



ANDREW M. CUOMO
Governor

NY State Economic Development Power Allocation Board

ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD

MINUTES

December 10, 2018– 11:30 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
Silver Law Office, 44 Court Street, Canton, NY*

1. Approval of the December 10, 2018 Proposed Meeting Agenda
2. Approval of the Minutes of the Meeting of September 26, 2018
3. Adoption of the 2019 Proposed Meeting Schedule
4. Recharge New York Power Program – New Allocations
5. Recharge New York Power Allocation Extensions
6. Extension of the Economic Development Plan
7. Transfer of RNY Power and RNY Hydropower Allocations

OTHER BUSINESS

8. 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) Silver Law Office, 44 Court Street, Canton, NY

The following Members of the Board were present:

Eugene L. Nicandri, Chair
Dennis Trainor, Member
Andrew Silver, Member

Also in attendance were:

| | |
|-------------------|---|
| Karen Delince | Vice President & Corporate Secretary, NYPA |
| Keith Hayes | Vice President of Economic Development, NYPA |
| Gerard McLoughlin | Manager Business Power Allocations & Compliance, NYPA |
| Yale Brown | Business Power Allocations & Compliance, Analyst II, NYPA |
| Lorna Johnson | Senior Associate Corporate Secretary, NYPA |
| Sheila Quatrocci | Associate Corporate Secretary, NYPA |

Introduction

Chair Nicandri welcomed 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 Dennis Trainor and seconded by Member Andrew Silver, the Agenda for the December 10, 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 Member Eugene Nicandri, the Minutes of the Meeting held on September 26, 2018 were unanimously approved.

3. Adoption of the 2019 Schedule of EDPAB Meetings

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the 2019 Schedule of Meetings was adopted.

2019 Schedule of EDPAB Meetings

| | |
|--------------------|------------|
| January 23, 2019 | 10:00 a.m. |
| March 4, 2019 | 10:00 a.m. |
| May 20, 2019 | 10:00 a.m. |
| July 15, 2019 | 10:00 a.m. |
| September 24, 2019 | 10:00 a.m. |
| December 9, 2019 | 10:00 a.m. |

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

RESOLVED, That the schedule of EDPAB Meetings for the year 2019, as set forth in the foregoing memorandum of the Vice President & Corporate Secretary, be, and hereby is, approved.

4. **Recharge New York Power Program – New 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/or not-for-profit corporations to the entities listed in Exhibit “C”;
4. determine that the applicants or projects listed in Exhibit “D” are ineligible for an allocation of RNY Power;
5. determine that the applicants listed in Exhibit “E” will not be recommended for an allocation of RNY Power; and
6. terminate the application review process for the applicants listed in Exhibit “F”.

The Board is further requested to recommend that, in addition to any other terms and conditions that the Authority determines in its discretion to be appropriate for the sale of any allocations recommended herein (“Allocations”), such terms and conditions include:

- (1) provisions for effective periodic audits of the customer for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an Allocation if the holder fails to maintain mutually agreed upon commitments, relating to, among other things, employment levels, power utilization, capital investments, and/or energy efficiency measures;
- (2) a requirement that the customer (a) undertake at its own expense an energy audit of its facilities at which the allocation is consumed at least once during the term of the allocation absent good cause, and (b) provide the Authority with a copy of any such audit or, at the authority's option, a report describing the results of such audit, and provide documentation requested by the Authority relating to the implementation of any efficiency measures at the facilities; and
- (3) an agreement by the customer to make its facilities available for energy audits and related assessments that the Authority desires to perform, if any, and provide information requested

by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

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 7 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 criteria set forth in the governing statutes ("RNY Statutes"): The statutory criteria are listed in Exhibit "G" to this memorandum.

RNY Power allocations have been awarded by the Trustees on twenty prior occasions spanning from April 2012 through August 2018. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business "expansion" purposes, 87.1 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, 6.6 MW remain unallocated. Of the remaining RNY Power made available pursuant to Chapter 60, 69.6 MW remain unallocated.

These figures reflect Trustee actions on RNY Power applications taken prior to any recommendations that EDPAB makes today.

An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power assuming that the Authority concurs with EDPAB and makes an allocation award.

DISCUSSION

For the current round of recommendations, Authority staff has reviewed applications seeking RNY Power allocations. Exhibits "A", "B" and "C" list, among other things, a description of the applicant and its business, the amount of the allocation requested, the amount of the allocation recommended, the jobs that would be created and/or retained, the proposed capital investment, and the proposed allocation term. Based on the evaluation of the criteria listed in Exhibit "G", the applications were scored and ranked.

In arriving at recommendations 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.

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 7 years unless otherwise indicated. The Authority's RNY Power sale contract form contains provisions addressing such matters as:

- supplemental commitments by the customer relating to job creation, capital investments and power usage;
- 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;
- 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; and

- an agreement by the customer to make its facilities available for energy audits and related assessments that the Authority desires to perform, and provide information requested by the Authority relating to energy efficiency and energy-related projects, programs and services

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 seek a RNY Power allocation for expansion of an existing business or a new business/ facility. Each such allocation would be for a term of 7 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 provisions previously summarized in 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/or not-for-profit applicants listed on Exhibit "C" be awarded RNY Power allocations in the amounts indicated therein. The applicants have committed to retain and/or create jobs in New York State and make capital investments in exchange for the recommended RNY Power allocations as described in Exhibit "C". The contracts for these allocations would also contain the provisions previously summarized in section 1 above.

4. Ineligibility Determinations

Based on its review of the applications of the companies listed in Exhibit "D", staff recommends that the Board determine that the applicants listed on Exhibit "D" are not eligible to receive RNY Power. The reasons for this recommendation are described in Exhibit "D" as to each applicant.

5. Applications Not Recommended for RNY Power

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

6. Termination of Application Review Process

Staff recommends that the Board terminate the application review process for the applicants for RNY Power listed in Exhibit "F" 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.

7. Recommendations on Terms and Conditions

Staff recommends that the Board recommend to the NYPA Trustees that, in addition to any other terms and conditions that the Authority determines in its discretion to be appropriate for the sale of the allocations recommended by the Board, such terms and conditions include:

- (a) provisions for effective periodic audits of the customer for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an Allocation if the business fails to maintain mutually agreed upon commitments, including those relating to employment levels, capital investments, power usage and energy efficiency measures;
- (b) a requirement that the customer undertake at its own expense an energy audit of its facilities at which the allocation is consumed at least once during the term of the allocation absence good cause, and provide the Authority with a copy of any such audit or, at the Authority's option, a report describing the results of such audit, and provide documentation requested by the authority relating to the implementation of any efficiency measures at the facilities; and
- (c) an agreement by the customer to make its facilities available for energy audits and related assessments that the authority desires to perform, if any, and provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

RECOMMENDATION

For the reasons stated above, staff recommends that the Board:

1. Recommend that the Authority Trustees award allocations of RNY Power (a) for retention purposes to the businesses listed in Exhibit "A" in the amounts indicated therein, (b) for expansion purposes to the businesses listed in Exhibit "B" in the amounts indicated therein; and (c) to the small business and/or not-for-profit applicants listed in Exhibit "C" in the amounts indicated therein.
2. Recommend that terms and conditions for the sale of any such allocations include:
 - (a) provisions for effective periodic audits of the customer for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an Allocation if the business fails to maintain mutually agreed upon commitments, including those relating to employment levels, capital investments, power usage and energy efficiency measures;

⁹_____

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

- (b) a requirement that the customer undertake at its own expense an energy audit of its facilities at which the allocation is consumed at least once during the term of the allocation absence good cause, and provide the Authority with a copy of any such audit or, at the Authority's option, a report describing the results of such audit, and provide documentation requested by the authority relating to the implementation of any efficiency measures at the facilities; and
 - (c) an agreement by the customer to make its facilities available for energy audits and related assessments that the authority desires to perform, if any, and provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.
3. Determine that the applicants listed in Exhibit "D" are ineligible to receive RNY Power allocations for the reasons discussed in Exhibit "D".
 4. Determine that the applicant(s) listed in Exhibit "E" will not be recommended for allocations of RNY Power for the reasons discussed in Exhibit "E".
 5. Determine that the application review process for the applicants listed in Exhibit "F" will be terminated for the reasons discussed in Exhibit "F".

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 foregoing memorandum of the Vice President, Economic Development (the "foregoing memorandum") in the amounts indicated therein for the reasons indicated in Exhibit "A" and the foregoing 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 foregoing memorandum in the amounts indicated therein for the reasons indicated in Exhibit "B" and the foregoing memorandum; and be it further

RESOLVED, That the Board approves that the Authority Trustees award allocations of RNY Power to the small businesses and/or not-for-profit corporations listed in Exhibit "C" to the

foregoing memorandum in the amounts indicated therein for the reasons indicated in Exhibit “C” and the foregoing memorandum; and be it further

RESOLVED, That the Board further approves that in addition to any other terms and conditions that the Authority determines in its discretion to be appropriate for the sale of the allocations approved herein such terms and conditions include:

- (1) provisions for effective periodic audits of the customer for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an Allocation if the business fails to maintain mutually agreed upon commitments, including those relating to employment levels, capital investments, power usage and energy efficiency measures;
- (2) a requirement that the customer undertake at its own expense an energy audit of its facilities at which the allocation is consumed at least once during the term of the allocation absence good cause, and provide the Authority with a copy of any such audit or, at the Authority's option, a report describing the results of such audit, and provide documentation requested by the authority relating to the implementation of any efficiency measures at the facilities; and
- (3) an agreement by the customer to make its facilities available for energy audits and related assessments that the authority desires to perform, if any, and provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

RESOLVED, That the applicants and/or projects listed in Exhibit “D” are ineligible for RNY Power for the reasons discussed in the foregoing report and Exhibit “D”; and be it further

RESOLVED, That the applicants listed in Exhibit “E” are not recommended for RNY Power for the reasons discussed in the foregoing report and Exhibit “E”; and be it further

RESOLVED, That the application review process for the applicants listed in Exhibit “F” is terminated for the reasons discussed in the foregoing report and Exhibit “F”.

Chairman Nicandri invited Mr. Keith Hayes, Vice President of Economic Development to present the Recharge New York Power Program – New Allocations item to the Board.

Mr. Hayes said staff is requesting that EDPAB recommend that the Authority’s Trustees approve 39 Recharge New York (“RNY”) large business retention, large business expansion, and small business and not-for-profit based power allocations.

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

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

Exhibit "A"
 December 10, 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 | Akoustis, Inc. | Canandaigua | Ontario | Finger Lakes | RGE | Manufacturer of bulk acoustic filters□ | 1,446 | 720 | 40 | 0 | 40 | \$3,000,000 | (1) 7 |
| | Finger Lakes Region Sub-totals: | | | | | | | 720 | 40 | 0 | 40 | \$3,000,000 | |
| 2 | Ascent Pharmaceuticals Inc. | Central Islip | Suffolk | Long Island | LIPA | Manufacturer of generic drugs□ | 1,790 | 896 | 215 | 0 | 215 | \$500,000 | (1) 7 |
| 3 | Posillico Materials, LLC | Farmingdale | Suffolk | Long Island | LIPA | Manufacturer of construction materials□ | 508 | 250 | 24 | 0 | 24 | \$2,000,000 | (1) 7 |
| 4 | Positive Promotions, Inc. | Hauppauge | Suffolk | Long Island | LIPA | Manufacturer of specialty print products | 560 | 280 | 400 | 0 | 400 | \$2,000,000 | (1) 7 |
| 5 | The Nature's Bounty Co. | Bohemia | Suffolk | Long Island | LIPA | Manufacturer of vitamins & supplements□ | 6,000 | 2,996 | 1,924 | 0 | 1,924 | \$33,000,000 | (2) 7 |
| 6 | WestRock - Southern Container, LLC | Deer Park | Suffolk | Long Island | LIPA | Manufacturer of corrugated sheets & boxes | 692 | 346 | 143 | 0 | 143 | \$1,000,000 | 7 |
| | Long Island Region Sub-totals: | | | | | | | 4,768 | 782 | 0 | 782 | \$38,500,000 | |
| 7 | Losurdo Foods, Inc. | Heuvelton | St. Lawrence | North Country | NGRID | Manufacturer of mozzarella & ricotta products□ | 538 | 266 | 60 | 0 | 60 | \$750,000 | 7 |
| | North Country Region Sub-totals: | | | | | | | 266 | 60 | 0 | 60 | \$750,000 | |

Totals

| | | | | |
|--------------|------------|----------|------------|---------------------|
| 5,754 | 882 | 0 | 882 | \$42,250,000 |
|--------------|------------|----------|------------|---------------------|

- (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.
- (2) The applicant currently receives RNY Power allocations at multiple facilities. Rather than apply for contract extensions for each site, the company has opted to apply for a new RNY allocation as a combined campus setting. The appropriate "Jobs Retained" are removed from the total as these jobs are already counted in prior RNY allocation recommendations.

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

Exhibit "B"
 December 10, 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 | Akoustis, Inc. | Canandaigua | Ontario | Finger Lakes | RGE | Manufacturer of bulk acoustic filters □ | 527 | 366 | 40 | 40 | \$50,000,000 | ⁽²⁾ | 7 |
| 2 | Creative Food Ingredients, Inc. | Perry | Wyoming | Finger Lakes | NYSEG | Commercial bakery & cookie production □ | 175 | 120 | 180 | 22 | \$4,000,000 | ⁽⁴⁾ | 7 |
| Finger Lakes Region Sub-totals: | | | | | | | | 486 | 50 | 58 | \$54,000,000 | | |
| 3 | Ascent Pharmaceuticals Inc. | Central Islip | Suffolk | Long Island | LIPA | Manufacturer of generic drugs □ | 300 | 210 | 215 | 90 | \$4,500,000 | ⁽²⁾ | 7 |
| 4 | Posillico Materials, LLC | Farmingdale | Suffolk | Long Island | LIPA | Manufacturer of construction materials □ | 1,140 | 796 | 24 | 12 | \$20,000,000 | ⁽²⁾ | |
| 5 | Positive Promotions, Inc. | Hauppauge | Suffolk | Long Island | LIPA | Manufacturer of specialty print products | 100 | 70 | 400 | 1 | \$175,000 | ⁽²⁾ | |
| 6 | United Baking Co., Inc. | Islip | Suffolk | Long Island | LIPA | Manufacturer & distributor of cookie products □ | 360 | 250 | 110 | 4 | \$3,000,000 | ⁽⁴⁾ | |
| Long Island Sub-totals: | | | | | | | | 1,326 | 25 | 107 | \$27,675,000 | | |
| 7 | Hocho Recycle Co., Limited | Horseheads | Chemung | Southern Tier | | Tire recycling & reclaimed rubber production □ | 5,500 | 3,000 | 0 | 30 | \$9,000,000 | ⁽²⁾ | 7 |
| Southern Tier Region Sub-totals: | | | | | | | | 3,000 | 0 | 30 | \$9,000,000 | | |

Totals

| | | | |
|--------------|-----------|------------|---------------------|
| 4,812 | 75 | 195 | \$90,675,000 |
|--------------|-----------|------------|---------------------|

- (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"
 December 10, 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 | Blading Services Unlimited, LLC | Canastota | Madison | Central New York | NGRID | Manufacturer of turbine blades□ | 58 | 26 | 10 | 0 | \$150,000 | (1) | 7 |
| 2 | Cortland Company, Inc. | Cortland | Cortland | Central New York | NGRID | Manufacturer of synthetic ropes & cables | 188 | 90 | 88 | 0 | \$200,000 | | 7 |
| | Central New York Sub-totals: | | | | | | | 116 | 98 | 0 | 350,000 | | |
| 3 | Central Suffolk Hospital | Riverhead | Suffolk | Long Island | LIPA | Hospital & healthcare services□ | 392 | 130 | 1,072 | 0 | \$2,000,000 | (1) | 7 |
| 4 | Enzo Biochem, Inc. | Farmingdale | Nassau | Long Island | LIPA | Life sciences & biotechnology company□ | 108 | 50 | 380 | 0 | \$7,500,000 | (1) | 7 |
| 5 | Nassau Candy Distributors, Inc. | Hicksville | Nassau | Long Island | LIPA | Manufacturer of confectionary products□ | 191 | 96 | 393 | 0 | \$2,450,000 | | 7 |
| 6 | Parrish Art Museum | Water Mill | Suffolk | Long Island | LIPA | Art museum & cultural center | 228 | 76 | 44 | 6 | \$125,000 | | 7 |
| 7 | Little Bird Chocolates Inc. | Plainview | Nassau | Long Island | LIPA | Manufacturer of specialty confections□ | 53 | 26 | 6 | 0 | \$400,000 | | 7 |
| 8 | Roman Stone Construction Company | Bay Shore | Suffolk | Long Island | LIPA | Manufacturer of precast concrete products□ | 174 | 86 | 40 | 0 | \$1,500,000 | | 7 |
| | Long Island Region Sub-totals: | | | | | | | 464 | 1,935 | 6 | 13,975,000 | | |
| 9 | Northern Westchester Hospital Association | Mount Kisco | Westchester | Mid-Hudson | CONED | Hospital & healthcare services | 2,411 | 800 | 1,405 | 0 | \$85,000,000 | (1) | 7 |
| 10 | Phelps Memorial Hospital Association | Sleepy Hollow | Westchester | Mid-Hudson | CONED | Hospital & healthcare services□ | 1,391 | 460 | 1,520 | 0 | \$50,000,000 | | 7 |
| 11 | Unlimited Tomorrow, Inc. | Rhinebeck | Dutchess | Mid-Hudson | CHUD | Manufacturer of prosthetic appliances□ | 43 | 20 | 4 | 0 | \$100,000 | (1) | 7 |
| | Mid-Hudson Region Sub-totals: | | | | | | | 1,280 | 2,929 | 0 | 135,100,000 | | |
| 12 | A. D. Bowman & Son Lumber Co., Inc. | Castle Creek | Broome | Southern Tier | NYSEG | Manufacturer of lumber products□ | 26 | 10 | 37 | 0 | \$750,000 | (1) | 7 |
| 13 | Hanehan Family Dairy, L.L.C. | Mount Upton | Chenango | Southern Tier | NYSEG | Milk production | 245 | 120 | 23 | 0 | \$1,250,000 | (1) | 7 |
| | Southern Tier Region Sub-totals: | | | | | | | 130 | 60 | 0 | 2,000,000 | | |
| 14 | Western New York Public Broadcasting Association | Buffalo | Erie | Western New York | NGRID | Public television & radio broadcasting□ | 357 | 116 | 80 | 0 | \$1,500,000 | | 7 |
| | Western New York Region Sub-totals: | | | | | | | 116 | 80 | 0 | 1,500,000 | | |

Retention-Based Totals

| | | | |
|--------------|--------------|----------|----------------------|
| 2,106 | 5,102 | 6 | \$152,925,000 |
|--------------|--------------|----------|----------------------|

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) |
|--|---|--------------|-------------|-----------------------------|-------|---|------------|-----------------------|-----------------|-------------------------|---------------------------------|----------|-----------------------|
| 15 | Blading Services Unlimited, LLC | Canastota | Madison | Central New York | NGRID | Manufacturer of turbine blades□ | 120 | 60 | 10 | 5 | \$1,570,000 | (1), (2) | 7 |
| 16 | Cortland Company, Inc. | Cortland | Cortland | Central New York | NGRID | Manufacturer of synthetic ropes & cables | 200 | 100 | 0 | 51 | \$5,327,000 | | 7 |
| Central New York Region Sub-totals: | | | | | | | | 160 | 0 | 56 | 6,897,000 | | |
| 17 | Central Suffolk Hospital | Riverhead | Suffolk | Long Island | LIPA | Hospital & healthcare services□ | 958 | 316 | 1,072 | 27 | \$68,000,000 | (1), (2) | 7 |
| 18 | Enzo Biochem, Inc. | Farmingdale | Nassau | Long Island | LIPA | Life sciences & biotechnology company□ | 100 | 50 | 380 | 60 | \$6,000,000 | (1), (2) | 7 |
| Long Island Region Sub-totals: | | | | | | | | 366 | 0 | 87 | 74,000,000 | | |
| 19 | GoPal Farm LLC | New Paltz | Ulster | Mid-Hudson | CHUD | Producer of organic dairy products□ | 150 | 76 | 0 | 73 | \$5,765,000 | | 7 |
| 20 | Northern Westchester Hospital Association | Mount Kisco | Westchester | Mid-Hudson | CONED | Hospital & healthcare services | 480 | 160 | 1,405 | 17 | \$15,000,000 | (1), (2) | 7 |
| 21 | Regent Hospitality Linen Services, LLC | Mount Vernon | Westchester | Mid-Hudson | CONED | Provider of linen cleaning services for hotels□ | 300 | 150 | 0 | 25 | \$7,000,000 | | 7 |
| 22 | Unlimited Tomorrow, Inc. | Rhinebeck | Dutchess | Mid-Hudson | CHUD | Manufacturer of prosthetic appliances□ | 35 | 16 | 4 | 15 | \$255,000 | (1), (2) | 7 |
| Mid-Hudson Region Sub-totals: | | | | | | | | 402 | 0 | 130 | 28,020,000 | | |
| 23 | Smart Phases Inc. | Plattsburgh | Clinton | North Country | NYSEG | Manufacturer of energy storage technologies | 150 | 76 | 0 | 32 | \$1,500,000 | | 7 |
| North Country Region Sub-totals: | | | | | | | | 76 | 0 | 32 | 1,500,000 | | |
| 24 | A. D. Bowman & Son Lumber Co., Inc. | Castle Creek | Broome | Southern Tier | NYSEG | Manufacturer of lumber products□ | 520 | 260 | 37 | 5 | \$1,700,000 | (1), (2) | 7 |
| 25 | Hanehan Family Dairy, L.L.C. | Mount Upton | Chenango | Southern Tier | NYSEG | Milk production | 210 | 106 | 23 | 11 | \$4,997,445 | (1), (2) | 7 |
| Southern Tier Region Sub-totals: | | | | | | | | 366 | 0 | 16 | 6,697,445 | | |

Expansion-Based Totals

| | | | |
|--------------|----------|------------|----------------------|
| 1,370 | 0 | 321 | \$117,114,445 |
|--------------|----------|------------|----------------------|

Retention & Expansion-Based Totals

| | | | |
|--------------|--------------|------------|----------------------|
| 3,476 | 5,102 | 327 | \$270,039,445 |
|--------------|--------------|------------|----------------------|

- (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 - Applicants Not Eligible

Exhibit "D"
 December 10, 2018

| Line | Company | City | County | Economic Development Region | IOU | Description | Reason |
|------|--|-------|--------|-----------------------------|-------|-----------------------------------|--|
| 1 | Great Performances/Artists as Waitresses, Inc. | Bronx | Bronx | New York City | CONED | Community kitchen training school | The applicant's business falls within EDPAB's definition of a retail business. Specifically, the applicant operates 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. |
| 2 | SUNY Maritime College | Bronx | Bronx | New York City | CONED | Institution of higher education | The applicant is a public entity and is therefore ineligible for an RNY Power allocation. |
| 3 | SUNY Maritime College | Bronx | Bronx | New York City | CONED | Institution of higher education | The applicant is a public entity and is therefore ineligible for an RNY Power allocation. |

Economic Development Power Allocation Board
 ReCharge New York Power Program
 Informational Item - Applicants/Applications Not Recommended for RNY Power Allocation □

Exhibit "E"
 December 10, 2018

| Line | Company | City | County | Economic Development Region | IOU | Description | Reason ⁽¹⁾ |
|------|------------------------|--------------|------------|-----------------------------|-------|---|---|
| 1 | 669 River Street LLC | Troy | Rensselaer | Capital District | NGRID | Incubator office space for new businesses | Specific entities within the facility that would use and receive the benefit of an RNY allocation would not have a utility account or utility grade demand meter, and therefore it would not be possible for the utility to collect demand and usage data from specific users of RNY Power. |
| 2 | Manna Fish Farms, Inc. | Hampton Bays | Suffolk | Long Island | LIPA | Open ocean aquaculture farm | The facility lacks demand metering preventing RNY Power delivery and billing. |

(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.

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

Exhibit "F"
 December 10, 2018

| Line | Company | City | County | Economic Development Region | IOU | Description | Reason |
|------|--|---------------|----------|-----------------------------|-------|---|---|
| 1 | Courier Packaging Enterprises Inc. | Brooklyn | Kings | New York City | CONED | Manufacturer of plastic bags | Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application. |
| 2 | Materion Advanced Materials Technologies and Services Inc. | Buffalo | Erie | Western New York | NGRID | Manufacturer of high-tech targets & chemicals | Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application. |
| 3 | Tessy Plastics Corp. | Baldwinsville | Onondaga | Central New York | NGRID | Manufacturer of injection molded plastics | Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application. |

EXHIBIT G
(Statutory Criteria – RNY Power Program)

- 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;
- the extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;
- the extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;
- the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;
- the applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;
- 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;
- 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;
- 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;
- 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;
- 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 New York Power Authority;
- 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
- 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 Recharge New York power allocation is requested is located.

5. Recharge New York Power Allocation Extensions

SUMMARY

The Economic Development Power Allocation Board (“EDPAB” or “Board”) is requested to recommend that the New York Power Authority (“Authority” or “NYPA”) Trustees (“Trustees”) extend each of the existing 62 allocations of Recharge New York (“RNY”) Power (“Allocation” or collectively “Allocations”) awarded to the businesses listed in Exhibit “A” for a term of 7 years. The term would commence on the expiration of each such existing Allocation, or in the Authority’s discretion, on a date to be agreed upon by the parties for a term not to exceed 7 years (collectively, the “Extended Term”).

The Board is further requested to recommend that, in addition to any other terms and conditions that the Authority determines in its discretion to be appropriate for the sale of the Allocations as extended (“Extended Allocation”), such terms and conditions include:

- (4) provisions for effective periodic audits of the customer whose Allocation is extended for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an Allocation if the holder fails to maintain mutually agreed upon commitments, relating to, among other things, employment levels, power utilization, capital investments, and/or energy efficiency measures;
- (5) a requirement that the customer whose Allocation is extended (a) undertake at its own expense an energy audit of its facilities at which the allocation is consumed at least once during the term of the allocation absent good cause, and (b) provide the Authority with a copy of any such audit or, at the authority’s option, a report describing the results of such audit, and provide documentation requested by the Authority relating to the implementation of any efficiency measures at the facilities; and
- (6) an agreement by the customer whose Allocation is extended to make its facilities available for energy audits and related assessments that the Authority desires to perform, if any, and provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

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. The RNY Power Program is codified primarily in Economic Development Law (“EDL”) § 188-a and Public Authorities Law (“PAL”) § 1005(13-a). The program makes available 910 megawatts (“MW”) of “RNY Power,” 50% of which will be provided by the Authority’s 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 7 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.

“Eligible applicant” is defined by statute 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.

RNY Power 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 has no responsibility for supplying such market power to the eligible applicant.

Under applicable law, applications for RNY Power are first considered by EDPAB. EDPAB is authorized to recommend applicants to the Authority Trustees that it believes should receive an award of RNY Power based on applicable statutory criteria and other pertinent considerations. The statutory criteria are listed in Exhibit "B" to this memorandum.

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.

Currently, there are 742 customers who have been awarded a collective total of 828 Allocations of RNY Power.

At its meeting held on September 26, 2018, EDPAB recommended that the Trustees extend 180 RNY Power allocations. These customers were among the original RNY Power applicants to receive RNY Power applications at the inception of the RNY Power program in 2012. The NYPA Trustees, at their meeting on October 2, 2018, accepted EDPAB's recommendations and authorized extensions of the 180 RNY Power Allocations.

EDPAB is now being requested to recommend that the Trustees extend an additional 62 RNY Power Allocations as listed in Exhibit "A" for customers who are also among the original RNY Power applicants to receive RNY Power allocation at the inception of the RNY Power program in 2012.

DISCUSSION

For the current round of recommendations, Authority staff has reviewed applications from 62 RNY Power customers who have filed applications requesting that their existing RNY Power allocations be extended. Exhibit "A" lists, among other things, the name of each such customer, the amount of its current RNY Power Allocation, and each customer's supplemental commitments for jobs and capital investments under its existing RNY Power contract with the Authority (the "Existing Contract"). A copy of each application has also been made available to the Board. Staff's review has included on a customer-specific basis consideration of such issues as the amount of each Allocation that would be extended, the supplemental commitments that these customers have made under their Existing Contract and are prepared to make as consideration for an extension, and the customer's compliance status under its Existing Contract, including its compliance with supplemental commitments for jobs and capital investments.

Staff has concluded that the businesses listed on Exhibit "A" which are located throughout the State bring valuable benefits to the State. In total, the Allocations listed in Exhibit "A" are supporting the retention of some 97,496 jobs and over \$4 billion in capital investments throughout New York State, and the Authority will require customers to commit to the same or substantially similar supplemental commitments for jobs and capital investments that are contained in Exhibit "A" for the Extended Term. Staff believes that an extension of each Allocation of the customers listed on Exhibit "A" is warranted and is consistent with the statutory criteria that are used to evaluate applications for an award of RNY Power which are summarized in Exhibit "B". Each Allocation that would be extended is identified in Exhibit "A". As described above, each Allocation would be extended for a term not to exceed 7 years.

In summary, EDL § 188-a (c)(2) provides that a recommendation by the EDPAB that the Authority provide a RNY Power allocation to an eligible applicant shall include: (1) the amount of the RNY Power allocation the Board is recommending should be awarded to such eligible applicant and an effective term of the allocation which shall not exceed 7 years; (2) 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 commitments, relating to such things

as employment levels, power utilization, capital investments, and/or energy efficiency measures; (3) requirements for an agreement by the recipient of an allocation undertake at its own expense an energy audit of its facilities at which the allocation is consumed modified by the authority on a showing of good cause by the recipient, and that the recipient provide the Authority with a copy of any such audit or a report describing the results of such audit; and (4) a requirement for an agreement by the recipient of an allocation to make its facilities available at reasonable times and intervals for energy audits and related assessments that the authority desires to perform. In addition, the Board's recommendation shall require that if the actual metered load at the facility where the allocation is utilized is less than the allocation, such allocation will be reduced accordingly.

If EDPAB recommends the extension of the Allocations and the NYPA Trustees accept such recommendations, the sale of the Extended Allocations would be governed by an Authority contract form that is approved by the Authority's Trustees. Consistent with EDL § 188-a (c)(2) discussed above, the contract form will contain provisions addressing such matters as effective periodic audits of the customer for the purpose of determining contract and program compliance, including supplemental commitments for jobs, capital investment and power utilization, and the partial or complete withdrawal of an RNY Power if the recipient fails to maintain mutually agreed upon commitments relating to among other things the aforementioned supplemental commitments. In addition, the contract will require that the customer perform an energy efficiency audit at its facility and provide access to the facility at the Authority's request.

RECOMMENDATION

For the reasons stated above, staff recommends that EDPAB:

- (1) Recommend to the NYPA Trustees that each of the existing 62 Allocations of RNY Power awarded to the businesses listed in Exhibit "A" be extended for a term of 7 years, to commence on the expiration of such Allocation, or at the Authority's discretion on a date to be agreed upon by the parties for a term not to exceed 7 years.
- (2) Recommend to the NYPA Trustees that, in addition to any other terms and conditions that the Authority determines in its discretion to be appropriate for the sale of the Extended Allocations, such terms and conditions include:
 - (d) provisions for effective periodic audits of the customer whose Allocation is extended for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an Allocation if the business fails to maintain mutually agreed upon commitments, including those relating to employment levels, capital investments, power usage and energy efficiency measures;
 - (e) a requirement that the customer whose Allocation is extended undertake at its own expense an energy audit of its facilities at which the allocation is consumed at least once during the term of the allocation absence good cause, and provide the Authority with a copy of any such audit or, at the Authority's option, a report describing the results of such audit, and provide documentation requested by the authority relating to the implementation of any efficiency measures at the facilities; and
 - (f) an agreement by the customer whose Allocation is extended to make its facilities available for energy audits and related assessments that the authority desires to perform, if any, and provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

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”) extend each of the existing 62 allocations of Recharge New York (“RNY”) Power (“Allocation” or collectively “Allocations”) awarded to the businesses listed in Exhibit “A” to the foregoing memorandum of the Vice President-Economic Development for a term of 7 years, to commence (1) on the expiration of each such Allocation, or (2) at the Authority’s discretion on a date to be agreed upon by the Authority and the customer for a term not to exceed 7 years; and be it further

RESOLVED, That the Board further approves that in addition to any other terms and conditions that the Authority determines in its discretion to be appropriate for the sale of the Allocations as extended (“Extended Allocations”), such terms and conditions include:

- (1) provisions for effective periodic audits of the customer whose Allocation is extended for the purpose of determining contract and RNY Power program compliance, and for the partial or complete withdrawal of an Extended Allocation if the customer fails to maintain mutually agreed upon commitments, including specifically commitments relating to, among other things, employment levels, power utilization, capital investments, and/or energy efficiency measures;
- (2) a requirement that the customer whose Allocation is extended (a) undertake at its own expense an energy audit of its facilities at which the Extended Allocation would be consumed at least once during the term of the Extended Allocation absence good cause as determined by the Authority, and (b) provide the Authority with a copy of any such audit or, at the Authority's option, a report describing the results of such audit, and provide documentation requested by the authority relating to the implementation of any efficiency measures at the facilities; and
- (3) an agreement by the customer whose Allocation is extended to make its facilities available for audits and related assessments that the authority desires to perform, if

any, and provide information requested by the authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

Chairman Nicandri invited Mr. Keith Hayes, Vice President of Economic Development to present the Recharge New York Power Allocation Extensions item to the Board.

Mr. Hayes said staff is requesting that EDPAB recommend that the Authority's Trustees approve contract extensions for 62 allocations of Recharge New York power to existing customers.

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

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

Exhibit "A"
 December 10, 2018

Retention-Based Allocations

| Line | Company | City | County | Economic Development Region | IOU | Description | Current kW Amount | kW Recommendation | Job Commitments | Capital Investment Commitment (\$) | Contract Term (years) |
|------|---|--------------------|--------------|-----------------------------|-------|--|-------------------|-------------------|-----------------|------------------------------------|-----------------------|
| 1 | 499 Syracuse City Centre, LLC | Syracuse | Onondaga | Central New York | NGRID | Restoring and renovating buildings | 30 | 30 | 2 | \$250,000 | 7 |
| 2 | Ametek Thermal Systems, Inc. | Garden City | Nassau | Long Island | LIPA | Manufactures heat exchangers for aircrafts | 420 | 420 | 165 | \$2,500,000 | 7 |
| 3 | Angiodynamics, Inc. | Glens Falls | Warren | Capital District | NGRID | Manufactures medical devices | 690 | 690 | 536 | \$250,000 | 7 |
| 4 | Anoplate Corporation | Syracuse | Onondaga | Central New York | NGRID | Provides metal plating services | 416 | 416 | 229 | \$5,000,000 | 7 |
| 5 | B. H. Aircraft Company, Inc. | Ronkonkoma | Suffolk | Long Island | LIPA | Manufactures aviation noise suppressors | 640 | 640 | 69 | \$2,000,000 | 7 |
| 6 | Bartell Machinery Systems, L.L.C. | Rome | Oneida | Mohawk Valley | NGRID | Manufacturer of industrial equipment | 186 | 186 | 149 | \$4,260,000 | 7 |
| 7 | Burton Industries Incorporated | North Babylon | Suffolk | Long Island | LIPA | Provides metal heat-treating services | 260 | 260 | 30 | \$250,000 | 7 |
| 8 | Cascades USA Inc. | Waterford | Saratoga | Capital District | NGRID | Manufactures large industrial towels | 510 | 510 | 137 | \$400,000 | 7 |
| 9 | CBS Broadcasting Inc. | New York | New York | New York City | CONED | Broadcasts radio and television | 7,350 | 7,350 | 3,479 | \$200,000,000 | 7 |
| 10 | Claxton-Hepburn Medical Center | Ogdensburg | St. Lawrence | North Country | NGRID | Hospital | 166 | 166 | 500 | \$2,500,000 | 7 |
| 11 | Clinton's Ditch Co-operative Company, Inc. | Cicero | Onondaga | Central New York | NGRID | Soft drink producer | 840 | 840 | 190 | \$4,000,000 | 7 |
| 12 | Cold Spring Harbor Laboratory Association, Inc. | Cold Spring Harbor | Nassau | Long Island | LIPA | Research facility | 1,200 | 1,200 | 985 | \$45,000,000 | 7 |
| 13 | Crescent Duck Farm, Inc. | Aquebogue | Suffolk | Long Island | LIPA | Farm | 396 | 396 | 75 | \$2,500,000 | 7 |
| 14 | Crystal Window & Door Systems, Ltd. | Flushing | Queens | New York City | CONED | Manufactures windows and doors | 356 | 356 | 300 | \$2,500,000 | 7 |
| 15 | Dab-O-Matic Corp. | Mount Vernon | Westchester | Mid-Hudson | CONED | Manufactures applicators | 130 | 130 | 75 | \$50,000 | 7 |
| 16 | Garlock Sealing Technologies LLC | Palmyra | Wayne | Finger Lakes | NYSEG | Manufactures fluid sealing products | 1,950 | 1,950 | 519 | \$10,000,000 | 7 |
| 17 | General Electric Company | Schenectady | Schenectady | Capital District | NGRID | Manufactures turbine components | 10,000 | 10,000 | 3,531 | \$18,000,000 | 7 |
| 18 | Give And Go Prepared Foods (U.S.A.) Corp. | Shirley | Suffolk | Long Island | LIPA | Manufacturer of baked goods | 900 | 900 | 160 | \$5,000,000 | 7 |
| 19 | GKN Aerospace Monitor, Inc. | Amityville | Suffolk | Long Island | LIPA | Commercial components for aerospace industry | 1,250 | 1,250 | 312 | \$9,000,000 | 7 |
| 20 | GlobalFoundries U.S. 2 LLC | Hopewell Junction | Dutchess | Mid-Hudson | CHUD | Manufactures semiconductors | 10,000 | 10,000 | 1,483 | \$250,000 | 7 |
| 21 | H.H. Dobbins, Inc. | Lyndonville | Orleans | Finger Lakes | NGRID | Produces and packages fruits and vegetables | 140 | 140 | 49 | \$400,000 | 7 |
| 22 | Hall Street Storage, LLC | Brooklyn | Kings | New York City | CONED | Cold storage facility | 86 | 86 | 20 | \$50,000 | 7 |

| | | | | | | | | | | | |
|----|--|------------------|-------------|------------------|-------|---|--------|--------|--------|---------------|---|
| 23 | Harmac Medical Products, Inc. | Buffalo | Erie | Western New York | NGRID | Manufactures and designs medical products | 350 | 350 | 235 | \$1,100,000 | 7 |
| 24 | Huntington Hospital Association | Huntington | Suffolk | Long Island | LIPA | Hospital | 330 | 330 | 1,845 | \$30,532,000 | 7 |
| 25 | International Business Machines Corporation | Yorktown Heights | Westchester | Mid-Hudson | CONED | Manufactures supercomputers | 6,036 | 6,036 | 1,555 | \$140,000,000 | 7 |
| 26 | International Business Machines Corporation | Poughkeepsie | Dutchess | Mid-Hudson | CHUD | Manufactures supercomputers | 10,000 | 10,000 | 1,042 | \$50,000,000 | 7 |
| 27 | Jaquith Industries Inc. | Syracuse | Onondaga | Central New York | NGRID | Steel Fabrication | 176 | 176 | 50 | \$750,000 | 7 |
| 28 | Lenox Hill Hospital | New York | New York | New York City | CONED | Hospital | 666 | 666 | 3,976 | \$117,170,000 | 7 |
| 29 | Linde Merchant Production LLC | Fulton | Oswego | Central New York | NGRID | Produces atmospheric gases | 1,876 | 1,876 | 6 | \$125,000 | 7 |
| 30 | Long Island Jewish Medical Center | New Hyde Park | Queens | New York City | CONED | Medical center | 1,786 | 1,786 | 7,682 | \$122,258,000 | 7 |
| 31 | Magellan Aerospace, New York, Inc. | West Babylon | Suffolk | Long Island | LIPA | Manufactures aircraft components | 330 | 330 | 136 | \$3,000,000 | 7 |
| 32 | Magellan Aerospace, New York, Inc. | Bohemia | Suffolk | Long Island | LIPA | Manufactures aircraft components | 1,200 | 1,200 | 114 | \$6,100,000 | 7 |
| 33 | Magellan Aerospace, New York, Inc. | Corona | Queens | New York City | CONED | Manufactures aircraft components | 330 | 330 | 167 | \$3,100,000 | 7 |
| 34 | Matt Brewing Co., Inc. | Utica | Oneida | Mohawk Valley | NGRID | Family-owned brewery for beer and soft drinks | 560 | 560 | 120 | \$10,000,000 | 7 |
| 35 | Memorial Sloan-Kettering Cancer Center | New York | New York | New York City | CONED | Medical center | 5,000 | 5,000 | 16,481 | \$602,552,700 | 7 |
| 36 | Morton Salt, Inc. | Silver Springs | Wyoming | Finger Lakes | NYSEG | Salt production | 1,186 | 1,186 | 155 | \$150,000,000 | 7 |
| 37 | Mount St. Mary's Hospital of Niagara Falls | Lewiston | Niagara | Western New York | NGRID | Hospital | 330 | 330 | 688 | \$3,500,000 | 7 |
| 38 | NBCUniversal Media, LLC | New York | New York | New York City | CONED | Multinational media company | 4,676 | 4,676 | 4,000 | \$350,000,000 | 7 |
| 39 | NewYork-Presbyterian/Queens | Flushing | Queens | New York City | CONED | Hospital | 666 | 666 | 3,887 | \$242,416,540 | 7 |
| 40 | North Shore University Hospital | Manhasset | Nassau | Long Island | LIPA | Hospital | 3,060 | 3,060 | 7,805 | \$394,878,000 | 7 |
| 41 | Ohel Children's Home and Family Services, Inc. | Brooklyn | Kings | New York City | CONED | Social and community services | 266 | 266 | 625 | \$10,000 | 7 |
| 42 | Omniafiltra, LLC | Beaver Falls | Lewis | North Country | NGRID | Manufactures paper | 710 | 710 | 30 | \$500,000 | 7 |
| 43 | Oneida Health Systems, Inc. | Oneida | Madison | Central New York | NGRID | Health services | 260 | 260 | 758 | \$6,000,000 | 7 |
| 44 | Oneida Molded Plastics, LLC | Oneida | Madison | Central New York | NGRID | Custom injection molding | 380 | 380 | 150 | \$750,000 | 7 |

| | | | | | | | | | | | |
|----|---|-------------------|------------|------------------|-------|---|-------|-------|--------|---------------|---|
| 45 | PCB Piezotronics, Inc. | Depew | Erie | Western New York | NYSEG | Manufactures sensors | 260 | 260 | 447 | \$1,000,000 | 7 |
| 46 | Power Pallet, Inc. | Amsterdam | Montgomery | Mohawk Valley | NGRID | Manufactures wood pallets | 116 | 116 | 134 | \$1,000,000 | 7 |
| 47 | Rebekah Rehab Assisted Living Program, Inc. | Bronx | Bronx | New York City | CONED | Health services | 140 | 140 | 170 | \$500,000 | 7 |
| 48 | Reisdorf Bros., Inc. | North Java | Wyoming | Finger Lakes | NYSEG | Manufactures and supplies farm feed | 390 | 390 | 42 | \$1,500,000 | 7 |
| 49 | Renzi Bros., Inc. | Watertown | Jefferson | North Country | NGRID | Wholesale foodservice distributor | 226 | 226 | 195 | \$2,500,000 | 7 |
| 50 | Revere Copper Products, Inc. | Rome | Oneida | Mohawk Valley | NGRID | Manufactures copper and brass products | 6,600 | 6,600 | 320 | \$24,200,000 | 7 |
| 51 | Sealing Devices Inc. | Lancaster | Erie | Western New York | NYSEG | Manufactures gaskets and seals | 110 | 110 | 165 | \$3,000,000 | 7 |
| 52 | Southside Hospital | Bay Shore | Suffolk | Long Island | LIPA | Hospital | 330 | 330 | 2,734 | \$334,394,000 | 7 |
| 53 | Staten Island University Hospital | Staten Island | Richmond | New York City | CONED | Hospital | 330 | 330 | 5,534 | \$98,500,000 | 7 |
| 54 | The Fountainhead Group, Inc. | New York Mills | Oneida | Mohawk Valley | NGRID | Manufactures air and gas compressors | 300 | 300 | 175 | \$5,000,000 | 7 |
| 55 | The Mount Sinai Hospital | New York | New York | New York City | CONED | Hospital | 2,050 | 2,050 | 21,336 | \$950,000,000 | 7 |
| 56 | UltrePET, LLC | Albany | Albany | Capital District | NGRID | Recycling business | 880 | 880 | 61 | \$2,000,000 | 7 |
| 57 | Upstate Niagara Cooperative, Inc. | West Seneca | Erie | Western New York | NYSEG | Produces dairy products | 190 | 190 | 176 | \$15,000,000 | 7 |
| 58 | Upstate Niagara Cooperative, Inc. | Buffalo | Erie | Western New York | NYSEG | Produces dairy products | 800 | 800 | 183 | \$5,000,000 | 7 |
| 59 | Upstate Niagara Cooperative, Inc. | Rochester | Genesee | Finger Lakes | RGE | Produces dairy products | 670 | 670 | 175 | \$4,000,000 | 7 |
| 60 | Veeco Instruments Inc. | Plainview | Suffolk | Long Island | LIPA | Manufactures technological equipment | 476 | 476 | 172 | \$800,000 | 7 |
| 61 | Vicks Lithograph & Printing Corp. | Yorkville | Oneida | Mohawk Valley | NGRID | Book printing | 490 | 490 | 75 | \$1,000,000 | 7 |
| 62 | Welch Allyn, Inc. | Skaneateles Falls | Onondaga | Central New York | NGRID | Manufactures medical and diagnostic devices | 1,416 | 1,416 | 900 | \$5,000,000 | 7 |

Totals

| | | | |
|--------|--------|--------|-----------------|
| 93,864 | 93,864 | 97,496 | \$4,003,296,240 |
|--------|--------|--------|-----------------|

EXHIBIT B
(Statutory Criteria – RNY Power Program)

- 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;
- the extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;
- the extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;
- the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;
- the applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;
- 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;
- 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;
- 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;
- 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;
- 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 New York Power Authority;
- 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
- 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 Recharge New York power allocation is requested is located.

6. Extension of the Economic Development Plan

SUMMARY

The Economic Development Power Allocation Board (“EDPAB” or “Board”) is requested to approve an extension of the Economic Development Plan (“Plan”) covering the use of net revenues produced by the sale of Expansion Power (“EP”) to provide electric bill discounts in the form of an Industrial Incentive Award (“IIA”) to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state. With EDPAB’s approval, the term of the Plan would be extended from June 1, 2018 to May 31, 2019.

BACKGROUND

Public Authorities Law (“PAL”) §1005 (eighth unnumbered paragraph) directs the Authority to identify “net revenues” produced by the sale of EP and, further, to identify an amount of such net revenues that will be used solely for IIAs. The New York Power Authority (“Authority”) is directed in §1005 to identify net revenues available for IIAs no less often than annually. Net revenues are defined by §1005 as any excess of revenues properly allocated to the sales of EP over costs and expenses properly allocated to such sales.

IIAs are to be made in conformance with an economic development plan covering all such “net revenues.” The Authority submits a Plan to EDPAB, pursuant to Economic Development Law (“EDL”) §188, which also provides for EDPAB’s approval of the Plan upon its determination that such Plan is consistent with, among other things, the criteria and requirements provided for in EDL §§184 and 185 that are used to evaluate applications for certain power. A copy of EDL §§ 184 and 185 is attached as Exhibit “A.”

At its October 26, 2009 meeting, EDPAB approved an Economic Development Plan that allows the use of net revenues from the sale of EP for the calendar years 2008 through and including 2016 to provide electric bill discounts to manufacturing companies located in New York State that are at identifiable risks of closing or relocating to another state.

At its May 21, 2013 meeting, the Authority’s Board of Trustees (“Trustees”) authorized an IIA to Pratt Paper (NY), Inc. (“Pratt”) upon determining that Pratt had demonstrated it met the qualifying criteria for an IIA and after careful consideration of Pratt’s business case. The Trustees approved an annual amount of up to \$1 million per year for up to five (5) years.

At its September 27, 2016 meeting, the Trustees approved an extension of the Plan to May 31, 2018 and also authorized submission of such Plan to EDPAB to request its approval of the modified Plan to cover the remainder of the five year term of the IIA to Pratt. At its December 12, 2016 meeting, EDPAB approved the extension of the Plan that allows the use of net revenues from the sale of EP to May 31, 2018.

Pratt operates a paper mill, a corrugated box factory and a sorting facility in Staten Island within Consolidated Edison’s service territory. Manufacturing processes represent a substantial portion of Pratt’s total electricity consumption; energy costs are a primary consideration for the economic viability of the plant. Pratt’s IIA, in the form of a cents per kWh price discount applied to a level of annual electric consumption, was approved subject to, among other appropriate terms and conditions:

- Reevaluation and reduction should Pratt's electric rates decline during the term of the IIA.
- The availability of EP net revenue funding for IIAs, which is in NYPA's sole discretion;
- Appropriate determination(s) by the Trustees that the funding of IIAs in any fiscal year will not have a significant impact on the Authority's finances.
- Approval of an extension of the Plan by EDPAB beyond 2016 to the extent that an IIA to Pratt would extend beyond such year.
- A reduction in the amount of the IIA if Pratt does not meet agreed-upon job commitments (256 full-time employees) at the Staten Island facility.
- An agreement providing for the IIA and which address these and other appropriate terms and conditions in a form satisfactory to the Authority.

The Authority executed an agreement with Pratt ("Agreement") providing for the terms and conditions applicable to the Pratt IIA. The Agreement provided for an initial 1-year term for the IIA and an extension of the IIA for 4 subsequent 1-year terms at the Authority's discretion subject to conditions specified in the Agreement. As approved by the Trustees and in accordance with the Agreement, Pratt was eligible to receive up to \$1 million for each year and has received \$1 million for each year of the IIA for a total of \$5 million.

At the completion of each annual term, a compliance review and due diligence was performed on the terms and conditions of the Agreement prior to offering each subsequent annual term. Pratt has been compliant for each annual term, most recently employing an average of 256 persons at its facility during the fifth and final annual term ending May 31, 2018.

DISCUSSION

As the fifth and final year of the IIA drew to a close this May, Pratt requested an extension of the IIA. Upon review of Pratt's current business case, staff determined that Pratt continues to meet the IIA requirements of being a manufacturing company at risk of closing or curtailing operations, and continues to be negatively impacted by high electricity costs within Consolidated Edison service territory which threatens the economic viability of operations at its Staten Island facility. An extension of the IIA would support Pratt's ability to maintain the committed employment level of 256 jobs at its facility. NYPA and Pratt reached agreement on an offer to extend the IIA contingent upon necessary Trustee and EDPAB approvals.

At its October 2, 2018 meeting the Trustees:

- 1) approved an extension, from June 1, 2018 to May 31, 2019, of the Plan covering the use of net revenues produced by the sale of EP to provide electric bill discounts in the form of an IIAs to manufacturing companies located in New York State that are at risk of closure or relocation to another state;
- 2) authorized submission to EDPAB of a request to approve an extension of the Plan from June 1, 2018 to May 31, 2019; and

- 3) approved a one year extension, from June 1, 2018 to May 31, 2019, of the term of the IIA previously awarded to Pratt in the amount of up to \$1 million in connection with its Staten Island operations, contingent upon EDPAB's extension of the Plan as described above.

Accordingly, EDPAB is asked to approve the extension of the Plan to May 31, 2019 as requested by the Trustees.

FISCAL INFORMATION

IIAs may be paid only if sufficient net revenues are produced by the sale of EP. Given that such net revenues and associated awards are anticipated in each year's budget, extension of the Plan through May 31, 2019 to accommodate the one year extension of Pratt's IIA benefits will not have a significant impact on the Authority's finances.

RECOMMENDATION

For the reasons stated above, staff recommends that EDPAB: (1) determine that the extended Plan and its implementation are consistent with the criteria and requirements provided for in EDL §§ 184 and 185; and (2) approve an extension to May 31, 2019 of the Plan covering the use of net revenues produced by the sale of Expansion Power to provide electric bill discounts in the form of IIAs to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state.

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

RESOLVED, That the Economic Development Power Allocation Board determines that, based the foregoing report and other information referred to therein, and the criteria and requirements provided for in Economic Development Law §§ 184 and 185 (collectively, the "Criteria"), the extended Economic Development Plan ("Plan") and its implementation are consistent with the Criteria, and therefore approves the extended Plan that provides for the use of net revenues from the sale of Expansion Power through May 31, 2019, in order to provide electric bill discounts in the form of Industrial Incentive Awards to manufacturing companies in New York State that are at identifiable risk of closure or relocation to another state, and for the reasons indicated in the Foregoing report.

Chairman Nicandri invited Mr. Keith Hayes, Vice President of Economic Development to present the Extension of the Economic Development Plan.

Mr. Hayes said staff is requesting that EDPAB recommend that the Authority's Trustees approve the extension of the Economic Development Plan through May 31, 2019.

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the Extension of the Economic Development Plan, as recommended by staff, was approved by the Board.

Economic Development Law §§ 184 AND 185

§ 184. Criteria for eligibility for economic development power. Each application for an allocation of economic development power shall be evaluated under criteria adopted by the board. Such criteria shall address, but need not be limited to:

- (a) the number of new jobs created as a result of an economic development power allocation;
- (b) the applicant's long-term commitment to New York State, as evidenced by the applicant's current and/or planned capital investment in business facilities in New York State;
- (c) the ratio of the number of jobs to be created to the amount of economic development power requested by the applicant;
- (d) the types of jobs created, as measured by wage and benefit levels, security and stability of employment;
- (e) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed;
- (f) the extent to which economic development power will affect the overall productivity or competitiveness of the applicant's business and its existing employment within the state;
- (g) the extent to which an allocation of economic development power may result in a competitive disadvantage for other businesses in the state;
- (h) the general economic conditions and economic distress in the area in which the applicant's business facility would be located and the extent to which economic development power could contribute to the alleviation of such distress;
- (i) the growth potential of the business facility and the contribution of economic strength to the area in which the business facility is or would be located;
- (j) the extent of the applicant's willingness to make jobs available to persons defined as eligible for services under the federal job training partnership act of nineteen hundred eighty-two and the extent of the applicant's willingness to satisfy affirmative action goals;
- (k) the extent to which an allocation of economic development power is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located; and
- (l) the impact of the allocation on the operation of any other facilities of the applicant, on other businesses within the state, and upon other electric ratepayers.

§ 185. Revitalization programs. In addition to the criteria described in section one hundred eighty-four of this article and such other criteria as the board may by rule or regulation define, an economic development power allocation may be made to a business in serious, long-term distress that is not primarily caused by normal, short-term changes in the business cycle, when the applicant demonstrates to the satisfaction of the board:

(a) that the applicant has formulated and will implement a comprehensive business revitalization plan which is described in its application, and which:

(1) contains a detailed strategy for actions to be taken by the applicant to continue as a successful business, including, but not limited to, productivity and efficiency improvements, changes in operations, financing or management, measures to enhance labor and management cooperation and to improve the skills and performance of the work force at all levels, capital investment in new equipment and plant modernization, development of new markets and products, and such other actions as will enable the business to stabilize and sustain its operations;

(2) has been endorsed by the board of directors; and

(3) establishes a verifiable schedule for completion of proposed actions;

(b) that an allocation of economic development power will significantly contribute to the revitalization plan;

(c) that the business is likely to close, partially close or relocate out of state resulting in the loss of substantial numbers of jobs;

(d) that the business is an important employer in the community and efforts to revitalize the business are in the long-term interests of both employees and the community;

(e) that a reasonable prospect exists that the proposed revitalization plan will enable the business to remain competitive and become profitable and preserve jobs for a substantial period of time;

(f) that the applicant demonstrates cooperation with the local electricity distributor and other available sources of assistance to reduce energy costs to the maximum extent practicable, through conservation and load management; and

(g) that the allocation will not unduly affect the cost of electric service to customers of the local electricity distributor.

7. Transfer of RNY Power and RNY 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 1,800 kilowatt (“kW”) Recharge New York (“RNY”) Power allocation from Fresh Direct, LLC to a related company, Fresh Property Bronx, LLC, for use at facilities located at 2 St. Ann’s Avenue, Bronx, New York, in order to address internal corporate organizational changes.
2. Transfer of a 1,000 kW RNY Hydropower allocation awarded to RED-Rochester, LLC for use at a facility located at 210 West Ridge Road, Rochester, New York to a facility located at 1200 Ridgeway Avenue, Rochester, New York.
3. Transfer of a 416 kW RNY Power allocation from Ward Lumber Company, Inc. to Ward Pine Mill, Inc. to address corporate organizational changes.

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) Fresh Direct, LLC

Fresh Direct, LLC (“Fresh Direct”) is a direct-to-consumer New York City-based internet grocer that delivers a full line of grocery products to consumers throughout the New York City metropolitan area. Fresh Direct, which operates out of a facility located at 2 St. Ann’s Avenue, Bronx, New York has a pending 1,800 kW RNY Power allocation for use at this facility.

Shortly after Fresh Direct applied for the RNY Power allocation, the parent-owner of the business, Fresh Direct Holdings, Inc., created a limited liability company named Fresh Property Bronx, LLC (“Fresh Bronx”) in order to own and run the Bronx-based operations.

The Fresh Direct entities request a formal transfer of the 1,800 kW RNY Power allocation to Fresh Bronx. Fresh Bronx would be subject to the same terms and conditions that have been approved by the Board of Trustees for Fresh Direct.

2) RED-Rochester, LLC

RED-Rochester, LLC (“RED-Rochester”) provides the utilities for the entire Eastman Business Park, the largest technology and industrial park east of the Mississippi river. In this role, it has converted an old coal-fired power plant to natural gas and upgraded to a high efficiency boiler, and upgraded all the utility delivery systems in the technology and industrial park. The company has a 1,000 kW RNY Hydropower allocation with an associated employment commitment of 70 jobs.

The company was operating out of temporary facilities located at 210 West Ridge Road in Rochester, which is the site originally approved to receive the RNY Hydropower allocation. However, the

company has since moved to long-term facilities located at 1200 Ridgeway Avenue in Rochester. RED-Rochester requests that the allocation be transferred to the 1200 Ridgeway Avenue facility. The company would continue to honor all commitments related to the 1,000 kW RNY Hydropower allocation, including supplemental commitments for employment, power utilization and capital investment.

3) Ward Lumber Company, Inc.

Ward Lumber Company, Inc. ("Ward") has operated one of the largest white pine sawmills and planer mills (collectively, "Mill Operation") in New York State at facilities located at 702 Glen Road, Jay, New York. Ward was awarded a 416 kW RNY Power allocation for use at the 702 Glen Road location. The allocation has an associated employment commitment of 35 jobs.

Ward has reorganized has split off the Mill Operation. The Mill Operation is now operated by an affiliated company named Ward Pine Mill, Inc. ("WPM").

Ward requests that the 416 kW RNY Power allocation be transferred to WPM for use at the 702 Glen Road location to continue to support the Mill Operation. WPM would agree to honor all commitments, including the employment, power utilization and capital investment commitments associated with this allocation.

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.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

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

RESOLVED, That the transfer of the 1,800 kilowatt ("kW") Recharge New York ("RNY") Power allocation awarded to Fresh Direct, LLC for its use at its facility at 2 St. Ann's Avenue, Bronx, New York, to Fresh Property Bronx, LLC, 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 1,000 kW RNY Hydropower allocation awarded to RED-Rochester LLC for its use at its facility at 210 West Ridge Road in Rochester, New York, to its facility at 1200 Ridgeway Avenue in Rochester, 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 416 kW RNY Power allocation awarded to Ward Lumber Company, Inc. for use at its facility located at 702 Glen Road, Jay, New York, to Ward Pine Mill, Inc. for use at the same 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, Vice President of Economic Development to present the Transfer of RNY Power and RNY Hydropower Allocations.

Mr. Hayes said staff is requesting that EDPAB recommend that the Authority's Trustees approve the transfers of Recharge New York power allocations to three customers, each of whom are experiencing business change necessitating such transfers.

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the Extension of the Economic Development Plan, as recommended by staff, was approved by the Board.

Other Business

No other business to report.

8. **Next Meeting**

Chair Nicandri said that the next meeting of the Board would be held on Wednesday, January 23, 2019 at 10:00 a.m. via videoconference.

Closing

Upon motion made by Member Dennis Trainor and seconded by Member Andrew Silver, the meeting was adjourned by Chair Nicandri at approximately 11:50a.m.