nos. 1 and 2 were issued to clarify the bidders’ proposals; final prices were received on May 7, 2012. The final proposal prices are as follows:

<u>Bidder</u>	<u>Location</u>	<u>Base Bid</u>	<u>Base Bid with Escalation</u>
Andritz Hydro Inc.	Charlotte, NC	\$80,449,691	\$90,989,359
Alstom Hydro Power Inc.	Littleton, CO	\$84,317,913	\$92,877,328
Voith Hydro Inc.	York, PA	\$85,704,623	\$97,574,321
National Electric Coil	Columbus, OH	\$87,856,684	\$99,077,439
General Electric International Inc.	Rotterdam, NY	Not provided	\$122,489,538

“All proposals were reviewed by an evaluation committee with representatives from Procurement, Engineering, Niagara Project and Project Management. Meetings were conducted with three bidders to clarify their proposals and provide an opportunity to explain how they arrived at their work plan, guaranteed characteristics and pricing.

“Alstom took numerous commercial exceptions such as insurance, liquidated damages and limitation of liability which are not acceptable to the Authority. In addition, Alstom’s original proposal price increased by \$14,000,000 based on Post-Bid Addendum No. 2 for an ‘exception free proposal’ of which \$5.0 million is the estimated cost for insurance. Furthermore, \$16,800,000 of their bid is subject to currency adjustment.

“Andritz did not increase its price in order to provide an exception free proposal and was evaluated to be the lowest-priced, technically qualified bidder.

“The estimated cost of this work is within the authorization of this project which was approved by the Trustees at their June 29, 2010 meeting; this work is included in the 2012 approved Capital Budget. Future funding will be included in the Capital Budget request for those years.

FISCAL INFORMATION

“Payment associated with this project will be made from the Authority’s Capital Fund.

RECOMMENDATION

“The Senior Vice President and Chief Engineer – Power Supply Support Services Operations, the Vice President – Project Management, the Vice President – Engineering, the Vice President – Procurement, the Project Manager and the Regional Manager – Western New York recommend that the Trustees approve the award of a nine-year contract to Andritz Hydro Inc. of Charlotte, NC, in the amount of \$90,989,359, for motor-generator upgrade, accessory replacement and overhaul as part of the Life Extension and Modernization Program to renovate and modernize the Lewiston Pump Generating Plant.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

*Mr. Michael Mitchell presented highlights of staff’s recommendation to the Trustees. In response to a question from Chairman Koelmel, President Quiniones said most of the sourcing for major overhaul projects is done internationally. However, Authority staff is responsible for the quality control of these projects to ensure that the work is being done correctly. In response to a question from Trustee LeChase, Mr. Mitchell said the Authority has the right to cancel the contract and bid for other competitive prices if the contractor is not performing acceptably.*

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a nine-year contract to Andritz Hydro Inc. of Charlotte, NC, in the amount of \$90,989,359, for the motor-generator upgrade, accessory replacement and overhaul as part of the Life Extension and Modernization Program to renovate and modernize the Lewiston Pump Generating Plant, as recommended in the foregoing report of the President and Chief Executive Officer;**

<u>Contractor</u>	<u>Contract Approval</u>
Andritz Hydro Inc. Charlotte, NC	<u>\$90,989,359</u>

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

13. **Motion to Conduct an Executive Session**

*Mr. Chairman, I move that the Authority conduct an executive session pursuant to the Public Officers Law of the State of New York section 105 to discuss matters leading to the award of contracts to particular corporations.* On motion made and seconded, an Executive Session was held.

14. **Motion to Resume Meeting in Open Session**

*Mr. Chairman, I move to resume the meeting in Open Session.* On motion made and seconded, the meeting resumed in Open Session.

**15. Contribution of Funds to the State Treasury**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

“The Trustees are requested to approve a contribution in the amount of \$15 million to the State’s general fund as authorized by legislation approving the 2012-13 Budget of the State of New York (Chapter 59 of the Laws of 2012).

**BACKGROUND**

“The Authority is requested, from time to time, to make financial contributions and transfers of funds to the State or to otherwise provide financial support for various State programs, including rebates to customers of the Power For Jobs program, the provision of below-cost energy to the beneficiaries of the State’s Energy Cost Savings Benefits program and the Residential Consumer Discount Program payments related to Recharge NY.

“Any such contribution or transfer of funds must (1) be authorized by the Legislature; (2) be approved by the Trustees ‘as feasible and advisable,’ (3) satisfy the requirements of the Authority’s General Resolution Authorizing Revenue Obligations dated February 24, 1998, as amended and supplemented (‘Bond Resolution’), and (4) as set forth in the Trustees’ Policy Statement dated May 24, 2011, a debt service coverage ratio of 2.0 shall be used as a reference point in considering any such payments or transfers.

“The Bond Resolution’s requirements to withdraw monies ‘free and clear of the lien and pledge created by the [Bond] Resolution’ are such that withdrawals (a) must be for a ‘lawful corporate purpose as determined by the Authority,’ and (b) the Authority must determine, taking into account among other considerations anticipated future receipt of revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (i) payment of reasonable and necessary operating expenses, (ii) an Operating Fund reserve for working capital, emergency repairs or replacements, major renewals or for retirement from service, decommissioning or disposal of facilities, (iii) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt or (iv) payment of interest and principal on subordinate debt.

**DISCUSSION**

“The State’s fiscal year (‘SFY’) 2012-13 Budget legislation authorizes the Authority as deemed ‘feasible and advisable by its trustees’ to provide up to \$65 million in contributions to the State, with up to \$25 million to be considered for payment by June 2012 and with the remainder of any such contribution considered for payment by January 2013.

“In January 2012, the Trustees approved a contribution to the State in the amount of \$60 million, pursuant to the last year’s SFY 2011-12 Budget legislation, which was paid at that time. Last fiscal year’s \$60 million amount, together with the up to \$25 million considered herein, totals \$85 million for the Authority’s calendar year 2012 operations, which is the amount the Authority budgeted for in its 2012 Operating Budget.

“New York State Division of Budget representatives have indicated that the State’s fiscal plan anticipates a contribution in the amount \$15 million from the Authority at this time. With regard to the remaining amount (\$50 million) contemplated in the SFY 2012-13 Budget, staff is not recommending any action at this time, but will return to the Board with a recommendation as to that amount based on the financial circumstances of the Authority at the time such contribution is to be considered for payment.

“Staff has reviewed the effects of the \$15 million transfer amount on the Authority’s expected financial position and reserve requirements. In addition, in accordance with the Board’s Policy Statement, staff calculated the impact of these transfer amounts on the Authority’s debt service coverage ratio and determined it would not fall below the 2.0 reference point level. Given the current financial condition of the Authority, its estimated future

revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to make the contribution of \$15 million at this time.

FISCAL INFORMATION

“Staff has determined that sufficient funds are available in the Operating Fund to transfer \$15 million to the State’s general fund at this time and that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s Bond Resolution. Such a transfer for the SFY 2012-13 Budget legislation was anticipated and is within the amount reflected in the Authority’s 2012 Operating Budget approved by the Trustees at their December 15, 2011 meeting.

RECOMMENDATION

“The Treasurer recommends that the Trustees affirm that the transfer to the State’s general fund of \$15 million is feasible and advisable and authorize such payment.

“For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Trustees hereby authorize a payment to the State’s general fund in the amount of \$15 million from the Operating Fund as authorized by Chapter 59 of the Laws of 2012 as discussed in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the amount of \$15 million to be used for the contributions to the State’s general fund described in the foregoing resolution is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further**

**RESOLVED, That as a condition to making the payment specified in the foregoing resolutions, on the day of such payment, the Treasurer or the Deputy Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolutions, subject to approval as to the form thereof by the Executive Vice President and General Counsel.**

16. **Transitional Succession Insurance Coverage**

*On motion made and seconded the Trustees unanimously adopted the transitional succession insurance coverage as recommended by the Governance Committee.*

17. **Committee Appointments**

The Chairman submitted the following report:

**SUMMARY**

“In accordance with Article V the By-Laws of the Power Authority of the State of New York, as amended March 27, 2012 (‘By-Laws’), the Trustees are requested to approve the following committee appointments effective immediately.

**BACKGROUND**

“The following changes in committee composition are recommended in order to achieve an even distribution of assignments for each Trustee and to eliminate any overlap and potential conflict of interest between the Audit and the Finance Committees.

Audit Committee (new members are in bold)

**Terrance P. Flynn** (Chair), Eugene L. Nicandri, R. Wayne LeChase

Finance Committee

**John R. Koelmel** (Chair), Jonathan F. Foster, **Joanne M. Mahoney**, John S. Dyson

Governance Committee

Eugene L. Nicandri (Chair), **Joanne M. Mahoney**, **John R. Koelmel**, **Terrance P. Flynn**

Strategic Planning and Energy Policy Committee

John S. Dyson (Chair), Jonathan F. Foster, R. Wayne LeChase, **John R. Koelmel**

**RECOMMENDATION**

“The following resolution is recommended for adoption.”

The following resolution, as submitted by the Chairman, was unanimously adopted.

**RESOLVED, That the members of the Audit Committee shall be: Terrance P. Flynn (Chair), Eugene L. Nicandri, and R. Wayne LeChase, effective immediately; and be it further**

**RESOLVED, That the members of the Finance Committee shall be: John R. Koelmel (Chair), Jonathan F. Foster, Joanne M. Mahoney, and John S. Dyson, effective immediately; and be it further**

**RESOLVED, That the members of the Governance Committee shall be: Eugene L. Nicandri (Chair), Joanne M. Mahoney, John R. Koelmel and Terrance P. Flynn, effective immediately; and be it further**

**RESOLVED, That the members of the Strategic Planning and Energy Policy Committee shall be: John S. Dyson (Chair), Jonathan F. Foster, and R. Wayne LeChase, John R. Koelmel, effective immediately.**

18. **Next Meeting**

The next regular meeting of the Trustees will be held on **Tuesday, July 31, 2012, at 11:00 a.m., at the Clarence D. Rappleyea Building, White Plains, New York**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

**Closing**

On motion made and seconded, the meeting was adjourned by the Chairman at approximately 2:10 p.m.

A handwritten signature in black ink, appearing to read "Karen Delince". The signature is fluid and cursive, with a large initial "K" and "D".

Karen Delince  
Corporate Secretary

June 26, 2012

# **EXHIBITS**

**For**

**June 26, 2012**

**Regular**

**Trustees' Meeting**

Procurement (Services) Contracts – Awards  
(For Description of Contracts See "Discussion")

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
CORP. SUPPORT SERVICES - HR - BENEFITS	<b>FBMC BENEFITS MANAGEMENT, INC.</b> Tallahassee, FL <b>(Q12-5184; 4600002526)</b>	06/01/12	Provide for web-based open enrollment and benefits / compensation statement services	05/31/17	B/S			<b>\$350,000*</b>
							*Note: represents total for up to 5-year term	
MED ENERGY EFFIC. RESOURCES & TECH SERV. - ENERGY SERVICES	<b>Q12-5187; 2 awards:</b> <b>1. ANTARES GROUP, INC.</b> Landover, MD <b>2. M/E ENGINEERING, P.C.</b> Buffalo, NY (PO#s TBA)	07/01/12 (on or about)	Provide for consulting services in support of biomass energy development projects and activities, as part of the Energy Services Program, on an "as needed" basis	06/30/15	B/P			<b>\$150,000*</b>
							*Note: represents aggregate total for up to 3-year term	
MED ENERGY EFFIC. RESOURCES & TECH SERV. - ENERGY SERVICES	<b>Q12-5218; 3 awards:</b> <b>1. INDUSTRIAL STAFFING SERVICES, INC. ♦</b> East Brunswick, NJ <b>2. L.J. GONZER ASSOCIATES</b> Cranford, NJ <b>3. METRO TECH CONSULTING SERVICES, INC. ♦</b> New York, NY (PO #s TBA)	07/01/12 (on or about)	Provide for temporary engineering support services for Energy Services Program projects	06/30/17	B/S			<b>\$10,000,000*</b>
							*Note: represents aggregate total for up to 5-year term <b>All costs in connection with such projects will be recovered by the Authority.</b>	

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)  
 1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search  
 2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

**Procurement (Services) and Other Contracts – Awards**  
(For Description of Contracts See "Discussion")

EXHIBIT "4f-A"  
June 26, 2012

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
MED ENERGY EFFIC. RESOURCES & TECH SERV. - ENERGY SERVICES	<b>M.J. BRADLEY &amp; ASSOCIATES</b> Manchester, NH (PO# TBA)	07/01/12 (on or about)	Provide for consulting services in connection with the hybrid electric school bus evaluation project	06/30/14	Si/P			\$101,000*
						*Note: represents total for 2-year term <b>Partially funded with ARRA grant from NYSERDA</b>		
MED ENERGY EFFIC. RESOURCES & TECH SERV. - ENERGY SERVICES	<b>NORTHLAND ASSOCIATES, INC.</b> Syracuse, NY (Q10-4866; PO# TBA)	07/01/12 (on or about)	Provide for turnkey project services in connection with a large-scale distributed wind power system at SUNY Canton	06/30/20 (includes 3 yrs for turnkey project + 5 yrs for O&M services)	B/C			\$6,677,550*
						*Note: represents total for up to 8-year term, including contingency <b>All project costs financed by the Authority will be recovered from the customer. (Other anticipated funding includes grants from NYSERDA and National Grid.) Initial CIC authorized by the Customer is for \$400K to cover Phase 1 only.</b>		
POWER SUPPLY - EH&S / SCPPs	<b>CEMTEK SYSTEMS INC.</b> Linden, NJ (Q12-5217; PO# TBA)	07/01/12 (on or about)	Provide for field service for hardware maintenance and parts, as needed, for the Continuous Emissions Monitoring Systems ("CEMS") at the SCPPs	06/30/15	B/S			\$600,000*
						*Note: represents total for up to 3-year term		
POWER SUPPLY - SCPPs	<b>EMERA CHEM, LLC</b> Knoxville, TN (Q12-5162; PO# TBA)	07/01/12 (on or about)	Provide for chemical washing of CO catalyst modules in the LM6000 units at the SCPPs	06/30/17	B/S			\$1,750,000*
						*Note: represents total for up to 5-year term		
POWER SUPPLY - EH&S	<b>FIRST ENVIRONMENT INC.</b> Boonton, NJ (Q12-5215; PO# TBA)	07/01/12 (on or about)	Provide for consulting services involving verification of greenhouse gas emissions data reported by the Authority to the Climate Registry for 2011-2013	06/30/15	B/P			\$45,000*
						*Note: represents total for up to 3-year term		

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)  
**1 Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search  
**2 Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

**Procurement (Services) and Other Contracts – Awards**  
(For Description of Contracts See "Discussion")

EXHIBIT "4f-A"  
June 26, 2012

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
POWER SUPPLY - ASSET & MAINTENANCE MGMT	<b>Q12-5173; 2 awards:</b>  <b>1. HAWKEYE LLC</b> Hauppauge, NY  <b>2. UNDERGROUND SYSTEMS, INC.</b> Armonk, NY (PO#s TBA)	07/01/12 (on or about)	Provide for emergency repair services for Authority underground power cables statewide	06/30/17	B/C			<b>\$10,000,000*</b>
						*Note: represents aggregate total for up to 5-year term		
POWER SUPPLY - NIAGARA	<b>NATIONAL VACUUM CORP.</b> Niagara Falls, NY (N12-20067978 / 6000130459; PO# TBA)	07/01/12 (on or about)	Provide for industrial cleaning services for drainage systems and galleries at the Niagara Project--RMNPP & LPGP	06/30/15	B/S			<b>\$700,000*</b>
						*Note: represents total for up to 3-year term		
POWER SUPPLY - STL	<b>PROFESSIONAL HEALTH SERVICES, INC. ("PHS")</b> Havertown, PA (S12-02 / 6000129499; PO# TBA)	09/01/12 (on or about)	Provide for onsite annual physical examinations and other related testing, where applicable, for employees at the STL Project	08/31/15	B/P			<b>\$142,000*</b>
						*Note: represents total for up to 3-year term		
POWER SUPPLY - NIAGARA	<b>SHRED-IT BUFFALO</b> Williamsville, NY (N12-20068684; 6000131413; PO# TBA)	07/01/12 (on or about)	Provide for secure on-site paper shredding and recycling services for the Niagara Project	06/30/15	B/S			<b>\$30,000*</b>
						*Note: represents total for up to 3-year term		
POWER SUPPLY - EH&S	<b>UNITED OIL RECOVERY dba UNITED INDUSTRIAL SERVICES</b> Meriden, CT (Q12-5171; PO# TBA)	07/01/12 (on or about)	Provide for liquid waste disposal services (including transportation and treatment) for the Authority's operating facilities	12/31/15	B/S			<b>\$600,000*</b>
						*Note: represents total for 3-1/2 year term		

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)  
**1 Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search  
**2 Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

**Procurement (Services) and Other Contracts – Awards**  
 (For Description of Contracts See "Discussion")

EXHIBIT "4f-A"  
 June 26, 2012

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
POWER SUPPLY - PROJECT DEVELOPMENT, LICENSING & COMPLIANCE	<b>Q12-5205; 11 awards:</b>  1. <b>CAI SERVICES, P.C.</b> Jackson, MI  2. <b>CH2M HILL ENGINEERING, P.A.</b> Englewood, CO  3. <b>CHA CONSULTING, INC.</b> Albany, NY  4. <b>CRA INTERNATIONAL, INC.</b> Boston, MA  5. <b>NAVIGANT CONSULTING, INC.</b> Westbury, NY  6. <b>NORTHEAST PROFESSIONAL ENGINEERING CONSULTANTS, LLC</b> N. Franklin, CT  7. <b>POWER GEM, LLC</b> Clifton Park, NY  8. <b>QUANTA TECHNOLOGY, LLC</b> Raleigh, NC	07/01/12 (on or about)	Provide for consulting services to support Authority initiatives in connection with generation, transmission, fuel supplies, energy policy and regulatory activities, on an "as needed" basis	06/30/17	B/P			\$5,000,000*

\*Note: represents aggregate total for up to 5-year term

[continued on next page]

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)  
 1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search  
 2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

**Procurement (Services) and Other Contracts – Awards**  
 (For Description of Contracts See "Discussion")

EXHIBIT "4f-A"  
 June 26, 2012

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
Q12-5205 continued:								
	9. SHAW CONSULTANTS INTERNATIONAL, INC. Cambridge, MA							
	10. SIEMENS INDUSTRY, INC. Schenectady, NY							
	11. TETRA TECH EC, INC. Morris Plains, NJ (PO#s TBA)							

◆ M / WBE: New York State-certified Minority / Women-owned Business Enterprise (indicated by the ◆ symbol after the Company Name)  
 1 Award Basis: B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search  
 2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

**Procurement (Services) Contracts – Extensions and/or Additional Funding**  
(For Description of Contracts See "Discussion")

EXHIBIT "4f-B"  
June 26, 2012

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
MED ENERGY EFFICIENCY & TECH SERV. - ENERGY SERV.	<b>OHM'S ELECTRICAL CORP.</b> Glendale, NY <b>4500203778</b>	07/15/11	Provide for electrical installation services to upgrade the lighting sys- tem at the NYC Muni- cipal Building, 1 Centre Street, in connection with the Authority's High Efficiency Light- ing Program	03/31/13	B/C	<b>\$753,366</b>	<b>\$180,962</b>	<b>\$753,366*</b>
*Note: represents originally approved amount (including construction performance and payment bond); <b>NO ADDITIONAL FUNDING REQUESTED</b>								
POWER SUPPLY- PROJECT MGMT	<b>NAES CORP.</b> Issaquah, WA <b>4500133069</b>	11/29/06	Provide for the operation and maintenance of the NYC DEP's East Delaware and Neversink hydroelectric facilities	06/30/14	B/S	<b>\$13,700,956</b>	<b>\$11,713,720</b>	<b>\$17,959,957*</b>
*Note: includes \$13,749,957 previously approved by the Trustees + <b>CURRENT INCREASE OF \$4,210,000</b> <b>All direct and administrative overhead costs will be reim- bursed to the Authority by the City of New York, acting through NYC DEP.</b>								
POWER SUPPLY- PROJECT MGMT + STL	<b>SIEMENS ENERGY INC.</b> Wendell, NC <b>4500166943</b>	01/01/09	Provide for the STL Switchyard Automated Monitoring and Control (STL-SAMAC) System, as part of the Protective Relay Replacement Pro- gram	09/30/13	B/C	<b>\$3,778,166</b>	<b>\$3,150,248</b>	<b>\$4,533,166*</b>
*Note: includes originally approved amount of \$3,305,903 + an additional \$472,263 authorized per the EAPs + <b>CURRENT INCREASE OF \$755,000</b>								

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)  
1 **Award Basis:** B= Competitive Bid; S= Sole Source; C= Competitive Search  
2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service, C= Construction; E= Equipment; N= Non-Procurement

NYPA FLEET TRANSFER

**EXHIBIT "4g-A"**  
**June 26, 2012**

<u>VEHICLE ID</u>	<u>MODEL YEAR</u>	<u>MANUFACTURER</u>	<u>MODEL</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>FAIR MARKET VALUE</u>
JTEEW41A892037216	2007	TOYOTA	HIGHLANDER	SUV-COM-4X4-HYBRID	\$14,000
JTEEW21A270048094	2007	TOYOTA	HIGHLANDER	SUV-COM-4X4-HYBRID	\$14,000
1FMYU96H15KD42699	2005	FORD	ESCAPE	SUV-COM-4X4-HYBRID	\$10,000
1FMYU96HX5KD42698	2005	FORD	ESCAPE	SUV-COM-4X4-HYBRID	\$10,000
1GNEK13Z55J208836	2005	CHEVROLET	TAHOE	SUV-LD-4X4	\$13,000
1GNFK13097J281183	2007	CHEVROLET	TAHOE	SUV-LD-4X4	\$20,000
1D8HB38P89F715345	2009	DODGE	DURANGO	SUV-LD-4X4	\$12,000
JTEEW41A892037216	2009	TOYOTA	HIGHLANDER	SUV-COM-4X4-HYBRID	\$25,700
1GNSK2E00BR349446	2011	CHEVROLET	TAHOE	SUV-LD-4X4	\$27,000
1GNUKAE01AR221170	2010	CHEVROLET	TAHOE	SUV-LD-4X4	<u>\$19,600</u>
					\$165,300



**ANDREW M. CUOMO**  
GOVERNOR

STATE OF NEW YORK  
**EXECUTIVE DEPARTMENT**  
**OFFICE OF GENERAL SERVICES**  
MAYOR ERASTUS CORNING 2ND TOWER  
THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA  
ALBANY, NEW YORK 12242

**ROANN M. DESTITO**  
COMMISSIONER

June 21, 2012

Mr. Gil Quiniones  
President & Chief Executive Officer  
New York Power Authority  
123 Main Street  
White Plains, New York 10601

Dear Mr. Quiniones:

On behalf of the NYS Office of General Services ("OGS"), I am requesting, for your consideration, transfer of ten (10) vehicles from the New York Power Authority to OGS. The primary purpose of the transfer is to support the expanded role of OGS in providing essential services for the operation of state government. The vehicles will be placed into the OGS fleet of vehicles and will remain in public ownership.

The enacted 2012-2013 state budget dramatically expanded the role of the delivery of OGS services in support of State government. Following directives by Governor Cuomo, OGS is working to change the way State government does business to reduce costs to New York taxpayers and increase efficiencies across all State agencies. Most of the Governor's reforms focus on specific services and functions for which OGS is now accountable. OGS is now responsible for the development and implementation of the following statewide enterprise initiatives which have been or will be consolidated within the agency:

- **Strategic Sourcing:** transforming and centralizing of statewide procurement of commodities, services and technology to harness the state's full buying power to reduce costs to the state and local governments.
- **Business Service Center:** consolidating traditional back office operations commencing with Finance and Human Resources and their transactions to be overseen on behalf of state agencies by OGS to create efficiencies for agencies enabling them to focus on their core missions while improving customer service.
- **Real Estate Center of Excellence:** administering the portfolio of state properties and management of all state leases. Prior to the establishment of this new Center OGS continues to work on a statewide Real Estate Optimization project which is dramatically decreasing vacancy rates in state leased and owned building from just under 30% to an industry standard of under 9% yielding tens of millions of dollars in savings to taxpayers.

With this expanded portfolio of responsibilities the efficient delivery of services around the State is critical. State staff who will be implementing these initiatives and enterprises for OGS is expanding. The current OGS fleet of vehicles is limited in size, constricted by high mileage and vehicle age and maintenance issues. OGS budget constraints does not allow for the purchase of additional new vehicles. The transfer of these vehicles to OGS will result in benefits to the public from the management of these sustainable enterprise initiatives through cost reductions to the state, public authorities, local governments, school districts and the public

We thank the NYPA Board of Trustees for consideration of this transfer of vehicles.

Sincerely,



Joseph J. Rabito  
Executive Deputy Commissioner

cc: Judith McCarthy, Executive Vice President & General Counsel  
Franklin Hecht, OGS Chief Financial Officer



# New York Power Authority

Generating more than electricity

# President & Chief Executive Officer Report

---

**Gil Quiniones**

**June 26, 2012**

Board of Trustees Meeting

# Corporate Performance Measures

## NYPA OVERALL PERFORMANCE

MAY 2012

CORPORATE MEASURE	OWNER	YTD TARGET	YTD ACTUAL	STATUS		
				Mar	Apr	May
<b>MISSION GOALS</b>						
<b>Economic Development</b>						
<b>Jobs per MW Allocated*</b> (ratio)	JIM PASQUALE	N/A				
<small>*Target will be set with ReChargeNY program roll out</small>						
<b>Energy Services</b>						
<b>MMBTU's Saved</b>	PAUL BELNICK	52	54.3			
<b>Energy Efficiency Investment In State Facilities</b> (\$ Millions)	PAUL BELNICK	29.3	46.9			
<b>Energy Infrastructure</b>						
<b>Energy Highway</b> (% Milestones)	JILL ANDERSON	25	25			
<b>STEWARDSHIP GOALS</b>						
<b>Financial Management</b>						
<b>O&amp;M Budget Performance</b> (\$ Millions )	BOB HOPKINS	152.1	143.4			
<b>Debt Coverage Ratio</b> (Ratio)	BRIAN McELROY	2.5	2.65			
<b>Maintain Infrastructure</b>						
<b>Generation Market Readiness</b> (%)	ED WELZ	99.4	99.9			
<b>Transmission System Reliability**</b> (%)	ED RIDER	95.80	95.04			
<small>** Reflects monthly performance</small>						
<b>Workforce Management</b>						
<b>Succession Preparedness ***</b> (% Milestones)	JOAN TURSI	N/A				
<small>***Measure is being redesigned</small>						
<b>Retention</b> (# of Touchpoints)	JOAN TURSI	135	151			
<b>Training</b> (% Milestones)	AGNES HARRIS	25	25			
<b>ACCOUNTABILITY GOALS</b>						
<b>Safety Leadership</b>						
<b>Recordable Incidence Rate****</b> (Index)	JOHN KAHABKA	1.00	1.29			
<small>****Results based on 12 month rolling average</small>						
<b>Environmental Responsibility</b>						
<b>Environmental Incidents</b> (Units)	JOHN KAHABKA	13	11			
<b>Enterprise Risk</b>						
<b>Enterprise Wide Risk Management Program</b> (% Milestones)	SCOTT SCHOLTEN	10	10			
<b>Compliance</b>						
<b>Compliance Reporting</b> (% Milestones)	JOE GRYZLO	25	25			
<b>Compliance Training</b> (% Milestones)	JOE GRYZLO	25	25			

# Energy Highway

---

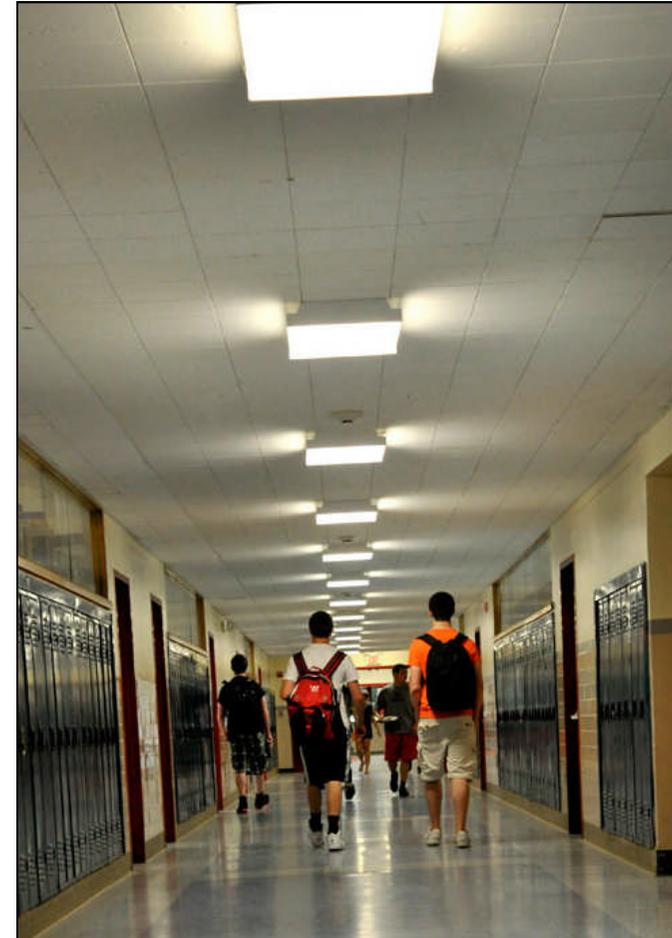
- Request for Information (RFI) issued on April 11
- Responses received on May 30
  - 85 respondents
  - 125 individual projects
  - More than 20,000 MW of new capacity
- Next Steps
  - Action Plan for Submission to the Governor



# Energy Efficiency

---

- Governor's initiative: energy efficiency master planning in public buildings
  - \$800 MM financing commitment from NYPA over four years
  - Goal of 20% consumption reduction
  - Commitments received from top five state agencies
  - RFIs were issued by NYPA for Design Bid Build, Trade Management



New efficiency lighting at South Glens Falls High School

# President & Chief Executive Officer Report

---

**Gil Quiniones**

June 26, 2012

Appendix

# Supplier Diversity

---

- 22nd Annual Supplier Diversity Exchange for Minority and Women-Owned Businesses on June 6
- Over 300 firms
- About 39 public and private entities



# Community Relations Update

- NYPA's Visitors Centers
  - Three Visitors Centers near our major facilities: Niagara, Saint Lawrence, and Blenheim-Gilboa
  - Lansing Manor at Blenheim-Gilboa is now open until October 31
  - Over 140,000 people pass through the Visitors Centers every year



Lansing Manor

- Mutual Riverfront Park Opening Ceremony held on June 12
  - \$2.3 million park
  - Work closely with community and elected officials
  - Multi-Purpose location



Mutual Riverfront Park

123 Main Street  
White Plains, NY 10601-3170  
914.681.6675  
Edward.Welz@nypa.gov



**Edward Welz**  
Chief Operating Officer

TO: NYPA BOARD OF TRUSTEES  
FROM: EDWARD WELZ, CHIEF OPERATING OFFICER  
DATE: JUNE 12, 2012  
SUBJECT: MONTHLY REPORT FOR THE BOARD OF TRUSTEES

\*\*\*\*\*

This report covers performance of the Operations group in May 2012.

## **Operations**

### *Plant Performance*

Systemwide net generation<sup>1</sup> was 2,103,120 megawatt-hours<sup>2</sup> (MWh) in May 2012, compared to projected net generation of 2,393,011 MWh. Year-to-date net generation is 11,244,847 MWh, compared to the target of 11,475,544 MWh.

The fleet availability factor<sup>3</sup> was 85.3 percent in May 2012, and 90.7 percent for the year. Generation market readiness factor<sup>4</sup> was 100 percent in May, compared with the monthly target of 99.4 percent. Year-to-date generation market readiness factor was also at 99.9 percent.

In May, there were no significant unplanned generation events<sup>5</sup> during the month.

Generation net revenue in May was \$20.2 million with a loss of revenue of \$0.19 million for the month. Year-to-date Generation net revenue was \$65.6 million and lost opportunity cost was \$0.22 million.

Niagara River flows in May 2012 were below the historical average, and are expected to be below average for the rest of the year and into 2013. St. Lawrence River flows during May 2012 were slightly below forecast. River flows are expected to be below the average historical level for most of 2012 and into next year.

### *Transmission Performance*

Transmission reliability<sup>[i]</sup> in May was 95.04 percent, which was below the target of 95.08 percent. Year-to-date transmission reliability is 97.55 percent, above the target of 96.37 percent. The largest negative impact on the performance in May was due to the UCC2-41 outage that was originally scheduled in April.

There were no significant unplanned transmission events in May to report.

### *Environmental*

There were two reportable event for May 2012. For the year, there have been 11 reportable incidents. The annual target for 2012 is 29.

### *Transmission Initiative*

No updates to report for the month.

### *Relicensing – Niagara Power Project*

An internal review draft Joint Permit Application for the US Army Corps of Engineers and the New York State Department of Environmental Conservation was prepared in May for permitting of the Frog Island Habitat Improvement Project (construction is anticipated in 2013).

The Reservoir State Park recreation improvement project was substantially completed in May with opening of softball diamonds, commissioning of the new lighting at diamond no. 1, and issuance of Certificates of Occupancy for new and refurbished buildings. Only minor landscaping, miscellaneous cleanup work, and seeding and fertilizing of the soccer fields remains.

Construction is ongoing at the Whirlpool and Schoellkopf Overlooks recreation improvement projects. Concrete paver placement continues, while railing foundations installations were completed. Railing mockup fabrication is ongoing.

Installation is progressing on the new stone connecting stairway at Whirlpool Street in the Niagara Gorge and on the two stone replacement fishing access stairs at Artpark. The old wooden stairs at Artpark have been demolished.

Tern nesting is active and being monitored at the three improved Common Tern Nesting Sites on the breakwaters in Buffalo Harbor, with nesting expected to continue into July.

*Relicensing – St. Lawrence-FDR Power Project*

Bids for the construction of the Nichols Island Habitat Improvement Project have been received and evaluated. A request for approval of the Award of the contract is in the consent agenda of the June 26 Trustee's meeting. Bids were slightly below engineering estimates.

Mobilization has commenced to build the pump house for the Little Sucker Brook Habitat Improvement Project. The new box culvert/fish passage structure will be installed under Rt. 37 this fall.

Masonry walls and roof steel are complete at the WHWMA pump house. Roof should be installed shortly, followed by electrical.

Habitat Improvement Project monitoring activities continue.

Two additional lake sturgeon spawning beds are planned to be installed in the RMPD tailrace this fall. An application for COE approval and a construction RFP for this activity has been prepared.

*Relicensing – Blenheim-Gilboa Project*

The baseline study effort is well underway. The desktop phase of the Cover Type/Wildlife Habitat mapping study is completed through the first phase and is now being refined, with field verification scheduled for early summer.

Water Quality monitoring continues. Turbidity in the lower reservoir has shown a marked improvement recently (recovering from Hurricane Irene).

Initial introductory meetings were held with The NYS SHPO. Previously introductory meetings were held with NYSDEC, USFWS and OPRHP. All meetings were very cordial and no significant or unexpected issues have been raised.

An on-site walk-over of Minekill State Park was conducted with the OPRHP Park Manager. The Park is in very good shape for the most part, and certainly not stressed from over use. OPRHP is unlikely to claim the need for additional capacity of the facilities they have. They may however, have thoughts about obtaining different types of facilities and functions from those they have now through the relicensing process.

## *Life Extension and Modernization Programs*

### St. Lawrence LEM Upgrade

Work on Unit 20 at the St. Lawrence-FDR Power Project, the 16<sup>th</sup> of the 16 units, began on May 9, 2012, as part of the Project's Life Extension and Modernization<sup>[i]</sup> (LEM) program. The unit is expected to return to service on December 21, 2012. The 2013 scheduled completion date for the LEM project remains unchanged.

### LPGP LEM

The third feeder outage (Feeder 4) to replace the third GSU and potheads at the Switchyard and LPGP is scheduled to begin on October 1, 2012 and will be completed on November 23, 2012. The Unit 11 Performance Testing began on May 1, 2012 and was completed on May 30, 2012 as planned. The unit control upgrade and auxiliary system designs and fabrication are proceeding. The components for the first new turbine are in transit from Slovenia to Hitachi's facility located in Japan for assembly and the completed turbine is scheduled to arrive at LPGP in April 2013. The first unit outage is scheduled to begin December 2012 with the program completion scheduled for 2020.

### RMNPP Unit 2 Standardization

Voith has encountered delays with the stator fabrication and they mobilized additional skilled craft. Voith is now scheduled to be completed with the stator on June 16<sup>th</sup> instead of the planned date of June 2<sup>nd</sup>. Niagara staff reviewed their re-assembly activities and available resources and the new return to service date is July 19, 2012. Alstom completed demobilization from the site and NYPA continues with unit re-assembly.

### *Technical Compliance – NERC Reliability Standards*

In May, the Northeast Power Coordinating Council (NPCC) continued its off-site spot check audit of NYPA's Purchasing and Selling Entity (PSE) function for NERC Reliability Standards IRO-005-3a, Requirement 10 – Reliability Coordination - Current Day Operations and VAR-001-2, Requirement 5 - Voltage and Reactive Control. NYPA confirmed with the NPCC Lead Auditor that all compliance materials NPCC requested were received, the NPCC Audit Team reviewed the materials, the NPCC Audit Team has no further questions or evidence requests and is preparing the draft report. Staff expects that this spot check audit will conclude in June.

In May, the NYPA Reliability Standards & Compliance (RSC) group completed an internal "Targeted Reliability Standards Compliance Assessment" of the Blenheim-Gilboa Power Project and initiated a similar assessment at the Niagara Power Project. These assessments were constructed as an internal control mechanism with the specific objective of ensuring that the facilities' personnel continue to use the NYPA policies and procedures relating to the NERC Critical Infrastructure Protection (CIP) standards. The assessment of the Blenheim-Gilboa Power Project did not reveal any

possible violations of NYPA's policies and procedures or of the NERC reliability standards. The Blenheim-Gilboa Power Project and the supporting headquarters personnel demonstrated a very good understanding of and are committed to their role in ensuring that NYPA remains compliant with the NERC CIP standards.

NYPA continues to conduct the compliance gap analysis for 35 newly identified assets that will become part of the Bulk Electric System (BES) pursuant to the new BES definition that FERC is expected to approve before the end of 2012 and that are subject to the NERC Reliability Standards. Based on the current implementation schedule, NYPA will need to demonstrate compliance to the standard requirements for these new assets by late 2014 or early 2015.

In May, NYPA staff continued to manage compliance enforcement actions related to several of the NERC Reliability Standards that are applicable to NYPA's NERC registrations. The actions and statuses are briefly stated below:

- a. **PRC-005-1 R2 - Transmission and Generation Protection System Maintenance and Testing** (NERC Violation ID: NPCC2011-00236): NYPA self-reported to NPCC a potential violation of the requirement R2 of PRC-005-1 on February 11, 2011. The associated mitigation plan closure documents are being reviewed by the Northeast Power Coordinating Council (NPCC). NPCC has not yet contacted NYPA about settlement discussions related to this violation.
- b. **CIP-004-3 R2 - Cyber Security - Personnel and Training** (NERC Violation ID: NPCC20122-00446): NYPA self-reported to NPCC a potential violation of requirement R2 of CIP-004-3 on February 16, 2012. The mitigation plan and associated closure documents were submitted to NPCC in April 2012 and are being reviewed by the Northeast Power Coordinating Council (NPCC).
- c. **CIP-004-3 R4 - Cyber Security - Personnel and Training** (NERC Violation ID: NPCC2012-200459): NYPA self-reported to NPCC a potential violation of requirement R4 of CIP-004-3 on March 12, 2012. The mitigation plan was submitted in April 2012 and will be completed in June 2012.

In May, NYPA continued to implement its work plan for responding to a 2010 NERC Alert Recommendation that requires NYPA to review its current facility ratings methodology for their solely and jointly owned transmission lines to verify that the methodology used to determine facility ratings is based on actual field conditions (in particular line ground clearances). The next status update must be submitted to NERC via NPCC in July 2012. The assessment has revealed that there are about 200 line clearance discrepancies in NYPA's 1,400 miles of transmission lines; about 60 of which are on lines rated as high priority. Staff is developing a mitigation plan to eliminate the discrepancies on the high priority lines by the end of 2012. Field verification surveys are

planned which may confirm fewer discrepancies requiring mitigation. NYPA is in the process of reviewing each discrepancy for environmental and licensing impacts. Contact has been established with other utilities to seek their assistance in remediating some of the discrepancies. In addition, NYPA plans to meet with NYS Public Service Commission to review discrepancies on Article VII lines. NYPA plans to meet with the NYISO once feedback has been gathered from the other utilities and the impact assessment completed to confirm the mitigation plans for the high priority lines.

#### *Research & Technology Development (R&TD)*

EPRI submitted a progress report regarding the root cause analysis for the In-City Plant Trench bushing failure, which was distributed to all the relevant NYPA staff. The interim conclusions included:

- The high-power factor of the A & C-phase bushings of both Hell Gate GSU2 and Harlem River GSU2 indicated an increasing risk toward failure of the bushings. The previous failures support that conclusion. However, examination, testing and analysis to date have yielded no conclusive cause for the increased power factor of these bushings. (NYPA replaced all the Trench bushings with ABB bushings at the Hell Gate and Harlem River plants after the second failure.)
- Teardown and visual inspection of the paper and foils of the two bushings yielded no evidence of overt partial discharge (burning, punctures or tracking).
- The dissolved gas analysis is suggestive of partial discharge activity within the bushing that is correlated with the high-power factor.
- There is no evidence of circulating current between the center tube and the draw lead.
- Oil quality appears marginal, but of serviceable and consistent quality.

EPRI is planning an additional bushing test at the Lenox laboratory next month.

The computational fluid dynamics (CFD) software (Flow3D) was received and successfully installed on the newly purchased workstation. This software will be applied to the water flow/ level study at Niagara to enhance the measurements of the water level and diversion flow. CFD software uses numerical methods and algorithms to solve and analyze problems that involve fluid flows and is a powerful tool that can be used to address the relationship between water level and flow. A two and half day on-site training session for this software is scheduled for July 17-19 at Niagara and eight staff members are registered to attend.

Staff attended factory testing for the digital fault recorder. Items included tests of the synchrophasor and fault recording functionalities using voltage/current injections, review of the internal calibration system, and a request to generate automated reports for each channel. The vendor was also asked to provide specifications for internal reference and its dependence on temperature and age (internal reference is used for internal calibration).

Modifications and improvements were suggested to enhance security by using secure switches and allowing a role-based authentication system.

A new connection between the new NYPA enhanced phasor data concentrator (ePDC) installed at ECC and the new NYISO ePDC was established as part of the NYISO/DoE Smart Grid Investment Grant project. NYISO is currently receiving data from all the NYPA existing phasor measurement units via the new ePDC and via the new T3 communication link that was deployed by the NYISO as part of this project.

The following three research project proposals with NYPA participation were submitted in response to NYSERDA PON 2474 [Electric Power Transmission and Distribution (EPTD) Smart Grid Program, Round One]:

- Substation Data Management, Repository, and Time-Synchronization in collaboration with XpertPower Associates.  
This project is an enhancement to the reliability of power system operations, especially during contingencies, by utilizing state-of-the-art data management capabilities. It aims at developing a generic platform for integrating various substation monitoring devices such as fault recorders and sequences of event recorders and will provide additional information to power system operating engineers especially during contingencies.
- Enhanced Power System Operation and Control via High Performance Computing in collaboration with Stony Brook University.  
The results of this proposed study could be used to enhance the existing capabilities of monitoring and control of the New York State power network by improving the performance of the algorithms that are used in control center applications. More specifically, this work will result in improvements of the computational time required for the processing of available operational data, thus providing system operators with sub-second, almost continuous, visibility of the entire power grid and thus improved wide-area situational awareness.
- State Estimation and Situational Awareness using Synchrophasor Data in collaboration with the Rensselaer Polytechnic Institute.  
This project comprises an important step in achieving state-of-the-art power systems operations capabilities based on innovative utilization of the synchrophasor technology. At the completion of the Department of Energy Smart Grid Investment Grant (SGIG), New York will have 50-60 multi-channel phasor measurement units gathering high sampling-rate synchronized phasor measurements across the state, which will vastly improve the reliability of the New York power system. This proposal addresses the development of tools to harness the potentials of phasor data.

Staff met with NYPA's NERC Compliance and Legal groups to discuss potential issues arising from NERC's proposal to transfer the Phasor Real-Time Dynamics Monitoring System (RTDMS) from the Tennessee Valley Authority (TVA) to the Electric Power Group (EPG) in California. NERC is favorably considering this transfer, with the expected potential benefits of substantially improving the system performance. The meeting reviewed the proposed changes and legal documents and found that there were no major concerns or implications to NYPA.

## Energy Resource Management

### *NYISO Markets*

In May, Energy Resource Management (ERM) bid 2.3 million MWh of NYPA generation into the NYISO markets, netting \$39.4 million in power supplier payments to the Authority. Year-to-date net power supplier payments are \$191.8 million.

### *Fuel Planning & Operations*

In May, NYPA's Fuels Group transacted \$14.6 million in natural gas and oil purchases, compared with \$14.0 million in May 2011. Year-to-date natural gas and oil purchases are \$78.2 million, compared with \$98.5 million at this point in 2011. The total \$20.3 million decrease is mainly due to the cost of fuel/lower generation at the 500-MW Combined Cycle Plant (-\$14.9 million for fuel cost and -\$15.3 for March/April outage), Small Clean Power Plants (-\$8.6 million) and the Richard M. Flynn Power Plant (-\$11.4 million), which was offset by the start up of the Astoria Energy II Plant (+\$29.9 million) in July of 2011.

### *Regional Greenhouse Gas Initiative*

There are no updates to report for May.

## GLOSSARY

---

<sup>1</sup> **Net Generation** – The energy generated in a given time period by a power plant or group of plants, less the amount used at the plants themselves (station service) or for pumping in a pumped storage facility. Preliminary data in the COO report is provided by Accounting and subject to revision.

<sup>2</sup> **Megawatt-hour (MWh)** – The amount of electricity needed to light ten thousand 100-watt light bulbs for one hour. A megawatt is equal to 1,000 kilowatts and can power about 800 homes, based on national averages.

<sup>3</sup> **Availability Factor** – The Available Hours of a generating unit over the Period Hours (hours in a reporting period when the unit was in an active state). Available Hours are the sum of Service Hours (hours of generation), Reserve Shutdown Hours (hours a unit was not running but was available) and Pump Hours (hours a pumped storage unit was pumping water instead of generating power).

<sup>4</sup> **Generation Market Readiness Factor** – The availability of generating facilities for bidding into the New York Independent System Operator (NYISO) market. It factors in available hours and forced outage hours that drive the results.

<sup>5</sup> **Significant Unplanned Generation Events** – Forced or emergency outages of individual generator units of duration greater than 72 hours, or with a total repair cost of greater than \$75,000, or resulting in greater than \$50,000 of lost revenues.

<sup>6</sup> **Regional Greenhouse Gas Initiative (RGGI)** – A cooperative effort by Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. These nine states have capped CO<sub>2</sub> emissions from the power sector, and will require a 10 percent reduction in these emissions by 2018. RGGI is composed of individual CO<sub>2</sub> Budget Trading Programs in each of the nine participating states. Regulated power plants can use a CO<sub>2</sub> allowance issued by any of the nine participating states to demonstrate compliance with the state program governing their facility. Taken together, the nine individual state programs function as a single regional compliance market for carbon emissions, the first mandatory, market-based CO<sub>2</sub> emissions reduction program in the United States. New Jersey was a tenth state within the RGGI program but New Jersey's governor pulled the state out of the program in 2011.

<sup>[i]</sup> **Transmission Reliability** – A measurement of the impact of forced and scheduled outages on the statewide system's ability to transmit power.

<sup>[ii]</sup> **Life Extension and Modernization Program** — A major undertaking in which all the turbines at the St. Lawrence-Franklin D. Roosevelt project are being replaced and the generators and other components significantly refurbished. The program is intended to ensure that the project operates at maximum efficiency far into the future.

**New York Power Authority**

**Report of the Chief Financial Officer**

**For the Five Months Ended May 31, 2012**

**Report of the Chief Financial Officer  
For the Month Ended May 31, 2012  
Executive Summary**

**Results of Operations**

Net income for the five months ended May 31 prior to the recognition of the voluntary contribution to New York State was \$118 million, which was \$14.3 million higher than the budget. Net income through May including the budgeted \$60 million voluntary contribution was \$58 million compared to a budget of \$43.7 million. Year-to-date results included higher non-operating income (\$4.3 million), lower operations and maintenance expenses (\$8.6 million), and lower other operating expenses (\$4.9 million), partially offset by lower net margins on sales (\$1.2 million). Non-operating income was higher than expected due to lower than budgeted interest costs resulting from lower rates. Operations and maintenance expenses were lower than anticipated primarily due to timing differences in projects at Niagara, the Small Clean Power Plants and the transmission facilities. Other operating expenses reflected lower than anticipated costs related to the Industrial Incentive awards and Western New York economic development fund primarily due to lower market energy prices. Lower net margins on sales through May (\$1.2 million) included negative variances at Niagara (\$10.7 million, lower energy prices) and the transmission facilities (\$3.4 million, lower revenues) partially offset by positive results in the MSP market area (\$8.1 million, lower purchased power costs) and at the SCPP's (\$5.6 million, higher capacity prices). Production through May was 8% higher than budget reflecting higher net generation at St. Lawrence (13%), Niagara (7%) and the fossil facilities (5%).

Results for the five months ended May 31, 2012 (\$58 million) were \$28.8 million lower than the same period in 2011 (\$86.8 million). The current year reflected a higher voluntary contribution to New York State partially offset by lower purchased power costs. Voluntary contributions were \$60 million through May 2012 compared to \$25 million through May 2011. Purchased power costs were lower in 2012 due to higher net generation and the need to purchase additional power at Niagara in 2011 due to an early year transmission line outage.

**Cash & Liquidity**

The Authority ended the month of May with total operating funds of \$1,229 million as compared to \$1,205 million at the end of 2011. The increase (\$24 million) is primarily attributable to net cash from operations and the value sharing payment received from Entergy of \$72 million substantially offset by \$66 million in voluntary contributions to New York State.

## Year-end Projection

While financial results through May show the Authority running somewhat ahead of budget, projections indicate that net income is expected to trend down to approximately \$161 million an estimated \$6 million below the budget by year-end. Key drivers, including general pricing trends in the energy and capacity markets as well as hydro flows, are continuing as reported in the first quarter of 2012:

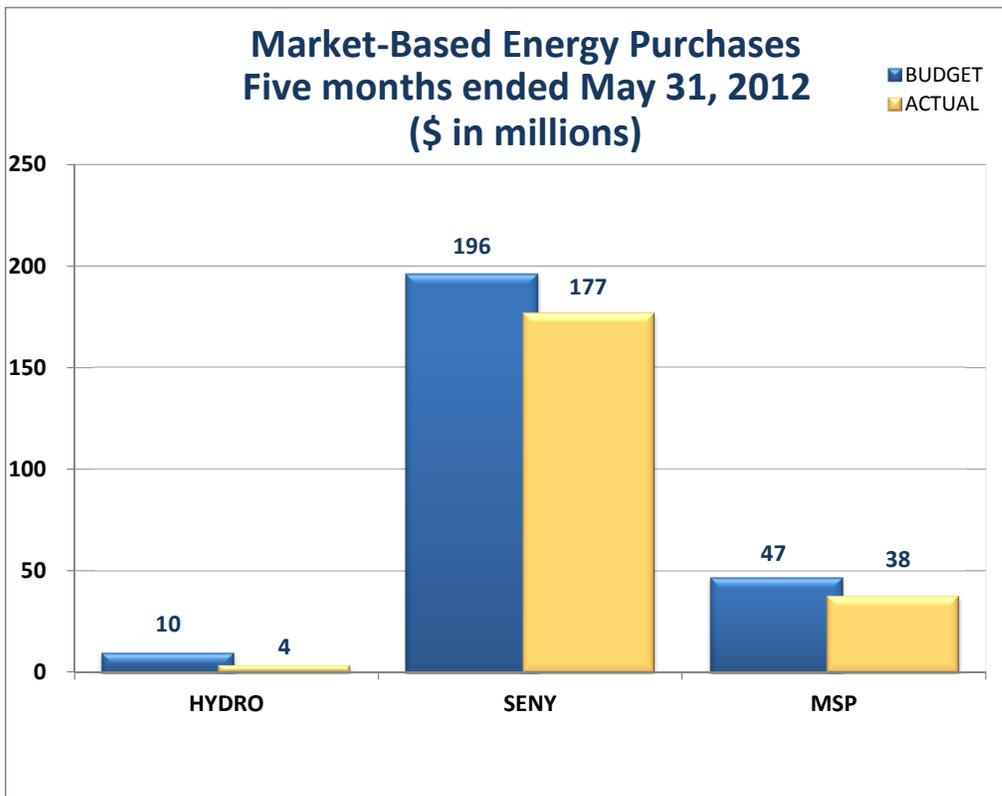
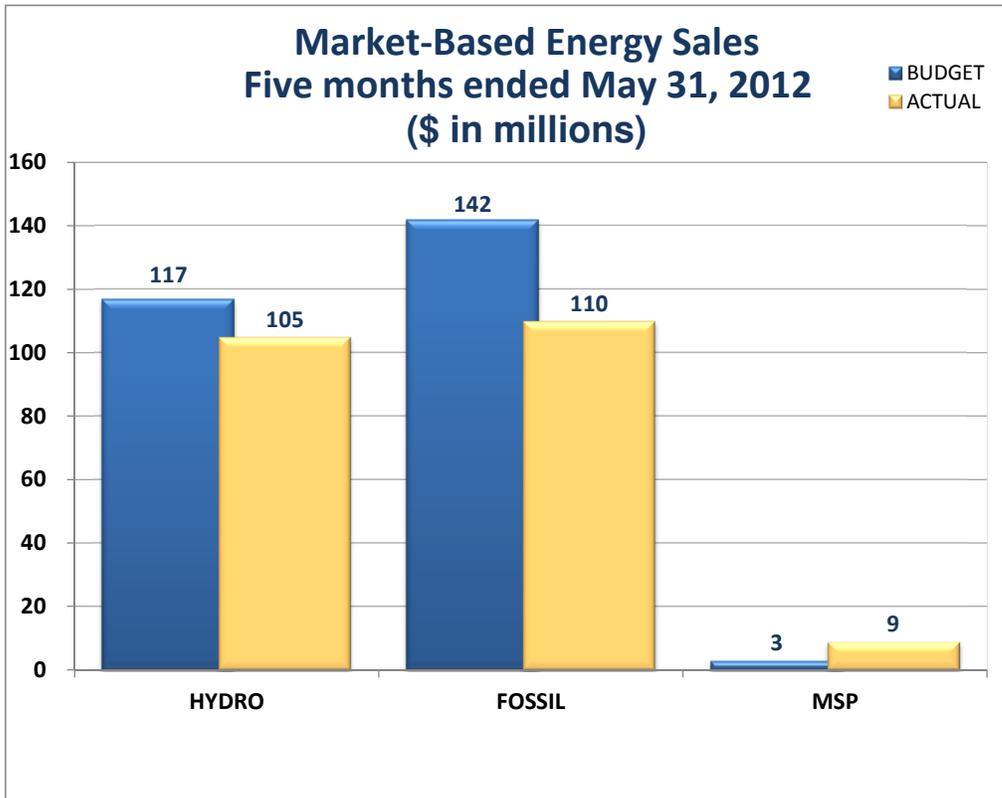
- **Energy Prices** – State-wide wholesale electricity prices have declined by approximately 30% relative to the budget primarily due to lower natural gas prices. While much of the Authority’s generation is sold under contract to benefitting customers, the relatively small proportion of Authority generation in the wholesale market for its own account is affected by these lower prices resulting in a negative impact on net income.
- **Capacity Prices** – An increase in market-based capacity prices is being observed as a result of a pending increase in the locational capacity requirement for the New York City load pocket and an increased capacity requirement for the Rest-of-State market. In addition, prices are firming up as a result of approximately 600 MW’s in generation being retired since the beginning of the year and the announced moth-balling of several additional generating stations in 2012 throughout New York in response to lower prices and lower demand. The resulting increase in market-based capacity prices is having a positive effect on the financial results, particularly for Blenheim-Gilboa and the Small Clean Power Plants.
- **Hydro Flows** – Net generation is expected to be below average levels for the remainder of the year offsetting higher than budgeted production during the first few months. Early spring run-off resulting from little snow-pack during the winter season, and below average spring rainfall over the Great Lakes has begun to have a negative effect on projected generation levels at the Niagara and St. Lawrence hydroelectric facilities
- **O&M and Other Expenses** – O&M spending, running under budget through May, is expected to finish the year near target and the additional obligations associated with the Recharge NY Transitional Electricity Discounts and the Energy Efficiency Market Acceleration Program (both under consideration by the Trustees at their June 2012 meeting) have been incorporated into the forecast.

At currently projected levels, the Authority’s business requirements for cash flow (debt service coverage) and liquidity are expected to be met.

**Net Income**  
**Five months ended May 31, 2012**  
(\$ in millions)

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Niagara	\$55.1	\$57.8	(\$2.7)
St. Lawrence	2.5	2.6	(0.1)
Blenheim-Gilboa	(7.2)	(8.0)	0.8
SENY	11.2	12.5	(1.3)
SCPP	(1.4)	(8.6)	7.2
Market Supply Power	(12.2)	(20.5)	8.3
Flynn	5.4	4.4	1.0
Transmission	15.7	16.9	(1.2)
Non-facility	(11.1)	(13.4)	2.3
<b>Total</b>	<b>\$58.0</b>	<b>\$43.7</b>	<b>\$14.3</b>

<u>Major Factors</u>	<u>Better (Worse)</u>
<p><b><u>Niagara</u></b>  Lower net margins on sales (\$10.7) due to lower energy prices, substantially offset by lower O&amp;M (\$4.1, timing of non-recurring projects) and lower other operating expenses (\$4.2, primarily Industrial Incentive Awards).</p>	(\$2.7)
<p><b><u>SCPP</u></b>  Primarily higher capacity revenues due to higher prices and lower O&amp;M (timing, Hell Gate gas turbine overhaul).</p>	7.2
<p><b><u>Market Supply Power</u></b>  Lower purchased power costs due to lower prices.</p>	8.3
<p><b><u>Transmission</u></b>  Primarily lower FACTS revenues due to lower congestion.</p>	(1.2)
<p><b><u>Other facilities</u></b></p>	0.4
<p><b><u>Non-facility (including investment income)</u></b>  Primarily positive impact of mark-to-market gain on the Authority's investment portfolio (\$1.6) due to lower than anticipated market interest rates during the period.</p>	2.3
<b>Total</b>	<b>\$14.3</b>

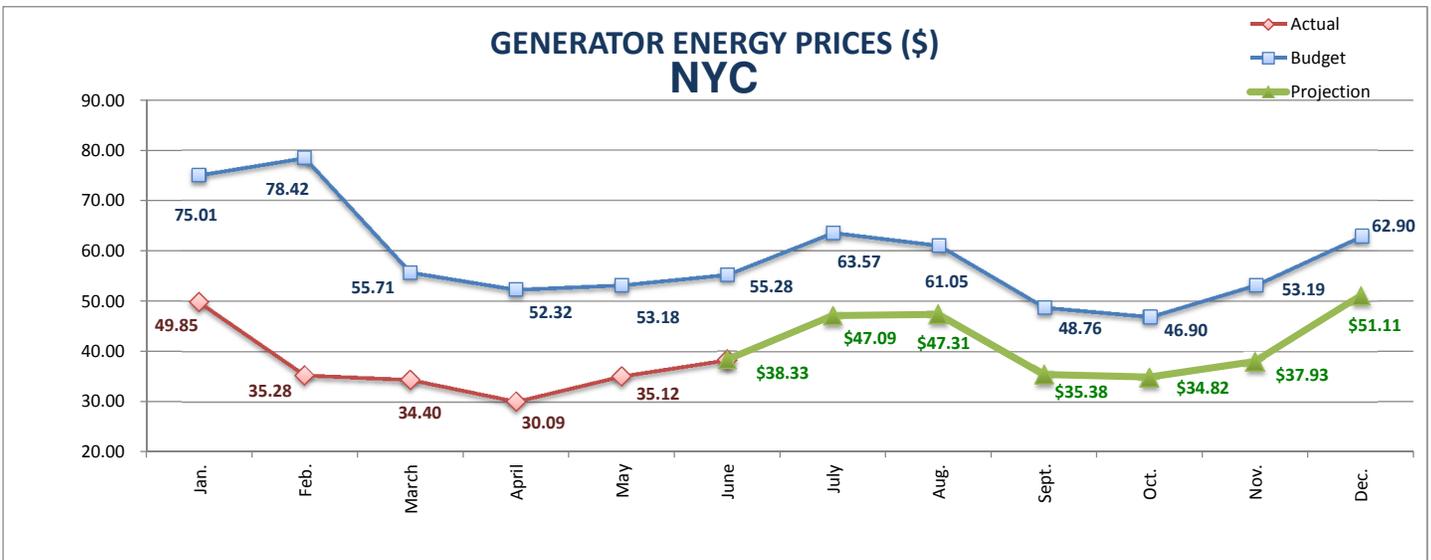
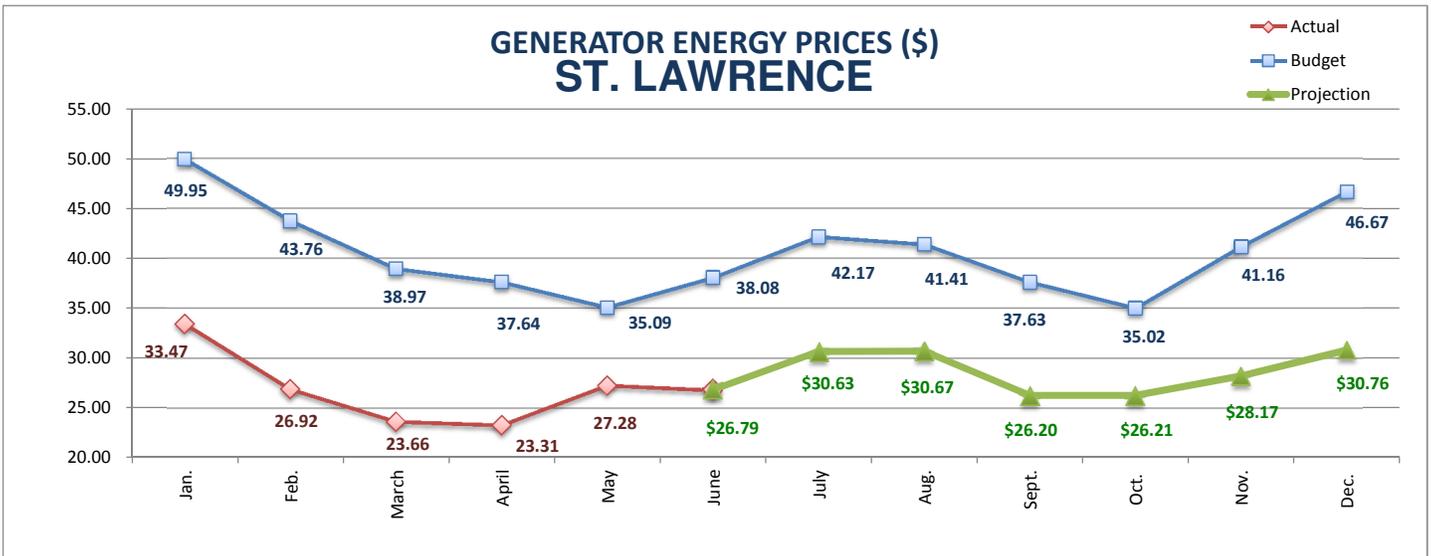
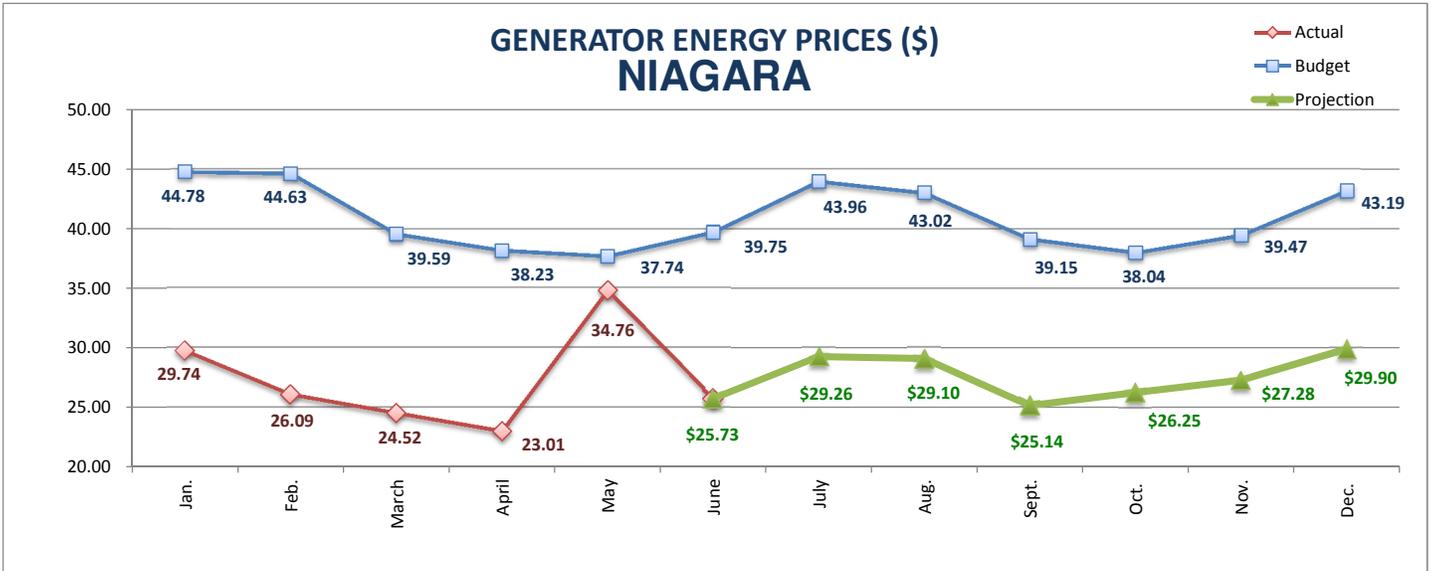


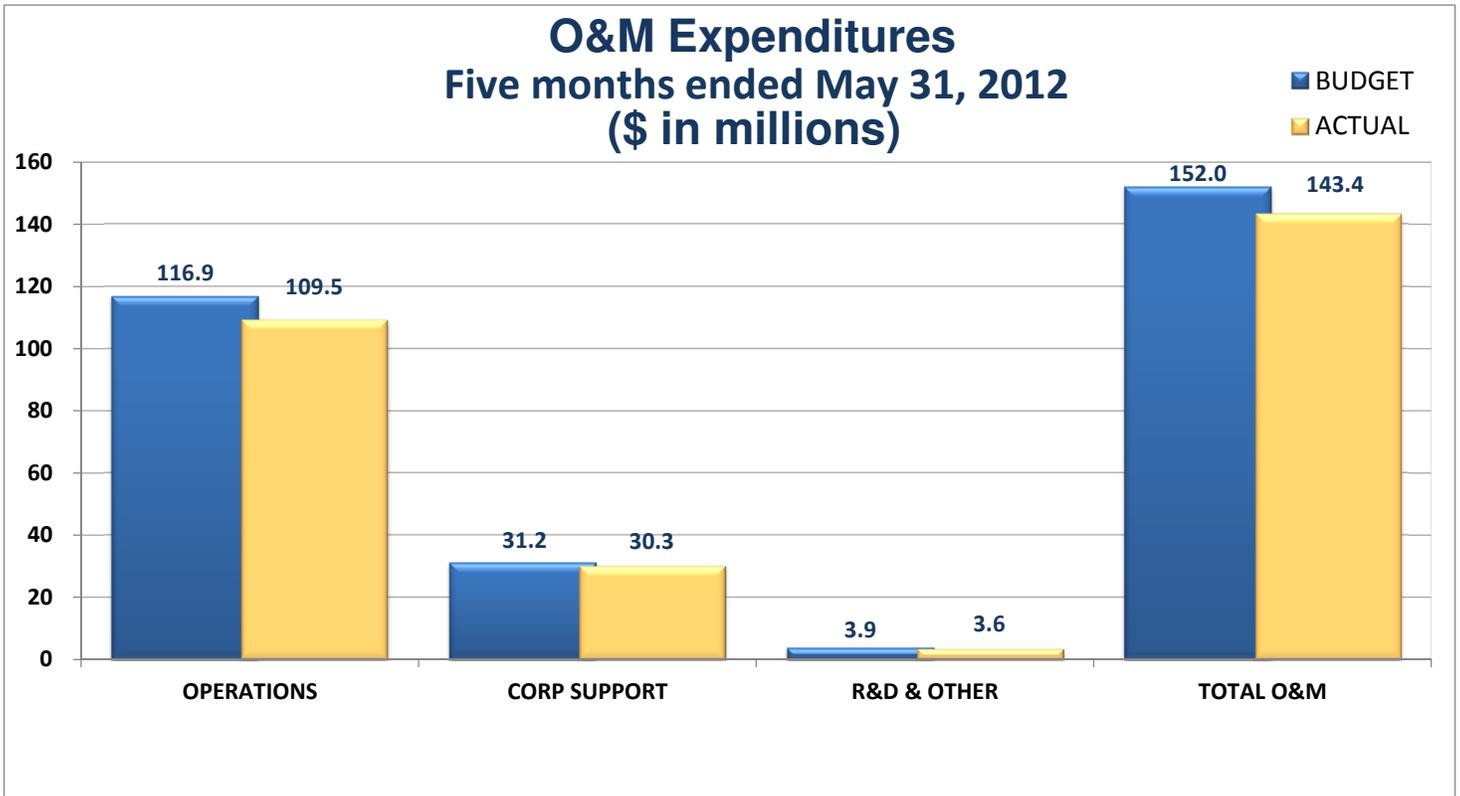
REVENUES		
SALES (MWH)		
	BUDGET	ACTUAL
Hydro*	2,718,559	3,424,481
Fossil	2,163,894	2,564,531
MSP	65,929	270,482
<b>TOTAL</b>	<b>4,948,382</b>	<b>6,259,494</b>
PRICES (\$/MWH)		
Hydro*	\$41.90	\$28.92
Fossil	\$63.58	\$38.08
MSP	\$37.59	\$32.01
<b>AVERAGE</b>	<b>\$51.32</b>	<b>\$32.80</b>

\* Includes Niagara, St. Lawrence, B-G, and Small Hydro.

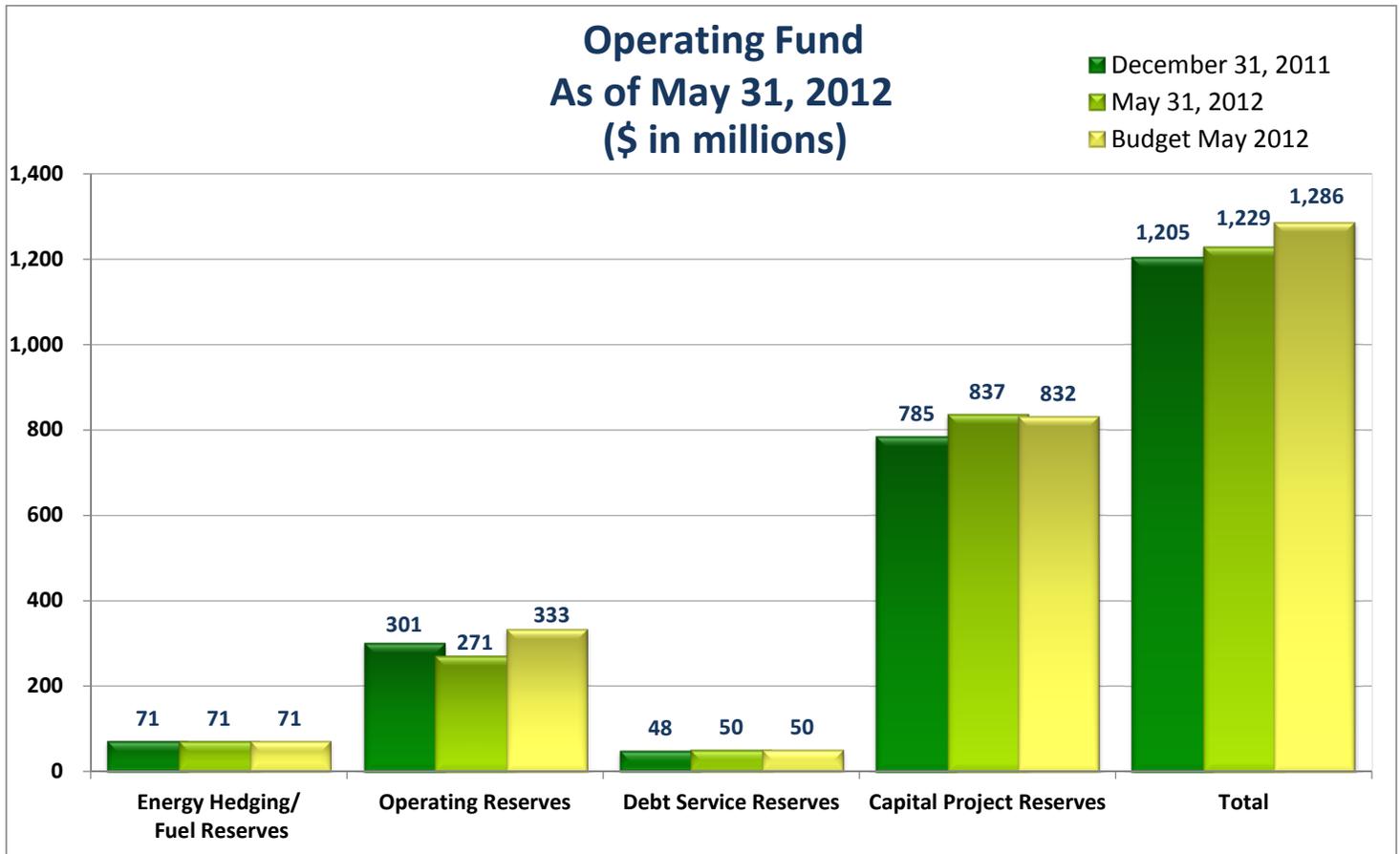
REVENUES		
SALES (MWH)		
	BUDGET	ACTUAL
Niagara	1,764,402	2,254,350
St. Law.	762,856	1,030,955
PRICES (\$/MWH)		
Niagara	\$40.49	\$28.57
St. Law.	\$38.15	\$26.35

COSTS		
PURCHASES (MWH)		
	BUDGET	ACTUAL
Hydro	439,029	204,107
SENY	3,556,567	3,637,058
MSP	1,132,989	1,270,354
<b>TOTAL</b>	<b>5,128,585</b>	<b>5,111,519</b>
COSTS (\$/MWH)		
Hydro	\$23.71	\$21.22
SENY	\$54.85	\$48.37
MSP	\$41.52	\$29.52
<b>AVERAGE</b>	<b>\$49.24</b>	<b>\$42.81</b>

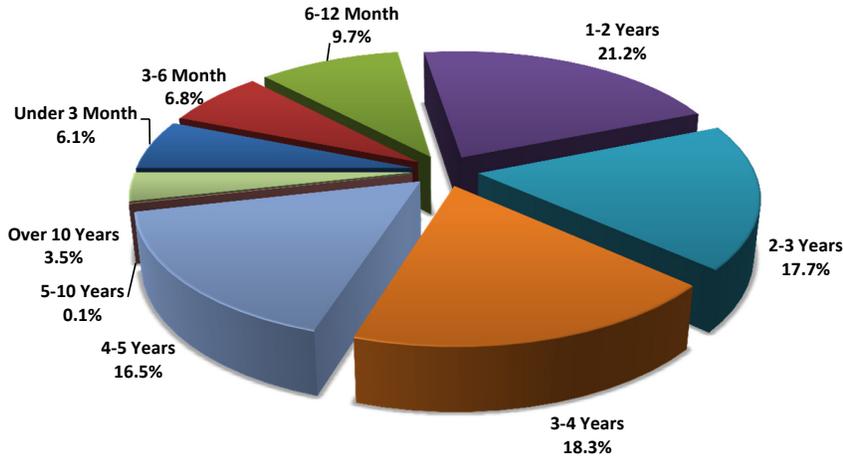




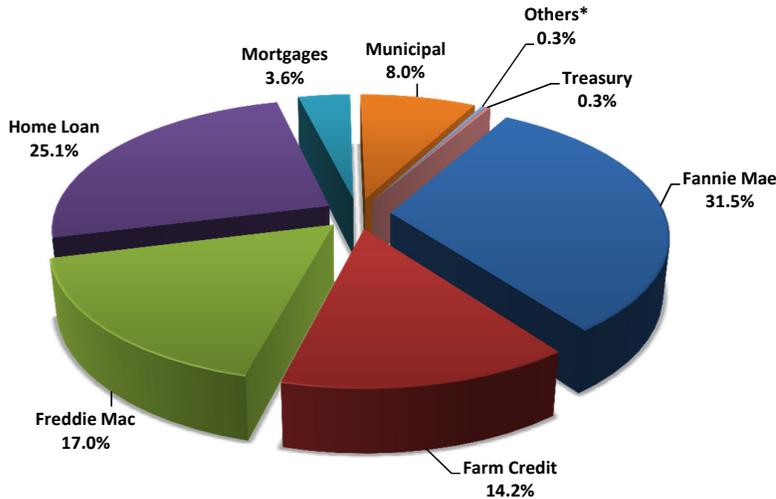
- For the five months ended May 31, 2012, O&M expenses were \$8.6 lower than the budget.
- Operations expenditures were lower than anticipated primarily due to timing differences in projects at Niagara (RMNPP Head-gate Refurbishment and Unit #2 Standardization), the SSCP's (Hell Gate Gas Turbine Engine Overhaul) and the transmission facilities (Transmission LEM Assessment and Marcy South Overhead Static Wire Evaluation).
- HQ Corporate Support was under budget due to lower than anticipated expenditures for outside legal consultants and fuel cell maintenance, offset by earlier than expected expenses for IT maintenance.



The increase of \$24 in the Operating Fund (from \$1,205 to \$1,229) was primarily attributable to positive net cash provided by operating activities and the Value Sharing payment of \$72 received from Entergy, substantially offset by \$66 in voluntary contributions to New York State. Operating reserves were below budget at May 31 primarily due to a temporary timing difference in cash receipts from customers related to bills rendered in May.

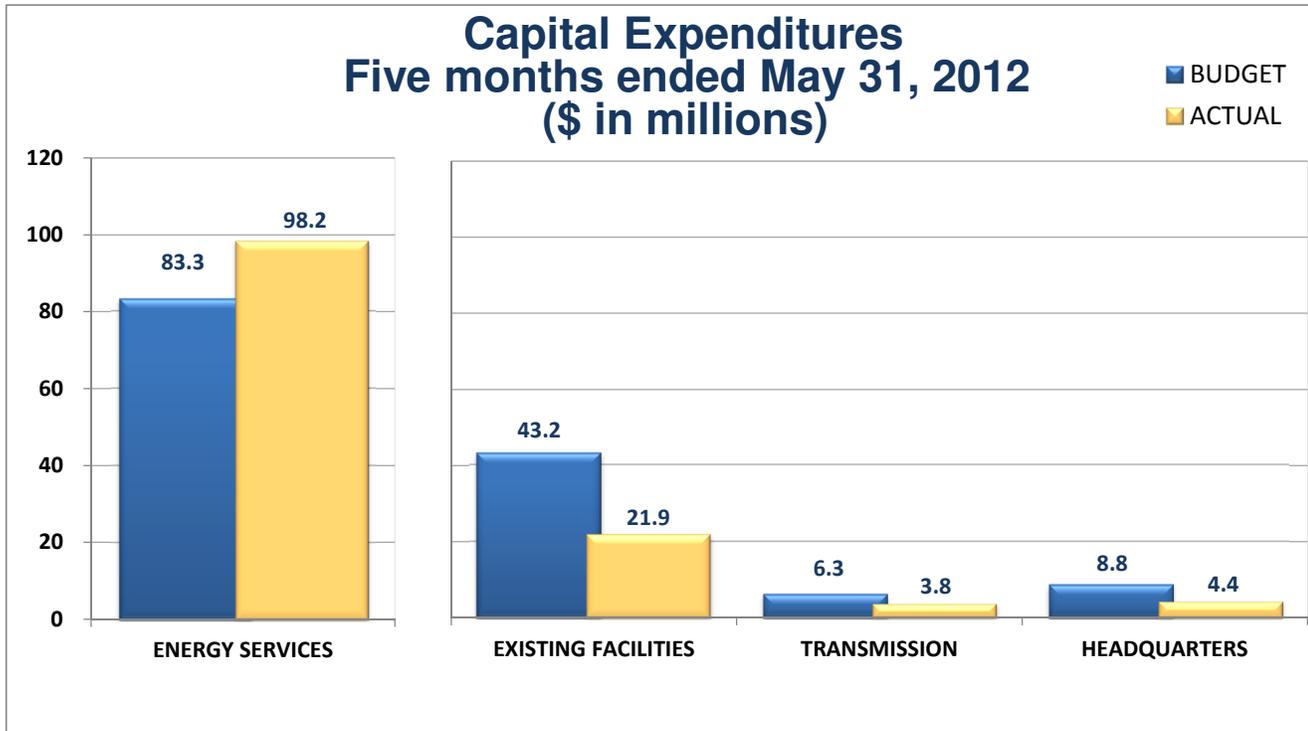
**Maturity Distribution  
As of May 31, 2012**


MATURITY DISTRIBUTION	
(\$ in millions)	
Under 3 Month	\$76.1
3-6 Month	85.3
6-12 Month	120.9
1-2 Years	265.4
2-3 Years	221.5
3-4 Years	228.9
4-5 Years	206.2
5-10 Years	1.2
Over 10 Years	43.5
<b>Total</b>	<b>\$1,249.0</b>

**Asset Allocation  
As of May 31, 2012**


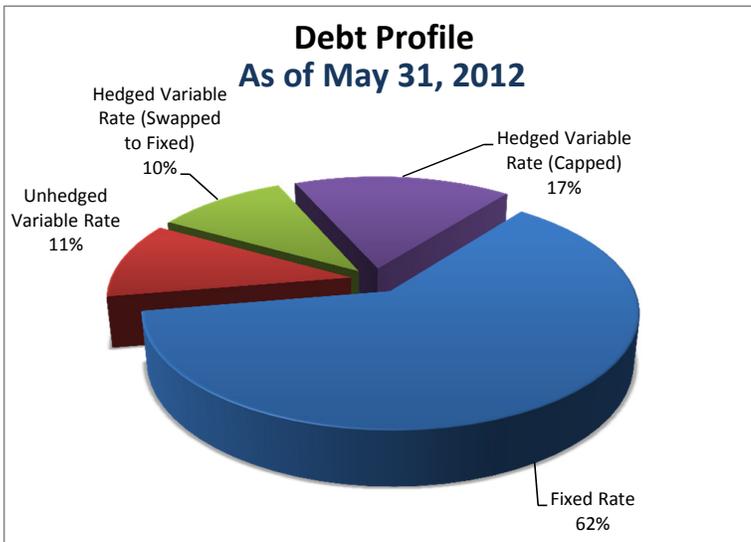
ASSET ALLOCATION	
(\$ in millions)	
Fannie Mae	\$393.5
Farm Credit	177.4
Freddie Mac	212.4
Home Loan	313.6
Mortgages	44.9
Municipal	99.8
Others*	3.9
Treasury	3.5
<b>Total</b>	<b>\$1,249.0</b>

\*Includes CDs and Repos



- Existing Facilities were under budget by \$21.3 primarily due to delays related to the Niagara and Blenheim Gilboa relicensing projects, the St. Lawrence Microwave Communication project and Astoria Infrastructure Upgrade.
- Transmission expenditures were less than anticipated due to delays in the Transmission Initiative and the Moses-Willis Double Circuitry projects.
- Headquarters expenditures were under budget primarily due to delays and timing differences related to IT Initiative Projects.
- Energy Services expenditures were over budget by \$14.9 due to greater than expected spending in the Governmental Services program.
- Under the Expenditure Authorization Procedure, the President authorized new expenditures on budgeted and emergent capital projects of \$11.8 through May. New authorizations included:

Massena Substation Autotransformers	\$0.3
White Plains Fuel Cell	0.3



DEBT PROFILE (\$ in millions)	
Fixed Rate	\$1,083.40
Unhedged Variable Rate	189.90
Hedged Variable Rate (Swapped to Fixed)	180.20
Hedged Variable Rate (Capped)	300.00
<b>Total</b>	<b>\$1,753.5</b>

## ENERGY DERIVATIVES

### Results

Year-to-date, energy derivative settlements have resulted in a net loss of \$72.93 million. Gains and losses on these positions are substantially passed through to customers as resulting hedge settlements are incorporated into and recovered through customer rates.

***Year-to-Date 2012 Energy Derivative Settlements & Fair Market Valuation of Outstanding Positions***  
*(\$ in Millions)*

	Settlements	Fair Market Value			Total
	YTD <sup>1</sup>	2012	2013	>=2014	
NYP&A	\$ (0.78)	\$ (0.23)	\$ 0.10	\$ 0.07	\$ (0.07)
Customer Contracts	\$ (72.15)	\$ (89.05)	\$ (56.82)	\$ (73.18)	\$ (219.05)
<b>Total</b>	<b>\$ (72.93)</b>	<b>\$ (89.28)</b>	<b>\$ (56.72)</b>	<b>\$ (73.11)</b>	<b>\$ (219.11)</b>

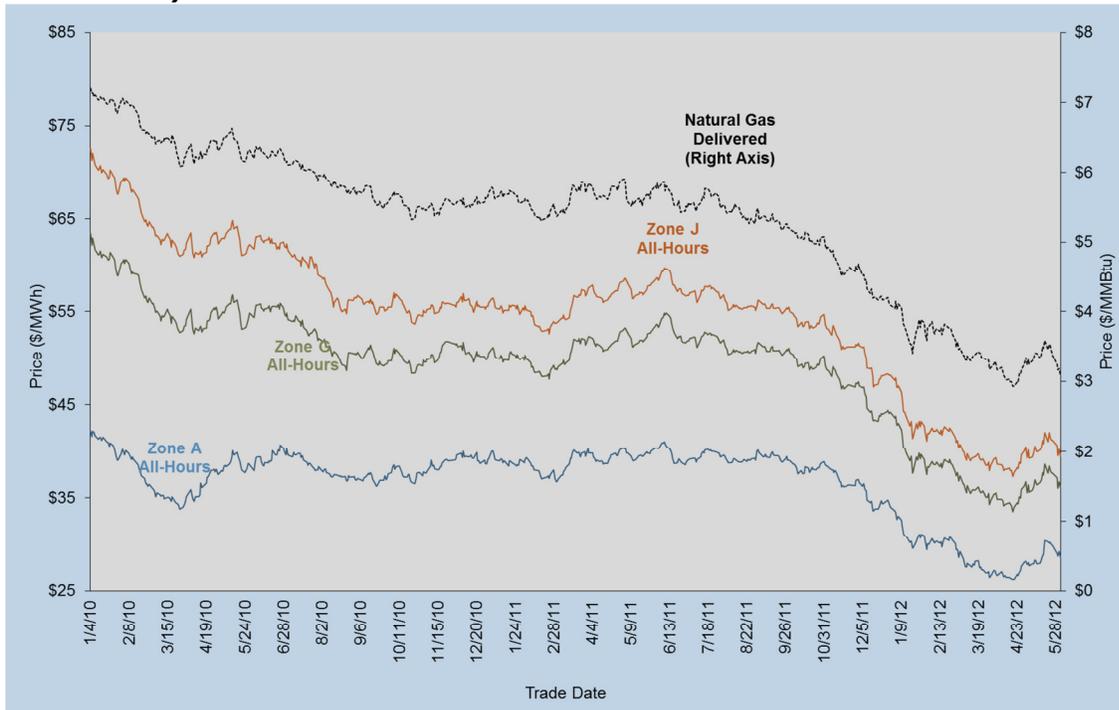
<sup>1</sup>Reflects May preliminary settlements.

At the end of May, the fair market value of outstanding positions was at an unrealized loss of \$219.11 million for positions extending through 2017.

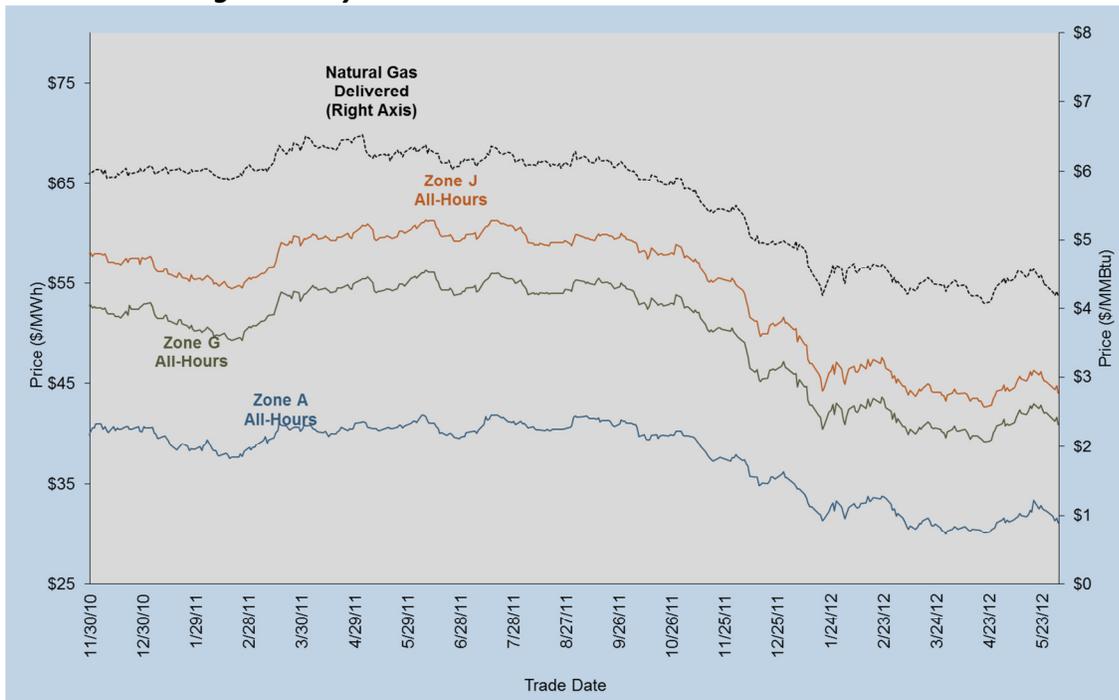
### Market Summary

Exhibit 1 shows the average price of July to December 2012 futures contracts and how they have traded since the beginning of 2010, while Exhibit 2 illustrates the average price of futures contracts for entire year 2013 since 11/30/2010.

**Exhibit 1: July to December 2012 Forward Price**



**Exhibit 2: Average January to December 2013 Forward Price**



**STATEMENT OF NET INCOME**  
**For the Five Months Ended May 31, 2012**  
(\$ in millions)

<u>Annual Budget</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
	<b>Operating Revenues</b>			
<b>\$2,173.0</b>	Customer	<b>\$777.1</b>	<b>\$865.0</b>	<b>(\$87.9)</b>
552.7	Market-based power sales	177.9	211.2	(33.3)
28.9	Ancillary services	9.6	12.9	(3.3)
118.3	NTAC and other	45.4	48.0	(2.6)
<b>699.9</b>	<b>Total</b>	<b>232.9</b>	<b>272.1</b>	<b>(39.2)</b>
<b>2,872.9</b>	<b>Total Operating Revenues</b>	<b>1,010.0</b>	<b>1,137.1</b>	<b>(127.1)</b>
	<b>Operating Expenses</b>			
752.9	Purchased power	249.5	292.0	42.5
329.5	Fuel consumed - oil & gas	78.2	141.4	63.2
76.5	Ancillary services	18.5	31.3	12.8
610.2	Wheeling	205.6	213.1	7.5
370.9	Operations and maintenance	143.4	152.0	8.6
222.2	Depreciation and amortization	94.0	92.6	(1.4)
194.3	Other expenses	87.1	92.0	4.9
(11.7)	Allocation to capital	(3.5)	(4.5)	(1.0)
<b>2,544.8</b>	<b>Total Operating Expenses</b>	<b>872.8</b>	<b>1,009.9</b>	<b>137.1</b>
<b>328.10</b>	<b>Net Operating Income</b>	<b>137.2</b>	<b>127.2</b>	<b>10.0</b>
	<b>Nonoperating Revenues</b>			
86.9	Post nuclear sale income	42.2	42.3	(0.1)
42.1	Investment income	16.9	18.1	(1.2)
(10.0)	Mark to market - investments	(0.9)	(2.5)	1.6
<b>119.0</b>	<b>Total Nonoperating Revenues</b>	<b>58.2</b>	<b>57.9</b>	<b>0.3</b>
	<b>Nonoperating Expenses</b>			
85.0	Contributions to New York State	60.0	60.0	-
195.1	Interest and other expenses	77.4	81.4	4.0
<b>280.1</b>	<b>Total Nonoperating Expenses</b>	<b>137.4</b>	<b>141.4</b>	<b>4.0</b>
<b>\$167.0</b>	<b>Net Income</b>	<b>\$58.0</b>	<b>\$43.7</b>	<b>\$14.3</b>

# New York Power Authority Financial Reports

## COMPARATIVE BALANCE SHEETS

May 31, 2012

(\$ in millions)

Assets		May 31, 2012	May 31, 2011	December 31, 2011
<b>Current Assets</b>				
	Cash	\$0.1	\$0.1	\$0.1
	Investments in government securities	1,256.3	1,132.9	1,233.0
	Interest receivable on investments	5.5	5.6	5.6
	Accounts receivable - customers	268.2	251.3	188.0
	Materials and supplies, at average cost:			
	Plant and general	81.5	76.9	80.1
	Fuel	22.7	14.9	23.0
	Prepayments and other	232.7	150.9	263.5
	<b>Total Current Assets</b>	<b>1,867.0</b>	<b>1,632.6</b>	<b>1,793.3</b>
<b>Noncurrent Assets</b>				
Restricted Funds	Investment in decommissioning trust fund	1,129.2	1,081.8	1,089.8
	Other	73.7	82.5	76.4
	<b>Total Restricted Funds</b>	<b>1,202.9</b>	<b>1,164.3</b>	<b>1,166.2</b>
Capital Funds	Investment in securities and cash	85.7	115.5	97.2
	<b>Total Capital Funds</b>	<b>85.7</b>	<b>115.5</b>	<b>97.2</b>
Net Utility Plant	Electric plant in service, less accumulated depreciation	3,375.3	3,316.4	3,414.5
	Capital lease, less accumulated amortization	1,102.5	-	1,126.5
	Construction work in progress	135.2	121.9	133.4
	<b>Net Utility Plant</b>	<b>4,613.0</b>	<b>3,438.3</b>	<b>4,674.4</b>
Other Noncurrent Assets	Receivable - NY State	318.0	318.0	318.0
	Deferred charges, long-term receivables and other	639.1	577.7	614.4
	Notes receivable - nuclear plant sale	113.3	127.8	143.0
	<b>Total other noncurrent assets</b>	<b>1,070.4</b>	<b>1,023.5</b>	<b>1,075.4</b>
	<b>Total Assets</b>	<b>\$8,839.0</b>	<b>\$7,374.2</b>	<b>\$8,806.5</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
	Accounts payable and accrued liabilities	\$887.9	\$842.6	\$905.9
	Short-term debt	299.2	316.1	373.7
	<b>Total Current Liabilities</b>	<b>1,187.1</b>	<b>1,158.7</b>	<b>1,279.6</b>
<b>Noncurrent Liabilities</b>				
Long-term Debt	Revenue bonds	1,105.9	1,150.1	1,107.4
	Adjustable rate tender notes	114.8	123.0	122.9
	Commercial paper	256.1	288.7	204.2
	<b>Total Long-term Debt</b>	<b>1,476.8</b>	<b>1,561.8</b>	<b>1,434.5</b>
Other Noncurrent Liabilities	Nuclear plant decommissioning	1,129.2	1,081.8	1,089.8
	Disposal of spent nuclear fuel	216.3	216.2	216.2
	Capital lease obligation	1,240.0	-	1,241.3
	Deferred revenues and other	244.6	267.8	249.6
	<b>Total Other Noncurrent Liabilities</b>	<b>2,830.1</b>	<b>1,565.8</b>	<b>2,796.9</b>
<b>Net Assets</b>	Total Net Assets	<b>3,345.0</b>	<b>3,087.9</b>	<b>3,295.5</b>
	<b>Total Liabilities and Net Assets</b>	<b>\$8,839.0</b>	<b>\$7,374.2</b>	<b>\$8,806.5</b>

**SUMMARY OF OPERATING FUND CASH FLOWS**  
**For the Five Months Ended May 31, 2012**  
(\$ in millions)

<b>Operating Fund</b>	
Opening	\$1,204.6
Closing	1,228.6
Increase/(Decrease)	<b>24.0</b>
<b>Cash Generated</b>	
Net Operating Income	137.2
Adjustments to Reconcile to Cash Provided from Operations	
Depreciation & Amortization	93.9
Net Change in Receivables, Payables & Inventory	(150.9)
Other	(2.4)
<b>Net Cash Generated from Operations</b>	<b>77.8</b>
<b>(Uses)/Sources</b>	
Utility Plant Additions	(35.4)
Debt Service	
Commercial Paper 2	(16.4)
Commercial Paper 3 & Extendible Municipal Commercial Paper 1	(6.3)
ART Notes	(8.3)
Investment Income	10.7
Entergy Value Sharing Agreement	72.0
Voluntary Contributions to NY State	(66.0)
Other	(4.1)
<b>Total (Uses)/Sources</b>	<b>(53.8)</b>
<b>Net Increase in Operating Fund</b>	<b>\$24.0</b>

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Job Commitment	Capital Investment (\$)	Contract Term (years)
1	Adirondack Beverages Corp	Scotia	Schenectady	Capital District	NGRID	Beverage manufacturer and distributor	2,125	1,060	195	11,200,000	7
2	Air Products and Chemicals, Incorporated	Glenmont	Albany	Capital District	NGRID	Manufactures industrial gas	12,000	6,000	56	2,050,000	7
3	Blasch Precision Ceramics	Albany	Albany	Capital District	NGRID	Manufactures ceramic products	550	276	136	5,000,000 <sup>(2)</sup>	7
4	C.R.Bard, Inc.	Queensbury	Warren	Capital District	NGRID	Manufacturer of medical devices	1,100	550	550	14,008,500	7
5	Codinos Foods Inc.	Scotia	Schenectady	Capital District	NGRID	Food manufacturing company	660	310	30	450,000 <sup>(1)</sup>	7
6	Espey Mfg. & Electronics Corp.	Saratoga Springs	Saratoga	Capital District	NGRID	Designs and produces electrical components	535	266	150	1,500,000	7
7	General Electric Company	Schenectady	Albany	Capital District	NGRID	Manufactures turbine components	20,000	10,000	3,923	60,000,000 <sup>(2)</sup>	7
8	GL&V USA Inc.	Hudson Falls	Washington	Capital District	NGRID	Foundry & machine shop	2,000	1,000	90	917,428	7
9	Hamilton Printing Company, Inc.	Castleton-on-Hudson	Rensselaer	Capital District	NGRID	Labels for food & beverage industry	590	296	80	2,000,000	7
10	Hollingsworth & Vose Company	Greenwich	Washington	Capital District	NGRID	Engineered papers and nonwoven materials	4,500	2,250	150	12,300,000	7
11	Interface Solutions, Inc.	Hoosick Falls	Rensselaer	Capital District	NGRID	Manufactures gasket material	1,067	530	53	3,983,000	7
12	Lehigh Northeast Cement Company	Glens Falls	Warren	Capital District	NGRID	Cement Manufacturer	9,648	4,820	115	0 <sup>(1)</sup>	7
13	Mohawk Fine Papers Inc.	Waterford	Saratoga	Capital District	NGRID	Manufactures paper products	4,725	2,020	141	9,214,000 <sup>(2)</sup>	7
14	Navilyst Medical Inc.	Glens Falls	Warren	Capital District	NGRID	Manufactures medical devices	1,596	796	690	7,500,000 <sup>(2)</sup>	7
15	Norlite Corporation	Cohoes	Albany	Capital District	NGRID	Manufacturer of brass fittings	2,000	996	63	10,000,000	7
16	Plug Power Inc.	Latham	Albany	Capital District	NGRID	Manufacture fuel cell systems	500	250	125	4,000,000	7
17	Saint-Gobain Performance Plastics	Hoosick Falls	Rensselaer	Capital District	NGRID	Manufactures reinforcement fabrics	800	400	186	8,450,000	7
18	SCA Tissue North America LLC	Greenwich	Washington	Capital District	NGRID	Manufactures tissue products	1,600	686	120	12,506,000	7
19	TurnKey Internet, Inc.	Latham	Albany	Capital District	NGRID	Providing IT on demand to businesses	1,500	750	20	1,600,000	7
20	UA Local 773 Glens Falls Building Corp.	South Glens Falls	Warren	Capital District	NGRID	Plumbing and steam fitting service	175	86	9	5,000,000 <sup>(1)</sup>	7
21	Zwack, Inc.	Stephentown	Rensselaer	Capital District	NYSEG	Manufactures specialty machinery	108	50	39	200,000	7
<b>Subtotal Capital District</b>							<b>67,779</b>	<b>33,392</b>	<b>6,921</b>	<b>171,878,928</b>	
22	499 Syracuse City Centre	Syracuse	Onondaga	Central New York	NGRID	Restoring and renovating buildings	60	30	2	1,000,000	7
23	Anoplate Corp.	Syracuse	Onondaga	Central New York	NGRID	Provides metal plating services	832	416	185	5,000,000 <sup>(2)</sup>	7
24	Auburn Foundry Co., Inc.	Auburn	Cayuga	Central New York	NYSEG	Iron foundry	1,071	520	18	272,500	7
25	Byrne Dairy, Inc. - Ice Cream Center	Syracuse	Onondaga	Central New York	NGRID	Produces milk and juice	470	236	28	1,500,000	7
26	D-K Manufacturing Corporation	Fulton	Oswego	Central New York	NGRID	Precision machine job shop & metal stamping	70	36	22	752,500	7
27	G&L Davis Meat Co Inc	North Syracuse	Onondaga	Central New York	NGRID	Manufactures sausages	280	140	90	1,000,000	7
28	Higbee Inc	Syracuse	Onondaga	Central New York	NGRID	Manufactures gaskets, and sealing products	160	80	43	400,000	7
29	ICM Controls Corp	Cicero	Onondaga	Central New York	NGRID	Manufactures HVAC products	773	386	180	11,000,000 <sup>(2)</sup>	7
30	Jaquith Industries Inc.	Syracuse	Onondaga	Central New York	NGRID	Steel Fabrication	355	176	42	700,000	7
31	Linde Merchant Production, Inc.	Fulton	Oswego	Central New York	NGRID	Produces atmospheric gases	3,750	1,876	6	100,000	7
32	Midstate Spring, Inc.	Syracuse	Onondaga	Central New York	NGRID	Precision springs, wire forms and four slide parts	288	140	37	600,000	7
33	Natrium Products, Inc.	Cortland	Cortland	Central New York	NGRID	Manufactures sodium bicarbonates	90	40	21	370,000 <sup>(3)</sup>	7
34	Paul Bunyan Products, Inc.	Preble	Cortland	Central New York	NGRID	Manufactures hardwood lumber components	260	130	21	500,000	7
35	Schilling Forge	Syracuse	Onondaga	Central New York	NGRID	Forging plant	350	160	31	150,000	7
36	Suit-Kote Corporation	Cortland	Cortland	Central New York	NGRID	Manufactures asphalt	1,000	500	237	4,095,000	7
37	Tessy Plastics Corp	Elbridge	Onondaga	Central New York	NYSEG	Manufactures plastic injectors	6,698	2,530	700	25,000,000 <sup>(2)</sup>	7
38	The Specialized Packaging Group, Inc.	Baldwinsville	Onondaga	Central New York	NGRID	Manufactures folding carton packaging	1,200	600	47	15,000,000 <sup>(2)</sup>	7
39	Welch Allyn, Inc.	Skaneateles Falls	Onondaga	Central New York	NGRID	Medical and diagnostic devices	2,837	1,416	900	46,951,273 <sup>(2)</sup>	7
<b>Subtotal Central New York</b>							<b>20,544</b>	<b>9,412</b>	<b>2,610</b>	<b>114,391,273</b>	
40	Applied Energy Solutions, LLC	Caledonia	Livingston	Finger Lakes	NGRID	Battery charger manufacturer	151	76	40	201,000	7

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Job Commitment	Capital Investment (\$)	Contract Term (years)
41	Arkema Inc	Piffard	Livingston	Finger Lakes	NGRID	Chemical manufacturing plant	1,600	800	85	9,500,000	7
42	Celmet	Rochester	Monroe	Finger Lakes	RGE	Electronics products	230	96	52	1,500,000	7
43	Commodore Plastics, LLC	Bloomfield	Ontario	Finger Lakes	RGE	Manufactures foam food service products	1,100	550	110	5,000,000	7
44	CW Cold Storage Inc.	Holley	Orleans	Finger Lakes	NGRID	Controlled atmosphere storage for apple growers	500	140	7	1,000,000	7
45	EPCO Carbon Dioxide Products, Inc.	Medina	Orleans	Finger Lakes	NGRID	Manufactures chemicals	1,000	250	10	500,000	7
46	EPP Team, Inc.	Rochester	Monroe	Finger Lakes	RGE	Manufactures injection molded parts	500	250	92	4,700,000	7
47	Flower City Printing, Inc.	Rochester	Monroe	Finger Lakes	RGE	Printing services	600	300	82	4,200,000	7
48	Fresnel Optics, Incorporated	West Henrietta	Monroe	Finger Lakes	RGE	Manufactures tools for optical components	200	100	21	12,350,000 <sup>(2)(3)</sup>	7
49	Joseph L. Mancuso & Sons, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Office and industrial space management	108	46	278	0 <sup>(1)</sup>	7
50	Jrlon, Inc.	Palmyra	Ontario	Finger Lakes	RGE	Manufactures precision parts	546	226	77	275,000 <sup>(1)</sup>	7
51	Kreher's Sunrise Farm, LLC	Basom	Genesee	Finger Lakes	NGRID	Farm	350	176	12	4,950,000 <sup>(2)</sup>	7
52	Morton Salt, Inc.	Silver Springs	Wyoming	Finger Lakes	NYSEG	Produces salt products	2,374	1,186	167	15,000,000	7
53	Newport Corporation	Rochester	Monroe	Finger Lakes	RGE	Manufactures diffraction gratings	260	120	32	500,000 <sup>(2)</sup>	7
54	O-AT-KA Milk Products Cooperative, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Agricultural manufacturing of milk products	4,160	2,080	356	55,800,000 <sup>(2)</sup>	7
55	Optimax Systems, Inc.	Ontario	Wayne	Finger Lakes	RGE	Manufactures optics	620	310	180	9,000,000	7
56	Reisdorf Bros. Inc.	North Java	Wyoming	Finger Lakes	NYSEG	Manufactures and supplies farm feed	780	390	42	2,600,000 <sup>(2)</sup>	7
57	Sutherland Global Services, Inc.	Rochester	Monroe	Finger Lakes	RGE	Back-office processing	1,913	956	3,375	3,500,000	7
58	Tompkins Metal Finishing, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Manufactures metal finishes	607	300	75	100,000 <sup>(1)</sup>	7
59	XLI Corporation	Rochester	Monroe	Finger Lakes	RGE	Manufactures machine components	300	130	75	2,500,000	7
<b>Subtotal Finger Lakes</b>							<b>17,899</b>	<b>8,482</b>	<b>5,168</b>	<b>133,176,000</b>	
60	Administrators for the Professions, Inc.	Roslyn	Nassau	Long Island	LIPA	Management company	500	220	290	7,000,000	7
61	Air Industries Group, Inc.	Bayshore	Suffolk	Long Island	LIPA	Manufactures machined components	1,300	650	265	17,000,000 <sup>(2)</sup>	7
62	Anneal Pharmaceuticals of New York, LLC	Brookhaven	Suffolk	Long Island	LIPA	Manufactures pharmaceuticals	690	346	590	59,500,000	7
63	Arrow Electronics, Inc.	Melville	Suffolk	Long Island	LIPA	Sales and offices for electronics	604	300	0	0 <sup>(1)</sup>	1
64	Arrow Electronics, Inc.	Melville	Suffolk	Long Island	LIPA	Sales and offices for electronics	797	396	0	0 <sup>(1)</sup>	1
65	AVA Pork Products Inc.	Hicksville	Nassau	Long Island	LIPA	Pork products	426	180	301	1,000,000 <sup>(1)</sup>	7
66	BASF Corporation	East Setauket	Suffolk	Long Island	LIPA	Chemicals and plastics industry supplier	250	126	2	0 <sup>(1)</sup>	7
67	Belair Care Center Inc.	North Bellmore	Nassau	Long Island	LIPA	Health Care	220	106	37	0 <sup>(1)</sup>	7
68	Calico Cottage, Inc.	Amityville	Suffolk	Long Island	LIPA	Fudge making ingredients	274	136	70	1,900,000	7
69	Constance Food Group, Inc.	Bohemia	Suffolk	Long Island	LIPA	Wholesale sandwiches	1,000	470	280	750,000	7
70	Dayton T. Brown, Inc.	Bohemia	Suffolk	Long Island	LIPA	Test systems	245	120	238	7,350,000	7
71	DealerTrack, Inc.	Lake Success	Nassau	Long Island	LIPA	Designs software	584	290	322	11,350,000	7
72	DRI Relays, Inc.	Hauppauge	Suffolk	Long Island	LIPA	High reliability relay manufacturer	901	266	111	3,700,000	7
73	East Northport Residential Health Care Facility, Inc.	Melville	Suffolk	Long Island	LIPA	Nursing and rehabilitation centers	553	276	124	0 <sup>(1)</sup>	7
74	Exelis Inc.	North Amityville	Suffolk	Long Island	LIPA	Government contractor	880	310	270	1,500,000 <sup>(2)</sup>	7
75	Exelis Inc.	North Amityville	Suffolk	Long Island	LIPA	Government contractor	813	406	142	6,000,000 <sup>(2)</sup>	7
76	Henry Schein, Inc.	Melville	Suffolk	Long Island	LIPA	Distributes dental supplies and equipment	2,107	1,050	1,384	4,000,000	7
77	Honeywell International, Inc.	Melville	Suffolk	Long Island	LIPA	Research and development	464	220	300	500,000	7
78	Huntington Hospital Association	Huntington	Suffolk	Long Island	LIPA	Hospital	1,000	330	1,714	142,548,349	7
79	Johnson & Hoffman LLC	Carle Place	Nassau	Long Island	LIPA	Manufactures precision metal stamping	449	196	60	1,250,000	7
80	Karp Associates, Inc.	Melville	Suffolk	Long Island	LIPA	Manufacturer of access doors and shelving	1,052	526	100	17,500,000	7
81	LNK International, Inc.	Hauppauge	Suffolk	Long Island	LIPA	Manufactures pharmaceuticals	5,000	1,400	1,759	13,500,000 <sup>(2)</sup>	7
82	Manhattan Beer Distributors	Wyandanch	Suffolk	Long Island	LIPA	Wholesale beer distributor	277	136	301	0 <sup>(1)</sup>	7
83	NBTY, Inc.	North Amityville	Suffolk	Long Island	LIPA	Manufacture nutritional supplements	794	396	198	13,000,000	7

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Job Commitment	Capital Investment (\$)	Contract Term (years)
84	North Shore University Hospital	Manhasset	Nassau	Long Island	LIPA	Hospital	9,187	3,060	7,409	424,207,000 <sup>(2)</sup>	7
85	Official Offset Corp.	Amityville	Suffolk	Long Island	LIPA	Printing company	237	116	20	1,000,000	7
86	Pall Corporation	Hauppauge	Suffolk	Long Island	LIPA	Provides water filtration	2,147	646	101	39,500,000	7
87	RD America, LLC	Garden City	Nassau	Long Island	LIPA	Wholesale groceries, food & restaurant supplies	464	230	78	5,000,000	7
88	Sag Harbor Industries Inc	Sag Harbor	Suffolk	Long Island	LIPA	Manufactures electronics	100	50	50	1,000,000	7
<b>Subtotal Long Island</b>							<b>33,315</b>	<b>12,954</b>	<b>16,516</b>	<b>780,055,349</b>	
89	AT&T	White Plains	Westchester	Mid-Hudson	CONED	Telecommunications	500	250	530	0 <sup>(1)</sup>	7
90	BASF Corporation	Peekskill	Westchester	Mid-Hudson	CONED	Research and development lab	2,500	1,250	210	19,000,000	7
91	Carlisle Construction Materials Inc.	Kingston	Orange	Mid-Hudson	CHUD	Construction Materials	1,435	716	84	35,000,000	7
92	Genpak LLC	Middletown	Orange	Mid-Hudson	ONR	Manufactures foodservice packaging products	2,849	1,420	20	300,000 <sup>(1)</sup>	7
93	Hollowick Inc.	Manlius	Putnam	Mid-Hudson	NGRID	Manufactures liquid candle lamps	280	126	52	2,400,000	7
94	International Business Machines	Yorktown Heights	Westchester	Mid-Hudson	CONED	Manufactures supercomputers	12,072	6,036	1,555	140,000,000 <sup>(2)</sup>	7
95	ISO Plastic Inc	Mount Vernon	Westchester	Mid-Hudson	CONED	Plastic injection molded products	407	176	80	1,000,000	7
96	Lamothermic Precision Investment Castings Corp.	Brewster	Putnam	Mid-Hudson	NYSEG	Investment casting alloys	923	396	75	1,000,000	7
97	Northeast Solite Corporation	Mount Marion	Ulster	Mid-Hudson	CHUD	Manufactures nonmetallic mineral products	1,175	586	27	1,000,000	7
98	RMS Packaging Inc.	Peekskill	Westchester	Mid-Hudson	CONED	Special effects film business	420	210	20	1,000,000	7
99	Silarx Pharmaceuticals, Inc.	Spring Valley	Putnam	Mid-Hudson	ONR	Manufactures liquid pharmaceutical products	360	180	89	9,485,000 <sup>(2)</sup>	7
100	UPR Care Corp.	Woodbury	Nassau	Mid-Hudson	LIPA	Rehabilitation center	1,563	700	253	0 <sup>(1)</sup>	7
101	WeRecycle! LLC	Mount Vernon	Westchester	Mid-Hudson	CONED	Provides recycling programs and services	1,541	770	123	36,000,000 <sup>(2)</sup>	7
<b>Subtotal Mid-Hudson</b>							<b>26,025</b>	<b>12,816</b>	<b>3,118</b>	<b>246,185,000</b>	
102	Bonide Products Inc.	Oriskany	Oneida	Mohawk Valley	NGRID	Manufactures lawn and garden products	400	200	98	7,600,000 <sup>(2)</sup>	7
103	Briggs & Stratton Power Products Group, LLC	Munnsville	Oneida	Mohawk Valley	NGRID	Manufactures lawn mowers	861	430	209	6,600,000 <sup>(3)</sup>	7
104	Burt Rigid Box, Inc.	Oneonta	Otsego	Mohawk Valley	NYSEG	Makes custom made set-up boxes	243	120	33	1,600,000	7
105	ConMed Corporation	Utica	Oneida	Mohawk Valley	NGRID	Manufactures medical technology equipment	2,883	1,440	735	3,000,000 <sup>(2)</sup>	7
106	Custom Electronics Inc.	Oneonta	Otsego	Mohawk Valley	NYSEG	Manufacturer of reconstituted capacitors	564	280	74	150,000	7
107	F&F Transport, Inc.	Fonda	Montgomery	Mohawk Valley	NGRID	Aluminum extrusion	21	10	29	2,100,000	7
108	Fermer Precision, Inc.	Ilion	Herkimer	Mohawk Valley	NYSEG	Metal and plastics machining applications	320	160	63	420,000	7
109	Gold Medal Packing, Inc.	Rome	Oneida	Mohawk Valley	NGRID	Produces meat and animal byproducts	650	326	100	2,000,000 <sup>(2)</sup>	7
110	Harden Furniture, Inc.	McConnellsville	Oneida	Mohawk Valley	NGRID	Large manufacturer of home furnishings	2,500	1,250	200	1,250,000	7
111	Homogeneous Metals, Inc.	Clayville	Oneida	Mohawk Valley	NGRID	Manufactures specialty powders	2,303	1,150	128	29,909,000	7
112	Kasson & Keller, Inc.	Fonda	Montgomery	Mohawk Valley	NGRID	Aluminum extrusion	335	166	144	1,000,000	7
113	Munson Machinery Company, Inc.	Utica	Oneida	Mohawk Valley	NGRID	Mixers, blenders and reduction equipment	225	110	39	1,925,000	7
114	North Hudson Woodcraft Corp.	Dolgeville	Herkimer	Mohawk Valley	NGRID	Wood piano parts, casket and kiln dried lumber	565	280	48	377,000	7
115	Quandt's Foodservice Distributors, Inc.	Amsterdam	Montgomery	Mohawk Valley	NGRID	Refrigeration for food products.	256	126	126	15,000,000 <sup>(2)</sup>	7
116	Robison & Smith Inc.	Gloversville	Fulton	Mohawk Valley	NGRID	Linen & laundry supply	380	180	154	2,000,000	7
117	Steel Treaters, Inc.	Oriskany	Oneida	Mohawk Valley	NGRID	Commercial heat treating facility	400	200	24	323,000	7
118	Taylor Made Group, LLC	Gloversville	Fulton	Mohawk Valley	NGRID	Manufactures marine accessory products	908	450	235	6,529,000	7
119	The Fountainhead Group Inc.	New York Mills	Oneida	Mohawk Valley	NGRID	Manufactures air and gas compressors	600	300	125	2,500,000	7
120	The Harva Company Inc.	Schoharie	Schoharie	Mohawk Valley	NGRID	Specialty plastics fabricator	150	76	25	1,068,575	7
121	The Indium Corporation of America	Rome	Oneida	Mohawk Valley	NGRID	Manufactures electronic assembly materials	300	150	24	10,000,000	7
122	The Indium Corporation Of America	Utica	Oneida	Mohawk Valley	NGRID	Manufactures electronic assembly materials	548	270	71	3,000,000 <sup>(2)</sup>	7
123	TLC-The Light Connection, Inc.	Oriskany	Oneida	Mohawk Valley	NGRID	Manufactures fiber optic cables	159	76	52	1,300,000 <sup>(2)</sup>	7

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Job Commitment	Capital Investment (\$)	Contract Term (years)
124	Vicks Lithograph & Printing Corporation	Yorkville	Oneida	Mohawk Valley	NGRID	Book printing	984	490	87	2,000,000	7
125	W. Kintz Plastics, Inc	Howes Cave	Schoharie	Mohawk Valley	NGRID	Thermoformed/ machined plastic parts	427	210	86	1,250,000	7
<b>Subtotal Mohawk Valley</b>							<b>16,982</b>	<b>8,450</b>	<b>2,908</b>	<b>102,901,575</b>	
126	Alvin J. Bart & Sons Inc.	Brooklyn	Kings	New York City	CONED	Commercial printing	601	276	115	3,000,000	7
127	Classic Cooking LLC	Jamaica	Queens	New York City	CONED	Manufactures frozen foods	312	156	80	3,500,000 <sup>(2)</sup>	7
128	Crown Storage, Inc.	Brooklyn	Queens	New York City	CONED	Public freezer storage warehouse	100	50	0	0 <sup>(1)</sup>	1
129	Dayton Industries Inc	Bronx	Bronx	New York City	CONED	Metal stamping facility	350	160	40	750,000	7
130	Display Producers Inc.	Bronx	Bronx	New York City	CONED	Display cases	533	250	137	2,000,000	7
131	Favorite Plastics Corp.	Brooklyn	Kings	New York City	CONED	Producer of polyethylene films	709	346	38	8,000,000	7
132	Fordham University	Bronx	Bronx	New York City	CONED	Higher education	5,736	1,910	5,141	400,000,000 <sup>(2)</sup>	7
133	Jetro Cash & Carry Enterprises, LLC	Brooklyn	Kings	New York City	CONED	Wholesale groceries, food & restaurant supplies	436	216	97	1,000,000	7
134	Jetro Cash & Carry Enterprises, LLC	Brooklyn	Kings	New York City	CONED	Wholesale groceries, food & restaurant supplies	456	226	130	3,500,000	7
135	Jetro Cash & Carry Enterprises, LLC	College Point	Queens	New York City	CONED	Wholesale groceries, food & restaurant supplies	384	186	82	500,000	7
136	Jetro Cash & Carry Enterprises, LLC	Bronx	Bronx	New York City	CONED	Wholesale groceries, food & restaurant supplies	415	206	123	6,000,000	7
137	Metro Biofuels, LLC	Brooklyn	Kings	New York City	CONED	Wholesale energy and fuel storage services	350	176	60	6,000,000	7
138	Montefiore Medical Center	Bronx	Bronx	New York City	CONED	Hospital	3,700	1,020	13,441	578,359,595 <sup>(2)</sup>	7
139	Navitas Management, Inc.	Bronx	New York	New York City	CONED	Water and power solutions	250	126	300	5,000,000	7
140	NBCUniversal Media LLC	New York	New York	New York City	CONED	Produces new and entertainment	9,354	4,676	4,000	433,895,000 <sup>(2)</sup>	7
141	NYP Holdings/New York Post	New York	New York	New York City	CONED	Newspaper printing	5,278	2,636	500	3,000,000 <sup>(2)</sup>	7
142	Pepsi Cola Bottling Co of New York Inc.	College Point	Queens	New York City	CONED	Beverage distributor	1,387	556	190	2,883,792 <sup>(1)</sup>	7
143	PVH Corp.	New York City	New York	New York City	CONED	Administrative functions for the fashion industry	930	466	400	1,100,000	7
144	RD/Jet, LLC	Maspeth	Queens	New York City	CONED	Wholesale groceries, food & restaurant supplies	431	216	99	8,500,000	7
145	Riverdale Center for Nursing and Rehabilitation	Riverdale	Bronx	New York City	CONED	Nursing and rehabilitation center	152	76	51	0 <sup>(1)</sup>	7
146	RR Donnelley and Sons Company	New York	New York	New York City	CONED	Printing services	250	126	165	200,000	7
147	Workmans Trading Corp	Ozone Park	Queens	New York City	CONED	Manufactures bikes	93	36	57	500,000	7
148	Zeluck Inc	Brooklyn	Kings	New York City	CONED	Manufactures windows and doors	250	126	90	0 <sup>(1)</sup>	7
<b>Subtotal New York City</b>							<b>32,457</b>	<b>14,218</b>	<b>25,336</b>	<b>1,467,688,387</b>	
149	Barton Mines Co. LLC	Town of Indian Lake	Hamilton	North Country	NGRID	Hard rock garnet mining business	513	256	41	1,600,000	7
150	Cives Corporation dba Viking Cives USA	Harrisville	Jefferson	North Country	NGRID	Manufactures snow removal equipment	280	140	86	1,605,000	7
151	HDK Wood Products	Harrisville	Lewis	North Country	NGRID	Lumber wholesaler and distributor	460	190	14	1,200,000	7
152	HP Hood, LLC	LaFargeville	Jefferson	North Country	NGRID	Manufacturer of cultured dairy projects	2,103	956	150	5,000,000	7
153	Jain Irrigation Inc	Watertown	Jefferson	North Country	NGRID	Manufacturer of drip irrigation hoses	648	320	90	2,000,000	7
154	R.T. Vanderbilt Co., Inc - Gouverneur Mineral Divis	Gouverneur	St. Lawrence	North Country	NGRID	Mining and milling operation	1,600	796	24	255,000	7
155	Ward Lumber Company, Inc.	Jay	Essex	North Country	NYSEG	Saw mill & forest products	836	416	35	1,500,000 <sup>(3)</sup>	7
<b>Subtotal North Country</b>							<b>6,440</b>	<b>3,074</b>	<b>440</b>	<b>13,160,000</b>	
156	Alstom Transportation Inc.	Hornell	Steuben	Southern Tier	NYSEG	Manufactures transit and rail passenger cars	919	456	40	20,000,000	7
157	Audiosears Corporation	Stamford	Delaware	Southern Tier	NYSEG	Manufactures and supplies audio equipment	115	56	59	500,000	7
158	Belden Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Connectors for telecommunications industries	1,920	850	261	9,000,000	7
159	BinOptics Corporation	Ithaca	Tompkins	Southern Tier	NYSEG	Manufactures laser diode chips	370	186	2	2,620,000 <sup>(2)</sup>	7
160	CemeCon Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Produces coating for cutting inserts	477	236	38	2,000,000	7

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Job Commitment	Capital Investment (\$)	Contract Term (years)
161	Corning Incorporated	Corning	Steuben	Southern Tier	NYSEG	Manufactures specialty glass and ceramics	7,834	2,956	2,638	304,900,000 <sup>(2)</sup>	7
162	Fortitude Industries, Inc.	Canisteo	Steuben	Southern Tier	NYSEG	Manufactures electric panel boards and harnesses	50	10	20	0 <sup>(1)</sup>	7
163	HP Hood LLC	Arkport	Steuben	Southern Tier	NYSEG	Private label provider of dairy products	2,500	1,100	135	7,500,000	7
164	Huron Real Estate Associates, LLC	Endicott	Broome	Southern Tier	NYSEG	Manufactures complex electronics	23,000	10,000	2,100	15,000,000 <sup>(2)</sup>	7
165	Kraft Foods Global, Inc.	Walton	Delaware	Southern Tier	NYSEG	Manufactures packaged food products	2,428	1,210	120	16,500,000	7
166	Kraft Foods Inc.	Campbell	Steuben	Southern Tier	NYSEG	Manufactures packaged food products	4,973	2,486	350	44,543,677	7
167	Lockheed Martin MS2 Owego	Owego	Tioga	Southern Tier	NYSEG	Provides advanced-technological products	8,600	3,606	2,500	80,270,000 <sup>(2)</sup>	7
168	McWane Inc.	Elmira	Chemung	Southern Tier	NYSEG	Manufactures hydrants and assorted valves	11,160	5,580	315	7,709,000	7
169	MeadWestvaco	Sidney	Delaware	Southern Tier	NYSEG	Office paper products	2,300	1,150	500	18,000,000	7
170	Mold-A-Matic Corporation	Oneonta	Otsego	Southern Tier	NYSEG	Electric connectors and sub assemblies	394	166	45	250,000	7
171	Norwich Aero Products, Inc.	Norwich	Chenango	Southern Tier	NYSEG	Manufacturing of auto temp sensors	2,500	276	112	3,400,000	7
172	Philips Electronics North America Corporation	Bath	Southern Tier	NYSEG	NYSEG	Manufactures light bulbs	3,704	1,716	337	10,000,000 <sup>(3)</sup>	7
173	Silicon Carbide Products, Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Manufactures ceramic products	393	196	20	1,250,000	7
<b>Subtotal Southern Tier</b>							<b>73,637</b>	<b>32,236</b>	<b>9,592</b>	<b>543,442,677</b>	
174	ADM Milling Co.	Buffalo	Erie	Western New York	NGRID	Produces wheat products	2,021	480	80	6,000,000	7
175	AirSep Corporation	Buffalo	Erie	Western New York	NGRID	Medical air separation equipment	650	326	300	4,500,000 <sup>(2)</sup>	7
176	Allied Frozen Storage, Inc.	Cheektowaga	Erie	Western New York	NGRID	Frozen food storage facility	485	240	36	2,167,168 <sup>(2)</sup>	7
177	API Heat Transfer, Inc.	Buffalo	Erie	Western New York	NGRID	Manufactures and designs heat exchangers	700	150	269	6,968,000 <sup>(2)</sup>	7
178	Ascension Industries, Inc.	North Tonawanda	Niagara	Western New York	NGRID	Manufactures filtration equipment	300	76	125	3,400,000 <sup>(2)</sup>	7
179	Ascion LLC	Silver Creek	Chautauqua	Western New York	NYSEG	Adjustable bed customer service call center	45	20	78	7,364,500	7
180	Calspan Corporation	Niagara Falls	Niagara	Western New York	NGRID	Aerospace and transportation safety testing	200	90	40	150,000	7
181	Commitment 2000 Inc.	Buffalo	Erie	Western New York	NGRID	Bakery products	400	146	57	1,250,000	7
182	Cooper Power Systems	Olean	Cattaraugus	Western New York	NGRID	Produced surge-arrester products	1,682	836	205	8,000,000	7
183	CWM Chemical Services, LLC	Model City	Niagara	Western New York	NGRID	Waste treatment, storage and disposal	970	480	61	55,800,000	7
184	Dal Tile Corporation	Olean	Cattaraugus	Western New York	NGRID	Manufactures porcelain tile	700	350	182	3,373,750 <sup>(3)</sup>	7
185	Diversified Manufacturing Inc.	Lockport	Niagara	Western New York	NYSEG	Engineering, metal fabrication and machining	400	196	88	1,000,000	7
186	Empire Cheese Inc.	Cuba	Allegany	Western New York	NGRID	Cheddar cheese making operations	2,500	1,250	212	10,525,000	7
187	EverFab, Inc.	East Aurora	Erie	Western New York	NYSEG	Precision components and precision assemblies	366	176	85	4,780,000 <sup>(1)</sup>	7
188	Fieldbrook Foods Corporation	Dunkirk	Chautauqua	Western New York	NGRID	Manufactures ice cream	3,136	780	450	15,000,000	7
189	Fisher-Price, Inc.	East Aurora	Erie	Western New York	NYSEG	Toys and hobby goods supplies	2,263	1,130	800	5,700,000 <sup>(1)</sup>	7
190	Graphic Controls Acquisition Corp	Buffalo	Erie	Western New York	NGRID	Manufactures medical recording charts	1,250	310	254	3,500,000	7
191	Greatbatch, Ltd	Clarence	Erie	Western New York	NYSEG	Manufactures electronic medical components	300	150	125	3,051,200	7
192	ITT Enidine, Inc.	Orchard Park	Erie	Western New York	NYSEG	Manufactures shock absorption devices	550	126	290	14,580,000	7
193	J. D. Calato Mfg. Co., Inc.	Niagara Falls	Niagara	Western New York	NGRID	Percussion accessory manufacturers	83	36	32	120,000	7
194	Jamestown Advanced Products Corp.	Jamestown	Chautauqua	Western New York	NGRID	Metal fabricating assembly & distribution	581	270	80	0 <sup>(1)</sup>	7
195	Klein Steel Service Inc	Buffalo	Niagara	Western New York	NGRID	Steel service center	800	200	44	5,780,000	7
196	Mayer Bros. Apple Products, Inc.	Barker	Niagara	Western New York	NGRID	Manufactures bottled water, juice and cider	500	250	106	1,500,000 <sup>(2)</sup>	7
197	Metal Locking Service Inc.	Buffalo	Erie	Western New York	NGRID	Equipment repair and custom fabricator	150	50	8	500,000	7
198	Moog Inc.	East Aurora	Erie	Western New York	NYSEG	Manufactures automotive parts	4,500	1,116	2,631	70,000,000 <sup>(2)</sup>	7
199	PCB Piezotronics Inc	Depew	Erie	Western New York	NYSEG	Manufactures sensors	525	260	464	1,500,000 <sup>(2)</sup>	7
200	Republic Steel	Blasdell	Erie	Western New York	NGRID	Manufactures steel	11,500	526	220	25,957,000	7
201	Robinson Home Products	Buffalo	Erie	Western New York	NGRID	Manufactures kitchen and dining items	150	76	39	250,000	7
202	S. Howes, Inc.	Silver Creek	Chautauqua	Western New York	NYSEG	Manufactures and designs process equipment	90	40	23	350,000	7
203	Seneca Larkin 701, LLC	Buffalo	Erie	Western New York	NGRID	Real estate developers	506	210	11	13,500,000	7

New York Power Authority  
 ReCharge New York Power Allocation Recommendations

Exhibit "6-A"  
 June 26, 2012

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Job Commitment	Capital Investment (\$)	Contract Term (years)
204	Seneca One Realty LLC	Buffalo	Erie	Western New York	NGRID	Office center	4,000	2,000	20	7,500,000	7
205	Special Metals Corporation	Dunkirk	Chautauqua	Western New York	NGRID	Produces superalloys	3,000	526	78	12,000,000	7
206	Staroba Plastics, Inc.	Holland	Erie	Western New York	NYSEG	Manufactures paper packaging and displays	1,200	600	83	1,000,000	7
207	Tapecon Inc.	Buffalo	Erie	Western New York	NGRID	Custom label printing	460	230	110	1,240,000	7
208	TMP Technologies, Inc.	Buffalo	Erie	Western New York	NGRID	Manufactures foam and plastic products	150	60	34	1,000,000 <sup>(2)</sup>	7
209	VanDeMark Chemical Inc.	Lockport	Niagara	Western New York	NYSEG	Manufactures chemicals	1,166	290	91	8,500,000	7
210	WATT Fuel Cell Corp	TBD	Erie	Western New York	TBD	Manufactures fuel cells	100	50	58	5,550,000	7
211	WNR Pattern & Tool, inc.	Lancaster	Erie	Western New York	NYSEG	Manufactures molds and patterns	69	30	13	300,000	7
<b>Subtotal Western New York</b>							<b>48,448</b>	<b>14,132</b>	<b>7,882</b>	<b>313,656,618</b>	
<b>Total New York State</b>							<b>343,527</b>	<b>149,166</b>	<b>80,491</b>	<b>3,886,535,807</b>	

<sup>(1)</sup> Represents a one year capital investment

<sup>(2)</sup> Represents previously approved applications with modified capital investment commitments or power allocation awarded (kW)

<sup>(3)</sup> Represents previously approved applications with modified job commitments

**New York Power Authority  
ReCharge New York Power Program  
Ineligible Applicants**

**Exhibit "6-B"  
June 26, 2012**

<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	Light Touch Acupuncture	Massena	Oneida	North Country	Massena Electric	Acupuncture services	Retail

**New York Power Authority  
ReCharge New York Power Program  
Applicants Not Recommended for Allocations**

**Exhibit "6-C"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
1	Albany Institute of History & Art	Albany	Albany	Capital District	NGRID	Museum
2	Catskill Crossings, LLC	Catskill	Greene	Capital District	CHUD	Nursing and rehabilitation center
3	Craftech Industries, Inc.	Hudson	Columbia	Capital District	NGRID	Plastic fastener manufacturer
4	Eastern Casting Company	Cambridge	Washington	Capital District	NGRID	Aluminum foundry
5	Empire Merchants North, LLC	West Coxsackie	Greene	Capital District	CHUD	Wholesale alcohol distributor
6	Glens Falls Crossings, LLC	Glens Falls	Warren	Capital District	NGRID	Nursing and rehabilitation center
7	Glens Falls Hospital	Glens Falls	Warren	Capital District	NGRID	Acute Healthcare Hospital
8	Met Weld International, LLC	Altamont	Albany	Capital District	NGRID	Industrial controls for power generation
9	Northeastern Products Corp	Warrensburg	Warren	Capital District	NGRID	Wood, wood byproducts and waste paper
10	NYSARC, Inc. Columbia County Chapter	Mellenville	Columbia	Capital District	NYSEG	Training and educational facility
11	The College of Saint Rose	Albany	Albany	Capital District	NGRID	Post Secondary education facility
12	The Doane Stuart School	Rensselaer	Rensselaer	Capital District	NGRID	School
13	The University at Albany Foundation	Rensselaer	Rensselaer	Capital District	NGRID	Educational foundation
14	Trans World Entertainment Corporation	Albany	Albany	Capital District	NGRID	Corporate offices and distribution
<b>Subtotal Capital District</b>					<b>14</b>	
15	Auburn Vacuum Forming Co., Inc.	Auburn	Cayuga	Central New York	NYSEG	Manufacturer of plastic components
16	Bernardine Apartments, Inc.	Syracuse	Onondaga	Central New York	NGRID	Senior housing facility
17	Bestdeck, LLC.	Preble	Cortland	Central New York	NGRID	Manufactures panels of composite decking
18	Clearwood Custom Carpentry and Millwork, LLC	East Syracuse	Onondaga	Central New York	NGRID	Architectural and casework manufacturing
19	Coyne International Enterprises Corp-DE	Syracuse	Onondaga	Central New York	NGRID	Laundry, cleaning, & garment services
20	Falk Precision, Inc.	East Syracuse	Onondaga	Central New York	NGRID	Provides and repairs parts used in the military
21	Meloon Foundries, Inc.	Syracuse	Onondaga	Central New York	NGRID	Non-Ferrous Sand Casting Foundry
22	NY District Kiwanis Foundation, Inc.	Taberg	Oneida	Central New York	NGRID	Summer camp
23	Oneida Health Systems Inc	Oneida	Madison	Central New York	NGRID	Health services
24	Oswego Hospital	Oswego	Oswego	Central New York	NGRID	Hospital
25	Precision Systems Mfg Inc	Liverpool	Onondaga	Central New York	NGRID	Manufactures sheet metal
26	Roth Steel Corp.	Syracuse	Onondaga	Central New York	NGRID	Metal recycling business
27	Skaneateles Recreational Charitable Trust (SRCT)	Auburn	Cayuga	Central New York	NGRID	Community Services
28	SRC, Inc.	North Syracuse	Onondaga	Central New York	NGRID	Research and development corporation
29	STK Electronics, Inc.	Cazenovia	Madison	Central New York	NGRID	Manufactures electronic components
30	Syracuse Heat Treating Corporation.	Syracuse	Onondaga	Central New York	NGRID	Provides heat treating services
31	Talic Inc	Auburn	Cayuga	Central New York	NYSEG	Manufactures wooden storage racks
32	Young Mens Christian Association Cortland	Cortland	Cortland	Central New York	NGRID	YMCA-related community activities
33	Young Men's Christian Association of Oswego,N	Oswego	Oswego	Central New York	NGRID	Community Services

New York Power Authority  
 ReCharge New York Power Program  
 Applicants Not Recommended for Allocations

Exhibit "6-C"  
 June 26, 2012

Line	Company	City	County	Economic Development Region	IOU	Description
<b>Subtotal Central New York</b>					<b>19</b>	
34	Advanced Interconnect Manufacturing	Victor	Monroe	Finger Lakes	RGE	Manufactures electro-mechanical assemblies
35	Bonsal American, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Manufactures building products
36	Brunner International, Inc.	Medina	Orleans	Finger Lakes	NGRID	Manufactures airbrake system components
37	CCN International, Inc.	Geneva	Ontario	Finger Lakes	NYSEG	Manufactures office furniture
38	Constellation Brands, Inc.	Canandaigua	Ontario	Finger Lakes	RGE	Warehouse/wine distributor
39	Cornell Agriculture & Food Technology Park	Geneva	Seneca	Finger Lakes	NYSEG	Technology farm
40	Earl T. Wadhams, Inc.	Phelps	Seneca	Finger Lakes	NYSEG	Provides trucks to pick up and transport milk
41	Empire Coating, Inc.	Albion	Orleans	Finger Lakes	NGRID	Surface coater for many manufacturers
42	Gates Albert, Inc.	North Chili	Monroe	Finger Lakes	RGE	Screw machine components and thread rolls
43	High Falls Operating Co., LLC	Rochester	Monroe	Finger Lakes	RGE	Nations largest independent regional brewer
44	Koch Container, Division of Buckeye Corrugated	Victor	Ontario	Finger Lakes	RGE	Corrugated packaging and displays
45	Metro Circuits, Division of PJC Technologies, Inc	Rochester	Monroe	Finger Lakes	RGE	Manufactures circuit boards
46	Midland Asphalt Materials, Inc.	Lyons	Wayne	Finger Lakes	NYSEG	Road construction and emulsion
47	Millco Woodworking LLC	Hall	Ontario	Finger Lakes	NYSEG	Manufactures millwork and cabinetry
48	Morgood Tools Inc	Rochester	Monroe	Finger Lakes	RGE	Tools for metal cutting & precision machining
49	OLEDWorks LLC	Rochester	Monroe	Finger Lakes	RGE	Lighting consultation services
50	Precision Machine Technologies, LLC	Rochester	Monroe	Finger Lakes	RGE	Manufactures machine parts
51	Quality Vision International	Rochester	Monroe	Finger Lakes	RGE	Manufactures custom measurement devices
52	Red Creek Cold Storage LLC	Red Creek	Wayne	Finger Lakes	RGE	Storage warehouse
53	RS Automation	Albion	Orleans	Finger Lakes	NGRID	Manufactures machinery
54	Simply Solar Systems	Hamlin	Monroe	Finger Lakes	NGRID	Solar panel installers
55	Touchstone Technology, Inc.	Rochester	Monroe	Finger Lakes	RGE	Manufactures interface electronic products
56	Unique Automation, LLC	Palmyra	Wayne	Finger Lakes	NYSEG	Manufacture electric panels
57	Victor Insulators, Inc.	Victor	Ontario	Finger Lakes	RGE	Manufactures porcelain insulators
58	W. A. Krapf Inc	Macedon	Wayne	Finger Lakes	NYSEG	Manufactures magnetic visible systems
<b>Subtotal Finger Lakes</b>					<b>25</b>	
59	AGMA, Inc.	Port Washington	Nassau	Long Island	LIPA	Health Services
60	American Pride Fasteners	Bay Shore	Suffolk	Long Island	LIPA	Manufactures fasteners
61	Applied Science Foundation for Homeland Security	Bethpage	Nassau	Long Island	LIPA	Prevent man-made and natural disasters
62	Bemis Company, Inc.	Edgewood	Suffolk	Long Island	LIPA	Manufacturer of packaging materials
63	County Frame Corp	holtsville	Suffolk	Long Island	LIPA	Manufactures framed artwork

**New York Power Authority  
ReCharge New York Power Program  
Applicants Not Recommended for Allocations**

**Exhibit "6-C"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
64	Enzo Clinical Labs	Farmingdale	Suffolk	Long Island	LIPA	Medical Lab
65	Framerica Corp	Yaphank	Suffolk	Long Island	LIPA	Manufactures moldings
66	Franklin Hospital	Valley Stream	Nassau	Long Island	LIPA	Hospital
67	Glen Cove Hospital	Glen Cove	Nassau	Long Island	LIPA	Hospital
68	Good Samaritan Hospital Medical Center	West Islip	Suffolk	Long Island	LIPA	Healthcare Center
69	Gurwin Fay J Lindner	Commack	Suffolk	Long Island	LIPA	Health services
70	Jetro RDNY, LLC	Farmingdale	Nassau	Long Island	LIPA	Wholesale groceries, food & restaurant supplies
71	Kleer-Fax, Inc.	Amityville	Suffolk	Long Island	LIPA	Manufacturing of paper and plastic products
72	Maloya Laser Inc	Commack	Suffolk	Long Island	LIPA	Metal cutting and shaping
73	Marksman Manufacturing Corp	DEER PARK	Suffolk	Long Island	LIPA	Manufacturer and machine shop
74	Mercy Medical Center	Rockville Centre	Nassau	Long Island	LIPA	Medical Center
75	Nassau Candy Distributors Inc	Hicksville	Nassau	Long Island	LIPA	Mixers, blenders and size reduction equipment
76	New Horizon Graphic	Hauppauge	Suffolk	Long Island	LIPA	Printing Services
77	Oceanside Institutional Industries, Inc.	Oceanside	Nassau	Long Island	LIPA	Commercial laundry services
78	Plainview Hospital	Plainview	Nassau	Long Island	LIPA	Hospital
79	Robinsons Industrial Gas & Equipment Corp	Holbrook	Suffolk	Long Island	LIPA	Provides industrial and medical gas
80	Ross Health Care Center, Inc.	Brentwood	Suffolk	Long Island	LIPA	Health services
81	Sid Jacobson JCC	Greenvale	Nassau	Long Island	LIPA	Community center
82	Silver Lake Cookie Company, Inc.	Islip	Suffolk	Long Island	LIPA	Manufactures specialty cookies
83	Suffolk Y Jewish Community Center, Inc.	Commack	Suffolk	Long Island	LIPA	Community Services
84	Syosset Hospital	Syosset	Nassau	Long Island	LIPA	Hospital
<b>Subtotal Long Island</b>					<b>26</b>	
85	American Cancer Society, Eastern Division, Inc.	White Plains	Westchester	Mid-Hudson	CONED	Social Services
86	Bard College	Annandale-on-Hud	Dutchess	Mid-Hudson	CHUD	College
87	Benedictine Hospital	Kingston	Ulster	Mid-Hudson	CHUD	Hospital
88	Beth Abraham Health Services Operator	White Plains	Westchester	Mid-Hudson	CONED	Hospital
89	Candela Systems Corporation	Somers	Westchester	Mid-Hudson	NYSEG	Energy-efficient solutions
90	Dunmore Corporation	Brewster	Putnam	Mid-Hudson	NYSEG	Unsupported plastics film and sheets.
91	Graphite Metallizing Corporation	Yonkers	Westchester	Mid-Hudson	CONED	Manufactures graphite/metal alloy
92	J.J. Cassone Bakery Inc.	Port Chester	Westchester	Mid-Hudson	CONED	Commercial bakery
93	Jacob Burns Film Center	Pleasantville	Westchester	Mid-Hudson	CONED	Cultural arts center
94	Jewish Child Care Association of New York	Pleasantville	Westchester	Mid-Hudson	CONED	Not-for-profit child and family service agency
95	Kingston Regional Senior Living Co.	New Paltz	Ulster	Mid-Hudson	CHUD	Senior adult retirement housing facility
96	Montefiore Medical Center	Yonkers	Westchester	Mid-Hudson	CONED	Hospital

**New York Power Authority  
ReCharge New York Power Program  
Applicants Not Recommended for Allocations**

**Exhibit "6-C"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
97	New York Medical College	Valhalla	Westchester	Mid-Hudson	CONED	Medical college
98	NYSARC, Inc. Westchester County Chapter	Hawthorne	Westchester	Mid-Hudson	CONED	Agency provides support services
99	NYSARC, Inc. Westchester County Chapter	Yonkers	Westchester	Mid-Hudson	CONED	Serves the needs of the disabled
100	Pace University	Briarcliff Manor	Westchester	Mid-Hudson	CONED	University
101	Pace University	White Plains	Westchester	Mid-Hudson	CONED	Higher education
102	Phelps Memorial Hospital Association	Sleepy Hollow	Westchester	Mid-Hudson	CONED	Hospital
103	Poughkeepsie Crossings, LLC	Poughkeepsie	Dutchess	Mid-Hudson	CHUD	Nursing and rehabilitation center
104	RD America, LLC	Blauvelt	Rockland	Mid-Hudson	ONR	Wholesale groceries, food & restaurant supplies
105	RD America, LLC	Mt. Vernon	Westchester	Mid-Hudson	CONED	Wholesale groceries, food & restaurant supplies
106	Saint John's Riverside Hospital	Yonkers	Westchester	Mid-Hudson	CONED	Hospital
107	Sigmund Cohn Corp.	Mount Vernon	Westchester	Mid-Hudson	CONED	Manufactures precious metal wire
108	Spellman High Voltage Electronics Corporation	Valhalla	Westchester	Mid-Hudson	CONED	Manufactures electronic subsystems.
109	Viking Industries, Inc.	New Paltz	Ulster	Mid-Hudson	CHUD	Wholesale groceries, food & restaurant supplies
110	YMCA of Kingston and Ulster County	Kingston	Ulster	Mid-Hudson	CHUD	Community Services
<b>Subtotal Mid-Hudson</b>					<b>26</b>	
111	Beckmann Converting, Inc.	Amsterdam	Montgomery	Mohawk Valley	NGRID	High-performance laminates
112	C&H Plastics, Inc.	Waterville	Oneida	Mohawk Valley	NYSEG	Injection molding operation
113	Capitol Civic Center, Inc.	Rome	Oneida	Mohawk Valley	NGRID	Civic Center for events and performances
114	Carville National Leather Corp	Johnstown	Fulton	Mohawk Valley	NGRID	Specializes in tanning leathers
115	Cedarbrook Village, Inc.	New Hartford	Oneida	Mohawk Valley	NGRID	Health-care center services
116	Di Highway Sign Structure Corp	New York Mills	Oneida	Mohawk Valley	NGRID	Bridge and guide railing and sign structures
117	Fiber Glass Industries, Inc.	Amsterdam	Montgomery	Mohawk Valley	NGRID	Produces high strength woven fabrics
118	Gehring Tricot Corp.	Dolgeville	Herkimer	Mohawk Valley	NGRID	Dyeing & finishing of knitted fabrics
119	Helmont Mills Inc.	St. Johnsville	Montgomery	Mohawk Valley	NGRID	Knitted Fabric Production
120	MSi - Molding Solutions, Inc.	Rome	Oneida	Mohawk Valley	NGRID	Injection Molding Company
121	Poland Sand & Gravel, LLC	Poland	Herkimer	Mohawk Valley	NGRID	Provide whole stone and crushed gravel
122	R&S Textile Services, Inc.	Johnstown	Fulton	Mohawk Valley	NGRID	Linen rental service
123	Sitrin Health Care Center, Inc.	New Hartford	Oneida	Mohawk Valley	NGRID	Health Care Center
124	St. Elizabeth Medical Center	New Hartford	Oneida	Mohawk Valley	NGRID	Medical Center
125	St. Elizabeth Medical Center	Utica	Oneida	Mohawk Valley	NGRID	Medical Center
126	Tony's Ornamental Iron Works, Inc	Rome	Oneida	Mohawk Valley	NGRID	Manufactures structural material
127	Utica Crossings, LLC	Utica	Oneida	Mohawk Valley	NGRID	Nursing and rehabilitation center
128	W W Custom Clad Inc.	Canajoharie	Montgomery	Mohawk Valley	NGRID	Manufactures metal finishes

**New York Power Authority  
ReCharge New York Power Program  
Applicants Not Recommended for Allocations**

**Exhibit "6-C"  
June 26, 2012**

Line	Company	City	County	Economic Development Region	IOU	Description
<b>Subtotal Mohawk Valley</b>					<b>18</b>	
129	American Cancer Society, Eastern Division, Inc.	New York	New York	New York City	CONED	Social Services
130	Asia Society	New York	New York	New York City	CONED	Educational and Cultural Organization
131	Ballet Theatre Foundation, Inc.	New York	New York	New York City	CONED	Theater
132	Beth Abraham Health Services	Bronx	Bronx	New York City	CONED	Hospital
133	Brazilian Missionary Church	Long Island City	Queens	New York City	CONED	Church
134	BRIC Arts   Media   Bklyn, Inc.	Brooklyn	Kings	New York City	CONED	Contemporary and performing arts programs
135	Calvin Klein, Inc	New York	New York	New York City	CONED	Administrative functions for Calvin Klein
136	Canada Dry Bottling Co. of NY Inc.	Maspeth	Queens	New York City	CONED	Beverage distributor
137	Center for Rehabilitation and Nursing	Brooklyn	Kings	New York City	CONED	Nursing home
138	Central Baptist Church	New York	New York	New York City	CONED	Church
139	Children's Museum of Manhattan GAME Inc.	New York	New York	New York City	CONED	Museum
140	Christ Fellowship Baptist Church Inc.	Brooklyn	Kings	New York City	CONED	Church
141	City University of New York	New York	New York	New York City	CONED	Higher education
142	Comco Plastics,inc	Woodhaven	Queens	New York City	CONED	Makes precision plastic parts
143	Dontis Produce Company Inc.	Brooklyn	Kings	New York City	CONED	Meat and produce producer
144	Downstate Technology Center, Inc.	Brooklyn	Kings	New York City	CONED	Leading urban medical center
145	Downtown Community Television Center	New York	New York	New York City	CONED	Video production and exhibition services
146	Film Forum, Inc.	New York	New York	New York City	CONED	Theater
147	Forest Hills Hospital	Forest Hills	Queens	New York City	CONED	Hospital
148	Greater Jamaica Development Corporation	Jamaica	Queens	New York City	CONED	Urban & Community Development
149	Haleakala Inc	New York	New York	New York City	CONED	Theaters
150	Home for Contemporary Theater and Art	New York	New York	New York City	CONED	Arts venue
151	Jacmel Jewelry Inc.	Long Island City	Queens	New York City	CONED	Makes & ships fine jewelry
152	Kingsbrook Jewish Medical Center	Brooklyn	Kings	New York City	CONED	Not for Profit Medical and Research Institution
153	Kips Bay Boys and Girls Club	Bronx	Bronx	New York City	CONED	Services to youth
154	Kips Bay Boys and Girls Club	Bronx	Bronx	New York City	CONED	Social Service for youth development
155	Lincoln Center for the Performing Arts, Inc.	New York	New York	New York City	CONED	Performing Arts Center
156	Manhattan College	Riverdale	Bronx	New York City	CONED	Higher education
157	Margaret Tietz Nursing and Rehabilitation Center	Jamaica	Queens	New York City	CONED	Health services
158	Museum of Arts and Design	New York	New York	New York City	CONED	Museum
159	National Academy of Design	New York	New York	New York City	CONED	Museums & art galleries
160	National September 11 Memorial and Museum at	New York	New York	New York City	CONED	Museum
161	New Museum of Contemporary Art	New York	New York	New York City	CONED	Art Center
162	New World Educational Center	N/A	Queens	New York City	CONED	Private nursery through first-grade center

**New York Power Authority  
ReCharge New York Power Program  
Applicants Not Recommended for Allocations**

**Exhibit "6-C"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
163	New York College of Podiatric Medicine	New York	New York	New York City	CONED	Services in medical disciplines
164	Normandy Repairs, Inc	Bronx	Bronx	New York City	CONED	Pumping, ventilating, & control systems
165	Notre Dame Academy of Staten Island Inc	Staten Island	Richmond	New York City	CONED	Educational services
166	Pace University	New York	New York	New York City	CONED	Higher education
167	Pepsi Cola Bottling Co. of NY Inc.	College Point	Queens	New York City	CONED	Beverage distributor
168	Pepsi Cola Bottling Co. of NY Inc.	Brooklyn	Kings	New York City	CONED	Beverage distributor
169	Pepsi Cola Bottling Co. of NY Inc.	College Point	Queens	New York City	CONED	Beverage distributor
170	Pepsi Cola Bottling Co. of NY Inc.	Brooklyn	Kings	New York City	CONED	Beverage distributor
171	Pepsi Cola Bottling Co. of NY Inc.	Bronx	Bronx	New York City	CONED	Beverage distributor
172	Phipps Community Development Corp	Bronx	Bronx	New York City	CONED	Education and community development programs
173	Pratt Institute	Brooklyn	Kings	New York City	CONED	Educational institution
174	Providence Rest	Bronx	Bronx	New York City	CONED	Health services
175	Solomon R. Guggenheim Foundation	New York	New York	New York City	CONED	Museum
176	Streamline plastics Company Inc.	Bronx	Bronx	New York City	CONED	Manufactures plastics products
177	Symphony Space Inc	New York	New York	New York City	CONED	Performing arts theater
178	The 122 Community Center, Inc.	New York	New York	New York City	CONED	Community Services
179	The Diller-Quaile School of Music, Inc.	New York	New York	New York City	CONED	Music education programs
180	The Jewish Federations of North America, Inc.	New York	New York	New York City	CONED	NFP
181	The Jewish Museum	New York	New York	New York City	CONED	Museum
182	The Museum of Modern Art	New York	New York	New York City	CONED	Museum
183	The New York and Presbyterian Hospital	New York	New York	New York City	CONED	Hospital
184	The New York and Presbyterian Hospital	New York	New York	New York City	CONED	Hospital
185	The Paley Center for Media	New York	New York	New York City	CONED	Museum
186	The Pierpont Morgan Library	New York	New York	New York City	CONED	Library
187	The Trustees of Columbia University in the City	New York	New York	New York City	CONED	Medical Center
188	The Writers Room	New York	New York	New York City	CONED	Provides\ writers work space
189	The Young Men's & Young Women's Hebrew A	New York	New York	New York City	CONED	Community Services
190	Theater for the New City Foundation, Inc	New York	New York	New York City	CONED	Social Services - Theater
191	Town Hall Foundation, Inc.	New York	New York	New York City	CONED	Provides educational programs
192	United Jewish Appeal-Federation of Jewish Phila	New York	New York	New York City	CONED	Charitable and social services
193	Wayne O LLC	Maspeth	New York	New York City	CONED	Bakery
194	Women's Housing & Economic Development Co	Bronx	Bronx	New York City	CONED	Green building program for affordable housing
<b>Subtotal New York City</b>					<b>66</b>	
195	Bestway of New York, Inc.	Gouverneur	St. Lawrence	North Country	NGRID	Manufactures lumber and building materials

New York Power Authority  
 ReCharge New York Power Program  
 Applicants Not Recommended for Allocations

Exhibit "6-C"  
 June 26, 2012

Line	Company	City	County	Economic Development Region	IOU	Description
196	Caron Fine Wood Products Inc.	Champlain	Clinton	North Country	NYSEG	Wood product manufacturer
197	Comlinks, Inc.	Malone	Franklin	North Country	NGRID	Economic opportunity provider
198	Interface Sealing Solutions, Inc.	Croghan	Lewis	North Country	NGRID	Packaging and presentation products
199	LCO Destiny, LLC	Watertown	Jefferson	North Country	NGRID	Manufacturer of picture frames
200	Lewis County General Hospital	Lowville	Lewis	North Country	NGRID	Hospital
201	Samaritan Senior Village	Watertown	Jefferson	North Country	NGRID	Health services
202	The William H Miner Agricultural Research Inst	Chazy	Clinton	North Country	NYSEG	Educational/agricultural
203	World Warehouse & Distribution, Inc.	Champlain	Clinton	North Country	NYSEG	Warehousing, storage and freight transportation
<b>Subtotal North Country</b>					<b>9</b>	
204	Cameron Manufacturing & Design, Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Producer of metal fabrications
205	Capabilities Inc.	Elmira	Chemung	Southern Tier	NYSEG	Sheltered workshop for people with disabilities
206	Creamery Hills LP	Binghamton	Cortland	Southern Tier	NYSEG	Low income elderly housing
207	Egli Machine Co Inc.	Sidney	Delaware	Southern Tier	NYSEG	Injected molds
208	Hamilton House Apartments Co. I LP	Binghamton	Broome	Southern Tier	NYSEG	Low income elderly housing
209	Harry L Apartments Company I LP	Johnson City	Broome	Southern Tier	NYSEG	Low income elderly housing
210	Hopshire Farm LLC	Freeville	Tompkins	Southern Tier	NYSEG	Farm and brewery
211	Kintner Equipment Corporation(KEC) and Vesta	Endicott	Broome	Southern Tier	NYSEG	Electronics components and equipment supplier
212	Lattner Enterprises of NY LLC	Binghamton	Broome	Southern Tier	NYSEG	Quick service McDonald's restaurant
213	SEPP Housing Development Fund Corp	Johnson City	Broome	Southern Tier	NYSEG	Low income elderly housing
214	SEPP Inc	Endwell	Broome	Southern Tier	NYSEG	Low income elderly housing
215	SEPP Management Inc	Binghamton	Broome	Southern Tier	NYSEG	Low income elderly housing
216	SEPP Rural Elderly Housing Inc	Binghamton	Broome	Southern Tier	NYSEG	Low income elderly housing
217	SUNY Delhi	Delhi	Delaware	Southern Tier	NYSEG	Higher education
218	Windsor Housing Company LLP	Binghamton	Broome	Southern Tier	NYSEG	Low income elderly housing
<b>Subtotal Southern Tier</b>					<b>15</b>	
219	Alliance Innovative Mfg Inc	Lackawanna	Erie	Western New York	NGRID	Manufactures machined metal parts
220	Arrow Grinding, Inc.	Tonawanda	Erie	Western New York	NGRID	Produces machine parts
221	Ashton Potter (USA)Ltd.	Cheektowaga	Erie	Western New York	NYSEG	Stamped envelopes
222	Buffalo Blends, Inc.	Buffalo	Erie	Western New York	NGRID	Manufactures dry beverages
223	Buffalo Newspress Inc.	Buffalo	Erie	Western New York	NGRID	Prints publications & newspaper inserts
224	Catholic Health System, Inc	Buffalo	Erie	Western New York	NGRID	Health care business
225	Cherry Creek Woodcraft. Inc.	South Dayton	Cattaraugus	Western New York	NYSEG	Manufacturer of trophies and plaques

**New York Power Authority  
ReCharge New York Power Program  
Applicants Not Recommended for Allocations**

**Exhibit "6-C"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
226	Composite Panel Solutions Inc	Cattaraugus	Cattaraugus	Western New York	NYSEG	Manufactures composite panels and doors
227	Consumers Beverages, Inc.	Buffalo	Erie	Western New York	NGRID	Beverage Producer
228	Consumers Beverages, Inc.	Buffalo	Erie	Western New York	NYSEG	Beverage Producer
229	Coyne International Enterprises Corp	Buffalo	Erie	Western New York	NGRID	Laundry, cleaning, & garment services
230	Eastern Niagara Hospital, Inc.	Newfane	Niagara	Western New York	NGRID	Hospital
231	Flying Bison Brewing Company LLC	Buffalo	Erie	Western New York	NGRID	Packaging brewery
232	Gernatt Asphalt Products, Inc.	Collins	Erie	Western New York	NGRID	Asphalt products
233	Gowanda GEC, LLC	Gowanda	Cattaraugus	Western New York	NYSEG	Manufactures electronic components
234	Greatbatch Ltd	Alden	Erie	Western New York	NYSEG	Manufactures electronic medical components
235	Industrial Support Incorporated ( ISI)	Buffalo	Erie	Western New York	NGRID	Metal fabrication
236	IPAC Inc	Amherst	Erie	Western New York	NGRID	Manufactures compressed air products
237	Kreher Enterprises, LLC	Akron	Erie	Western New York	NGRID	Egg production
238	Lancaster Knives, inc.	Lancaster	Erie	Western New York	NYSEG	Manufacturer of industrial knives
239	Manitoba Corporation	Lancaster	Erie	Western New York	NYSEG	Metal Recycling for non-ferrous metals
240	Merritt Machinery, LLC	Lockport	Niagara	Western New York	NYSEG	Machinery for hardwood, veneer and plywood
241	Metal Cladding, Inc.	Lockport	Niagara	Western New York	NYSEG	Coating for industrial and medical applications
242	Midland Asphalt Materials, Inc.	Tonawanda	Wayne	Western New York	NGRID	Road construction and emulsion
243	Milward Alloys Inc.	Lockport	Niagara	Western New York	NYSEG	Produces copper and aluminum based alloys
244	Niagara Fiberboard Inc.	Lockport	Niagara	Western New York	NYSEG	Makes recycled paperboard products
245	Niagara Gear Corporation	Kenmore	Erie	Western New York	NGRID	Precision ground spur and helical gears
246	Norampac Industries, Lancaster Division	Lancaster	Erie	Western New York	NYSEG	Manufactures paper products
247	Oehlers Welding and Fabricating Inc.	Buffalo	Erie	Western New York	NGRID	Steel fabrications
248	Ontario Knife Company	Franklinville	Cattaraugus	Western New York	NGRID	Manufactures cutlery products
249	Precison Process Inc.	Niagara Falls	Niagara	Western New York	NGRID	Manufactures custom plating equipment
250	R & J Metal Finishing, Inc.	Depew	Erie	Western New York	NYSEG	Metal Finishing
251	RD America, LLC	Cheektowaga	Erie	Western New York	NYSEG	Wholesale groceries, food & restaurant supplies
252	RR Donnelley and Sons Company	Grand Island	Erie	Western New York	NGRID	Printing services
253	Sentry Metal Blast, Inc.	Niagara Falls	Niagara	Western New York	NGRID	Metal blasting and industrial coating
254	Shipman Printing Industires	Sanborn	Niagara	Western New York	NGRID	Commercial printing
255	Watson Bowman Acme Corp.	Amherst	Erie	Western New York	NGRID	Manufactures expansion joint systems
<b>Subtotal Western New York</b>					<b>37</b>	
<b>Total New York State</b>					<b>255</b>	

**New York Power Authority  
ReCharge New York Power Program  
Transitional Electricity Discounts**

**Exhibit "6-D"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
1	Albany Institute of History & Art	Albany	Albany	Capital District	NGRID	Museum
2	Eastern Casting Company	Cambridge	Washington	Capital District	NGRID	Aluminum foundry
3	NYSARC, Inc. Columbia County Chapter	Mellenville	Columbia	Capital District	NYSEG	Training and educational facility
4	The College of Saint Rose	Albany	Albany	Capital District	NGRID	Post Secondary education facility
5	Trans World Entertainment Corporation	Albany	Albany	Capital District	NGRID	Corporate offices and distribution
<b>Subtotal Capital District</b>					<b>5</b>	
6	Auburn Vacuum Forming Co., Inc.	Auburn	Cayuga	Central New York	NYSEG	Manufacturer of plastic components
7	Coyne International Enterprises Corp-DE	Syracuse	Onondaga	Central New York	NGRID	Laundry, cleaning, & garment services
8	Meloon Foundries, Inc.	Syracuse	Onondaga	Central New York	NGRID	Non-Ferrous Sand Casting Foundry
9	Precision Systems Mfg Inc	Liverpool	Onondaga	Central New York	NGRID	Manufactures sheet metal
10	STK Electronics, Inc.	Cazenovia	Madison	Central New York	NGRID	Manufactures electronic components
11	Syracuse Heat Treating Corporation.	Syracuse	Onondaga	Central New York	NGRID	Provides heat treating services
<b>Subtotal Central New York</b>					<b>6</b>	
12	Empire Coating, Inc.	Albion	Orleans	Finger Lakes	NGRID	Surface coater for many manufacturers
13	Morgood Tools Inc	Rochester	Monroe	Finger Lakes	RGE	Tools for metal cutting & precision machining
<b>Subtotal Finger Lakes</b>					<b>2</b>	
14	Bemis Company, Inc.	Edgewood	Suffolk	Long Island	LIPA	Manufacturer of packaging materials
15	Enzo Clinical Labs	Farmingdale	Suffolk	Long Island	LIPA	Medical Lab
16	Good Samaritan Hospital Medical Center	West Islip	Suffolk	Long Island	LIPA	Healthcare Center
17	Kleer-Fax, Inc.	Amityville	Suffolk	Long Island	LIPA	Manufacturing of paper and plastic products
18	Maloya Laser Inc	Commack	Suffolk	Long Island	LIPA	Metal cutting and shaping
19	Oceanside Institutional Industries, Inc.	Oceanside	Nassau	Long Island	LIPA	Commercial laundry services
20	Silver Lake Cookie Company, Inc.	Islip	Suffolk	Long Island	LIPA	Manufactures specialty cookies
<b>Subtotal Long Island</b>					<b>7</b>	
21	J.J. Cassone Bakery Inc.	Port Chester	Westchester	Mid-Hudson	CONED	Commercial bakery
22	Montefiore Medical Center	Yonkers	Westchester	Mid-Hudson	CONED	Hospital
23	NYSARC, Inc. Westchester County Chapter	Hawthorne	Westchester	Mid-Hudson	CONED	Agency provides support services
24	Phelps Memorial Hospital Association	Sleepy Hollow	Westchester	Mid-Hudson	CONED	Hospital

**New York Power Authority  
ReCharge New York Power Program  
Transitional Electricity Discounts**

**Exhibit "6-D"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
25	Sigmund Cohn Corp.	Mount Vernon	Westchester	Mid-Hudson	CONED	Manufactures precious metal wire
26	Spellman High Voltage Electronics Corporation	Valhalla	Westchester	Mid-Hudson	CONED	Manufactures electronic subsystems.
<b>Subtotal Mid-Hudson</b>					<b>6</b>	
27	Carville National Leather Corp	Johnstown	Fulton	Mohawk Valley	NGRID	Specializes in tanning leathers
28	Di Highway Sign Structure Corp	New York Mills	Oneida	Mohawk Valley	NGRID	Bridge and guide railing and sign structures
29	Fiber Glass Industries, Inc.	Amsterdam	Montgomery	Mohawk Valley	NGRID	Produces high strength woven fabrics
30	Gehring Tricot Corp.	Dolgeville	Herkimer	Mohawk Valley	NGRID	Dyeing & finishing of knitted fabrics
31	Helmont Mills Inc.	St. Johnsville	Montgomery	Mohawk Valley	NGRID	Knitted Fabric Production
32	Sitrin Health Care Center, Inc.	New Hartford	Oneida	Mohawk Valley	NGRID	Health Care Center
33	W W Custom Clad Inc.	Canajoharie	Montgomery	Mohawk Valley	NGRID	Manufactures metal finishes
<b>Subtotal Mohawk Valley</b>					<b>7</b>	
34	American Cancer Society, Eastern Division, Inc.	New York	New York	New York City	CONED	Social Services
35	Asia Society	New York	New York	New York City	CONED	Educational and Cultural Organization
36	Ballet Theatre Foundation, Inc.	New York	New York	New York City	CONED	Theater
37	BRIC Arts   Media   Bklyn, Inc.	Brooklyn	Kings	New York City	CONED	Contemporary and performing arts programs
38	Children's Museum of Manhattan GAME Inc.	New York	New York	New York City	CONED	Museum
39	Comco Plastics,inc	Woodhaven	Queens	New York City	CONED	Makes precision plastic parts
40	Dontis Produce Company Inc.	Brooklyn	Kings	New York City	CONED	Meat and produce producer
41	Downtown Community Television Center	New York	New York	New York City	CONED	Video production and exhibition services
42	Film Forum, Inc.	New York	New York	New York City	CONED	Theater
43	Greater Jamaica Development Corporation	Jamaica	Queens	New York City	CONED	Urban & Community Development
44	Haleakala Inc	New York	New York	New York City	CONED	Theaters
45	Home for Contemporary Theater and Art	New York	New York	New York City	CONED	Arts venue
46	Jacmel Jewelry Inc.	Long Island City	Queens	New York City	CONED	Makes & ships fine jewelry
47	Kingsbrook Jewish Medical Center	Brooklyn	Kings	New York City	CONED	Not for Profit Medical and Research Institution
48	Kips Bay Boys and Girls Club	Bronx	Bronx	New York City	CONED	Social Service for youth development
49	Lincoln Center for the Performing Arts, Inc.	New York	New York	New York City	CONED	Performing Arts Center
50	Museum of Arts and Design	New York	New York	New York City	CONED	Museum
51	National Academy of Design	New York	New York	New York City	CONED	Museums & art galleries
52	New Museum of Contemporary Art	New York	New York	New York City	CONED	Art Center
53	New York College of Podiatric Medicine	New York	New York	New York City	CONED	Services in medical disciplines
54	Solomon R. Guggenheim Foundation	New York	New York	New York City	CONED	Museum

**New York Power Authority  
ReCharge New York Power Program  
Transitional Electricity Discounts**

**Exhibit "6-D"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
55	Streamline plastics Company Inc.	Bronx	Bronx	New York City	CONED	Manufactures plastics products
56	Symphony Space Inc	New York	New York	New York City	CONED	Performing arts theater
57	The 122 Community Center, Inc.	New York	New York	New York City	CONED	Community Services
58	The Diller-Quaile School of Music, Inc.	New York	New York	New York City	CONED	Music education programs
59	The Jewish Museum	New York	New York	New York City	CONED	Museum
60	The Museum of Modern Art	New York	New York	New York City	CONED	Museum
61	The Paley Center for Media	New York	New York	New York City	CONED	Museum
62	The Trustees of Columbia University in the City	New York	New York	New York City	CONED	Medical Center
63	The Writers Room	New York	New York	New York City	CONED	Provides\ writers work space
64	The Young Men's & Young Women's Hebrew A	New York	New York	New York City	CONED	Community Services
65	Theater for the New City Foundation, Inc	New York	New York	New York City	CONED	Social Services - Theater
66	Town Hall Foundation, Inc.	New York	New York	New York City	CONED	Provides educational programs
67	United Jewish Appeal-Federation of Jewish Phila	New York	New York	New York City	CONED	Charitable and social services
<b>Subtotal New York City</b>					<b>34</b>	
68	Caron Fine Wood Products Inc.	Champlain	Clinton	North Country	NYSEG	Wood product manufacturer
69	Interface Sealing Solutions, Inc.	Croghan	Lewis	North Country	NGRID	Packaging and presentation products
70	Lewis County General Hospital	Lowville	Lewis	North Country	NGRID	Hospital
71	The William H Miner Agricultural Research Inst	Chazy	Clinton	North Country	NYSEG	Educational/agricultural
72	World Warehouse & Distribution, Inc.	Champlain	Clinton	North Country	NYSEG	Warehousing, storage and freight transportation
<b>Subtotal North Country</b>					<b>5</b>	
73	Cameron Manufacturing & Design, Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Producer of metal fabrications
74	Egli Machine Co Inc.	Sidney	Delaware	Southern Tier	NYSEG	Injected molds
75	SEPP Management Inc	Binghamton	Broome	Southern Tier	NYSEG	Low income elderly housing
<b>Subtotal Southern Tier</b>					<b>3</b>	
76	Cherry Creek Woodcraft. Inc.	South Dayton	Cattaraugus	Western New York	NYSEG	Manufacturer of trophies and plaques
77	Consumers Beverages, Inc.	Buffalo	Erie	Western New York	NGRID	Beverage Producer
78	Consumers Beverages, Inc.	Buffalo	Erie	Western New York	NYSEG	Beverage Producer
79	Gernatt Asphalt Products, Inc.	Collins	Erie	Western New York	NGRID	Asphalt products
80	Greatbatch Ltd	Alden	Erie	Western New York	NYSEG	Manufactures electronic medical components
81	IPAC Inc	Amherst	Erie	Western New York	NGRID	Manufactures compressed air products

**New York Power Authority  
 ReCharge New York Power Program  
 Transitional Electricity Discounts**

**Exhibit "6-D"  
 June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
82	Lancaster Knives, inc.	Lancaster	Erie	Western New York	NYSEG	Manufacturer of industrial knives
83	Manitoba Corporation	Lancaster	Erie	Western New York	NYSEG	Metal Recycling for non-ferrous metals
84	Merritt Machinery, LLC	Lockport	Niagara	Western New York	NYSEG	Machinery for hardwood, veneer and plywood
85	Milward Alloys Inc.	Lockport	Niagara	Western New York	NYSEG	Produces copper and aluminum based alloys
86	Niagara Fiberboard Inc.	Lockport	Niagara	Western New York	NYSEG	Makes recycled paperboard products
87	Niagara Gear Corporation	Kenmore	Erie	Western New York	NGRID	Precision ground spur and helical gears
88	Norampac Industries, Lancaster Division	Lancaster	Erie	Western New York	NYSEG	Manufactures paper products
89	Oehlers Welding and Fabricating Inc.	Buffalo	Erie	Western New York	NGRID	Steel fabrications
90	Ontario Knife Company	Franklinville	Cattaraugus	Western New York	NGRID	Manufactures cutlery products
91	R & J Metal Finishing, Inc.	Depew	Erie	Western New York	NYSEG	Metal Finishing
92	Sentry Metal Blast, Inc.	Niagara Falls	Niagara	Western New York	NGRID	Metal blasting and industrial coating
93	Watson Bowman Acme Corp.	Amherst	Erie	Western New York	NGRID	Manufactures expansion joint systems
<b>Subtotal Western New York</b>					<b>18</b>	
<b>Total New York State</b>					<b>93</b>	

New York Power Authority  
 ReCharge New York Power Program  
 Applications Not Considered

Exhibit "6-E"  
 June 26, 2012

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	1886 Welcome Home Farm, Inc.	Hudson	Columbia	Capital District	NGRID	Community food pantry	Withdrawn
2	Bassett Hospital of Schoharie County	Cobleskill	Schoharie	Mohawk Valley	NGRID	Hospital	Withdrawn
3	Beaver Meadow Audubon Center	North Java	Wyoming	Finger Lakes	NYSEG	Audubon society	Withdrawn
4	Bedford Presbyterian Church	Bedford	Westchester	Mid-Hudson	NYSEG	Church	No Demand Meter
5	Behavioral HEalth Services North Inc.	Plattsburgh	Clinton	North Country	NYSEG	Provides services to mentally ill	Withdrawn
6	Buffalo Industrial Panel and Paint	Buffalo	Niagara	Western New York	NGRID	Start-up manufacturing company	Unresponsive
7	Buffalo Niagara Medical Campus	Buffalo	Erie	Western New York	CHUD	Medical campus	Unresponsive
8	Central Presbyterian Church	Huntington	Suffolk	Long Island	LIPA	Church	No Demand Meter
9	Christian Brothers Academy	Albany	Albany	Capital District	NGRID	Educational services	No Demand Meter
10	Dollar Tree Distribution, Inc.	Town of Schodack	Rensselaer	Capital District	NGRID	Discount variety stores	Withdrawn
11	DWEP on behalf of the Onondaga County Sanitary District	Syracuse	Onondaga	Central New York	NGRID	Department of Water Environment	Public Entity
12	Eastern Long Island Hospital Association, Inc.	Greenport	Suffolk	Long Island	MUNI	Hospital	Withdrawn
13	Genesee Valley Rural Partners LLC	Bath	Genesee	Finger Lakes	RGE	Manages affordable housing	Unresponsive
14	GL&V USA Inc.	Hudson Falls	Washington	Capital District	NGRID	Foundry & machine shop	Withdrawn
15	Grand Street Community Arts, Inc	Albany	Albany	Capital District	NGRID	Community arts	No Demand Meter
16	Hollywood Baptist Church Inc	Amityville	Suffolk	Long Island	LIPA	Church	No Demand Meter
17	Kids Corner Children's Center	Beaver Falls	Lewis	North Country	NGRID	Pre-school related services	No Demand Meter
18	Maimonides Hebrew Day School	Albany	Albany	Capital District	NGRID	Educational services	No Demand Meter
19	Menu Solutions	Bronx	Bronx	New York City	CONED	Garment products	Withdrawn
20	Met Weld International, LLC	Altamont	Albany	Capital District	NGRID	Industrial equipment	Withdrawn
21	MH Stallman Company	Johnstown	Fulton	Mohawk Valley	NGRID	Manufactures specialty foam products	Withdrawn
22	Mity Forms Inc	Conklin	Broome	Southern Tier	NYSEG	Prints invoices and specialty tags	Withdrawn
23	Mohawk Advanced Synfuels, LLC	Massena	St. Lawrence	North Country	N/A	Converts waste to energy and synfuels	Unresponsive
24	New York State Old Tyme Fiddlers Assn, Inc.	Redfield	Lewis	North Country	NGRID	Association for music appreciation	No Demand Meter
25	Niagara Falls Housing Authority	Niagara Falls	Niagara	Western New York	NGRID	Public housing	Public Entity
26	Niagara Frontier Transportation Authority	Buffalo	Erie	Western New York	NGRID	Transit provider for Erie and Niagara Counties	Public Entity
27	Northeast Transformer Services LLC	Preble	Cortland	Central New York	NGRID	Transformer repair facility	Withdrawn
28	Occidental Chemical Corporation	Niagara Falls	Niagara	Western New York	NGRID	Manufactures chemical products	Withdrawn
29	Odyssey Group	Ithaca	Tompkins	Southern Tier	NYSEG	Safety and performance testing	Withdrawn
30	OSC	Niagara Falls	Niagara	Western New York	NGRID	Green energy incubator	Unresponsive
31	Pace University	Pleasantville	Westchester	Mid-Hudson	CONED	Higher education	Withdrawn
32	Racer Machinery International USA Inc	Lancaster	Erie	Western New York	NYSEG	Manufactures tools	Unresponsive
33	Richard O. Hill	Selden	Suffolk	Long Island	LIPA	Church	No Demand Meter
34	River Haven Farms LLC	Cape Vincent	Jefferson	North Country	NGRID	Farm	No Demand Meter
35	Spray Nine/Permatex	Johnstown	Fulton	Mohawk Valley	NGRID	Specialty cleaning chemicals	No Demand Meter
36	SRC, Inc.	North Syracuse	Onondaga	Central New York	NGRID	R&D for national defense issues	Withdrawn
37	St. Joseph/St. Thomas	Staten Island	New York	New York City	CONED	Church/Parish	Withdrawn
38	T Lee Greene Energy Group LLC	ALBANY	Albany	Capital District	NGRID	Manufactures electric generators	Unresponsive
39	Telephonics Corporation	Huntington	Nassau	Long Island	LIPA	Manufactures electronic systems	Withdrawn
40	The City of Poughkeepsie, NY	Poughkeepsie	Dutchess	Mid-Hudson	CHUD	City/Government	Public Entity
41	The Salvation Army	Lockport	Niagara	Western New York	NYSEG	Religious and charitable services	No Demand Meter
42	The Trustees of Columbia University in the City of New York	New York	New York	New York City	CONED	Medical center	Withdrawn

**New York Power Authority  
 ReCharge New York Power Program  
 Applications Not Considered**

**Exhibit "6-E"  
 June 26, 2012**

<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>
43	Town of Madrid	Madrid	St. Lawrence	North Country	NGRID	Municipal/local government	Public Entity
44	Town of Riverhead Community Development Agency	Calverton	Suffolk	Long Island	LIPA	Town/Government	Public Entity
45	Western Finger Lakes Solid Waste Management Authority	Lyons	Wayne	Finger Lakes	NYSEG	Waste management agency	Withdrawn
46	Wood Farms LLC	Clayton	Jefferson	North Country	NGRID	Farm	No Demand Meter
47	Zion Lutheran Church	Staten Island	Richmond	New York City	CONED	Church	No Demand Meter

# EXHIBIT “A”

---

POWER AUTHORITY OF THE STATE OF NEW YORK

30 South Pearl Street  
Albany, New York 12207

AGREEMENT GOVERNING THE SALE  
OF ST. LAWRENCE-FDR PROJECT POWER AND ENERGY  
TO THE TOWN OF MASSENA ELECTRIC DEPARTMENT FOR ECONOMIC  
DEVELOPMENT PURPOSES

Service Tariff No. SC-1 – St. Lawrence County Economic Development Power

---

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title 1 of Article 5 of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10<sup>th</sup> Floor, Albany, New York 12207-3425, hereby enters into this agreement for the Sale of St. Lawrence-FDR Project Power and Energy (“Agreement”) with the Town of Massena Electric Department (“Customer”) with offices at 71 E. Hatfield Street, Massena, New York 13662. The Authority and the Customer are from time to time referred to in this Agreement as “Party” and collectively as “Parties” and agree follows:

## RECITALS

WHEREAS, the Authority is authorized to enter into contracts with municipalities of the State of New York (“State”) for the use, sale, transmission and distribution of the power generated by the Authority’s hydroelectric projects, including the St. Lawrence-FDR Power Project (“Project”), Federal Energy Regulatory Commission Project No. 2000, in accordance with PAL § 1005(5);

WHEREAS, PAL § 1005(5) further provides that the Authority is authorized to use other methods which it may find advantageous to give effect to the policies articulated in such provision;

WHEREAS, PAL § 1005(11) provides that the Authority is authorized to “[t]o exercise all the powers necessary or convenient to carry out and effectuate the purposes and provisions of ... title [1 of Article 5 of the PAL] ... and as incidental thereto to . . . sell ... electric power, and generally to do any and every thing necessary or convenient to carry out the purposes of ... title [1 of Article 5 of the PAL] ...”;

WHEREAS, the Customer is an electric utility owned and operated by the Town of Massena and is authorized to engage in the distribution of electric power and provide public utility services pursuant Article 14-A of the General Municipal Law;

WHEREAS, the Customer is desirous of purchasing hydroelectric power from the Authority for the purpose of reselling such hydropower to business customers for economic development purposes pursuant to an economic development plan;

WHEREAS, a proposed contract previously negotiated by the Parties that would have provided for the sale of hydropower to the Customer, and for the monetization of a portion of such hydropower by the Authority for economic development purposes, through an agreement entitled “Agreement Regarding Funding of the St. Lawrence River Valley Development Agency,” dated June 2, 2010 (“Funding Agreement”), was disapproved by the Governor of the State of New York pursuant to PAL § 1009, on the grounds that, among other things, the Authority lacked legal authority to monetize such power and make the proceeds available for such purposes;

WHEREAS, the Authority’s Board of Trustees (“Trustees”) has authorized a program pursuant to which the Authority may allocate and sell up to twenty (20) megawatts (“MW”) of project hydropower known as “St. Lawrence County Economic Development Power” to the

Customer for sub-allocation and resale by the Customer to qualified business customers for economic development purposes;

WHEREAS, this Agreement is intended to implement such program and does not provide for monetization of power by any Party for the purposes specified in the Funding Agreement; and

WHEREAS, the Governor of the State of New York has approved the terms of this Agreement pursuant to PAL § 1009(3).

NOW, THEREFORE, in consideration of the mutual covenants herein, the Authority and the Customer agree as follows:

I. Definitions

“Agreement” means this Agreement.

“Allocation” means a specific allocation of SCEDP to the Customer made pursuant to this Agreement for the purpose of enabling the Customer to make a Sub-Allocation of such SCEDP to a specific Qualified End User in accordance with this Agreement. For avoidance of doubt, the Parties agree and acknowledge that neither Ancillary Services nor Green Attributes are included in an Allocation.

“Ancillary Services” means Ancillary Services as defined by the NYISO in its rules, tariffs, manuals and procedures.

“Application” means an application by a Qualified Applicant for a Sub-Allocation.

“Authority” means the Power Authority of the State of New York, as described in the preamble to this Agreement.

“Confidential Information” means information that is protected from disclosure pursuant to Public Officers Law § 87(2).

“Contract Demand” means the sum of individual contract demands, inclusive of losses, for SCEDP as provided for in individual Sub-Allocation Contracts between the Customer and Qualified End Users, not to exceed the Maximum Total Allocation Amount.

“Customer” means the Town of Massena Electric Department, as described in the preamble to this Agreement.

“Customer Agent” has the meaning provided in Article XII of this Agreement.

“Customer’s Costs” means reasonable costs incurred by the Customer relating to the administration and performance of this Agreement and the transactions contemplated hereunder, including: (1) the Customer’s internal direct costs, including overhead; (2) reasonable costs incurred for services procured by the Customer, including the services of any Customer Agent;

(3) costs incurred for the use of third-party facilities and services furnished to the Customer in connection with the transmission and distribution of the Sub-Allocations; and (4) costs incurred for the establishment of mechanisms to accept and distribute Sub-Allocations.

“Economic Development Plan” means the Economic Development Plan attached to this Agreement as Exhibit 1.

“Electric Service” means Firm Hydroelectric Power and Energy associated with Allocations and sold by the Authority to the Customer in accordance with this Agreement, the Service Tariff and the Rules.

“Effective Date” means the date this Agreement is fully executed by the Parties.

“FERC” means the Federal Energy Regulatory Commission (or any successor agency).

“FERC License” means the license issued by FERC to the Authority for the continued operation and maintenance of the Project pursuant to Section 15 of the Federal Power Act, which became effective November 1, 2003 after expiration of the Project’s original license issued in 1953.

“Firm Hydroelectric Power and Energy” means firm power and associated energy from the Project, intended to be available at all times except for limitations provided for in this Agreement, the Service Tariff and the Rules.

“Green Attributes” (sometimes referred to as renewable attributes or renewable energy credits) are attributes associated with renewable energy power production facilities as may be defined by law or administrative action now or in the future, including but not limited to the Renewable Portfolio Standard proceeding of the New York Public Service Commission.

“Hydroelectric Resources” means hydroelectricity, including SCEDP, and/or revenues produced from the sale of such hydroelectricity.

“IDA” means the St. Lawrence County Industrial Development Agency Local Development Corporation, a non-party to this Agreement.

“Load Serving Entity” or “LSE” means an entity authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply energy, capacity and/or ancillary services to retail customers under the rules, tariffs, manuals and procedures of the NYISO.

“Maximum Total Allocation Amount” means twenty (20) MW, which shall be inclusive of distribution losses.

“NYISO” means the New York Independent System Operator, Inc., or any successor organization.

“NYISO Rules” means the NYISO Open Access Transmission Tariff (“OATT”), the NYISO Market Services Tariff and all NYISO manuals, rules, procedures, agreements or other documents relating to, among other things, the operation of the transmission system in the NYISO control area, reliability, and the purchase and sale of products and the participation of market participants in the NYISO markets, as in effect from time to time.

“Project” means the St. Lawrence-FDR Power Project, FERC Project 2000.

“Project Switchyard” means the St. Lawrence Project switchyard.

“Rules” means the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority in its discretion.

“RVRDA” means the St. Lawrence River Valley Redevelopment Agency, a non-party to this Agreement.

“Service Tariff” means the Authority’s Service Tariff No. SC-1, as may be modified or superseded from time to time by the Authority in its discretion.

“St. Lawrence County Economic Development Power” or “SCEDP” means Firm Hydroelectric Power and Energy produced by the Project made available for Allocation and sale to the Customer for Sub-Allocation and re-sale by the Customer to Qualified Applicants in accordance with this Agreement in a total amount not to exceed the Maximum Total Allocation Amount.

“Sub-Allocation” means an allocation of SCEDP by the Customer to a Qualified Applicant made in accordance with this Agreement.

“Sub-Allocation Contract” means a written contract for the sale of a Sub-Allocation of SCEDP by the Customer to a Qualified End User, the form of which shall be approved by the Authority.

“Qualified Applicant” means a person who is qualified to apply for and receive a Sub-Allocation of SCEDP in accordance with this Agreement and the Economic Development Plan.

“Qualified End User” means a Qualified Applicant who has received a Sub-Allocation of SCEDP from the Customer in accordance with this Agreement and the Economic Development Plan.

“Unforced Capacity” means the capacity required to be provided to serve load as defined by the NYISO in its rules, tariffs, manuals and procedures.

## II. General Provisions

1. This Agreement shall govern the Allocation and sale of SCEDP to the Customer, and shall specify terms and conditions relating to the Sub-Allocation and re-sale of such SCEDP by the Customer to Qualified End Users.

2. As provided for in this Agreement, the Customer shall be entitled to apply to the Authority for Allocations of SCEDP for the purpose of making and selling Sub-Allocations to Qualified End Users in accordance with this Agreement and consistent with the Economic Development Plan.

3. This Agreement does not mandate or otherwise require: (a) the Authority to make or sell any specific Allocation of SCEDP to the Customer; or (b) the Customer to Sub-Allocate or resell any SCEDP to any specific person except as provided for in the Agreement in the case of an Allocation made to the Customer for a specific Sub-Allocation or when otherwise authorized by this Agreement.

4. Any application for an Allocation by the Customer under this Agreement shall be subject to the availability of SCEDP and any commitments the Authority has made regarding such SCEDP. The Authority will use commercially reasonable efforts to make such SCEDP available within three (3) months of the Authority's approval of a Sub-Allocation made in accordance with the procedures established in this Agreement.

5. The Authority shall retain and be entitled to the exclusive use of all SCEDP that (a) has not been specifically Allocated to the Customer and Sub-Allocated to Qualified End Users, (b) has been relinquished by or withdrawn from the Customer or Qualified End Users in accordance with this Agreement, the Service Tariff, or the Rules, and (c) has been Sub-Allocated but has not been used.

6. The Customer may not sell/resell any SCEDP except for the purpose of making and selling such SCEDP as Sub-Allocations to Qualified Applicants in accordance with this Agreement.

7. This Agreement shall not govern or otherwise affect any power allocated and sold by the Authority to the Customer under any other agreement between the Parties.

8. Nothing in this Agreement affects the Authority's authority pursuant to PAL § 1005(5) to regulate the rates the Customer charges for any hydropower purchased from the Authority under this Agreement.

9. Nothing in this Agreement is intended to authorize or shall be construed as authorizing the Authority to monetize any portion of SCEDP for the benefit of the Customer, RVRDA, IDA, or any Qualified End User, or for any of the purposes identified in the Funding Agreement.

### III. Application Process

1. The Customer shall establish a written process for the solicitation and consideration of Applications for SCEDP that is consistent with the Economic Development Plan and this Agreement. All solicitations for Applications of SCEDP shall be made by the Customer or a Customer Agent through public notice.

2. Applications for SCEDP shall be in the form and contain such information as the Customer prescribes in consultation with the Authority. The Customer shall review each Application and make an initial determination of whether the applicant is a Qualified Applicant. Only Qualified Applicants may be considered for Sub-Allocations of SCEDP.

3. The Customer shall provide a copy of each completed Application to (a) RVRDA, (b) IDA and (c) any state regional economic development council with responsibility for the St. Lawrence County area ("REDC") for the purpose of soliciting comments and recommendations of IDA, RVRDA and the REDC on the Application, including whether or not IDA, RVRDA and the REDC support the Application, provided the Customer first receives the consent of the Qualified Applicant and takes reasonable steps to protect against the disclosure of Confidential Information contained in the Application.

4. In the case of Qualified Applicants, the Customer shall evaluate Applications based on consideration of the criteria contained in the Economic Development Plan. In evaluating Applications, the Customer shall consult with and consider any recommendations made by IDA, RVRDA and the REDC. The Customer shall be entitled to make any of the following recommendations to the Authority regarding Sub-Allocations: (a) approve an Application; (b) deny an Application; (c) approve a smaller Sub-Allocation than requested in an Application; (d) approve a Sub-Allocation (or smaller Sub-Allocation) subject to conditions; or (e) withhold decision on an Application pending the receipt of additional information from the Qualified Applicant. The Customer may choose between Applications based on its determination of which Applications best meet the Economic Development Plan's criteria.

5. The Customer shall submit all Applications for which it recommends a proposed Sub-Allocation to the Authority for the Authority's review and approval provided that such Applications are supported by IDA and RVRDA. Each submittal shall be accompanied by the following information: (a) a copy of the Application; (b) a statement from the Customer demonstrating that the applicant is a Qualified Applicant; (c) the facts and other considerations supporting the proposed Sub-Allocation, including the amount of the capital investment and the number of jobs that would be created by the Applicant in consideration of the recommended Sub-Allocation; (d) a copy of the proposed Sub-Allocation Contract; (e) documentation of the positions of IDA, RVRDA and the REDC on the Application; (f) any other information the Customer believes is relevant to the Application; and (g) any information requested by the Authority. If the REDC has not provided a recommendation on an Application within sixty (60) days of the Customer's request, the Customer may forward the Application to the Authority for consideration notwithstanding the absence of an REDC recommendation at that time.

6. The Authority, in its sole discretion, may: (a) approve a proposed Sub-Allocation; (b) deny a proposed Sub-Allocation; (c) approve a smaller Sub-Allocation than was requested in the

Application or proposed by the Customer; (d) approve a proposed Sub-Allocation (or smaller Sub-Allocation) subject to conditions; or (e) withhold decision on a proposed Sub-Allocation pending the receipt of additional information from the Applicant or the Customer; provided that the Authority shall not unreasonably withhold such decision, and shall use good faith efforts to render a decision pursuant to this Section III.6 within ninety (90) days of its receipt of all required information.

7. Approval of a Sub-Allocation by the Authority shall: (a) authorize the Customer to enter into a Sub-Allocation Contract with a Qualified Applicant for the sale of the Sub-Allocation, subject to the provisions of this Agreement and any conditions imposed by the Authority pursuant to Section III.6; and (b) entitle the Customer to receive a corresponding Allocation from the Authority, subject to the provisions of this Agreement, the Service Tariff and the Rules.

#### IV. Use of SCEDP by the Customer

1. Allocations of SCEDP made to the Customer shall be used by the Customer solely for the purpose of making corresponding Sub-Allocations.

2. All SCEDP allocated and sold to the Customer shall be Sub-Allocated and sold pursuant to a Sub-Allocation Contract between the Customer and the Qualified End User, the form of which shall be subject to approval by the Authority. In addition to other terms and conditions the Parties deem acceptable, Sub-Allocation Contracts shall contain terms providing for the following:

(a) A prohibition against the transfer, reallocation or resale of any portion of SCEDP by the Qualified End User.

(b) A prohibition against the transfer of any portion of the SCEDP to a different facility of the Qualified End User that is not authorized by the Sub-Allocation Contract to receive it without the consent of the Customer and the Authority.

(c) Periodic audits of the Qualified End User by the Customer and the Authority for the purpose of determining Sub-Allocation Contract compliance.

(d) Partial or complete withdrawal of a Sub-Allocation if the Qualified End User fails to maintain agreed-upon commitments, relating to, among other things, employment levels, power utilization and capital investments.

(e) A reduction in the amount of any Sub-Allocation when the amount of a corresponding Allocation is reduced as provided for by this Agreement, the Service Tariff, or the Rules.

(f) A rate for the SCEDP that does not recover from Qualified End Users more than the cost to the Customer of the Allocation, plus the Customer's Costs.

(g) A provision providing that Sub-Allocations is subject to the provisions of this Agreement, the Service Tariff, the Rules, the FERC License, PAL Article 5, Title 1 (to

the extent such statute is not inconsistent with the FERC License), and all other applicable laws and regulations.

(h) Reasonable provisions requiring Qualified End Users to provide periodic statements to the Customer and the Authority, if requested, indicating the total savings in dollars realized by the Qualified End User as a result of the Sub-Allocation received. The Parties agree to work together and cooperate for the purpose of developing the form and content of such statement.

(i) SCEDP shall be used only at the facilities identified in the Sub-Allocation Contract.

3. Sub-Allocations should not exceed seven (7) years in length without good cause shown by the Customer and in any event no Sub-Allocation shall extend beyond the term of this Agreement, provided, subject to these limitations, the Customer may, as part of its Economic Development Plan, establish a process by which Qualified End Users may apply for an extension of their Sub-Allocations prior to expiration of their Sub-Allocation. Applications for extensions of Sub-Allocations shall be subject to process and requirements substantially similar to those applicable to Applications, and all extensions shall be subject to the review and approval of the Authority.

#### V. Electric Service

1. The Authority shall provide Electric Service pursuant to the Service Tariff to enable the Customer to receive Allocations of SCEDP made by the Authority to the Customer under this Agreement in accordance with the provisions of the FERC License.

2. The Authority shall provide Unforced Capacity in amounts necessary to meet the Customer's NYISO Unforced Capacity obligations associated with Allocations of SCEDP made by the Authority to the Customer under this Agreement in accordance with the NYISO's rules, tariffs, manuals and procedures, subject to cost recovery by the Authority through the rates provided for in the Service Tariff.

3. In addition to any other modification provided for in this Agreement, the Service Tariff or the Rules, any Allocation made pursuant to this Agreement may be modified by the Authority if the amounts of SCEDP available for sale from the Project are modified as required to comply with any law, ruling, order or decision of any regulatory or judicial body having jurisdiction to which the Authority is subject. The Authority shall provide reasonable notice to the Customer of any such action that would result in modification of any Allocation.

#### VI. LSE Responsibilities; Transmission and Delivery; Load Splitting

1. The Customer shall have the responsibility to (a) register and serve as the LSE, (b) arrange for one or more other entities to register and serve as the LSE on its behalf, or (c) make other appropriate arrangements, in order to provide for Sub-Allocations of SCEDP to Qualified End Users. The Customer shall be responsible for all costs associated with such

matters subject to cost recovery from Qualified End Users. The Authority shall not have LSE responsibilities for any purpose in connection with any Allocations or Sub-Allocations.

2. The Customer, the Customer's Agent, or another person acting as the LSE on the Customer's behalf, shall have the responsibility to arrange for the transmission and delivery of SCEDP supplied hereunder from the Project Switchyard to points of delivery to the Qualified End Users. Such transmission and delivery shall be consistent with the other provisions of this Agreement, the Service Tariff and the NYISO Rules.

3. As LSE, the Customer shall be responsible for all costs associated with the NYISO and transmission and delivery services, but this Agreement does not preclude the Customer from recovering such costs from Qualified End Users.

4. As LSE, the Customer shall be responsible for taking all actions necessary to establish appropriate NYISO subzone load buses for delivery of SCEDP to Qualified End Users (a) located outside the Customer's service territory and within St. Lawrence County, and (b) located within the Customer's service territory to the extent that the existing Customer sub zone load bus is inadequate.

5. The Customer shall perform load splitting in accordance with a prescribed methodology, and transmit the information derived from load splitting to the Authority on a schedule, agreed upon by the Parties.

## VII. Metering

1. The facilities of Qualified End Users receiving SCEDP must be metered in a manner satisfactory to the Authority, or the Customer must provide another metering arrangement that is satisfactory to the Authority.

2. The Customer shall be solely responsible for:

(a) installing, maintaining, inspecting, verifying and reading all metering equipment in a manner satisfactory to the Authority for purposes of determining hourly electric usage and demand by Qualified End Users within the Customer's service territory; and

(b) ensuring, through agreements with local electric utilities who deliver SCEDP or other appropriate means, the installation, maintenance, inspection, verification and reading all metering equipment in a manner satisfactory to the Authority for purposes of determining hourly electric usage and demand by Qualified End Users located outside the Customer's service territory and within St. Lawrence County.

3. Unless otherwise agreed to by the Authority in writing, metering shall be capable of enabling the Customer to perform load splitting between SCEDP supplied in total or in part to meet the load of individual Qualified End Users, other NYPA power supplied by the Authority to the Customer under the Authority's Service Tariff No. 39A, and any other power supplied to the Customer from any other source.

## VIII. Rates

1. SCEDP sold to the Customer under this Agreement is not and shall not be considered preference power under the Niagara Redevelopment Act (16 USC §§ 836, 836a).

2. Notwithstanding that SCEDP is not preference power, SCEDP will be sold to the Customer at cost-based rates equivalent to rates charged to the Authority's in-state preference customers receiving preference power under the Niagara Redevelopment Act (16 USC §§ 836, 836a) as provided for in the Service Tariff.

3. The Customer waives any challenges to any of the following methodologies and principles<sup>1</sup> to the extent that one or more of such methodologies and principles are used by the Authority to set rates different than those adopted by the Authority's Trustees in their meeting on April 29, 2003 based on the "January 2003 Report on Hydroelectric Production Rates" and as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations:"

- a. The principles set forth in the March 5, 1986 Settlement Agreement (settling *Auer v. Dyson*, No. 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, Index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "Auer Settlement").
- b. Recovery of capital costs using Trended Original Cost and Original Cost methodologies.
- c. Treatment of sales to third parties, including the New York Independent System Operator.
- d. Allocation of Indirect Overheads.
- e. Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.
- f. Post-employment benefits other than pensions (*i.e.*, retiree health benefits).
- g. Rate Stabilization Reserve (RSR) methodology as supplemented by the explanatory statement attached hereto as Exhibit 2.

4. In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Customer shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority. Nothing contained herein shall preclude the Customer from participating in the rate setting process and raising issues as to whether such methodologies and principles have been correctly employed.

---

<sup>1</sup> These methodologies and principles were employed in and explained by the Authority's January 2003 Report on Hydroelectric Production Rates and the Staff Analysis of Public Comments and Recommendations adopted by the Authority's Trustees on April 29, 2003.

IX. Availability of Energy

Subject to any other limitations set forth in this Agreement, the Service Tariff, and the Rules, the Authority will supply to the Customer sufficient power and energy to meet each Qualified End User's demand and energy usage at the Qualified End User's actual metered load factor in a mutually agreed upon manner.

X. Legal Enactments

If a law is enacted after the Effective Date that, in the opinion of either Party, materially impacts the rights or obligations of a Party under this Agreement, or requires the Authority, directly or indirectly, to provide Hydroelectric Resources for economic development purposes in the St. Lawrence County area in excess of the Maximum Total Allocation Amount provided for under this Agreement, the Parties shall meet within thirty (30) days of a request by either Party to discuss the law and any amendments to this Agreement either Party believes is necessary to account for the impact of such law. If the Parties after good faith negotiations cannot reach Agreement on amendments within sixty (60) days of an initial meeting, then either Party may terminate this Agreement on thirty (30) days written notice to the other Party.

XI. Conditions Precedent

In addition to any other requirements, qualifications and conditions pertaining to the Authority's performance under this Agreement, the Service Tariff and the Rules, the Authority's performance under this Agreement, including but not limited to the Allocation of SCEDP and the provision of Electric Service under this Agreement, are subject to the occurrence of the following conditions precedent:

- a. receipt by the Customer of all approvals from regulatory authorities which are necessary for the Customer to engage in the transactions contemplated by this Agreement, including but not limited to any and all approvals required from the New York State Public Service Commission;
- b. modifications to the Funding Agreement in a manner satisfactory to the Authority; and
- c. written procedures addressing each of the matters identified in Exhibit 3 of this Agreement in a manner satisfactory to the Authority.

XII. Customer Agent

1. The Customer may engage one or more persons (hereinafter, "Customer Agent") to assist it in performing the Customer's obligations under this Agreement, including but not limited to a public utility, LSE, municipal distribution agency, load aggregator, or industrial development authority. The Customer Agent's performance shall be consistent with requirements of the NYISO and all applicable laws and regulations. The Customer shall give the Authority notice of the engagement of any Customer Agent.

2. The Parties agree and acknowledge that: (a) the right to engage Customer Agents is strictly for convenience of the Customer; (b) the right to engage Customer Agents shall not be construed to authorize the Customer to make an assignment of this Agreement or any part of the Customer's rights or obligations under this Agreement to any Customer Agent or any other person; and (c) the Customer shall remain liable to the Authority for the performance of the Customer's obligations under this Agreement notwithstanding the engagement of Customer Agents.

### XIII. Recordkeeping

The Customer shall keep its books, accounts and records pertaining to the Allocation, sale, resale, Sub-Allocation, and delivery of the Allocations and Sub-Allocations pursuant to procedures reasonably deemed necessary by the Authority to ensure compliance with this Agreement, the Rules, the FERC License, NYISO requirements and applicable laws and regulations. The Customer shall provide such information and permit such inspections of its books and records as the Authority reasonably requests. The Customer shall impose similar obligations on Qualified End Users and Customer Agents in Sub-Allocation Contracts and other appropriate documents for the benefit of the Customer and the Authority.

### XIV. Rules, Service Tariff and Conflicts

1. The Service Tariff, as may be modified or superseded from time to time by the Authority in its discretion, is hereby incorporated into this Agreement with the same force and effect as if set forth herein at length. The Authority shall provide at least thirty (30) days prior written notice to the Customer of any proposed change in the Rules or the Service Tariff, but in no event shall the Authority provide less notice than that required to be provided to similarly affected Authority customers within New York State.

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the Service Tariff and any other provisions of this Agreement, the provisions of this Agreement shall govern. In the event of any conflicts between the provisions of this Agreement and the exhibits, the provisions of this Agreement shall govern.

### XV. Term and Termination of Service

1. This Agreement shall be effective on the Effective Date.

2. Electric Service under the Agreement shall continue until the earliest of: (a) with respect to specific Allocations and Sub-Allocations, termination by the Customer with respect to any such Allocation or Sub-Allocation upon sixty (60) days prior written notice to the Authority, provided that such termination shall be effective commencing with the next billing period as provided for in the Service Tariff; (b) with respect to specific Allocations and Sub-Allocations, termination by the Authority of any such Allocation or Sub-Allocation pursuant to this Agreement, the Service Tariff, or the Rules; (c) with respect to specific Allocations and Sub-

Allocations, expiration of any such Allocation or Sub-Allocation by its own terms; or (d) September 1, 2025.

3. Notwithstanding the foregoing Section XV.2, the Authority may cancel Electric Service under this Agreement or modify the quantities of SCEDP associated with any or all of the Allocations: (a) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC) to which the Authority is subject; or (b) as otherwise provided in this Agreement, the Service Tariff or the Rules.

#### XVI. Notification

1. Correspondence involving the administration of this Agreement shall be addressed as follows:

To Authority:

Vice President, Marketing  
New York Power Authority  
123 Main Street  
White Plains, NY 10601  
Facsimile:  
Email:

To Customer:

General Manager  
Massena Electric Department  
71 E. Hatfield Street  
P.O. Box 209  
Massena, NY 13662  
Facsimile:  
Email:

2. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) if sent by electronic mail to the appropriate address as set forth above, with written confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

3. As a courtesy, copies of any notice required to be provided by a Party for any of the following matters shall be sent by such Party to IDA and RVRDA at the addresses provided

for below: (a) modifications as provided for in Section V.3 of this Agreement; (b) notice of a request to meet as provided for in Article X of this Agreement; (c) the engagement of a Customer Agent as provided for in Article XII of this Agreement; and (d) a termination or cancellation as provided for in Article XV of this Agreement.

To IDA:

To RVRDA:

## XVII. Miscellaneous

1. No consideration shall be given to the captions of the articles, sections, subsections, paragraphs, clauses or any appendices or other attachments, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in its construction. No consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement.
2. This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License.
3. Each Party consents to the exclusive jurisdiction and venue of New York State Supreme Court within Albany County, New York, for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement.
4. Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter.
5. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.
6. The Customer may not assign or otherwise transfer an interest in this Agreement without written approval by the Authority.
7. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns, and is made solely and specifically for their benefit. No other person shall have any rights, interest or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise.
8. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the matters herein set forth. This Agreement supersedes all previous

communications between the Parties hereto, either oral or written, with reference to the subject matter hereof.

9. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

10. If any term or provision of this Agreement is invalidated, declared unlawful or ineffective in whole or in part, or modified by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof.

11. Notwithstanding the preceding Section XVII.10, if any provision of this Agreement is invalidated, declared unlawful or ineffective in whole or in part, or modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

12. This Agreement may be executed in multiple original counterparts, each of which shall be an original and all of which together shall constitute a single instrument.

**[SIGNATURES FOLLOW ON NEXT PAGE]**

AGREED:

**CUSTOMER**

BY \_\_\_\_\_

Name and Title (**Print**) \_\_\_\_\_

Date \_\_\_\_\_

**POWER AUTHORITY OF THE STATE OF NEW YORK**

BY \_\_\_\_\_

Name and Title (**Print**) \_\_\_\_\_

Date \_\_\_\_\_

## **EXHIBIT 1**

### **ECONOMIC DEVELOPMENT PLAN**

This Economic Development Plan (“Plan”) shall apply to the Allocation and Sub-Allocation of St. Lawrence County Economic Development Power (“SCEDP”) made available in accordance with the “Agreement Governing the Sale of St. Lawrence-FDR Project Power and Energy to the Town Of Massena Electric Department For Economic Development Purposes” (“Agreement”).<sup>2</sup>

SCEDP will be made available for sale to the Customer and resale and Sub-Allocation by the Customer to Qualified Applicants (“QAs”) as an incentive for QAs that propose to expand an existing business or propose to locate a new business in St. Lawrence County. A primary goal of the Plan shall be to encourage economic development in St. Lawrence County, including job creation.

In addition to any other requirements provided for in this Plan or the Agreement, it is the Parties’ intent that the Customer will: (1) consult with the St. Lawrence River Valley Redevelopment Agency, St. Lawrence County Industrial Development Agency Local Development Corporation, and any state regional economic development council with responsibility for the St. Lawrence County area (“Economic Development Partners”) to provide effective and competitive economic incentive packages to encourage economic development consisting of SCEDP and other available resources for QAs; (2) effectively market the SCEDP and associated incentive packages in printed promotional materials and websites; and (3) collaborate with the Economic Development Partners to maximize economic development opportunities in St. Lawrence County.

#### **Qualified Applicants**

QAs shall include any of the following types of businesses that engage primarily in the following types of business activities:

- Industrial
- Manufacturing
- Research and development
- Non-retail service firms
- Warehouse and distribution facilities
- Agricultural businesses
- Headquarters facilities

The following businesses and business activities are not QAs, and shall not be eligible to apply for or receive Sub-Allocations under this Plan:

- Educational, religious, or governmental

---

<sup>2</sup> Capitalized terms not defined in this Plan shall have the meaning provided to such terms in the Agreement.

- Lodging facilities
- Legal, medical, or nursing facilities
- Retail businesses
- Residential establishments
- Casino and other gaming establishments

**Qualification Guidelines**

The following preliminary qualification guidelines shall apply to QAs applying for Sub-Allocations of SCEDP:

- QAs must propose to add new electrical load. A proposed project must create a minimum of 100 kilowatts (“kW”) of new electric load.
- QAs must propose to create new jobs. Jobs per MW ratio should fall within the following guidelines:

<u>Employment at the business prior to proposed expansion</u>	<u>New Jobs/MW of Sub-Allocated SCEDP</u>
0	case by case (new business)
1-100	25
101-250	50
251-499	75
500 +	100

- QAs must propose to make capital investments in new or existing facilities. Such investments may include:
  - i. Construction of new facilities.
  - ii. Expansion or substantial modification/refurbishment to existing facilities.
  - iii. Installation of machinery and equipment to, for example, accommodate expansion of production capability.
- Projects should be consistent with any strategic plan and priorities of any state regional economic development council with responsibility for the St. Lawrence County region.

**Allocation and Sub-Allocation Criteria**

The following criteria shall be used to evaluate Applications for Sub-Allocations of SCEDP in addition to any other considerations the Customer determines to be appropriate in accordance with the evaluation and recommendation processes provided for in the Agreement:

- The size/scope of the proposed project.
- The significance of the cost of electricity to the QA’s overall cost of doing business, and the impact that a Sub-Allocation would have on the QA’s operating costs;

- Time schedule of the proposed project. (Projects should start within one year of Sub-Allocation and be completed within three years.)
- The nature and extent of the QA's proposed investment in the project, including the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the QA were to receive a Sub-Allocation.
- The number and quality of jobs that would be created and/or retained in exchange for a Sub-Allocation.
- The amount of SCEDP requested by the QA and the reasons for the request.
- The QA's past and proposed energy conservation efforts.
- The relationship of the proposed project to other New York State facilities or business activities owned or conducted by the QA or its affiliates (e.g., whether the proposed project would simply relocate business operations already existing in the State, support other facilities or business operations of the QA in the State, etc.).
- The importance of the proposed project to the community in which the project would be located, including the host community's economic circumstances.

## **EXHIBIT 2**

### **NEW YORK POWER AUTHORITY RATE STABILIZATION RESERVE** **METHODOLOGY**

The Rate Stabilization Reserve (RSR) is calculated consistent with Service Tariff provisions regarding the Flow Adjustment Computation (FAC), which was not altered in the January 2003 Report on Hydroelectric Production Rates or the Staff Analysis of Public Comments and Recommendations adopted by the Trustees of the Power Authority on April 29, 2003. The calculation as modified in accordance with the Authority's preference power rate plan approved in 2011, is described below:

1. Calculate the total cost of service (CoS) for the Niagara/St. Lawrence projects. Costs include: Operations and Maintenance, amortized roadwork, Indirect Overheads (Shared Services, Research and Development, debt service) and Capital Costs (using TOC for equity funded and OC for debt funded).
2. Credit the CoS by any excess capacity (UCAP) sales to the NYISO net of forecasted UCAP sales included in previous rate year's CoS.
3. Allocate costs to the demand function by multiplying the sum of the Customers' billed demands by the preference demand charge, which has been inflated to include Ancillary Services production costs. This larger demand charge is used only for the purposes of the RSR.
4. Calculate the cost-based energy rate by dividing the remaining energy assigned costs by the annual metered generation.
5. Calculate the difference between the cost-based energy rate and the billed preference energy rate.
6. Multiply the difference in the rates by the actual annual billed preference energy sales to determine the annual change in the RSR.
7. Add the annual change to the RSR balance from the prior year-end to get the current year-end RSR balance.
8. If the current year-end balance is in excess of +/- \$25 million, the excess would be subject to a credit or a surcharge in the subsequent rate year.

### EXHIBIT 3

1. Procedures for energy data collection by the Customer, the Customer's Agent, and/or local electric utilities providing delivery service for St. Lawrence County Economic Development Power, for all Sub-Allocations made to Qualified End Users whether located within or without the Customer's service territory which (collectively, "Energy Data"). At a minimum, Energy Data shall include energy and demand usage by individual Qualified End Users.
2. Procedures for transmission of Energy Data to the Authority by the Customer, the Customer's Agent, and/or local electric utilities providing delivery service for St. Lawrence County Economic Development Power for all Qualified End Users whether located within or without the Customer's service territory ("Data Transmission"), including the content, means, and frequency of Data Transmission.
3. Procedures for the Customer's billing of Qualified End Users by the Customer. Unless otherwise agreed to by the Authority in writing, at a minimum such procedures shall provide for billing on the identical calendar month basis that the Authority uses to bill the Customer for allocations and sales made to the Customer under Service Tariff No. 39A.
4. Procedures for monthly load splitting by the Customer, including a methodology to be used by the Customer for load splitting.
5. Procedures for accounting for distribution losses that occur between the metering point of Qualified End Users and the relevant sub zone load bus.
6. Procedures for reconciliations or true-ups to account for differences between actual energy usage and scheduled energy usage (i.e., inadvertent energy balances).



**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**30 SOUTH PEARL STREET**  
**ALBANY, NY 12207**

**Schedule of Rates for Sale of St. Lawrence County Economic  
Development Power to the Town of Massena Electric  
Department**

**Service Tariff No. SC-1**

## TABLE OF CONTENTS

<b>General Information</b>	<b>Leaf No.</b>
<b>I. Applicability</b> .....	3
<b>II. Abbreviations and Terms</b> .....	3
<b>III. Monthly Rates and Related Matters</b> .....	6
A. Monthly Base Rates .....	6
B. Billing Demand and Billing Energy .....	6
C. NYISO Charges .....	6
D. Taxes and Other Charges.....	6
E. Delivery Charges .....	7
F. Adjustment to Charges.....	7
G. Adjustment to Rates.....	7
<b>IV. General Provisions</b> .....	8
A. Character of Service.....	8
B. Availability of Energy .....	8
C. Delivery .....	8
D. Scheduling Procedures.....	9
E. Payment by Customer for Firm Hydroelectric Power and Firm Hydroelectric Energy .....	9
F. Supplementary Provision.....	9
G. Alternate Arrangements .....	9
H. Conflicts.....	10
<b>V. Flow Adjustment Computation (FAC)</b> .....	11

## **Schedule of Rates for Sale of St. Lawrence County Economic Development Power to the Town of Massena Electric Department**

### **I. Applicability**

To sale of St. Lawrence-FDR Hydroelectric Project firm power and energy, denominated herein as “St. Lawrence County Economic Development Power,” to the Customer for resale by the Customer to Qualified End Users to support economic development in St. Lawrence County, up to an amount not to exceed the Maximum Total Allocation Amount.

### **II. Abbreviations and Terms**

- kW kilowatt(s)
- kWh kilowatt-hour(s)
- MW megawatt(s)
- NYPA New York Power Authority
- NYISO New York Independent System Operator, Inc. or any successor organization
- OATT NYISO Open Access Transmission Tariff, as such tariff is amended and in effect from time to time.
- SCEDP St. Lawrence County Economic Development Power

**Agreement:** An executed agreement between the Authority and the Customer setting forth the terms and conditions applicable to the Allocation and sale of SCEDP to the Customer, including specifically an agreement entitled “Agreement Governing the Sale of St. Lawrence-FDR Project Power and Energy to the Town of Massena Electric Department for Economic Development Purposes.”

**Allocation:** This term has the meaning provided for in the Agreement.

**Authority:** The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority” and “NYPA.”

**Billing Demand:** This term has the meaning provided for in Section III.B of this Service Tariff.

**Billing Energy:** This term has the meaning provided for in Section III.B of this Service Tariff.

**Billing Period:** For Qualified End Users located within the Customer’s service territory, a period equal to a calendar month; for Qualified End Users located outside the Customer’s service territory and within St. Lawrence County, any period of approximately thirty (30) days, generally ending with the last day of each calendar month, but subject to the billing cycle requirements set by local electric utilities for its customers who receive delivery of SCEDP from any such utility.

**Contract Demand:** The sum of individual contract demands, inclusive of losses, for SCEDP as provided for in individual Sub-Allocation Contracts between the Customer and Qualified End Users, not to exceed the Maximum Total Allocation Amount.

**Customer:** Town of Massena Electric Department as described in the Agreement.

**Customer's Agent:** This term has the meaning provided for in the Agreement.

**Electric Service:** The Firm Power and Firm Energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

**Firm Hydroelectric Power:** Capacity (kW) from the Hydro Project, intended to be available at all times except for limitations provided in the Agreement, this Service Tariff and the Rules. Firm Power does not include peaking power.

**Firm Hydroelectric Energy:** Energy (kWh) associated with Firm Hydroelectric Power.

**Hydro Project:** The Authority's St. Lawrence-FDR Power Project, FERC Project No. 2000.

**Hydro Project Switchyard:** The St. Lawrence Project switchyard.

**Load Serving Entity or LSE:** This term has the meaning provided for in the Agreement.

**Maximum Total Allocation Amount:** This term has the meaning provided for in the Agreement.

**NYISO Charges:** Fees and charges levied by the NYISO, typically on an LSE, for services provided by the NYISO under the OATT or any other NYISO Tariffs, including but not limited to the following: (1) ancillary services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time; (2) marginal losses; (3) the New York Power Authority Transmission Adjustment Charge ("NTAC"); (4) congestion costs; (5) any and all other charges, assessments or other amounts associated with deliveries to Customer that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and (6) any charges assessed on the Authority with respect to service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by NYPA with respect to service to Customer), applicable tariffs or required to be paid by the Authority in accordance with law, whether charged by the NYISO or some other third party.

**NYISO OATT:** The NYISO Open Access Transmission Tariff, as such tariff is amended and in effect from time to time.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**Qualified End User:** This term has the meaning provided for in the Agreement.

**Rate Year:** The May Billing Period through April Billing Period of the following year.

**Rules:** The Authority's rules and regulations set forth in Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York as may be modified from time to time by the Authority.

**Service Tariff:** This Service Tariff, denominated as “Schedule of Rates for Sale of St. Lawrence County Economic Development Power to the Town of Massena Electric Department, Service Tariff No. SC-1,” as amended from time to time by the Authority.

**St. Lawrence County Economic Development Power** or **SCEDP:** The name given to the Firm Hydroelectric Power and Firm Hydroelectric Energy being made available to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

**Sub-Allocation:** This term has the meaning provided for in the Agreement.

**Sub-Allocation Contract:** This term has the meaning provided for in the Agreement.

**Substitute Energy:** Energy the Authority procures and sells to the Customer to replace St. Lawrence County Economic Development Power that would otherwise have been sold to the Customer but for a curtailment made in accordance with the Agreement and this Service Tariff.

Additional terms are defined in the text of this Service Tariff.

Unless otherwise indicated, all other capitalized terms and abbreviations used but not defined in this Service Tariff have the meaning as set forth in the Agreement.

### **III. Monthly Rates and Related Matters**

#### **A. Monthly Base Rates**

Subject to the other provisions of this Service Tariff, the monthly demand and energy rates to be charged to the Customer by the Authority based on the Authority's preference power rates for each Rate Year beginning May 1, 2012 shall be as follows:

<u>Rate Year</u>	<u>Demand Rate</u> \$/kW-month of contract demand	<u>Energy Rate</u> Mills/kWh
5/1/2012 through 4/30/2013	3.57	4.92
5/1/2013 through 4/30/2014	3.91	4.92
5/1/2014 through 4/30/2015	4.07	4.92

The demand rates and energy rates set forth above shall apply at the Hydro Project Switchyard. For the rate periods through April 30, 2014, the energy rate shall not be subject to a monthly adjustment in accordance with a Flow Adjustment Computation ("FAC") described in Section V of this Service Tariff. For the May 1, 2014-April 30, 2015 rate period, a monthly adjustment in accordance with the FAC will apply except that if Rate Stabilization Reserve ("RSR") balance is less than -\$25 million, the monthly adjustment shall be based on a surcharge no greater than \$0.40/Megawatt-hour.

#### **B. Billing Demand and Billing Energy**

**Billing Demand.** The Billing Demand (kW) will be equal to the Contract Demand for a Billing Period.

**Billing Energy.** Unless otherwise specified in the Agreement, for Qualified End Users that receive only SCEDP, the Billing Energy will be the total number of kilowatt hours recorded on the meters of the Qualified End Users, adjusted for distribution losses as appropriate during the Billing Period. For Qualified End Users that receive power from another source in addition to SCEDP, the Billing Energy will be split to account for SCEDP only, by the proportion of the Contract Demand to the total monthly demand, adjusted for distribution losses as appropriate during the Billing Period.

#### **C. NYISO Charges**

The Customer, as LSE, shall be solely responsible for paying and recovering from Qualified End Users any NYISO Charges for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) which are associated with SCEDP Allocations and Sub-Allocations made and sold in accordance with this Agreement and this Service Tariff. Should the Authority for any reason incur any NYISO Charges, the Customer shall reimburse the Authority for all such NYISO Charges.

#### **D. Taxes and Other Charges**

The Authority will charge and collect from the Customer all local, state and federal taxes, assessments or other charges, if any, mandated by local, state or federal agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer ("Taxes") if and to the extent such Taxes are not recovered by the Authority pursuant to another provision of this Service Tariff to the extent associated with SCEDP Allocations and Sub-Allocations made and sold in accordance with this Service Tariff.

**E. Delivery Charges**

As between the Authority and the Customer, the Customer shall be solely responsible for paying any charges associated with the delivery of SCEDP to Qualified End Users. Should the Authority for any reason incur any charges associated with such delivery service, the Customer shall reimburse the Authority for all such charges.

**F. Adjustments to Charges**

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage. When making adjustments to billings and charges made to the Customer under this Section III.F, the Authority may, in its discretion, take account of the Customer's ability to effectuate adjustments to billings and charges to Qualified End Users based on limitations imposed by the Public Service Law or the Public Service Commission rule, order or guideline.

**G. Adjustment of Rates**

To the extent not inconsistent with the Agreement, the monthly rates and charges contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to Customer.

#### **IV. General Provisions**

##### **A. Character of Service**

Alternating current; sixty cycles, three-phase.

##### **B. Availability of Energy**

Unless otherwise agreed upon by the Authority and the Customer, the Authority shall normally make available in any Billing Period Firm Hydroelectric Energy estimated by the Customer in the manner provided for in the Agreement in an amount equal to the product of (a) the number of hours in such Billing Period, (b) the Contract Demand applicable in such Billing Period, and (c) the load factor of all Qualified End Users. Any difference between the estimated energy and actual used energy will be settled financially or with an adjustment to the next billing period's estimate, as agreed upon by the Authority and the Customer.

The Authority will have the right to reduce on a pro rata basis the amount of Firm Hydroelectric Energy provided to the Customer if such reductions are necessary due to low flow (i.e., hydrologic) conditions at the Authority's Niagara and St. Lawrence-FDR hydroelectric generating stations.

The Authority shall provide reasonable notice, to the extent possible, to the Customer of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers.

Upon written request by the Customer in a form deemed satisfactory by the Authority, and consent of the Authority in writing, the Authority will provide Substitute Energy to the Customer to replace SCEDP that would otherwise have been supplied under the Agreement but for a curtailment made in accordance with this Service Tariff. The provision of Substitute Energy may be terminated by the Authority or the Customer on at least fifteen (15) days' prior written notice.

The Authority may require the Customer to enter into a separate agreement relating to the provision and sale of Substitute Energy. The provisions of this Agreement shall remain in effect notwithstanding the existence of any such separate agreement.

Billing and payment for Substitute Energy shall be governed by the Billing and Payments provision of the Authority's current Rules (Section 454.6) and shall apply directly to the Substitute Energy service supplied to the Customer.

The Authority shall be under no obligation to deliver and will not deliver any such curtailed Firm Hydroelectric Energy to Customer in later Billing Periods.

##### **C. Delivery**

It shall be the Customer's sole responsibility to deliver St. Lawrence County Economic Development Power to Qualified End Users, or to arrange for another party to make such delivery. The Authority shall have no obligation to deliver St. Lawrence County Economic Development Power to any Qualified End User.

For the purpose of this Service Tariff, Firm Hydroelectric Energy and Firm Hydroelectric Capacity shall be delivered by the Authority to the Customer at the Hydro Project Switchyard to the transmission facilities under the control of the NYISO for delivery to Customer.

For the purpose of this Service Tariff, Firm Hydroelectric Energy shall be deemed to be offered when the Authority is able to supply Firm Hydroelectric Energy and Firm Hydroelectric Capacity and NYISO transmits it to the Hydro Project Switchyard. The offer of Firm Hydroelectric Energy and Firm Hydroelectric Capacity for delivery in this manner shall fulfill Authority's

obligations for purposes of this provision whether or not the Firm Hydroelectric Energy and Firm Hydroelectric Capacity is taken by Customer. If, despite such offer, there is a failure of delivery by Customer, the Customer's Agent, or a local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

**D. Scheduling Procedures**

1. The Authority will advise the Customer by the tenth (10th) business day of the preceding month of the estimated quantity of Firm Hydroelectric Energy expected to be made available from the Hydro Project.
2. The Authority may require that such Firm Hydroelectric Energy from the Hydro Project be scheduled in general accordance with the individual system load shapes of Customer unless the Authority and the Customer agree to another method.
3. The Customer shall file with Authority pursuant to procedures established by the Authority, a daily schedule setting forth the Customer's requested amounts from the Hydro Project on a clock hour basis.
4. Subsequent to the Authority's approval of schedules for any day, the Authority and Customer may agree on changes in such schedules subject to NYISO scheduling requirements and any procedures the Authority shall establish to provide for an efficient dispatch of Authority facilities.

**E. Payment by Customer for Firm Hydroelectric Power and Firm Hydroelectric Energy**

1. The Customer shall pay the Authority for Firm Hydroelectric Power and Firm Hydroelectric Energy during any Billing Period the sum of (a) and (b) below:
  - a. The demand rate per kW specified in this Service Tariff or any modification thereof applied to the Billing Demand for the Billing Period; and
  - b. The energy rate specified in this Service Tariff or any modification thereof applied to the amount of Billing Energy delivered by the Authority to the Customer during such Billing Period.
2. Bills computed under this Service Tariff are due and payable by check or by electronic wire transfer in accordance with the Rules. Any such wire transfers shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by Authority. In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full and, if necessary, appropriate adjustments will be made thereafter.

**F. Supplementary Provision**

Sections 454.2 (c) and 454.5 of the Rules are inapplicable to this Service Tariff.

**G. Alternate Arrangements**

Notwithstanding Sections IV.C, IV.D and IV.E of this Service Tariff, the Authority and the Customer may make alternate arrangements regarding delivery, scheduling, and payment for Firm Hydroelectric Power and Firm Hydroelectric Energy consistent with the terms of the Agreement.

**H. Conflicts**

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of the Service Tariff will govern. In the event of any inconsistencies, conflicts or differences between the Service Tariff and any provisions of the Agreement, the provisions of the Agreement will govern.

**V. Flow Adjustment Computation (“FAC”)**

The energy charges under this Service Tariff, and the applicable service tariffs associated with both the Hydro Project and the Authority’s Niagara Hydroelectric Project, in the aggregate, are subject to a credit or surcharge pursuant to a FAC in any rate year following a calendar year for which the Hydroelectric Project Rate Stabilization Reserve (“RSR”) is greater than \$+25 million, or less than \$-25 million, respectively. The RSR will be used to ensure rate stability and cost recovery and its level will be determined and any credit or surcharge for the succeeding rate year will be calculated after the prior calendar year’s costs and generation levels are known. Any credit or surcharge will be applied on a uniform basis to the monthly billing statements rendered pursuant to this Service Tariff during the succeeding rate year.

The FAC is inapplicable in any rate year succeeding a calendar year at the end of which the RSR is within the \$+25 million to \$-25 million range. If at the end of any calendar year, the RSR is determined to exceed \$+25 million, such excess amount will be credited pro-rata to customers during the succeeding rate year pursuant to the FAC. If the RSR at the end of any calendar year is determined to be less than \$-25 million, the difference below \$-25 million will be surcharged pro-rata to customers during the succeeding rate year pursuant to the FAC.

To the extent that there is a balance in the RSR (positive or negative) on the effective date of service under the applicable agreement(s), arising out of service under a prior agreement for the sale of Hydro Project power and energy, that RSR balance will be carried forward and maintained as the balance as of the effective date of service under such applicable agreement(s).

---

NYPA PUBLIC HEARING  
IN THE MATTER OF THE  
PROPOSED 20 MEGAWATT POWER CONTRACT  
TO MASSENA ELECTRIC DEPARTMENT

NEW YORK STATE POWER AUTHORITY

---

DATE: May 10, 2012

TIME: 3:00 p.m. to 6:00 p.m.

LOCATION: Frank S. McCullough, Jr.  
Hawkins Point Visitor Center  
830 Barnhart Island  
Massena, New York 13662

ORIGINAL

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

APPEARANCES

FOR THE NEW YORK POWER AUTHORITY:

KAREN DELINCE, Corporate Secretary  
JAMES F. PASQUALE, Senior Vice President,  
Economic Development & Energy Efficiency  
New York Power Authority  
123 Main Street, 11-P  
White Plains, New York 10601  
(914) 390-8127

SPEAKERS:

James M. Shaw  
Robert McNeil  
Jim Regan  
Patrick Green  
Pete Skomsky

1 MS. DELINCE: Good afternoon. This is a public  
2 hearing required by law on the Proposed Contract for Sale  
3 of up to 20 Megawatts of Hydropower to the Town of Massena  
4 Electric Department.

5 My name is Karen Delince and I'm the Corporate  
6 Secretary of the New York Power Authority and I'm  
7 conducting this hearing on behalf of NYPA's Board of  
8 Trustees.

9 As required by Public Authority Law Section  
10 1009(1) a notice of the hearing was published in six  
11 newspapers once a week for four weeks leading up to the  
12 hearing. The notice of this hearing appeared in the  
13 following newspapers: Albany Times Union, Massena Daily  
14 Courier Observer, Ogdensburg Journal, Plattsburgh Press  
15 Republican, Syracuse Post Standard and Watertown Daily  
16 Times.

17 Also pursuant to Public Authorities Law, notice  
18 of the hearing and copies of the Proposed Contract were  
19 sent to Governor Andrew Cuomo and the following legislative  
20 leaders: President Pro Temp of the New York State Senate,  
21 Dean G. Skelos; Speaker of the Assembly, Sheldon Silver;  
22 Chairman of the State Finance Committee, John A.  
23 DeFrancisco; Chairman of the Assembly Ways and Means

1           Committee, Herman D. Farrell, Jr.; Senate Minority Leader,  
2           John L. Sampson; Assembly Minority Leader, Brian M. Kolb.

3                       During the 30-day period prior to today's  
4           hearing, copies of the Proposed Contract were made  
5           available for inspection at the Authority's office in White  
6           Plains and on the Authority's website.

7                       If you plan to make an oral statement at this  
8           meeting, I ask that you sign in; and if you have written  
9           copies of written statements, please give a copy to the  
10          reporter.

11                      Your written statements may be any length and  
12          both your written statements and your oral statements will  
13          appear in the record. Any additional submissions should be  
14          addressed to the Authority's Corporate Secretary at 123  
15          Main Street, 11-P, White Plains, New York 10601 or may be  
16          Faxed to 914-390-8040 or e-mailed to  
17          secretarys.office@NYPA.gov. The record will remain open  
18          until Friday, May 11th. A complete transcript of the  
19          hearing, along with all written submissions, will be  
20          submitted to the Authority's trustees who will reconsider  
21          the terms of the Proposed Contract and make changes as they  
22          deem necessary or advisable in light of the comments. The  
23          contract will then be sent to the Governor for final

1 approval.

2 The transcript of the hearing will be made  
3 available to the public for review at the Authority's  
4 office in White Plains and on the Authority's website,  
5 www.NYPA.gov.

6 At this point I would like to introduce Mr. James  
7 Pasquale, Senior Vice President of Marketing and Energy  
8 Efficiency at NYPA, who will provide additional details on  
9 the proposed contract.

10 MR. PASQUALE: Good afternoon everyone. My name  
11 is James F. Pasquale, I'm the Senior Vice President of  
12 Economic Development and Energy Efficiency at the New York  
13 Power Authority. I'm here today to present an overview of  
14 the Proposed Contract and Service Tariff SC-1 for the Sale  
15 of up to 20 Megawatts of Hydropower to the town of Massena  
16 Electric Department, known as MED, to support economic  
17 development in St. Lawrence County.

18 As part of the St. Lawrence FDR project  
19 re-licensing, the Power Authority successfully negotiated a  
20 return of hydroelectric power that, under the prior  
21 license, had been sold to neighboring states. Since the  
22 conclusion of the project re-licensing, the Authority has  
23 supported the use of a portion of this recaptured power to

1 support economic development in St. Lawrence County.

2 The proposed Power Contract provides for the sale  
3 up to 20 megawatts of project power to MED for  
4 sub-allocation and resale by MED to qualified end users  
5 located in St. Lawrence County. For administrative  
6 convenience, the Authority has nominated this power project  
7 as St. Lawrence County Economic Development Power, known as  
8 SCEDP.

9 MED and/or an agent would solicit applications  
10 for sub-allocations of SCEDP. Applications would be  
11 evaluated in consultation with other entities as identified  
12 in the Power Contract. Applications by eligible applicants  
13 would be evaluated based on an economic development plan  
14 that is attached to and made part of the Power Contract.  
15 Applications deemed acceptable pursuant to the Power  
16 Contract would be forwarded to the Authority for  
17 consideration. If an application is approved, MED would be  
18 authorized to enter into a sub-allocation contract with the  
19 qualified end user, which would set forth the terms and  
20 conditions applicable to such person's purchase of SCEDP  
21 from MED. The form of the sub-allocation contract would be  
22 subject to Authority approval. The Authority would then  
23 make an allocation of SCEDP to MED for the corresponding

1 sub-allocation.

2 St. Lawrence County Economic Development Power  
3 that would be sold to MED under the Power Contract is not  
4 preference power, but would be sold to MED at equivalent  
5 cost-based rates. In accordance with the Power Contract,  
6 MED would be authorized to resell the power to qualified  
7 end users at a rate that does not recover from such  
8 purchases more than the cost to MED of the allocation by  
9 NYPA plus MED's costs as prescribed by the Power Contract.

10 The Authority would continue to have the  
11 exclusive use of all SCEDP that has not been specifically  
12 allocated to MED for sub-allocations made to and taken down  
13 by qualified end users. Under the Power Contract,  
14 sub-allocations may not exceed seven years without good  
15 cause shown by MED. Allocations of SCEDP by the Authority  
16 may be used by MED solely for the purpose of making  
17 corresponding sub-allocations in accordance with the Power  
18 Contract.

19 MED would be responsible, one, to serve as the  
20 New York Independent System Operator Load Serving Entity  
21 for the SCEDP and; two, for the transmission and delivery  
22 of SCEDP from the project switchyard to points of delivery  
23 to the qualified end users, and would also be responsible

1 for all costs associated with these matters, subject to  
2 recoupment of costs from qualified end users.

3 The Power Contract contains numerous other  
4 provisions found in other authority power contracts  
5 relating to such matters as hydropower curtailments,  
6 prohibitions on the transfer of power and modifications and  
7 terminations of allocations due to jurisdictional rulings  
8 and orders.

9 The Power Contract would have an effective  
10 termination date of September 1, 2025.

11 Authority staff will consider all concerns that  
12 have been raised at this public hearing before returning to  
13 the Authority's trustees to request final authorization of  
14 the Power Contract and Service Tariff.

15 We look forward to receiving your comments. I  
16 will now turn the forum back to Ms. Delince.

17 MS. DELINCE: At this time I would like call  
18 anyone up who wishes to make an oral statement. Do we have  
19 anybody? Okay. Then we'll wait. We'll be here until  
20 6:00.

21 (A recess was taken to wait for testimony)

22 MR. SHAW: I'm James Shaw, the Chairman of the  
23 Massena Electric Board and better known as MED. MED is the

1 counterpart of the contract with NYPA that we're discussing  
2 today, and MED is optimistic about the impact that this  
3 power will have on our community and the region. We look  
4 forward to working cooperatively with the St. Lawrence  
5 Redevelopment Agency to transform our regional economy.

6 Yesterday MED celebrated its 31st anniversary as  
7 a municipal distribution entity. During this time, MED has  
8 been a great source of economic -- excuse me, civic pride  
9 and benefit for the expanding role -- I just lost my place.  
10 During this time, MED has been a great source of civic  
11 pride and benefit. In the expanded role contemplated under  
12 this contract, we believe we will be furthering the  
13 function of public power and maximizing the benefit of  
14 hydropower in the region.

15 While public power has been a benefit to our  
16 community, and MED has been very active in economic  
17 development, it has not been enough on its own to overcome  
18 the fundamental infrastructure deficiencies to allow  
19 further economic development. We are optimistic that,  
20 being able to directly allocate the low-cost power to  
21 employers, coupled with MED's low-cost distribution, we  
22 will offer an incentive to businesses to move or expand in  
23 St. Lawrence County, and thus help New York State grow and

1 expand.

2 Hydropower from NYPA is still a source of many  
3 jobs in our region and community. As the worldwide and New  
4 York economy continues to improve, we believe hydropower  
5 can again be a driver for the state and our region and just  
6 as it was 54 years ago when the St. Lawrence FDR project  
7 brought significant employers to our community.

8 On behalf of the MED Board, I commend the  
9 leadership of NYPA and the RVRDA for working together in  
10 this historic agreement. We are proud to have a role in  
11 administrating this vital Power Contract and look forward  
12 to its final approval.

13 Thank you for your time and consideration, James  
14 M. Shaw.

15 MS. DELINCE: Bob McNeil?

16 MR. MCNEIL: My name is Robert McNeil and I am  
17 the Chair of the St. Lawrence River Valley Redevelopment  
18 Agency, otherwise known as the RVRDA. The RVRDA is a joint  
19 action agency that represents the four host communities of  
20 the New York Power Authority's St. Lawrence Power Project  
21 as well as the county in which the power project is  
22 present. I make these comments in support of the Power  
23 Contract proposed between the New York Power Authority and

1 the town of Massena Electric Department, and will summarize  
2 my written comments.

3 As proposed, Massena Electric Department will  
4 administer this contract in cooperation with the RVRDA.  
5 The contract proposes an allocation of power that will be  
6 used to create jobs in this region. A review of our  
7 county's economic condition indicates overwhelming  
8 circumstances of economic need. Our current unemployment  
9 rate is 23 percent higher than the state unemployment rate.  
10 The county has a per capita income that's only 62 percent  
11 of the state per capita income, and median household income  
12 in St. Lawrence County also lags significantly behind  
13 statewide trends.

14 The power that is contemplated in the proposed  
15 contract is low cost, and for that reason alone offers  
16 value as an economic development tool. It's also from a  
17 clean, renewable resource, water. We believe strongly that  
18 both the low cost and renewable attributes of this resource  
19 will be exceptionally remarkable.

20 Sustainability and environmental responsibility  
21 are drivers for companies large and small. I believe, and  
22 my board believes, that clean power will be the catalyst  
23 for drawing forward-thinking companies to our region.

1                   In its brief existence there's a track record of  
2                   the RVRDA working with the St. Lawrence County IDA in  
3                   administering the grant that was obtained from the Power  
4                   Authority and creating jobs. Three examples of this  
5                   cooperation, one, we have assisted a dairy plant in a  
6                   neighboring community to reopen, creating jobs for that  
7                   community and for our area; we've assisted a local trust  
8                   manufacturer to be organized and expand; we have purchased  
9                   two vacant buildings in the Massena Industrial Park that  
10                  were beginning to deteriorate, marketed them, one is now  
11                  occupied by a fabricating business and the second may be  
12                  occupied or sold shortly, all creating jobs. We believe we  
13                  could do much more in creating jobs with this low-cost  
14                  power. For these reasons, and countless others that will  
15                  go unmentioned at this time in the pursuit of brevity, I  
16                  strongly recommend and encourage the Governor to sign this  
17                  contract as soon as possible to help this region begin a  
18                  new economic area. Thank you.

19                         MS. DELINCE: Anyone else wishing to make an oral  
20                         statement?

21                         MR. REGAN: My name is Jim Regan, I represent New  
22                         York State Senator Patty Ritchie. She couldn't be here  
23                         today, she had a prior engagement, so she asked me to come

1 and read this letter for her.

2 I would have liked to attend today's public  
3 hearing, but a previous commitment prevented me from being  
4 here today.

5 I want to thank New York Power Authority CEO and  
6 NYPA's trustees for working closely with me to resolve the  
7 issues surrounding NYPA's contract to sell 20 megawatts of  
8 low-cost hydropower from the St. Lawrence Franklin  
9 Roosevelt Power Project to support economic development in  
10 St. Lawrence County.

11 I want to thank Trustee Eugene Nicandri for his  
12 personal leadership and hard work in helping to work out  
13 the issues surrounding this contract. I especially want to  
14 thank Governor Andrew Cuomo for demonstrating, once again,  
15 his personal commitment to our region.

16 I'm very pleased that the Power Authority has  
17 been willing to work with me on this very important  
18 initiative to help bring new jobs, businesses and economic  
19 growth to the St. Lawrence Valley. The approval of this  
20 contract will signal a new chapter in our region's  
21 relationship with NYPA.

22 Since the creation of St. Lawrence River Valley  
23 Development Association, the North Country has already

1 benefited from a variety of initiatives that have assisted  
2 the region, ranging from assistance to a rail access line  
3 from the Massena Industrial Park to funding for a major  
4 agricultural initiative. By approving this contract  
5 between NYPA and the RVRDA, the Trustees and New York State  
6 will be helping to fulfill the promises made over 50 years  
7 ago that the Power Project would help spur economic growth  
8 across Northern New York.

9 I look forward to working with you on future  
10 projects. Sincerely, Patty Ritchie, State Senator.

11 (A recess was taken to wait for testimony)

12 MR. GREEN: Patrick J. Green, Steward of Squaw  
13 Creek Cattle Company, because I found out that we don't  
14 live forever and we just get to use the land for a while  
15 and it determines, really, who we are. Before the Seaway  
16 came through, Northern Appalachia -- well, wait a minute.  
17 Welcome to Northern Appalachia. It's a rough road coming  
18 in here to Hawkins Point, but if you've been around to  
19 Albany or anywhere else in the last few years, well, you're  
20 used to it.

21 Before the Seaway, Northern Appalachia was a  
22 paradise. It was small farms and we lived so well that we  
23 didn't even suffer the great depression. In fact, people

1           came up here into Northern Appalachia just so they could  
2           survive. When Moses parted the waters of the great St.  
3           Lawrence, the parting proceeded with promises of enduring  
4           prosperity for all Northern Appalachia through low-cost  
5           hydropower. Pseudo-prosperity came, and the bars and the  
6           taverns on both sides of the parting boomed; the  
7           multinationals were here. Surely pie had arrived in the  
8           Northern Appalachian sky.

9                         Factories were built, wages were beyond belief  
10           and the boys left the farms in droves. Embracing this  
11           consumer lifestyle, the real natural resources were scoffed  
12           and the real wealth of the valley of the St. Lawrence  
13           crumbled into desolation.

14                        Now the towns of Lisbon, Waddington, Louisville  
15           and Massena sit along a great trench watching Paul Martin's  
16           Canadian Steamship Lines and the internationalist boats  
17           paddle by with the only income received being the pleasure  
18           of this sight upon one's eye.

19                        Imagine, if you will, had the waters not been  
20           parted, the assessment value of our shoreline. Perhaps  
21           even the Donald would have built a hotel like in Toronto  
22           with rooms at \$2,000 a night.

23                        Another aspect of this perceived new economic

1 order was its effect upon our servants, civil. The trade  
2 unions' wages brought into, not only here, throughout the  
3 county, Northern Appalachia were, and apparently no longer,  
4 out of this world. This was followed by the unionization  
5 of the servants. George Meany, a private sector labor  
6 leader in the early sixties, warned that allowing servants  
7 to unionize was unnecessary. Existing laws protected them,  
8 and if we do they would hold not only the politicians  
9 hostage, but also the taxpayers, which is a form of  
10 terrorism.

11 Apparently the economic stimulus was really  
12 extortion. The corporate breaks, low-cost power, virtually  
13 free shipping, unknown tax breaks and low-interest loans  
14 literally came at Northern Appalachia's expense. We now  
15 seem to have only our servants' wages, the CSEA members,  
16 the United Teachers, the government workers and the dreams  
17 of their pensions with speculators and carpetbaggers only  
18 fit into criteria to receive the tax exemptions, cheap  
19 power, low-interest loans, triple tax-exempt bonds, paying  
20 starvation wages, et cetera. The family farms are gone and  
21 California has happy cows.

22 In Northern Appalachia now, the only income is  
23 government. All the farms are gone, the factory jobs are

1           gone, Reynolds is gone, GM's gone, all these union wages  
2           left, and the only one making a decent living are the  
3           government workers, and they control our tax base.

4                     Our boards, our school boards and our county  
5           boards are stacked with CSEA and United Teachers, and they  
6           make decisions to give everybody raises every year. This  
7           year in Lisbon, New York the teachers got a three percent  
8           raise. We don't even vote on the budget until the 15th of  
9           May, and their union negotiations aren't until the 30th of  
10          June, yet our board, stacked full of CSEA president and a  
11          CSEA member, there's three other members on there, they're  
12          married to United Teachers, they went ahead and gave these  
13          teachers raises before the budget had even gone through,  
14          before the teachers had even asked for them in  
15          negotiations.

16                    Northern Appalachia's future is quite possibly in  
17          the hands of the New York Power Authority, but 20 megawatts  
18          and 16 million more or less in question should not be  
19          allowed to fall prey to speculators and carpetbaggers.

20                    From my understanding of this, this has got to go  
21          through Tony Collins and the IDA of St. Lawrence County.  
22          If you know any of the record of the IDA in St. Lawrence  
23          County, they do stuff like tear down old bowling alleys and

1           they move businesses down -- they tore this building down,  
2           except for the superstructure, and they put a false front  
3           on it and they called it historic. They moved the  
4           Watertown Times in it and a couple other places that were  
5           already established uptown Canton, then they built four  
6           condos upstairs, \$240,000 apiece, but because of the tax  
7           breaks, the assessment is only \$120,000 and they could only  
8           sell one of them. And they built them for St. Lawrence  
9           University college professors.

10                         In the best interest of Northern Appalachia,  
11           electricity and money should be put into the reclamation of  
12           the natural resources that were sacrificed in the name of  
13           this economic development, the St. Lawrence Seaway, and  
14           those resources, the land and the people. The 20 megawatts  
15           would be handled through Massena Electric and the river  
16           townships, but money would be used to establish utility  
17           crews and the town barns of said townships with the  
18           blessings of the New York Power Authority, the delivery  
19           grid, which has been allowed to fall into disrepair, yet  
20           the confined customer is paying more for delivery than  
21           supply, would be reclaimed through the condemnation.  
22           Wasn't it ours anyway by the graces of the REA?

23                         My ancestors gave the right-of-way to put these

1 power lines all along through all these towns. We give up  
2 the land free, willingly, but now we're being held hostage.  
3 First it was Niagara Mohawk, now it's National Grid, which  
4 isn't even an American company, and they're charging us  
5 outrageous for the delivery rates. Yet I can watch  
6 Nelson's Tree Service come down right-of-ways and those  
7 boys did absolutely nothing for six months, because they'd  
8 just been there. And I called a guy out of Syracuse, he  
9 came up to see me, and he said well, we had a contract with  
10 Nelson for so much money and we had to send them up to  
11 spend it. And I said, what sense does it make to spend  
12 money needlessly when the trimming had already been done.  
13 But the crews showed up and they went through all of that  
14 and everybody got a job and that was good economic  
15 stimulus.

16 Hopefully this idea would spread like a virus  
17 through all St. Lawrence County, creating local jobs  
18 through delivery, incredible savings on our light bills,  
19 freeing up money allowing local ideals, possibly the return  
20 of small dairies bringing in such luxuries as being able to  
21 buy and consume milk produced right here in Northern  
22 Appalachia. Right now you can't, in Northern New York, you  
23 can't buy milk and drink it that was produced up here. All

1           this milk goes to cheese in Vermont and we get our milk  
 2           from Arizona and California, and I can't understand how it  
 3           can be cost productive to ship it that far.

4                       The public hearing this May 10th -- oh, this is  
 5           -- I asked -- imagine, if you will, members of the town  
 6           boards along the river and all county legislators stepping  
 7           away from the Club, the CSEA Unions and the United  
 8           Teachers, and speaking openly in support of economic  
 9           development to be shared equally among all. The way you've  
 10          got it set up, from what I read in the paper, in order for  
 11          them to go through Tony Collins and that \$103 million,  
 12          which is mostly tax breaks, and the IDA, which part of  
 13          their philosophy is they give these people five years, no  
 14          assessment, and then their assessment increases up to the  
 15          tenth year and comes to full assessment, they all get tax  
 16          breaks. So that means anybody that's going to be eligible  
 17          for the 20 megawatts or any of this money is automatically  
 18          going to have a tax break coming. So they're destroying  
 19          tax base and at the same time they're getting the benefits  
 20          of low-cost power and \$16 million. This should go right  
 21          directly to the people of Northern New York. It should be  
 22          delivered right to my house on power lines that are owned  
 23          by whatever they want to call it, just like Massena

1 Electric, and delivered. Instead of remaining silent for  
 2 fear of rocking the boat, the use of tax base and resources  
 3 as bribes to those who would extort us has/will never  
 4 accomplish anything but a conspicuous lifestyle for  
 5 speculators and carpetbaggers. After all, prostitution  
 6 isn't the oldest profession. Consulting is. And most of  
 7 these people that are in the IDA, and I'm sure that Tony  
 8 Collins himself is a great consultant to become president  
 9 of -- by the way, he's from Australia, and I talked to him  
 10 at one meeting and I said oh, Australia, that's where the  
 11 convicts are. And he said, yes, my parents met in prison.  
 12 And that was quite a cute joke, wasn't it, for a guy from  
 13 Australia, because somebody accused him of being British,  
 14 because there's still some people in this country that  
 15 don't think that British Petroleum and the British people  
 16 are, well, square shooters.

17 Thank you very much for your time. There's a  
 18 little bit on the back, it's a letter about the up and  
 19 coming vote that our board in Lisbon -- but it gives you an  
 20 idea of what the civil service unions have done to us, and  
 21 I know the colleges are right behind them, and I'd really  
 22 like to see this power come local. Because we could all  
 23 use a break, it would put money right into the local areas

1 and we'd start investing again. And if we could find  
2 investors, banks that would give us loans instead of  
3 investing in international stock markets, we could help  
4 bring an economy back, because if we could drink local milk  
5 and eat local beef and local food, pretty soon we'd be  
6 exporting it. And if you go into other counties and we  
7 start to rebuild what we had before the Seaway came,  
8 because it sure did raise hell with Northern Appalachia.  
9 Thank you very much.

10 MS. DELINCE: Thank you. Would you mind signing  
11 in, sir?

12 (Short pause)

13 MR. SKOMSKY: Can I speak now?

14 MS. DELINCE: Yes, please.

15 MR. PASQUALE: Sure.

16 MR. SKOMSKY: My name is Pete Skomsky and I'm  
17 from Massena. I've been following the issues here for  
18 quite some time. It was my belief and the belief of other  
19 residents of the river communities that the aquarium was a  
20 mechanism to compensate the local communities for many  
21 different reasons: The lost land, the lost tax base, the  
22 lost control, the loss of potential economic development.  
23 This is what we were led to believe. I don't think it's

1 any fault of the Power Authority, but more of poor local  
2 governances in that it drifted away from -- it was taken  
3 away, in some people's view, the \$26 million that was  
4 associated with this.

5 The local communities are seeing very, very  
6 little return on what was one of the major re-licensing  
7 issues. We were promised increased recreational activities  
8 or opportunities, and in some forms we're not seeing that,  
9 we're seeing a decrease, especially in Kryle's Island  
10 (phonetic spelling).

11 But as far as the 20 megawatts of power I, as A  
12 citizen, local person feel it's a slap in the face if this  
13 one piece of mechanism that was meant to compensate us is  
14 used throughout the -- anywhere but the river communities.  
15 I don't think that what we're seeing is consistency in  
16 hydropower re-licensing in that, on the Racquet River,  
17 Potsdam receives a million dollars a year and there's no  
18 share with any school system or county. Massena doesn't  
19 get any of it, even though the Racquet River runs through  
20 Massena.

21 But as far as the 20 megawatts of power, I'm not  
22 quite sure how to state it, but this last vestige of a  
23 mechanism to compensate the local towns needs to remain in

1 the town. This is my feeling and this is what we were  
2 sold. You know, we were sold as, you know, this was going  
3 to help us. And it hasn't. And I think that it would be a  
4 slap in the face to see it go to Clarkson University or the  
5 IDA. I think that it needs to compensate the people.

6 If we need to -- if, as a result of this, the  
7 river communities receive more low-cost power, that would  
8 be a mechanism that would fulfill what it was meant to do.  
9 You know, we were supposed to be compensated, the towns,  
10 especially Massena. Massena, we got the power, we got the  
11 industry, and the whole county benefited. And now the  
12 industry is gone, we're an environmental justice community,  
13 and once again our lack of political clout is burning us.

14 I think that as an environmental justice  
15 community, it has to stay here. We're left with superfund  
16 -- multiple superfund sites because of the power, the  
17 benefits that were promised us. And the last vestige of  
18 compensation that I can see is that this has to stay, it  
19 has to, has to, has to in my view stay within the  
20 townships.

21 You know, the people that are affected, the  
22 Mohawk community and the upland communities need to be  
23 compensated and that's it. I mean, if it goes anywhere

1           else, it's a slap in the face of me, you know, my family,  
2           my community. You know, this is your only hope of  
3           compensating us and you have to not let it be drawn off by  
4           special interests in the form of tax breaks. I mean, we've  
5           seen it -- you know, as an environmental justice community,  
6           it has to stay here, in my opinion. Thank you.

7                               (A recess was taken to wait for testimony)

8                               MS. DELINCE: The public hearing on the Proposed  
9           Power Contract with the town of Massena Electric Department  
10          is now closed.

11                              MR. PASQUALE: Thank you very much.

13                              (End of hearing at 6:00 p.m.)

14

15

16

17

18

19

20

21

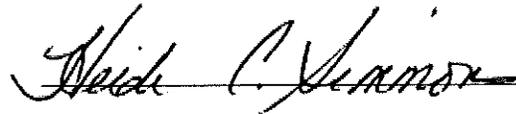
22

23

STATE OF NEW YORK            )  
  )  
COUNTY OF ST. LAWRENCE    )

C E R T I F I C A T E

I, Heidi C. Simmons, Court Reporter, do hereby certify that the foregoing has been a true and correct transcript of the testimony as taken by me, to the best of my ability, at the time and place noted in the heading hereof.



Heidi C. Simmons, Notary Public

State of New York

County of St. Lawrence

My commission expires: 8/27/13

# **WRITTEN STATEMENTS**



Business Development Corporation for a Greater Massena

website: [www.massenaworks.com](http://www.massenaworks.com)  
email: [bdcmassenaworks.com](mailto:bdcmassenaworks.com)  
fax: 315.705.0141  
phone: 315.769.8484

May 11, 2012

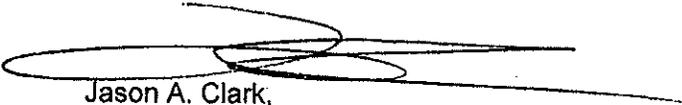
Mr. Gil Quiniones  
Chief Executive Officer  
New York Power Authority  
123 Main Street  
White Plains, NY 10601

Dear Gil:

The Business Development Corporation for a Greater Massena is aware of the proposed contract between Massena Electric and the New York Power Authority. Our organization stands firmly behind our ongoing support for this proposal. The creation of the Massena Electric Department was a milestone achievement in our community and in New York State. The officers and staff of the organization have developed a legacy of excellence and our collective community is very proud of all the organization has been able to accomplish over the past thirty years.

This contract will allow the Massena Electric Department to play a more evolved role throughout our region. We firmly believe that this partnership will further empower economic development initiatives that are underway here in the North Country and help to create new opportunities that would not exist otherwise.

Sincerely,



Jason A. Clark,  
Executive Director

# Blevins Seaway Motors Inc

92-98 Center Street  
Massena, NY 13662  
315-764-0283

Subject: NYPA 20 MW Power Contract with Massena Electric

Please accept these words of support for the proposed Power Contract between PASNY and Massena Electric. It will no doubt be an incredibly valuable tool to attract new businesses to our community. While auto dealerships would not be direct beneficiaries of such power, it is clear that we will benefit from a stronger local economy. The proposed usage of this power as spelled out in the contract is a wise utilization as it is focused on creating new jobs and, as required, solidifying existing jobs. This is a smart approach and all involved need to be commended. We at Blevins Seaway Motors and many other business owners in this region are looking forward to seeing the inevitable positive impact that this contract will have.

I thank you for your consideration of this matter

*Paul Blevins*

Paul Blevins  
President



---

# BLEVINS BROS., INC.

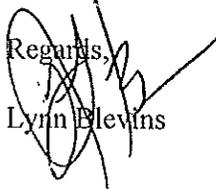
May 11, 2012

To Whom it may Concern:

I am Lynn Blevins and I want to make these remarks in support of the proposed agreement between NYPA and Massena Electric.

I am a business owner, a member of the County IDA and lifelong resident of St. Lawrence County. Though I am not a resident of the host communities, I am a resident of the host county. I am proud to see the work that has already been done with the assets recently brought to bear under the guidance of the IDA and RVRDA. Significant actions have already been taken to solidify existing business and lay the groundwork for other projects which will affect our regional economy. I am excited for the opportunities that we will be able to develop with the 20 MW of clean power at our disposal.

Regards,

  
Lynn Blevins



CHRYSLER

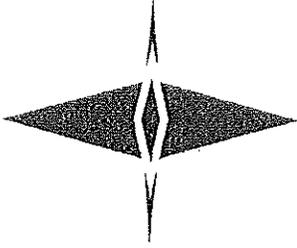


5914 State Hwy 812  
Ogdensburg, NY 13669  
St Lawrence

PHONE  
FAX  
E-MAIL  
WEB SITE

(315) 393-7252  
(315) 393-7312  
office@teamblevins.com  
<http://www.teamblevins.com>

---



## KT Power, Inc.

P.O. Box 504 Waddington, NY 13694 Tel (315) 388-4082 Fax (315) 388-4253  
E-mail: ktpower504@verizon.net

May 11, 2012

Ladies and Gentlemen,

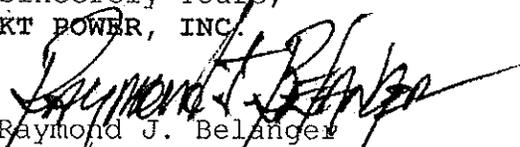
I write on behalf of KT Power, Inc. on our strong support of the proposed low cost hydropower contract between the Town of Massena Electric Department and the New York Power Authority.

New York Power Authority (NYPA) has had a long and beneficial history in the North Country. When NYPA arrived in the late 1950's it helped bring hundreds of jobs to our region.

Though many of those jobs have eroded in recent years, we are confident this 20 megawatts of power, when authorized will be a catalyst for future jobs and will renew a needed economical growth in this area.

We strongly encourage the NYPA Trustees pass this bill and the ask that Governor Cuomo to approve promptly to the benefit of the North Country.

Sincerely Yours,  
KT POWER, INC.

  
Raymond J. Belanger  
Vice President - Procurement

Cc: File (ktpower2012/64).

Mr. Gil Quiniones  
President & CEO  
New York Power Authority  
123 Main Street  
White Plains, NY 10601-3170

Dear Mr. Quiniones,

The Greater Massena Chamber of Commerce is aware of the 20 MW power contract between Massena Electric and the New York Power Authority. The Chamber wants to offer our support to this proposal.

Massena Electric was formed in 1981 and is a not-for-profit electric utility owned and operated by the Town of Massena. Massena Electric has made a commitment to Rates, Reliability, and Environmentalism.

Massena Electric provides businesses and residents with electricity at rates in the lowest 10 percent nationally. Their service reliability is among the highest by leading indicators, as is their environmental commitment. In recent years Massena Electric has been awarded the RP3 (Reliable Public Power Provider) award by APPA and the Tree Line USA designation from the National Arbor Day Foundation.

The Greater Massena Chamber feels that this power contract will be a big first step to bring back hope to an area that has seen many lost jobs in the last five years. The Chamber also feels that Massena Electric is the best company to implement this contract in a responsible manner.

Sincerely,

Michael Gleason  
Executive Director  
Greater Massena Chamber of Commerce



**MASSENA ELECTRIC DEPARTMENT**  
71 E. Hatfield Street • PO Box 209 • Massena, New York 13662  
Office: (315) 764-0253 • Fax: (315) 764-1498  
[www.massenaelectric.com](http://www.massenaelectric.com)

May 10, 2012

My name is James M. Shaw and I am the Chairman of the Board of the Town of Massena Electric Department (MED).

MED is the counterparty to the New York Power Authority (NYPA) in the contract which is under consideration. MED is optimistic about the impact that this power can have on our community and region. We look forward to working collaboratively with the St. Lawrence River Valley Redevelopment Agency (RVRDA) to transform our regional economy.

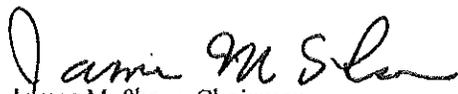
Yesterday MED celebrated our 31<sup>st</sup> anniversary as a municipal distribution entity. During this time, MED has been a great source of civic pride and benefit. In this expanded role contemplated under this contract, we believe we will be furthering the function of public power and maximizing the benefit of hydropower in the region.

While public power has been beneficial to our community and MED has been very active in economic development, it has not been enough on its own to overcome fundamental infrastructure deficiencies to allow for further economic development. We are optimistic that being able to directly allocate low cost, clean hydro power to employers, coupled with MED's low cost of distribution, will offer an enticing incentive to businesses moving to or expanding in St. Lawrence County, thus helping New York State grow and expand.

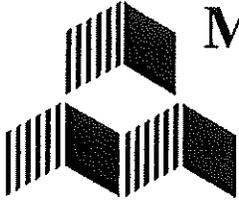
Hydro Power from NYPA is still the source of many jobs in our region. As the worldwide and New York economy continues to recover, we believe hydro power can again be a driver for the state and in our region just as it was 54 years ago when the St. Lawrence FDR project brought significant employers to our community.

On behalf of the MED Board, I commend the leadership at NYPA and the RVRDA for working together in this historic agreement. We are proud to have a role in administering this vital power contract and look forward to its final approval.

Thank you for your time and consideration,

  
James M. Shaw, Chairman  
Massena Electric Utility Board





# MASSENA SAVINGS & LOAN



**Main Office**  
255 MAIN STREET  
MASSENA, NY 13662

**Branch Office:**  
155 LINCOLN AVENUE  
WADDINGTON, NY 13694

May 11, 2012

New York Power Authority  
123 Main St.  
White Plains, NY 10601

To whom it may concern:

My name is Kirk Wilmschurst and I am President of Massena Savings and Loan. I respectfully submit these written comments in support of the 20 MW contract proposed between the Massena Electric Department and NYPA.

It is evident that this region is struggling economically at a rate generally higher than the rest of the state and country. Low cost and clean power is a driver for certain companies. Having the ability to market this power and hopefully attract other employers to our region is a tremendous and appreciated advantage.

We are convinced that the RVRDA Board in place and the MED Board will work cooperatively to make sure that this resource is used wisely to strengthen local and regional economic conditions.

Sincerely,

Kirk Wilmschurst  
Massena Savings & Loan, President

[www.massenasavingsloan.com](http://www.massenasavingsloan.com)

Phone (315) 764-0541 • Fax (315) 769-6542

May 10, 2012

Please accept these written comments in support of the contract between the New York Power Authority and the Town of Massena Electric Department.

My family has operated a jewelry store in Massena since 1950. We have seen boom times and we have seen some hard times. The 20 megawatt contract is piece of a puzzle that will create a better picture for our future.

Pat Peets  
Peets Jewelers  
Massena, New York

Andrew J. McMahon, P.E.  
Superintendent  
Massena Electric Department  
71 East Hatfield St.  
Massena, NY 13662  
315-764-0253  
315-250-2569



**PERRAS EXCAVATING, INC.**

1909 STATE HIGHWAY 420 MASSENA, NEW YORK 13662

FAX (315) 764-1049

(315) 769-5900

May 11, 2012

New York Power Authority

To Whom It May Concern:

My name is Mark Tyo and I am the Owner of Perras Excavating, Inc. and Perras Environmental Control, Inc. located in Massena, NY, as well as a lifelong resident of Massena. Perras is a general contractor that specializes in construction of small to mid-size facilities and employees in excess of 100 employees.

I submit these comments in support of the contemplated contract between the Town of Massena Electric Department and the New York Power Authority. While Perras, and construction companies like ours, are not eligible for allocations of power, the wise strategy to allocate this power for job creating manufacturing businesses is an intelligent usage of the power, and is something that will benefit the construction business and other industries throughout our region. This is an intelligent step in the right direction to give the host communities an incredibly valuable tool to help shape our future.

Sincerely,  
PERRAS EXCAVATING, INC.  
PERRAS ENVIRONMENTAL CONTROL, INC.

A handwritten signature in cursive script that reads "Mark P. Tyo".

Mark P. Tyo  
Owner



*Putney  
Tree  
Service*

"Quality Tree Care"

P.O. Box 364, Waddington, N.Y. 13694  
(315) 388-5576

May 11, 2012

My name is Nancy Putney and I am the owner of Putney Tree Service. I write these remarks with the full support of my sons and co-workers, Joe and Gehrig Putney.

We want to pledge our full support to the proposed power contract between the New York Power Authority and Massena Electric. The power that will be utilized will be a great asset in the development of future jobs in our community.

Sincerely,

Nancy Putney

New York Power Authority  
Board of Trustees  
123 Main St. #1600  
White Plains, N.Y. 10601-3170

Dear Trustees:

I would have liked to attend today's public hearing, but a previous commitment prevented me from being here today.

I want to thank New York Power Authority CEO Gil Quinones and NYPA's trustees for working closely with me to resolve the issues surrounding NYPA's contract to sell 20 megawatts of low cost hydropower from the St. Lawrence Franklin Roosevelt Power project to support economic development in St. Lawrence County.

I want to thank Trustee Eugene L. Nicandri for his personal leadership and hard work in helping to work out the issues surrounding this contract. I especially want to thank Governor Andrew Cuomo for demonstrating once again his personal commitment to our region.

I am very pleased that the power authority has been willing to work with me on this very important initiative to help bring new jobs, businesses and economic growth to the St. Lawrence Valley. The approval of this contract will signal a new chapter in our region's relationship with NYPA.

Since the creation of the St. Lawrence River Valley Development Association, the North Country has already benefitted from a variety of initiatives that have assisted the region, ranging from assistance to a rail access line for the Massena industrial park to funding for a major agricultural initiative.

By approving this contract between NYPA and the RVRDA, the trustees and New York State will be helping to fulfill promises made over 50 years ago that the power project would help spur economic growth across Northern New York.

I look forward to working with you on future projects.

Sincerely,

Patty Ritchie  
State Senator



101 Main Street  
Canton, NY 13617  
315-386-4000  
www.northcountryguide.com

1-877-228-7810

May 11, 2012

To Whom It May Concern:

The mission of the St. Lawrence County Chamber of Commerce is to cultivate, develop, and support Chamber members and all county businesses by creating a vibrant business climate that encourages growth and enhances the unique quality of life in St. Lawrence County.

As business advocates, all 800 Chamber members focus much of their energies on supporting existing businesses as well as attracting new businesses. In addition, the Chamber itself supports tourism opportunities and manufacturing initiatives in order to expand the economy and grow business.

Because of our location, we have many challenges in Northern New York if we are to be as economically independent as possible. The proposed contract between the New York Power Authority and Massena Electric will be a unique advantage for our county and region. With this power, job-attracting and retaining will become far more attainable in the area served by Massena Electric, bringing sorely-needed jobs and expansion of business that we all need to drive the economy.

The Chamber has long been an advocate of leveraging our natural resources to create clean power, then to create local jobs. This strategy was most effective in the late 1950's when General Motors and Reynolds Metals expanded to St. Lawrence County, taking advantage of the cheap hydroelectric power generated by the Moses-Saunders dam.

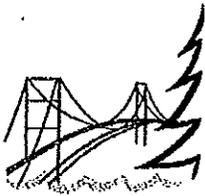
We applaud the Authority, the County, and the Host Communities for acting so intelligently in utilizing this resource. We also applaud the Authority for understand that the future of our region depends on attracting and retaining jobs for our people.

I submit these remarks on behalf of the St. Lawrence County Chamber of Commerce.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat McKeown".

Pat McKeown,  
CEO/Executive Director



# St. Lawrence County Industrial Development Agency

80 State Highway 310, Suite 6 ~ Canton, New York 13617

Phone: (315) 379-9806 ~ Fax: (315) 386-2573 ~ www.slcida.com

Proposed contract for the sale of 20 MW of NYPA hydropower  
to the Town of Massena Electric Department

## MEMBERSHIP

### CHAIRMAN

Brian W. Staples  
Brian Staples, CPA

\*

### VICE CHAIRMAN

Ernest LaBaff  
President Emeritus,  
Aluminum Brick & Glass  
Workers International Union

\*

### SECRETARY

Lynn Blevins  
Blevins Brothers, Inc.

\*

Mark C. Hall

Town of Fine, New York

\*

Andrew McMahon  
Massena Electric Department

\*

Donald Peck  
St. Lawrence County  
Board of Legislators

\*

R. Joseph Weekes, Jr.  
Weekes Agency

\*

### CHIEF EXECUTIVE OFFICER

Patrick J. Kelly  
St. Lawrence County  
Industrial Development Agency

\*

### CHIEF FINANCIAL OFFICER

Thomas A. Plastino  
St. Lawrence County  
Industrial Development Agency

## Written Statement of:

Brian W. Staples, Chairman

St. Lawrence County Industrial Development Agency

The primary goal of the St. Lawrence County Industrial Development Agency is to improve the overall economic environment of St. Lawrence County. In pursuit of that goal, the SLCIDA undertakes a number of activities and initiatives designed to assist in the creation and retention of jobs and the development of the tax base within St. Lawrence County.

The addition of 20MW of locally-produced power will provide a needed boost to St. Lawrence County's range of economic development incentives. This allocation will be well-utilized as we work collectively with our development partners to overcome the obstacles and challenges faced by our local economy.

We have witnessed the benefit of the New York Power Authority's partnership with the SLCIDA and local communities through the creation of the St. Lawrence River Valley Redevelopment Agency. This partnership has aided St. Lawrence County through a variety of economic development, infrastructure, community and environmental improvement projects.

As a result of these activities, we have worked together to assist in the creation and retention of well-paying St. Lawrence County jobs. Private companies such as North Lawrence Dairy, Slic Network Solutions, Structural Wood Corporation have all benefited from the partnership between the St. Lawrence County Industrial Development Agency and the St. Lawrence River Valley Redevelopment Agency.

A key to our present and future economic viability is this region's ability to generate volumes of hydropower, which is not only clean, but inexpensive and reliable. This resource, used in conjunction with other regional assets — our strategic location, our natural resources, our programs and incentives, our educational partners and our people - will help us to market St. Lawrence County with the goal of creating and retaining jobs within St. Lawrence County.

The St. Lawrence County Industrial Development Agency strongly supports the contract for the sale of 20MW of NYPA hydropower to the Town of Massena Electric Department. By working together, the SLCIDA, the St. Lawrence River Valley Redevelopment Agency, and the Town of Massena Electric Department will be in a position to utilize all of our available resources and tools to improve the economy within this region.

Thank you.

Brian W. Staples

*St. Lawrence County*  
**BOARD OF LEGISLATORS**  
*48 Court Street, Court House*  
*Canton, New York 13617-1169*  
*(315) 379-2276*  
*FAX (315) 379-2463*

**KAREN M. ST. HILAIRE**  
*County Administrator*

**SALLIE A. BROTHERS**  
*Chair, Board of Legislators*

[secretarys.office@nypa.gov](mailto:secretarys.office@nypa.gov)  
NYPA  
White Plains, NY

May 11, 2012

Dear Members of the NYPA Board of Trustees:

As St. Lawrence County Administrator, I wish to support the proposed contract between the New York Power Authority and the Town of Massena Electric Department.

The cooperation in place between the County, the Host Communities and NYPA has already proven beneficial on significant projects within St. Lawrence County. We are optimistic that the allocation of 20 MGW of power to Massena Electric will only enhance the work the host communities are doing in support of economic development in our region.

The St. Lawrence County Board of legislators has repeatedly endorsed this proposal and believes this contract will be one more step on a long road that we hope will lead to a more prosperous future for the host communities, the county and the region.

We urge the trustees of NYPA and the Governor of New York to enact this contract as soon as possible.

Should you have any questions please do not hesitate to call.

Sincerely,

Karen St. Hilaire,  
Administrator

# ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

30 State Highway 310, Suite 6 -- Canton, New York 13617  
Phone: (315) 379-9349 -- www.slvra.com

**Proposed contract for the sale of 20 MW of low-cost hydropower to the Town of Massena Electric Department from NYPA's St. Lawrence-Federal D. Roosevelt Power Project to support economic development in St. Lawrence County**

**Written Statement of:  
Robert McNeil, Chairman  
St. Lawrence River Valley Redevelopment Agency**

My name is Robert McNeil and I am the Chair of the St. Lawrence River Valley Redevelopment Agency (RVRDA). I am the former County Treasurer of St. Lawrence County ( for 24 years) and a lifelong resident of St. Lawrence County. The RVRDA is a Joint Action Agency that represents the 4 host communities of the New York Power Authority's (NYPA) St. Lawrence Power Project -- Robert Moses Power Dam (RMPD) as well as the County in which the RMPD is resident.

I make these comments in support of the Power Contract proposed between NYPA and the Town of Massena Electric Department (MED).

As proposed, MED will administer this contract in cooperation with the RVRDA. The contract proposes an allocation of power that will be used to create jobs in this region. Indeed, it is my belief, and the belief of many in this region, that this proposed power contract will be the basis for transformational economic change in our region.

The St. Lawrence River Valley offers a strategic location on an international border, access to major markets in the United States and Canada, a superior workforce with a history of providing outstanding service for world-class companies. We are fortunate to host a number of local technical education centers, colleges and universities and, with our location between the Adirondack Mountains and the cultural centers of Montreal and Ottawa, the region offers an unparalleled quality of life.

Not since the construction of the Robert Moses Power Dam (RMPD) in 1958 has there been an asset available to our region to bring substantive change- and most importantly employment to our region. The benefit of the RMPD was felt immediately in the 1950's with the attraction of Reynolds Metals and General Motors. Unfortunately, the initial impact steadily declined over the past several decades, culminating with the idling of the former Reynolds facility and the closure last year of the General Motors facility in Massena.

A review of St. Lawrence County's economic condition indicates overwhelming circumstances of economic need. Indeed, according to recent unemployment figures released by the New York State Department of Labor, our current unemployment rate is 10.1%, a figure which is 23% higher than the State Unemployment rate. In 2008, the County had a Per Capita Income (PCI)

that was only 62.4% of New York State PCI, according to the U.S. Census Bureau's 2006-2007 American Community Survey.

Median household income in St. Lawrence County has also lagged significantly behind statewide trends. For the 2006-2008 period, the median household income in the County totaled \$41,526 or just less than 75% of median statewide household income (\$55,401) for the same period. Using Census 2000 data, the U.S. Department of Housing and Urban Development estimated that St. Lawrence County had 45.5% of population with low to moderate incomes (LMI). HUD data indicated that 17 communities in the County had more than 50% of their population with low or moderate incomes.

The power that is contemplated in the proposed contract is low-cost and for that reason alone offers value as an economic development tool. It is also from a clean renewable resource – water. We believe strongly that both the low cost and the renewable attributes of this resource will be exceptionally marketable. Sustainability and environmental responsibility are drivers for companies large and small. I believe, and my board believes, that clean power will be the catalyst for drawing forward thinking companies to our region.

In closing, we believe that the use of the river is a logical way to bring businesses to our region and have for over 200 years. Many of our communities were founded in the 1700's around the power of the local river's and timber. In the early 1900's a clever diversion of the St. Lawrence River attracted the Pittsburgh Reduction Company (later called ALCOA) to our region. Then in the late 1950's NYPA helped attract businesses again with the construction of the RMPD. We believe this contract will be the tool that once again builds on the power of the water to reinvent our regional economy.

For these reasons, and countless others that will go unmentioned at this time in pursuit of brevity, I strongly encourage the Governor to sign this contract as soon as possible to help this region being a new economic era.

Thank you for your time and consideration.

Robert McNeil

**New York Power Authority  
ReCharge New York Power Program  
Transitional Electricity Discounts**

**Exhibit "8-A"  
June 26, 2012**

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
1	Albany Institute of History & Art	Albany	Albany	Capital District	NGRID	Museum
2	Eastern Casting Company	Cambridge	Washington	Capital District	NGRID	Aluminum foundry
3	NYSARC, Inc. Columbia County Chapter	Mellenville	Columbia	Capital District	NYSEG	Training and educational facility
4	The College of Saint Rose	Albany	Albany	Capital District	NGRID	Post Secondary education facility
5	Trans World Entertainment Corporation	Albany	Albany	Capital District	NGRID	Corporate offices and distribution
<b>Subtotal Capital District</b>					<b>5</b>	
6	Auburn Vacuum Forming Co., Inc.	Auburn	Cayuga	Central New York	NYSEG	Manufacturer of plastic components
7	Coyne International Enterprises Corp-DE	Syracuse	Onondaga	Central New York	NGRID	Laundry, cleaning, & garment services
8	Meloon Foundries, Inc.	Syracuse	Onondaga	Central New York	NGRID	Non-Ferrous Sand Casting Foundry
9	Precision Systems Mfg Inc	Liverpool	Onondaga	Central New York	NGRID	Manufactures sheet metal
10	STK Electronics, Inc.	Cazenovia	Madison	Central New York	NGRID	Manufactures electronic components
11	Syracuse Heat Treating Corporation.	Syracuse	Onondaga	Central New York	NGRID	Provides heat treating services
<b>Subtotal Central New York</b>					<b>6</b>	
12	Empire Coating, Inc.	Albion	Orleans	Finger Lakes	NGRID	Surface coater for many manufacturers
13	Morgood Tools Inc	Rochester	Monroe	Finger Lakes	RGE	Tools for metal cutting & precision machining
<b>Subtotal Finger Lakes</b>					<b>2</b>	
14	Bemis Company, Inc.	Edgewood	Suffolk	Long Island	LIPA	Manufacturer of packaging materials
15	Enzo Clinical Labs	Farmingdale	Suffolk	Long Island	LIPA	Medical Lab
16	Good Samaritan Hospital Medical Center	West Islip	Suffolk	Long Island	LIPA	Healthcare Center
17	Kleer-Fax, Inc.	Amityville	Suffolk	Long Island	LIPA	Manufacturing of paper and plastic products
18	Maloya Laser Inc	Commack	Suffolk	Long Island	LIPA	Metal cutting and shaping
19	Oceanside Institutional Industries, Inc.	Oceanside	Nassau	Long Island	LIPA	Commercial laundry services
20	Silver Lake Cookie Company, Inc.	Islip	Suffolk	Long Island	LIPA	Manufactures specialty cookies
<b>Subtotal Long Island</b>					<b>7</b>	
21	J.J. Cassone Bakery Inc.	Port Chester	Westchester	Mid-Hudson	CONED	Commercial bakery
22	Montefiore Medical Center	Yonkers	Westchester	Mid-Hudson	CONED	Hospital
23	NYSARC, Inc. Westchester County Chapter	Hawthorne	Westchester	Mid-Hudson	CONED	Agency provides support services
24	Phelps Memorial Hospital Association	Sleepy Hollow	Westchester	Mid-Hudson	CONED	Hospital

Line	Company	City	County	Economic Development Region	IOU	Description
25	Sigmund Cohn Corp.	Mount Vernon	Westchester	Mid-Hudson	CONED	Manufactures precious metal wire
26	Spellman High Voltage Electronics Corporation	Valhalla	Westchester	Mid-Hudson	CONED	Manufactures electronic subsystems.
<b>Subtotal Mid-Hudson</b>					<b>6</b>	
27	Carville National Leather Corp	Johnstown	Fulton	Mohawk Valley	NGRID	Specializes in tanning leathers
28	Di Highway Sign Structure Corp	New York Mills	Oneida	Mohawk Valley	NGRID	Bridge and guide railing and sign structures
29	Fiber Glass Industries, Inc.	Amsterdam	Montgomery	Mohawk Valley	NGRID	Produces high strength woven fabrics
30	Gehring Tricot Corp.	Dolgeville	Herkimer	Mohawk Valley	NGRID	Dyeing & finishing of knitted fabrics
31	Helmont Mills Inc.	St. Johnsville	Montgomery	Mohawk Valley	NGRID	Knitted Fabric Production
32	Sitrin Health Care Center, Inc.	New Hartford	Oneida	Mohawk Valley	NGRID	Health Care Center
33	W W Custom Clad Inc.	Canajoharie	Montgomery	Mohawk Valley	NGRID	Manufactures metal finishes
<b>Subtotal Mohawk Valley</b>					<b>7</b>	
34	American Cancer Society, Eastern Division, Inc.	New York	New York	New York City	CONED	Social Services
35	Asia Society	New York	New York	New York City	CONED	Educational and Cultural Organization
36	Ballet Theatre Foundation, Inc.	New York	New York	New York City	CONED	Theater
37	BRIC Arts   Media   Bklyn, Inc.	Brooklyn	Kings	New York City	CONED	Contemporary and performing arts programs
38	Children's Museum of Manhattan GAME Inc.	New York	New York	New York City	CONED	Museum
39	Comco Plastics,inc	Woodhaven	Queens	New York City	CONED	Makes precision plastic parts
40	Dontis Produce Company Inc.	Brooklyn	Kings	New York City	CONED	Meat and produce producer
41	Downtown Community Television Center	New York	New York	New York City	CONED	Video production and exhibition services
42	Film Forum, Inc.	New York	New York	New York City	CONED	Theater
43	Greater Jamaica Development Corporation	Jamaica	Queens	New York City	CONED	Urban & Community Development
44	Haleakala Inc	New York	New York	New York City	CONED	Theaters
45	Home for Contemporary Theater and Art	New York	New York	New York City	CONED	Arts venue
46	Jacmel Jewelry Inc.	Long Island City	Queens	New York City	CONED	Makes & ships fine jewelry
47	Kingsbrook Jewish Medical Center	Brooklyn	Kings	New York City	CONED	Not for Profit Medical and Research Institution
48	Kips Bay Boys and Girls Club	Bronx	Bronx	New York City	CONED	Social Service for youth development
49	Lincoln Center for the Performing Arts, Inc.	New York	New York	New York City	CONED	Performing Arts Center
50	Museum of Arts and Design	New York	New York	New York City	CONED	Museum
51	National Academy of Design	New York	New York	New York City	CONED	Museums & art galleries
52	New Museum of Contemporary Art	New York	New York	New York City	CONED	Art Center
53	New York College of Podiatric Medicine	New York	New York	New York City	CONED	Services in medical disciplines
54	Solomon R. Guggenheim Foundation	New York	New York	New York City	CONED	Museum
55	Streamline plastics Company Inc.	Bronx	Bronx	New York City	CONED	Manufactures plastics products
56	Symphony Space Inc	New York	New York	New York City	CONED	Performing arts theater
57	The 122 Community Center, Inc.	New York	New York	New York City	CONED	Community Services
58	The Diller-Quaile School of Music, Inc.	New York	New York	New York City	CONED	Music education programs

Line	Company	City	County	Economic Development Region	IOU	Description
59	The Jewish Museum	New York	New York	New York City	CONED	Museum
60	The Museum of Modern Art	New York	New York	New York City	CONED	Museum
61	The Paley Center for Media	New York	New York	New York City	CONED	Museum
62	The Trustees of Columbia University in the City	New York	New York	New York City	CONED	Medical Center
63	The Writers Room	New York	New York	New York City	CONED	Provides\ writers work space
64	The Young Men's & Young Women's Hebrew A	New York	New York	New York City	CONED	Community Services
65	Theater for the New City Foundation, Inc	New York	New York	New York City	CONED	Social Services - Theater
66	Town Hall Foundation, Inc.	New York	New York	New York City	CONED	Provides educational programs
67	United Jewish Appeal-Federation of Jewish Phila	New York	New York	New York City	CONED	Charitable and social services
<b>Subtotal New York City</b>					<b>34</b>	
68	Caron Fine Wood Products Inc.	Champlain	Clinton	North Country	NYSEG	Wood product manufacturer
69	Interface Sealing Solutions, Inc.	Croghan	Lewis	North Country	NGRID	Packaging and presentation products
70	Lewis County General Hospital	Lowville	Lewis	North Country	NGRID	Hospital
71	The William H Miner Agricultural Research Inst	Chazy	Clinton	North Country	NYSEG	Educational/agricultural
72	World Warehouse & Distribution, Inc.	Champlain	Clinton	North Country	NYSEG	Warehousing, storage and freight transportation
<b>Subtotal North Country</b>					<b>5</b>	
73	Cameron Manufacturing & Design, Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Producer of metal fabrications
74	Egli Machine Co Inc.	Sidney	Delaware	Southern Tier	NYSEG	Injected molds
75	SEPP Management Inc	Binghamton	Broome	Southern Tier	NYSEG	Low income elderly housing
<b>Subtotal Southern Tier</b>					<b>3</b>	
76	Cherry Creek Woodcraft. Inc.	South Dayton	Cattaraugus	Western New York	NYSEG	Manufacturer of trophies and plaques
77	Consumers Beverages, Inc.	Buffalo	Erie	Western New York	NGRID	Beverage Producer
78	Consumers Beverages, Inc.	Buffalo	Erie	Western New York	NYSEG	Beverage Producer
79	Gernatt Asphalt Products, Inc.	Collins	Erie	Western New York	NGRID	Asphalt products
80	Greatbatch Ltd	Alden	Erie	Western New York	NYSEG	Manufactures electronic medical components
81	IPAC Inc	Amherst	Erie	Western New York	NGRID	Manufactures compressed air products
82	Lancaster Knives, inc.	Lancaster	Erie	Western New York	NYSEG	Manufacturer of industrial knives
83	Manitoba Corporation	Lancaster	Erie	Western New York	NYSEG	Metal Recycling for non-ferrous metals
84	Merritt Machinery, LLC	Lockport	Niagara	Western New York	NYSEG	Machinery for hardwood, veneer and plywood
85	Milward Alloys Inc.	Lockport	Niagara	Western New York	NYSEG	Produces copper and aluminum based alloys
86	Niagara Fiberboard Inc.	Lockport	Niagara	Western New York	NYSEG	Makes recycled paperboard products
87	Niagara Gear Corporation	Kenmore	Erie	Western New York	NGRID	Precision ground spur and helical gears
88	Norampac Industries, Lancaster Division	Lancaster	Erie	Western New York	NYSEG	Manufactures paper products
89	Oehlers Welding and Fabricating Inc.	Buffalo	Erie	Western New York	NGRID	Steel fabrications

<b>Line</b>	<b>Company</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>IOU</b>	<b>Description</b>
90	Ontario Knife Company	Franklinville	Cattaraugus	Western New York	NGRID	Manufactures cutlery products
91	R & J Metal Finishing, Inc.	Depew	Erie	Western New York	NYSEG	Metal Finishing
92	Sentry Metal Blast, Inc.	Niagara Falls	Niagara	Western New York	NGRID	Metal blasting and industrial coating
93	Watson Bowman Acme Corp.	Amherst	Erie	Western New York	NGRID	Manufactures expansion joint systems
<b>Subtotal Western New York</b>					<b>18</b>	
<b>Total New York State</b>					<b>93</b>	