



NY State Economic Development Power Allocation Board

ANDREW M. CUOMO
Governor

ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD

MINUTES

*August 6, 2018– 10:00 a.m.
Via Videoconference from
Clarence D. Rappleyea Building, White Plains, New York*

*New York Power Authority Offices:
123 Main Street, 16th Floor, White Plains, NY
21 Hawkins Point Rd, Massena, NY (St. Lawrence Visitor's Center)
Hauppauge Center, 150 Motor Parkway, Suite 401, Hauppauge, NY
Silver Law Office, 316 Main Street, Morristown, NY*

1. Approval of the August 6, 2018 Proposed Meeting Agenda
2. Approval of the Minutes of the Meeting of December 11, 2017
3. Recharge New York Power Program Allocations
4. Transfer of Recharge New York Power and Hydropower Allocations

OTHER BUSINESS

5. Next Meeting

A regular meeting of the Economic Development Power Allocation Board was held via videoconference at the following participating locations:

- 1) New York Power Authority, 123 Main Street, White Plains, NY
- 2) New York Power Authority, 21 Hawkins Point Rd, Massena, NY
- 3) Hauppauge Center, 150 Motor Parkway, Suite 401, Hauppauge, NY
- 4) Silver Law Office, 316 Main Street, Morristown, NY

The following Members of the Board were present:

Eugene L. Nicandri, Chair

Dennis Trainor, Member

Andrew Silver, Member

Also in attendance were:

Justin Driscoll	Executive Vice President & General Counsel, NYPA
Karen Delince	Vice President & Corporate Secretary, NYPA
Keith Hayes	Vice President of Economic Development, NYPA
Gerald McLoughlin	Manager Business Power Allocations & Compliance, NYPA
David Work	Director Power Contracts & Tariffs, NYPA
Timothy Muldoon	Manager - Power Contracts & Tariffs
Yale Brown	Business Power Allocations & Compliance, Analyst II, NYPA
Lorna Johnson	Senior Associate Corporate Secretary, NYPA

Introduction

Chair Nicandri welcomed the new members of the Economic Development Power Allocation Board (“EDPAB”), Dennis Trainor and Andrew Silver. He also welcomed Authority senior staff to the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the EDPAB Bylaws, Article III, Section 2.

1. Approval of the Proposed Meeting Agenda

Upon motion made by Member Andrew Silver and seconded by Member Dennis Trainor, the Agenda for the August 6, 2018 meeting was adopted.

Chair Eugene Nicandri and Members Dennis Trainor and Andrew Silver declared no conflicts of interest based on the list of entities being considered for power allocations.

2. **Approval of the Minutes**

Upon motion made by Member Dennis Trainor and seconded by Chair Eugene Nicandri, the Minutes of the Meeting held on December 11, 2017 were unanimously approved.

3. **Recharge New York Power Program Allocations**

SUMMARY

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

1. recommend that the New York Power Authority (“Authority” or “NYPA”) Trustees (“Trustees”) award allocations of Recharge New York (“RNY”) Power available for “retention” purposes to the businesses listed in Exhibit “A”;
2. recommend that the Trustees award allocations of RNY Power available for “expansion” purposes to the businesses listed in Exhibit “B”;
3. recommend that the Trustees award allocations of RNY Power available for eligible small businesses and not-for-profit corporations to the entities listed in Exhibit “C”;
4. determine that the applicants listed in Exhibit “D” will not be considered for an allocation of RNY Power; and
5. terminate the application review process for the applicants listed in Exhibit “E”.

BACKGROUND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RNY Power allocations have been awarded by the Trustees on nineteen prior occasions spanning from April 2012 through December 2017. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business "expansion" purposes, 94.3 MW remain unallocated. Of the 100 MW of RNY Power that is set aside for not-for-profit corporations and small businesses pursuant to Chapter 60, 7.3 MW remain unallocated. Of the remaining RNY Power made available pursuant to Chapter 60, 57.3 MW remain unallocated.

DISCUSSION

1. Retention-Based RNY Power Allocations

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

The RNY Power "retention" allocations identified in Exhibit "A" are each recommended for a term of seven years unless otherwise indicated. An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award. The RNY Power contract form contains provisions addressing such things as effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain mutually agreed upon commitments, relating to among other things, employment levels, power utilization, and capital investments. In addition, there is a requirement that a recipient of an allocation perform an energy efficiency audit at its facility not less than once during the first five years of the term of the allocation.

2. Expansion-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the applications listed on Exhibit "B" be awarded *expansion*-based RNY Power allocations in the amounts indicated which would be sourced from the 200 MW block of RNY Power dedicated pursuant to statute for the businesses that propose to expand existing businesses or create new business in the State. Unless otherwise noted in Exhibit "B", these applications sought a RNY Power allocation for expansion only, in the case of a new business or facility. Each such allocation would be for a term of seven years unless otherwise indicated.

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

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

3. Small Business and/or Not-for-Profit RNY Power Allocations

Staff also recommends that EDPAB recommend to the NYPA Trustees that the small business and not-for-profit applicants listed on Exhibit "C" be awarded RNY Power allocations in the amounts indicated therein. The applicants have committed to retain or create jobs in New York State and make capital investments in exchange for the recommended RNY Power allocations as described in Exhibit "C".

4. Applications Not Considered

Based on its review of the applications of the companies listed in Exhibit "D", staff recommends that the Board not consider the applications listed on Exhibit "D" for RNY Power for the reasons described in Exhibit "D".¹

5. Termination of Application Review Process

Staff recommends that the Board terminate the application review process for the applicants for RNY Power listed in Exhibit "E" on the grounds that the applicants listed have submitted incomplete applications, or have not been responsive to requests by staff for additional information, preventing a complete analysis of the application and rendering the subject RNY Power application(s) incomplete.

RECOMMENDATION

For the reasons stated above, staff recommends that the Board: (1) recommend that the Authority Trustees award allocations of RNY Power for retention purposes to the businesses listed in Exhibit "A" in the amounts indicated therein; (2) recommend that the Trustees award allocations of RNY Power for expansion purposes to the businesses listed in Exhibit "B" in the amounts indicated therein; (3) recommend that the Trustees award allocations of RNY Power to the small business and not-for-profit applicants listed in Exhibit "C" in the amounts indicated therein; (4) determine that the applicant(s) listed in Exhibit "D" will not be considered for allocations of RNY Power for the reasons discussed in Exhibit "D"; and (5) determine that the application review process for the applicants listed in Exhibit "E" will be terminated for the reasons discussed in Exhibit "E".

⁷_____

¹ In view of the recommended disposition of the applications listed on Exhibit "D", staff has not considered the eligibility of the applicants listed on Exhibit "D", and is not making any recommendations concerning eligibility at this time.

The following resolution was unanimously adopted by members of the Board present.

RESOLVED, That the Economic Development Power Allocation Board (“Board”) approves that the Board of Trustees (“Trustees”) of the Power Authority of the State of New York (“Authority”) award allocations of Recharge New York (“RNY”) Power for retention purposes to the businesses listed in Exhibit “A” to the attached memorandum of the Vice President, Economic Development (the “Attached Memorandum”) in the amounts indicated therein for the reasons indicated in Exhibit “A” and the Attached Memorandum; and be it further

RESOLVED, That the Board approves that the Authority Trustees award allocations of RNY Power for expansion purposes to the businesses listed in Exhibit “B” to the Attached Memorandum in the amounts indicated therein for the reasons indicated in Exhibit “B” and the Attached Memorandum; and be it further

RESOLVED, That the Board approves that the Authority Trustees award allocations of RNY Power to the small businesses and not-for-profit corporations listed in Exhibit “C” to the Attached Memorandum in the amounts indicated therein for the reasons indicated in Exhibit “C” and the Attached Memorandum; and be it further

RESOLVED, That the applicants listed in Exhibit “D” are not considered for RNY Power for the reasons discussed in the Attached Memorandum and Exhibit “D”; and be it further

RESOLVED, That the application review process for the applicants listed in Exhibit “E” is terminated for the reasons discussed in the Attached Memorandum and Exhibit “E”.

Chair Nicandri invited Mr. Keith Hayes, Vice President of Economic Development to present the Recharge New York Power (“RNY”) Program item to the Board.

Mr. Hayes said staff is requesting that EDPAB recommend that the Authority’s Trustees approve the award of 22 allocations of Recharge New York large business retention, large business expansion and small business and not-for-profit based power to 18 applicants.

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the Recharge New York Power Program allocations, as recommended by staff, were approved by the Board.

Economic Development Power Allocation Board
 Recommendations - RNY Power Allocations for Retention Purposes

Exhibit "A"
 August 6, 2018

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Total Job Commitment	Capital Investment (\$)	Contract Term (years)
1	Rochester Insulated Glass, Inc.	Manchester	Ontario	Finger Lakes	RGE	Manufacturer of architectural flat glass	2,516	1,256	56	0	56	\$1,500,000	⁽¹⁾ 7
	Finger Lakes Region Sub-totals:							1,256	56	0	56	\$1,500,000	
2	Trenton Technology, Inc.	Utica	Oneida	Mohawk Valley	NGRID	Manufacturer of industrial computers	528	260	218	0	218	\$1,750,000	⁽¹⁾ 7
	Mohawk Valley Region Sub-totals:							260	218	0	218	\$1,750,000	

Totals

1,516	274	0	274	\$3,250,000
-------	-----	---	-----	-------------

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

Economic Development Power Allocation Board
 Recommendations - RNY Power Allocations for Expansion Purposes

Exhibit "B"
 August 6, 2018

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation ⁽¹⁾	Base Employment ⁽³⁾	Job Creation Commitment	Project Capital Investment (\$)	Contract Term (years)
1	HP Hood LLC	Batavia	Genesee	Finger Lakes	NGRID	Milk processing plant	3,200	2,240	0	175	\$142,300,000	7
2	Rochester Insulated Glass, Inc.	Manchester	Ontario	Finger Lakes	RGE	Manufacturer of architectural flat glass	3,000	800	56	8	\$1,120,000 ⁽²⁾	7
Finger Lakes Region Sub-totals:								3,040	0	183	\$143,420,000	
3	Amy's Kitchen, Inc.	Goshen	Orange	Mid-Hudson	ONR	Organic food production & packaging	1,700	1,190	0	681	\$106,745,000	7
Mid-Hudson Region Sub-totals:								1,190	0	681	\$106,745,000	
4	Trenton Technology, Inc.	Utica	Oneida	Mohawk Valley	NGRID	Manufacturer of industrial computers	180	126	218	15	\$3,250,000 ⁽²⁾	7
Mohawk Valley Region Sub-totals:								126	0	15	\$3,250,000	
5	Amazon Fulfillment Services, Inc.	Staten Island	Richmond	New York City	CONED	Warehouse & distribution center	2,030	1,420	0	2,250	\$100,000,000	7
New York City Region Sub-totals:								1,420	0	2,250	\$100,000,000	
6	Kraft Heinz Foods Company	Lowville	Lewis	North Country	NGRID	Production of cream cheese products	2,160	1,510	391	44	\$7,100,000	7
North Country Region Sub-totals:								1,510	75	44	\$7,100,000 ⁽⁴⁾	

Totals

7,286	75	3,173	\$360,515,000
--------------	-----------	--------------	----------------------

- (1) All expansion-based RNY Power allocations are recommended to be "up to" the amount indicated pending the applicant's compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.
- (2) These companies are also being recommended for retention-based RNY Power allocations associated with separate and distinct contractual commitments relating to such matters as job retention, capital investment spending, and power utilization associated with an existing business.
- (3) The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.
- (4) This applicant was previously approved for a retention-based RNY Power allocation. The base employment level refers to the applicant's retained jobs, most of which are already associated with an existing power allocation.

Economic Development Power Allocation Board
 Recommendations - RNY Power Allocations for Retention and Expansion Purposes (Small Business and/or NFP Corporations)

Exhibit "C"
 August 6, 2018

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Capital Investment (\$)	Contract Term (years)
1	AmChar Wholesale, Inc.	Rochester	Monroe	Finger Lakes	RGE	Distributor of firearms & ammunition	58	26	65	0	\$500,000	7
	Finger Lakes Region Sub-totals:											
								26	65	0	\$500,000	
2	B & H Precision Fabricators Inc.	Bohemia	Suffolk	Long Island	LIPA	Precision sheet metal fabrication	112	56	15	0	\$500,000	7
3	B & R Industries Inc.	Medford	Suffolk	Long Island	LIPA	Manufacturer of precision machined components	56	26	12	0	\$100,000	7
4	Comco Plastics, Inc.	Huntington Station	Suffolk	Long Island	LIPA	Manufacturer of plastic components	127	60	31	0	\$225,000	7
5	Crown I Enterprises, Inc.	Bay Shore	Suffolk	Long Island	LIPA	Food refrigeration & distribution	282	140	85	0	\$1,500,000	(1) 7
6	NYU Winthrop Hospital	Mineola	Nassau	Long Island	LIPA	Research & academic center	429	140	108	0	\$574,000	7
7	Plastirunn Corporation	Brentwood	Suffolk	Long Island	LIPA	Manufacturer of disposable paper products	387	190	65	0	\$2,000,000	7
8	Won & Lee, Inc.	Garden City	Nassau	Long Island	LIPA	Commercial & digital printing services	200	100	30	0	\$7,600,000	(1) 7
	Long Island Region Sub-totals:											
								712	346	0	\$12,499,000	
9	Calvary Hospital, Inc.	Bronx	Bronx	New York City	CONED	Hospice & palliative care services	689	226	840	0	\$15,000,000	7
10	Lincoln Center for the Performing Arts, Inc.	New York	New York	New York City	CONED	Performing arts center	2,796	930	579	0	\$31,183,000	7
	New York City Region Sub-totals:											
								1,156	1,419	0	\$46,183,000	
11	Alice Hyde Medical Center	Malone	Franklin	North Country	NGRID	Hospital & medical center	643	210	550	0	\$7,500,000	
	North Country Region Sub-totals:											
								210	550	0	\$7,500,000	

Retention-Based Totals

2,104	2,380	0	\$66,682,000
--------------	--------------	----------	---------------------

Expansion-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (3)	Base Employment	Job Creation Commitment	Project Capital Investment (\$)	(1), (2)	Contract Term (years)
12	Crown I Enterprises, Inc.	Bay Shore	Suffolk	Long Island	LIPA	Food refrigeration & distribution	277	136	85	20	\$3,000,000	(1), (2)	7
13	Won & Lee, Inc.	Garden City	Nassau	Long Island	LIPA	Commercial & digital printing services	100	50	30	3	\$400,000	(1), (2)	7
Long Island Region Sub-totals:								186	0	23	\$3,400,000		
14	Albert Einstein College of Medicine, Inc.	Bronx	Bronx	New York City	CONED	Medical college & research facility	700	230	230	60	\$10,000,000		7
New York City Region Sub-totals:								230	230	60	\$10,000,000		

Expansion-Based Totals

416	230	83	\$13,400,000
------------	------------	-----------	---------------------

Retention & Expansion-Based Totals

2,520	2,610	83	\$80,082,000
--------------	--------------	-----------	---------------------

(1) These applicants are being recommended for both RNY retention and expansion-based allocations.

(2) The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.

(3) All expansion-based RNY Power allocations are recommended to be "up to" the amount indicated pending the applicant's compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.

Economic Development Power Allocation Board
 ReCharge New York Power Program
 Informational Item - Applicant/Application Not Considered for RNY Power Allocation

Exhibit "D"
 August 6, 2018

Line	Company	City	County	Economic Development Region	IOU	Description	Reason ⁽¹⁾
1	Perry's Ice Cream Company, Inc.	Akron	Erie	Western New York	Not Applicable	Manufacturer & distributor of ice cream products	The applicant is served by a municipal electric utility which is not in a position to accept and account for RNY Power to individual customers. In addition, the applicant already enjoys competitive electric rates by virtue of the utility's receipt of low-cost NYPA hydropower.

(1) Given the proposed disposition of these applications, the eligibility of these applicants for an RNY Power allocation has not been considered at this time.

August 6, 2018

Economic Development Power Allocation Board
ReCharge New York Power Program
Informational Item - Terminate Application/Review Process

Exhibit "E"
August 6, 2018

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	BWW Brewers, Inc.	Livingston Manor	Sullivan	Mid-Hudson	NYSEG	Brewery for craft beer production	Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.
2	Solar Energy Services	Unknown	Unknown	Unknown	Unknown	Production of solar panels	Applicant submitted an incomplete application.

5. **Transfer of ReCharge New York Power and Hydropower Allocations**

SUMMARY

The Economic Development Power Allocation Board (“Board”) is requested to approve the transfer of the Recharge New York (“RNY”) Power and RNY Hydropower allocations listed below, subject to the conditions discussed in this memorandum:

1. Transfer of a pending 106 kilowatt (“kW”) Recharge New York (“RNY”) Power allocation (consisting of market power and hydropower) awarded to Air Stream Corp. (“Air Stream”) for its use at a new facility in Oceanside, NY, to a sister company, Food Authority, Inc. (“Food Authority”), for its use at a new facility in Hauppauge, NY.
2. Transfer of a 495 kW RNY Hydropower allocation awarded to Kaleida Health for use at its Women & Children’s Hospital of Buffalo (“WC Hospital”) to a new location on Ellicott Street where the WC Hospital operations will be conducted under a new name – the John R. Oishei Children’s Hospital of Buffalo.
3. Transfer of a 2,990 kW RNY Power allocation awarded to Norampac Industries, Inc. (which now operates as Cascades Containerboard Packaging Inc.) to Cascades New York Inc., to address corporate organizational changes from a merger.

The Board has previously approved transfers of RNY Power and RNY Hydropower allocations in similar circumstances.

If the Board approves the requested transfers, the Trustees of the New York Power Authority (“Authority”) will also be requested to approve the transfers.

DISCUSSION

The following discussion describes the facts relating to the recommended transfers.

1) Air Stream Corp.

Air Stream has an in-service 150 kW RNY Power allocation for use at its facility in Oceanside, NY, where it manufactures and/or distributes fresh and frozen produce, juices, groceries, and dairy products. Air Stream also has a pending (i.e., not yet in service) 106 kW RNY Power allocation that was awarded to support construction of a new facility and operations at the Oceanside location.

Air Stream was unable to build the new facility at the Oceanside location. It has instead constructed a new facility at a location in Hauppauge, NY. However, the new facility is operated by Air Stream’s sister company, Food Authority. Food Authority operates the same type of business as Air Stream, but the companies’ customer bases differ. The Hauppauge expansion has been completed and Food Authority is now able to make use of the 106 kW RNY Power allocation.

The customer requests a transfer of the pending 106 kW RNY Power allocation from Air Stream to Food Authority, for Food Authority’s use at the new Hauppauge facility. Food Authority would take the transfer of the RNY Power allocation subject to the terms and conditions that are applicable to the original award to Air Stream.

2) Kaleida Health

Kaleida Health operates various medical facilities in the Buffalo metro area, including the WC Hospital on Bryant Street in Buffalo, NY, and Buffalo General Medical Center (“BGMH”), on

High Street in Buffalo, NY. Kaleida Health receives a 495 kW RNY Hydropower allocation for use to support the WC Hospital operations which is associated with an employment commitment of 1,533 jobs.

Kaleida Health has moved the WC Hospital operations, now called John R. Oishei Children's Hospital of Buffalo, to several buildings on Ellicott Street in Buffalo near BGMH.

Kaleida Health has requested a transfer of its 495 kW RNY Hydropower allocation to its new facilities on Endicott Street to support operations at its John R. Oishei Children's Hospital. The customer would take the allocation subject to the terms and conditions that are associated with the allocation.

3) Norampac Industries, Inc.

Norampac was awarded a 2,990 kW RNY Power allocation to support its containerboard business at its facility in Niagara Falls, NY. Norampac has manufactured recycled corrugated medium, which is used to make containerboard/cardboard boxes, from the Niagara Falls facility. Norampac has since changed its name to Cascades Containerboard Packaging Inc. ("CCP").

CCP, along with sister companies Cascades Containerboard Packaging Inc. – Schenectady Inc. and Cascades Tissue Group – New York Inc. merged into Cascades New York Inc. ("CNY"). CCP requests a formal transfer of its EP and RNY Power allocations to CNY which would continue to operate the business at the Niagara Falls facility. CNY would take the transfer subject to the terms and conditions that are applicable to Norampac/CCP under its power sale contracts with the Authority.

RECOMMENDATION

Staff recommends that the Board approve the transfers discussed above, subject to the following conditions: (1) approval of the transfer by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments associated with the allocations that would be transferred; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer.

The following resolution was unanimously adopted by members of the Board present.

RESOLVED, That the transfer of the 106 kilowatt ("kW") Recharge New York ("RNY") Power allocation is awarded to Air Stream Corp. for use at a new facility in Oceanside, New York, to Food Authority, Inc. for its use at a new facility in Hauppauge, New York, as described in the foregoing memorandum ("Memorandum") be, and hereby is, approved subject to the following conditions: (1) approval of the transfer by the New York Power Authority ("Authority"); (2) there be no material reduction in the base employment level or capital investment commitment due to the transfer as provided for

above; and (3) the transfer is addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfer; and be it further

RESOLVED, That the transfer of the 495 kW RNY Hydropower allocation is awarded to Kaleida Health for its use at its Women & Children's Hospital on Bryant Street in Buffalo, New York, to new facilities operated by Kaleida Health located on Ellicott Street in Buffalo, New York, as described in the foregoing Memorandum be, and hereby is, approved subject to the following conditions: (1) approval of the transfer by the Authority; (2) there be no material reduction in the base employment level or capital investment commitment due to the transfer as provided for above; and (3) the transfer is addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfer; and be it further

RESOLVED, That the transfer of the 2,990 kW RNY Power allocation is awarded to Norampac Industries, Inc. for its use at its facility in Niagara Falls, New York, to Cascades New York Inc. for its use at the Niagara Falls facility, as described in the foregoing Memorandum be, and hereby is, approved subject to the following conditions: (1) approval of the transfer by the Authority; (2) there be no material reduction in the base employment level or capital investment commitment due to the transfer as provided for above; and (3) the transfer is addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfer.

Chair Nicandri invited Mr. Keith Hayes to present staff's recommendation to the Board.

Mr. Hayes provided highlights of staff's recommendation to the Board. He said staff is requesting that the Board approve the transfers of ReCharge NY power allocations for three customers, each of whom are experiencing business changes necessitating such transfers.

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, staff's recommendations were approved by the Board.

Other Business

No other business to report.

6. Next Meeting

Chair Nicandri said that the next meeting of the Board would be held on Wednesday, September 26, 2018 at 10:00 a.m.

Closing

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the meeting was adjourned by Chair Nicandri at approximately 10:12 a.m.