



NY State Economic Development Power Allocation Board

ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD

MINUTES

May 22, 2023 – 9:00 a.m.

Meeting Held Via Videoconference

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NY State Economic Development Power Allocation Board

A regular meeting of the Economic Development Power Allocation Board was held via video conference, at approximately 9:00 a.m.

The following Members of the Board were present:

Judge Cecily Morris, Chair
Dennis Trainor, Member
Andrew Silver, Member

Also in attendance were:

Lori Alesio	Interim Executive Vice President and General Counsel
Karen Delince	Vice President and Corporate Secretary, NYPA
Maribel Cruz Brown	Vice President – Economic Development & Key Account Management – Clean Energy Solutions, NYPA
Gerard McLoughlin	Manager – Power Contracts and Tariffs, NYPA
Karen White	Director – Community Affairs - STL
Lorna Johnson	Senior Associate Corporate Secretary, NYPA
Sheila Quatrocci	Senior Associate Corporate Secretary, NYPA
Michele Stockwell	Project Coordinator – Corporate Secretary, NYPA

Introduction

Chair Cecily Morris welcomed members of the Board Dennis Trainor and Andrew Silver and Authority senior staff to the meeting. She 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. Adoption of the May 22, 2023 Proposed Meeting Agenda

On motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the Agenda for the May 22, 2023 meeting was adopted.

Chair Cecily Morris 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

On motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the Minutes of the Meeting held on March 16, 2022 were unanimously approved.

3. Transfer of Recharge New York (RNY) Power Allocations

“SUMMARY

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

1. Transfer of a 46 kW RNY Power allocation awarded to Carolina Eastern - Crocker, LLC (“CEC”) for use at its facility located at 7591 Selden Road, LeRoy, New York to Howlett Farms Feed, LLC (“Howlett”), to address organizational changes.
2. Transfer of a 2,996 kW RNY Power Campus allocation awarded to The Nature’s Bounty Co. (“Nature’s Bounty”), for use at its multiple Bohemia, Bayport and Holbrook, New York facilities, to NHS U.S., LLC (“NHS”), to address organizational changes.
3. Transfer of a 100 kW RNY Power allocation awarded to XLI Manufacturing LLC (“XLI”), for use at its 55 Vanguard Parkway, Rochester, New York facilities, to a facility located at 50 Jetview Drive, Rochester, New York.

The Board has previously approved transfers of RNY Power 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) Carolina Eastern – Crocker, LLC

CEC was awarded a 46 kW RNY Power allocation for use at its facility located at 7591 Selden Road, LeRoy, New York. This facility grinds cornmeal which is sold to local farms as feed for livestock.

On November 1, 2022, CEC sold its cornmeal/corn grinding operation to Howlett, entailing the sale of its physical assets, including trucking equipment at the cornmeal facility.

Both companies have asked that the 46 kW RNY Power allocation be transferred to Howlett to support Howlett's operations at the site. Howlett has indicated it will honor all terms and commitments made by CEC under its RNY Power sale agreement with the Authority.

2) The Nature's Bounty Co.

Nature's Bounty was awarded a 2,996 kW RNY Power Campus allocation, for use at its facilities at 60, 90 and 115 Orville Drive, Bohemia, 4320 Veterans Memorial Highway, Holbrook as well as, 10 and 35 Vitamin Drive, Bayport, where Nature's Bounty manufactures vitamins and nutritional supplements.

On February 28, 2023, Nature's Bounty merged with and into an affiliate company, NHS, as part of a corporate reorganization.

Both companies have asked that the 2,996 kW RNY Power Campus allocation be transferred to NHS to support NHS's operations at the sites. NHS has indicated it will honor all terms and commitments made by Nature's Bounty under its RNY Power sale agreement with the Authority.

3) XLI Manufacturing LLC

XLI was awarded a 100 kW RNY Power allocation, for use at its facilities at 55 Vanguard Parkway, Rochester, where XLI is a contract manufacturer of precision engineered mechanical components and complex electro-mechanical subassemblies for applications including motorized vehicles, firearms, security instrumentation and communications.

In October 2022, XLI moved from its facilities at 55 Vanguard Parkway, Rochester to 50 Jetview Drive, Rochester.

XLI requests that the 100 kW RNY Power allocation be transferred from the 55 Vanguard Drive facility for use by XLI to the 50 Jetview Drive facility. XLI is engaged in the same business at the new facility, which can manage its expected further growth. The company has indicated it will honor all commitments including employment, power utilization, and capital investment commitments associated with the 100 kW RNY Power allocation.

RECOMMENDATION

Staff recommends that the Board approve the transfers discussed above, subject to the following conditions: (1) approval of the transfers of the RNY Power allocations by NYPA; (2) there be no material reductions in the base employment level or capital investment commitment 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 the transfers."

Chair Cecil Morris invited Ms. Maribel Cruz, Vice President of Economic Development and Key Account Management, to present the transfer of Recharge New York Power Allocations to the Board.

Ms. Maribel Cruz, Vice President of Economic Development & Key Account Management – Clean Energy Solutions, said that the members of the Economic Development Power Allocation Board are requested to recommend that the New York Power Authority’s (“NYPA”) Board of Trustees approve the transfer of Recharge New York (“RNY”) Power allocations for three (3) customers experiencing business changes necessitating such transfer. These requests are subject to:

- 1. There being no material reductions in the base employment levels or capital investment commitments associated with the allocations that would be transferred; and*
- 2. That the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfers.*

Some of the reasons calling for a transfer include a business or organization which can include a corporate entity change such as moving from an incorporated organization to an LLC, or a split, all of which result in a change of the Federal Tax ID.

Another example is the sale of the business to another, e.g., a merger, which would also result in a change of the Federal Tax ID.

In the instance where a business is sold or acquired, there is a due diligence performed on the new entity in line with the Authority’s administration process. As referenced earlier, the new owner must confirm its acceptance of the original job and capital investment commitments.

Lastly, it also calls for a transfer as the businesses move from one location to another in New York State.

Today, the Board is being asked to approve:

- 1. Transfer of a 46 kW RNY Power allocation awarded to Carolina Eastern - Crocker, LLC for use at its facility located at 7591 Selden Road, LeRoy, New York to Howlett Farms Feed, LLC to address organizational changes. In this case, Carolina Eastern – Crocker sold its Leward operations, including its physical assets, to Howlett.*
- 2. Transfer of a 2,996 kW RNY Power Campus allocation awarded to The Nature’s Bounty Co. (“Nature’s Bounty”), for use at its multiple Bohemia, Bayport and Holbrook, New York, facilities to NHS U.S., LLC (“NHS”), to address organizational changes; and*
- 3. Transfer of a 100 kW RNY Power allocation awarded to XLI Manufacturing LLC (“XLI”), for use at its 55 Vanguard Parkway, Rochester, New York facilities, to a facility located at 50 Jetview Drive, Rochester, New York.*

Ms. Cruz ended that the EDPAB Board is being asked to recommend that the Authority’s Board of Trustees approve the aforementioned allocations.

On motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the transfer of Recharge New York Power as recommended by staff was approved by the Board.

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

RESOLVED, That the transfer of a 46 kilowatt (“kW”) ReCharge New York (“RNY”) Power allocation awarded to Carolina Eastern – Crocker, LLC, for use at its facilities at 7591 Selden Road, LeRoy, New York, to Howlett Farms Feed, LLC for use at the same facilities, as described in the foregoing report be, and hereby is, approved subject to the following conditions: (1) approval of the transfer by the New York Power Authority (“NYPA”); (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 NYPA to be appropriate to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 2,996 kW RNY Power Campus allocation awarded to The Nature's Bounty Co., for use at its facilities at 60, 90 and 115 Orville Drive, Bohemia, 4320 Veterans Memorial Highway, Holbrook, as well as, 10 and 35 Vitamin Drive, Bayport, New York, to NHS U.S., LLC for use at the same facilities as described in the foregoing report be, and hereby is, approved subject to the following conditions: (1) approval of the transfer by the New York Power Authority ("NYPA"); (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 NYPA to be appropriate to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 100 kW RNY Power allocation awarded to XLI Manufacturing LLC, for use at its facilities at 55 Vanguard Parkway, Rochester, New York, to facilities located at 50 Jetview Drive, Rochester, New York, as described in the foregoing report be, and hereby is, approved subject to the following conditions: (1) approval of the transfer by the New York Power Authority ("NYPA"); (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 NYPA to be appropriate to effectuate the transfer.

OTHER BUSINESS

No other business to report.

5. Next Meeting

Chair Cecily Morris said that the next meeting of the Board would be held on Monday, July 24, 2023 at 9:00 a.m.

Closing

On motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the meeting was adjourned at approximately 9:08 a.m.

Karen Delince

Karen Delince
Corporate Secretary