

ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD

MINUTES

July 25, 2016 – 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

535 Washington Street, Suite 202, Buffalo, NY

21 Hawkins Point Road, Massena, NY (St. Lawrence Visitor's Center)

5777 Lewiston Road, Lewiston, NY (Niagara Visitor's Center)

VCR/Alliance Reporting Services, Inc. 102 3rd Street Mineola, NY

1. Approval of the July 25, 2016 Proposed Meeting Agenda
2. Approval of the Minutes of the Meeting of May 23, 2016
3. Recharge New York Power Program Allocations
4. Transfer of Recharge New York Power Allocations and Adjustments to Job Commitments

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, 535 Washington Street, Suite 202, Buffalo, NY
- 3) New York Power Authority, 21 Hawkins Point Road, Massena, NY
- 4) New York Power Authority, 5777 Lewiston Road, Lewiston, NY
- 5) VCR/Alliance Reporting Services, Inc. 102 3rd Street Mineola, NY

The following Members of the Board were present:

Sam Hoyt, Chairman
Eugene L. Nicandri, Member
Robert B. Catell, Member
George Maziarz, Member

Also in attendance were:

Justin Driscoll	Executive Vice President & General Counsel, NYPA
Karen Delince	Vice President & Corporate Secretary, NYPA
Keith Hayes	Vice President Marketing, Business Marketing & Economic Dev. & Muni & Coop, NYPA
Maribel Cruz	Manager – Business Power Allocations & Compliance, NYPA
Yale Brown	Business Power Allocations & Compliance, Analyst II, NYPA
Tabitha Robinson	Manager Program Operations, Business/Muni/Coop
Richard Smith	Director, Business & Project Development, NYPA
Carol Sampson	Community Relations Representative II, NYPA
Lorna Johnson	Senior Associate Corporate Secretary, NYPA
Sheila Baughman	Senior Assistant Corporate Secretary, NYPA

Introduction

Chairman Hoyt welcomed the Economic Development Power Allocation Board (“EDPAB”) members, Eugene Nicandri, Robert Catell and Senator George Maziarz (retired), and Authority senior staff members 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 Robert Catell and seconded by Member George Maziarz, the Agenda for the July 25, 2016 meeting was approved.

The members indicated that they have 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 George Maziarz and seconded by Member Robert Catell, the Minutes of the Meeting held on May 23, 2016 were approved.

3. Recharge New York Power Program Allocation

SUMMARY

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

1. recommend that the New York Power Authority (“Authority”) Trustees (“Trustees”) award allocations of Recharge New York (“RNY”) Power available for “retention” purposes to the businesses listed in Exhibit “A”;
2. recommend that the Trustees award allocations of RNY Power available for “expansion” purposes to the businesses listed in Exhibit “B”;
3. recommend that the Trustees award allocations of RNY Power available for eligible small businesses and not-for-profit applicants to the small businesses listed in Exhibit “C”;
4. determine that the applicants listed in Exhibit “D” will not be recommended 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 scores provided by the relevant Regional Economic Development Council under the third and eighth criteria.

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

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

RNY Power allocations have been awarded by the Trustees on fourteen prior occasions spanning from April 2012 through March 2016. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business "expansion" purposes, 104.6 MW remain unallocated. Of the 100 MW of RNY Power that was set aside for not-for-profit corporations and small businesses pursuant to Chapter 60, 10.6 MW remain unallocated. Of the remaining RNY Power made available pursuant to Chapter 60, 40.7 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.

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 Authority's standard RNY Power contract template, approved by the Trustees at their March 27, 2012 meeting, contains provisions addressing such things as effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain mutually agreed upon commitments, relating to among other things, employment levels, power utilization, and capital investments. In addition, there is a requirement that a recipient of an allocation perform an energy efficiency audit at its facility not less than once during the first five years of the term of the allocation.

2. Expansion-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the applications listed on Exhibit "B" be awarded *expansion*-based RNY Power allocations in the amounts indicated from the 200 MW block of RNY Power dedicated pursuant to statute for the businesses that propose to expand existing businesses or create new business in the State. These applications sought a RNY Power allocation for 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-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the small business applicants listed on Exhibit "C" be awarded small business and not-for-profit based RNY Power allocations in the amounts indicated therein. (There are no not-for-profit applicants for RNY Power presented in this round.) 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 Recommended

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

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 ground that in each case the applicants listed have not been responsive to requests by staff for additional information, preventing a complete analysis of the application, and rendering the applicants' RNY Power applications incomplete.

RECOMMENDATION

For the reasons stated above, staff recommends that EDPAB: (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 applicants listed in Exhibit "C" in the amounts indicated therein; (4) determine that the applicants listed in Exhibit "D" will not be recommended for allocations of RNY Power for the reasons discussed in Exhibit "D"; and (5) determine that application review process for the applicants listed in Exhibit "E" will be terminated for the reasons discussed in Exhibit "E".

Chairman Hoyt invited Mr. Keith Hayes, Vice President of Marketing, to present the Recharge New York Power ("RNY") Program item.

Mr. Hayes provided highlights of staff's recommendation to the Board. He said staff is requesting that EDPAB recommend that the Authority's Trustees approve the award of 14 allocations of Recharge New York large business retention, large business expansion and small

business and not-for-profit based power to 11 applicants. The board is also requested not to recommend two applicants for Recharge New York allocations for various reasons and to terminate the application review process for two Recharge New York applicants.

Upon motion made by Member Robert Catell and seconded by Member George Maziarz, staff's recommendation was unanimously approved by the Board.

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 Senior Vice President – Economic Development & Energy Efficiency (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 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 approved 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".

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

Exhibit "A"
 July 25, 2016

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	Poly-Pak Industries, Inc.	Melville	Suffolk	Long Island	LIPA	Manufacturer of packaging products	781	390	225	0	225	\$1,000,000	7
2	Slant/Fin Corporation	Greenvale	Nassau	Long Island	LIPA	Manufacturer of heating equipment	525	260	229	0	229	\$3,000,000	7
	Long Island Region Sub-totals:							650	454	0	454	\$4,000,000	
3	DePuy Synthes Products, Inc.	Horseheads	Chemung	Southern Tier	NYSEG	Manufacturer of medical devices	1,510	750	400	0	400	\$20,000,000	7
	Southern Tier Region Sub-totals:							750	400	0	400	\$20,000,000	

Totals

1,400	854	0	854	\$24,000,000
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Economic Development Power Allocation Board
 Recommendations - RNY Power Allocations for Expansion Purposes

Exhibit "B"
 July 25, 2016

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	Hudson River Foods Corp.	Castleton	Rensselaer	Capital District	NGRID	Organic and natural food production	1,360	950	0	18	\$3,500,000	7
	Capital District Region Sub-totals:						950	0	18	\$3,500,000		
2	Entourage Commerce, LLC	Hauppauge	Suffolk	Long Island	LIPA	Fulfillment center for health & beauty products	400	280	250	175	\$24,000,000	⁽²⁾ 7
	Long Island Region Sub-totals:						280	250	175	\$24,000,000		
3	Dollar General Corporation	Florida	Montgomery	Mohawk Valley	NGRID	Merchandise distribution center	3,000	2,100	0	300	\$66,500,000	7
	Mohawk Valley Region Sub-totals:						2,100	0	300	\$66,500,000		

Totals

3,330	250	493	\$94,000,000
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- (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) The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.

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

Exhibit "C"
 July 25, 2016

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	Paper Battery Company	Troy	Rensselaer	Capital District	NGRID	Supercapacitor producer	34	16	12	0	\$200,000	(3)	7
	Capital District Region Sub-totals:							16	12	0	\$200,000		
2	Alpine Overhead Doors, Inc.	East Setauket	Suffolk	Long Island	LIPA	Manufacturer of rolling doors and windows	143	70	26	0	\$400,000	(1), (3)	7
3	Astro Electroplating, Inc.	Bay Shore	Suffolk	Long Island	LIPA	Manufacturer of metallic coatings	355	176	38	0	\$100,000	(1), (3)	7
4	Optima Foods, Inc.	Deer Park	Suffolk	Long Island	LIPA	Distributor of food products	127	60	46	0	\$200,000	(1), (3)	7
5	Sunharbor Acquisition I LLC	Roslyn Heights	Nassau	Long Island	LIPA	Rehabilitation and nursing center	378	186	266	0	\$250,000		7
	Long Island Region Sub-totals:							492	376	0	\$950,000		

Retention-Based Totals

508	388	0	\$1,150,000
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Expansion-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (5)	Base Employment	Job Creation Commitment	Project Capital Investment (\$)		Contract Term (years)
6	Alpine Overhead Doors, Inc.	East Setauket	Suffolk	Long Island	LIPA	Manufacturer of rolling doors and windows	30	16	26	10	\$878,000	(1), (2), (4)	7
7	Astro Electroplating, Inc.	Bay Shore	Suffolk	Long Island	LIPA	Manufacturer of metallic coatings	70	36	38	12	\$750,000	(1), (2), (4)	7
8	Optima Foods, Inc.	Deer Park	Suffolk	Long Island	LIPA	Distributor of food products	200	100	46	10	\$1,000,000	(1), (2), (4)	7
	Long Island Region Sub-totals:							152	0	32	\$2,628,000		

Expansion-Based Totals

152	0	32	\$2,628,000
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Retention & Expansion-Based Totals

660	388	32	\$3,778,000
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- (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) Indicates a retention-based allocation recommendation
- (4) Indicates an expansion-based allocation recommendation
- (5) 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 Recommended for RNY Power Allocation □

Exhibit "D"
July 25, 2016

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	BioBAT, Inc.	Brooklyn	Kings	New York City	CONED	Provides biotechnology incubator space	1) The applicant's power demand fluctuates significantly due to standard operating conditions and therefore an RNY allocation based on such fluctuating power demand would be unlikely to have a meaningful impact on the applicant's operating costs particularly during times of reduced demand. 2) The applicant itself can only commit to a small number of direct jobs due to the nature of its business. Other persons working at the facility would be employed by organizations renting out incubator space and would not be subject to long term commitments by the applicant.
2	Globe Metallurgical, Inc.	Niagara Falls	Niagara	Western New York	NGRID	Silicon metal smelting	The applicant is currently receiving a hydropower allocation under NYPA's Replacement Power (RP) program. While it has applied for an RNY expansion allocation, the applicant has not committed to create new jobs to support its RNY Power application. Rather, it seeks to support this application with the same jobs that are already part of the commitment it made to secure its RP allocation. In addition, the Authority recently took compliance action against this applicant in connection with its failure to satisfy job commitments made in connection with its RP allocation. Staff's investigation based on information supplied by the applicant determined that no basis existed to believe that the applicant was in a position to create new jobs in the near future.

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

Exhibit "E"
 July 25, 2016

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	Cosmoledo LLC	Bronx	Bronx	New York City	CONED	Commercial bakery	Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.
2	Long Island LGBT Health and Human Services Network	Patchogue	Suffolk	Long Island	LIPA	Workforce development and training	Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.

4. **Transfer of Recharge New York Power Allocations and Adjustments to Job Commitments**

SUMMARY

The Economic Development Power Allocation Board ("Board") is requested to approve the (i) transfers of Recharge New York ("RNY") Power allocations, and (ii) other recommended actions, listed below, subject to the conditions indicated.

1. Adjustment of employment commitments of Corning, Inc. ("Corning") which relate to three Recharge New York ("RNY") Hydropower allocations used by Corning at three Corning facilities, in order to reflect changes in Corning's business operations.
2. Transfer of three RNY Power allocations from HSBC USA, Inc., a holding company, to a subsidiary, HSBC Bank USA, National Association, formed by HSBC USA, Inc. to conduct the company's business at three facilities at which the allocations are used.
3. Adjustment of employment commitments of Indium Corporation's ("Indium") relating to two RNY Hydropower allocations which Indium uses at two facilities, in order to accommodate the relocation of employees due to changing business demands and manufacturing consolidations.
4. Transfer of a 270 kW RNY Power allocation from Jasco Tools Inc. to Jasco Tools, LLC, in order to address ownership and organizational changes.
5. Transfer of a 320 kW RNY Power allocation from John Hassall, Inc. to John Hassall, LLC, a subsidiary of Novaria Group LLC., in order to address ownership and organizational changes.
6. Adjustment of employment commitments of Kaleida Health relating to two RNY Hydropower allocations Kaleida Health uses at medical facilities in North Tonawanda and Buffalo, in order to address changes in patient care needs and business operations.
7. Transfer of a 350 kW RNY Power allocation from Lawrence Ripak Co., Inc. to Magellan Aerospace Processing, Long Island, Inc., in order to address the acquisition of Lawrence Ripak Co., Inc.

The aforementioned allocations and existing employment commitments are addressed in contracts between these entities and the Power Authority of the State of New York ("Authority").

DISCUSSION

1) Corning Inc.

Corning operates three facilities with RNY allocations in the Corning, NY area supported by RNY Hydropower allocations. Specifically, Corning purchases: (1) a 1,478 kW RNY Hydropower allocation for use at its Business Services facility at 1 Riverfront Plaza, Corning, NY, with an associated employment commitment of 2,638 jobs ("Business Services"); (2) a 3,545 kW RNY Hydropower allocation for use at its Sullivan Park campus facility in Painted Post, NY, with an associated employment commitment of 1,783 jobs ("Sullivan Park"); and (3) a 4,183 kW RNY Hydropower allocation for use at its Corning Environmental Technologies facility located in Painted Post, NY, with an associated employment commitment of 1,600 jobs ("CET") (collectively, the "Corning Facilities").

Corning has stated that in striving to maximize its manufacturing and real estate assets, some employees who indirectly support manufacturing activities at CET are now located at one of the other two

Corning Facilities. As a result, Corning is requesting to re-align its employment commitments between the three Corning Facilities as follows: (1) adding 165 employees to its job commitment at Business Services for a new commitment of 2,803 jobs; (2) adding 115 jobs to Sullivan Park's job commitment for a new commitment of 1,898 jobs; and (3) reducing the job commitment for CET by 280 positions (i.e., the net additions to Business Services and Sullivan Park). The employment commitment adjustments would not result in a change in the total overall employment commitment for the Corning Facilities, and the power utilization and capital investment commitments would not change.

2) HSBC USA, Inc.

HSBC USA, Inc., is a banking and financial services firm. It purchases the following three RNY Power allocations to support operations at the facilities indicated: (1) 440 kW for Buffalo; (2) 356 kW for Depew; and (3) 800 kW for Manhattan. It requests that the three RNY Power allocations be transferred to a subsidiary, HSBC Bank USA, National Association ("HSBC Bank USA"), which was formed to represent the HSBC brand at these locations. HSBC Bank USA, National Association would honor all terms and commitments associated with the allocations.

3) Indium Corporation

Indium manufactures electronic assembly materials at several facilities in the Utica, NY area. Indium purchases a 60 kW RNY Hydropower allocation for use at its 1676 Lincoln Avenue facility ("Lincoln Avenue Facility"), with an associated employment commitment of 46 jobs. It also purchases a 135 kW RNY Hydropower allocation for use at 111 Business Park Drive facility ("Business Park Facility"), with an associated employment commitment of 66 jobs.

Due to changing business demands and manufacturing consolidations, Indium has relocated employees from the Lincoln Avenue Facility to its Business Park Facility. The company is also continuing to invest in its facilities to expand capabilities with most of the growth at the Business Park Facility. As a result, the company is requesting to adjust its employment commitments as between these facilities. In addition, it expects to also increase its total employment commitment by over 40%. Accordingly, Indium requests a reduction to the Lincoln Avenue Facility employment commitment by 6 jobs for a new commitment of 40 jobs, and an increase of 54 jobs to its employment commitment at the Business Park Facility to a new employment commitment of 120 jobs, for a net increase in the total overall job commitment between the two facilities of 48 jobs. The power utilization and capital investment commitments would not change for either facility.

4) Jasco Tools Inc.

Jasco Tools Inc. manufactures precision tools for the automotive, defense and aerospace industries. It receives a 270 kW RNY Power allocation to support operations at its Rochester, New York facility. Recently, the company was acquired by ARCH Global Precision Company, which changed the business organization structure of Jasco to an LLC, resulting in a new entity named Jasco Tools, LLC. ARCH and Jasco request that the 270 kW RNY Power allocation be transferred to Jasco Tools, LLC, which would continue to operate the Jasco business at the Rochester facility. Jasco Tools, LLC would take the transfer subject to existing terms and conditions, including supplemental commitments that were applicable to Jasco Tools, Inc. under its RNY Power agreement with the Authority.

5) John Hassall Inc.

John Hassall, Inc., a customer with a 320 kW RNY Power allocation located in Westbury, New York, manufactures high technology specialty metal fasteners used in the aerospace, automotive, and medical industries. Recently, the company was acquired by Novaria Group, LLC, which changed the business organization structure of John Hassall to a limited liability company, John Hassall, LLC. Novaria and John Hassall request that the 320 kW RNY Power allocation be transferred to John Hassall, LLC which would continue to operate the John Hassall business at the Westbury facility. John Hassall, LLC would take the transfer subject to existing terms and conditions, including supplemental commitments, applicable to John Hassall, Inc. under its RNY Power agreement with the Authority.

6) Kaleida Health

Kaleida Health operates the DeGraff Memorial Hospital ("DeGraff"), 445 Tremont Street, North Tonawanda and Buffalo General Medical Center ("BGMH"), 100 High St in Buffalo, New York. Kaleida Health purchases a 168 kW RNY Hydropower allocation for use at DeGraff which has an associated employment commitment of 450 jobs, and an 870 kW RNY Hydropower allocation for use at BGMH which has an associated employment commitment of 2,535 jobs.

Kaleida Health, which also operates the Women & Children's Hospital of Buffalo and the Millard Fillmore Suburban Hospital in Williamsville, has stated that employment at each facility fluctuates based on patient volume. Additionally, due to recent changes in health care delivery DeGraff, a small community hospital, has shifted its focus providing less of the traditional acute inpatient care to more lower-cost outpatient care. As a result, Kaleida Health is requesting to adjust its employment commitments between the DeGraff and Buffalo facilities by reducing the DeGraff employment commitment by 72 jobs for a new commitment of 378 jobs, and increasing the BGMH employment commitment by 72 for a new job commitment of 2,607 jobs. The power utilization and capital investment commitments would not change for either facility.

7) Lawrence Ripak Co., Inc.

Lawrence Ripak Co., Inc. ("Ripak"), a company with a 350 kW RNY Power allocation, located in West Babylon, is engaged in surface treatments (painting, anodizing, plating, etc.) and non-destructive testing of parts (magnetic particle inspection, x-ray, ultrasonic testing, penetrant inspection, etc.) for the aerospace industry. In late 2015, Magellan Aerospace Processing, Long Island, Inc. acquired substantially all of the assets of Ripak. The parties have requested that the 350 kW RNY Power allocation be transferred to Magellan Aerospace Processing, Long Island, Inc. for its use at the West Babylon facility. Magellan Aerospace Processing, Long Island, Inc. will agree to honor all terms and commitments of Ripak under its RNY Power contract.

RECOMMENDATION

Staff recommends that the Board approve the transfers relating to the allocations of HSBC USA, Inc., Jasco Tools Inc., John Hassall, Inc., and Lawrence Ripak Co., Inc. discussed above, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in

the base employment levels or capital investment commitments due to the transfers as provided for above; 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.

Staff further recommends that the Board approve the adjustments to the employment commitments for Corning, Inc., Indium Corporation and Kaleida Health as discussed above, subject to the following conditions: (1) approval of the adjustments by the Authority; and (2) the adjustments are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate such adjustments.

Chairman Hoyt invited Mr. Keith Hayes, Vice President of Marketing, to present the Transfer of Recharge New York power allocations to the Board.

Mr. Hayes provided highlights of staff's recommendation to the Board. He said staff is requesting that EDPAB recommend that the Authority's Trustees approve the transfer of RNY power allocations or employment commitments for eight customers experiencing business changes necessitating such transfers.

In response to a question from Chairman Hoyt, Mr. Hayes said HSBC is only transferring the allocation to its corporate subsidiary; this action does not impact employment in any way.

In response to a question from Trustee Nicandri, Mr. Hayes said the State Comptroller's audit and issues presented in that Report concerning these programs have not been finalized; consequently, there are no effected changes to the Program at this time.

Upon motion made by Member Eugene Nicandri and seconded by Member George Maziarz, staff's recommendation was unanimously approved by the Board.

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

RESOLVED, That the Economic Development Power Allocation Board ("Board") approves the adjustment of employment commitments relating to the 1,478 kW RNY Hydropower allocation, 3,545 kW RNY Hydropower allocation, and 4,183 kW RNY Hydropower allocation awarded to Corning, Inc., for use at its facilities at 1 Riverfront Plaza, Corning, Sullivan Park campus, and Corning Environmental Technologies facility, Painted Post, New York, as described in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Power Authority of the State of New York ("Authority") to effectuate such adjustment; and be it further

RESOLVED, That the Board approves the transfer of the 440 kW RNY Power allocation, 356 kW RNY Power allocation, and 800 kW RNY Power allocation awarded to HSBC USA, Inc. for its use at its facilities in Buffalo, Depew, and Manhattan, New York, respectively, to HSBC Bank USA, National Association for its use at the same facilities, as described in the Attached Memorandum, subject to (i) such conditions as set forth in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Authority to effectuate such transfer; and be it further

RESOLVED, That the Board approves the adjustment of employment commitments relating to the two RNY Hydropower allocations awarded to Indium Corporation for its use at its facilities at 1676 Lincoln Avenue and 111 Business Park Drive, Utica, New York, as described in the Attached Memorandum, subject to (i) such conditions as set forth in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Authority to effectuate such adjustment; and be it further

RESOLVED, That the Board approves the transfer of the 270 kW RNY Power allocation awarded to Jasco Tools, Inc. for its use at its facility in Rochester, New York, to Jasco Tools, LLC for its use at the same facility, as described in the Attached Memorandum, subject to (i) such conditions as set forth in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Authority to effectuate such transfer; and be it further

RESOLVED, That the Board approves the transfer of the 320 kW RNY Power allocation awarded to John Hassall, Inc. for its use at its facility in Westbury, New York, to John Hassall, LLC, as described in the Attached Memorandum, subject to (i) such conditions as set forth in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Authority to effectuate such transfer; and be it further

RESOLVED, That the Board approves the adjustment the employment commitments relating to 168 kW RNY Hydropower allocation and 870 kW RNY Hydropower allocations awarded to Kaleida Health for its use at DeGraff Memorial Hospital in North Tonawanda and Buffalo General Medical Center in Buffalo, respectively, as described in the Attached Memorandum, subject to (i) such conditions as set forth in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Authority to effectuate such adjustments; and be it further

RESOLVED, That the Board approves the transfer of the 350 kW RNY Power allocation awarded to Lawrence Ripak Co., Inc. for its use at its facility in West Babylon, New York, to Magellan Aerospace Processing, Long Island, Inc., for its use at the same facility, as described in the Attached Memorandum, subject to (i) such conditions as set forth in the Attached Memorandum, and (ii) the terms of any contract documents prepared by the Authority to effectuate such transfer.

Other Business

No other business to report.

5. **Next Meeting**

Chairman Hoyt said that the next meeting of the Board will be held on Monday, September 26, 2016 at 10:00 a.m.

Closing

Upon motion made by Member George Maziarz and seconded by Member Robert Catell, the meeting was adjourned by Chairman Hoyt at approximately 10:20 a.m.