



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

May 22, 2018

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Minutes of the Regular Meeting of the Power Authority of the State of New York held via video conference at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York at approximately 9:40 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Tracy McKibben
Michael A.L. Balboni
Dennis G. Trainor
Anthony J. Picente, Jr. - CEC

Dr. Anne Kress - Excused

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Joseph Kessler	Executive Vice President and Chief Operating Officer
Robert Lurie	Executive Vice President and Chief Financial Officer
Jenny Liu	Acting Executive Vice President - Commercial Operations
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Robert Piascik	Senior Vice President and Chief Information Officer
Angela Gonzalez	Senior Vice President – Internal Audit
Kimberly Harriman	Senior Vice President – Public & Regulatory Affairs
Kristine Pizzo	Senior Vice President – Human Resources
Karen Delince	Vice President and Corporate Secretary
John Canale	Vice President – Strategic Supply Management
Keith Hayes	Vice President – Economic Development
Joseph Leary	Vice President – Community & Government Relations
Doug McMahon	Vice President – Strategy
Daniella Piper	Vice President – Digital Transformation Office / Acting Chief of Staff
Ethan Riegelhaupt	Vice President – Corporate Communications
John Markowitz	Lead Energy Services Product Development Engineer
Raj Diwan	Manager – Strategy, Planning and Delivery
Mary Cahill	Manager – Executive Office
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Senior Assistant Corporate Secretary
Matthew Lichtash	Strategy and Executive Office Specialist - Digital Transformation Office
Paul DeMichele	Media Relations Specialist II
Catherine Kassenoff	Special Counsel - Ethics, Risk & Compliance
Zachary Frieden	Intern - Media Relations
Pablo Illanes	Partner – McKinsey & Company, Inc.
Rohan Saharia	Associate – McKinsey & Company, Inc.
Humayun Tai	Associate – McKinsey & Company, Inc.

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Koelmel welcomed the Trustees and staff members who were present at 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 Authority's Bylaws, Article III, Section 3.

1. **Adoption of the May 22, 2018 Proposed Meeting Agenda**

Upon motion made by Trustee Balboni and seconded by Trustee McKibben, the meeting Agenda was adopted.

Conflicts of Interest

Trustee Balboni declared a conflict as indicated below and said he would not participate in the discussion or vote as it relates to that matter.

- **Oracle America, Inc. (Item #4c i)**

Chairman Koelmel, Vice Chairman Nicandri and Trustees Picente, McKibben and Trainor declared no conflicts of interest based on the list of entities previously provided for their review.

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

Mr. Chairman, I move that the Board conduct an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105f of the Public Officers Law. Upon motion made by Trustee Trainor and seconded by Vice Chairman Nicandri, the members held an executive session.

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

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the meeting resumed in Open Session.

Chairman Koelmel said no votes were taken during the Executive Session.

4. CONSENT AGENDA:

Upon motion made by Trustee Balboni and seconded by Trustee Trainor, the members approved the Consent Agenda.

a. **Governance Matters:**

i. **Approval of the Minutes**

The Minutes of the Annual Meeting held on March 20, 2018 were unanimously adopted.

b. Power Allocations & Fund Benefits:

i. Hydropower Allocation - Contract for the Sale of Replacement Power - Transmittal to the Governor

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to:

- 1) Approve the proposed final contract ('Contract') for the sale of 4,000 kilowatts ('kW') of Replacement Power ('RP') to Moog Inc. ('Moog' or 'Company') in accordance with Public Authorities Law ('PAL') §1009, the terms of which are summarized below and in Exhibit '4b i-A.'
- 2) Authorize transmittal of the Contract to the Governor for his review and requested authorization for the Authority to execute the Contract pursuant to PAL §1009.

The Contract is attached as Exhibit '4b i-B.'

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 250 megawatts ('MW') of Expansion Power ('EP') and 445 MW of RP (collectively, 'WNY Hydropower') to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county. Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 490 MW of Preservation Power to businesses located in Jefferson, Franklin and St. Lawrence Counties.

As required by PAL §1009, when the Authority has reached agreement with its co-party on a power sale contract, it is required to transmit the proposed contract to the Governor and other elected officials and hold a public hearing on the proposed contract. At least 30-days' notice of the hearing must be given by publication once in each week during such period in each of six selected newspapers. Following the public hearing, the contract may be modified, if advisable.

Upon approval of the final proposed contract by the Authority, the Authority 'reports' the proposed contract, along with its recommendations and the public hearing record, to the Governor and other elected officials. Upon authorization of the Governor, the Authority may execute the contract.

DISCUSSION

At their meeting on September 26, 2017, the Trustees awarded a 4,000 kW RP allocation to Moog, as described in Exhibit '4b i-A.' At that meeting, the Trustees also authorized a public hearing on the proposed Contract for the sale of this allocation to Moog pursuant to PAL §1009.

In summary:

- The Contract before the Board would provide for the sale of the allocation to the Company under a direct sale arrangement.
- Transmission and delivery service would be provided by the Company's local utility in accordance with the utility's Public Service Commission-filed delivery service tariff.
- The Contract would provide for the direct billing of all production charges (*i.e.* demand and energy) as well as all New York Independent System Operator, Inc. charges, plus taxes or

any other required assessments, as set forth in the Trustee approved Service Tariff No. WNY-1.

- The Contract includes the Company's agreed-upon commitments with respect to employment, power utilization and capital investments. The Authority would retain the right to reduce or terminate the allocation if employment, power utilization, or capital investment commitments are not met.
- The Contract provides for the sale of additional allocations of WNY Hydropower to the Company in appropriate circumstances by incorporating new allocations into Schedule A of the Contract. The Trustees approved this convention in the 2010 long-term extension contract for hydropower, which simplifies contract administration.
- To accommodate non-payment risk that could result from the direct billing arrangement with the Authority, the Contract includes commercially reasonable provisions concerning, among other things, the ability to require deposits in the event of a customer's failure to make payment for any two monthly bills. This is consistent with broader Authority contract template changes that incorporate direct billing, including the Authority's Recharge New York contract forms.
- The Contract requires the Company to perform an energy efficiency audit at least once within five years at the facility receiving the low-cost power to help ensure the hydropower is utilized as effectively as possible.
- The Contract provides for collection of a Zero Emission Credit Charge and a Renewable Energy Credit Charge to allow the Authority to recover costs it would incur relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the load of the Company.

The Authority has discussed the Contract with Moog and has received its consent to the Contract. The Company has also acknowledged application of the appropriate tariff, discussed above, to the allocation.

A public hearing on the Contract was held on February 15, 2018 at the Power Vista Visitors Center at the Niagara Power Project in Lewiston. No oral statements were given at the public hearing and no written statements were received by the Authority. The official transcript of the public hearing is attached as Exhibit '4b i-C.' Staff has not identified any substantive changes to the Contract as a result of the public hearing process.

RECOMMENDATION

The Manager – Power Contracts recommends that the Trustees approve the Contract for the sale of 4,000 kW of Replacement Power to Moog and authorize the transmittal of the Contract to the Governor for his review and to seek his authorization for the Authority to execute the Contract pursuant to PAL §1009.

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

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

RESOLVED, That the contract (“Contract”) for the sale of 4,000 kilowatts (“kW”) of Replacement Power to Moog Inc. is in the public interest, and, in accordance with

Public Authorities Law §1009, should be submitted to the Governor for his review and to seek his authorization for the Authority to execute the Contract, along with a copy of the record of the public hearing thereon, and copies of the Contract along with the record of the public hearing thereon, be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

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

RESOLVED, That the Acting Executive Vice President and Chief Commercial Officer, or his or her designee, be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contract with Moog Inc. as set forth in the foregoing report of the President and Chief Executive Officer; and be it further

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

ii. Award of Fund Benefits from the Western New York Economic Development Fund Recommended by the Western New York Power Proceeds Allocation Board

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to accept the recommendations of the Western New York Power Proceeds Allocation Board (the 'Allocation Board' or 'WNYPPAB') and make an award of Fund Benefits from the Western New York Economic Development Fund to Moog Inc. ('Moog'), the applicant listed in Exhibit '4b ii-A' in the amount indicated on Exhibit '4b ii-A' as discussed in more detail below, and authorize the other actions described herein with respect to such applicant and recommended award.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the 'Act'). The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund. The Fund consists of the aggregate excess of revenues received by the Authority from the sale of Expansion Power ('EP') and Replacement Power ('RP') produced at the Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an 'eligible applicant' is a private business, including a not-for-profit corporation. 'Eligible projects' is defined to mean 'economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments.' Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York state; support for tourism and marketing and advertising efforts for western New York state tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits are disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project when NYPA determines this approach is appropriate for a project, NYPA has authorized the approach in advance, and proposed expenses can be appropriately documented.

At least 15 percent of Fund Benefits must be dedicated to eligible projects which are 'energy-related projects, programs and services,' which is 'energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services,

and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.'

Allocations of Fund Benefits may only be made on the basis of moneys that have been deposited in the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, and evaluating the merits of applications for Fund Benefits. The Allocation Board uses the criteria applicable to EP, RP and PP for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these criteria (collectively, 'Program Criteria'), adapted from the Allocation Board's 'Procedures for the Review of Applications for Fund Benefits,' is attached as Exhibit '4b ii-B.'

The Allocation Board met on March 4, 2013 and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined 'retail business' to mean 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.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board's recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award ('Award Contract') such other terms and conditions the Authority deems appropriate.

3. Application Process

In an effort to provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2018 on which the Allocation Board would meet to consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process was promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by the Western New York Empire State Development regional office.

DISCUSSION

At its June 6, 2017 meeting, the Allocation Board considered an application from Moog which seeks \$1,600,000 in Fund Benefits.

Allocation Board staff analyzed the application and made recommendations to the Allocation Board based on Program eligibility requirements and criteria. A copy of staff's recommendation memorandum is attached as Exhibit '4b ii-C'. The application itself has also been made available to the Trustees for review.

In summary, the Moog application seeks Fund Benefits to support facility upgrades and a business expansion at Moog's Niagara Falls facility, which would include building renovations, new machinery and equipment, furniture and fixtures, and other site improvements. Moog expects the total project cost to be \$26,025,000. Included as part of the project is the installation of energy efficient equipment, such as a process steam boiler, LED lighting and HVAC upgrades.

Moog will also commit to: (1) retaining 50 existing full-time equivalent employees ('FTE') at the Niagara Falls facility for five years, (2) creating 50 new FTE jobs the Niagara Falls facility, and (3) creating 50 new FTE jobs its East Aurora facility in consideration of the requested Fund Benefits award. The new jobs that will be created at the East Aurora facility are in addition to the new jobs that Moog will create in connection with its hydropower allocations at this location.*

A Fund Benefits award would target the energy efficiency equipment, and allow NYPA to access the component of the Fund that is reserved for energy-related projects, programs and services.

The Allocation Board recommended that this applicant receive a Fund Benefit award in the amount indicated on Exhibit '4b ii-A'. Staff confirmed that the environmental review for the project has been completed. Accordingly, the Allocation Board's recommendation has now been forwarded to the NYPA Trustees for its consideration. Given the nascent stage of the proposed project, it was not possible to recommend the terms and conditions that would be applicable to the award and memorialized in an Award Contract between the Authority and the successful applicant.

If this applicant receives a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicant after receipt of more detailed information concerning the project and proposed schedules. An Award Contract may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will contain provisions for periodic audits of the successful applicant for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments, relating to, among other things, employment levels and/or project element due dates.

RECOMMENDATION

The Vice President – Economic Development recommends that:

- (1) the Trustees accept the recommendations of the Allocation Board and make an award of Fund Benefits to the applicant in the amount identified in Exhibit '4b ii-A', conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in an Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or his designee, as to form;
- (2) the Chief Commercial Officer – Energy Solutions, or such official's designee, be authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the recommended award; and

* Exhibit '4b ii-C' indicates that the 100 new jobs would be created at the Niagara Falls facility. Project refinements and additional communications with the applicant show that the new jobs would be split between the Niagara Falls facility and Moog's East Aurora facility. Notably, both facilities fall within 30 miles of the Niagara Hydropower Project – the statutory project eligibility zone – meaning that the Western New York region would benefit from new jobs created at both facilities.

- (3) the Chief Commercial Officer – Energy Solutions, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit '4b ii-A' subject to the foregoing conditions.

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

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

WHEREAS, The Western New York Power Proceeds Allocation Board (“Allocation Board”) has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund (“Fund”) to the eligible applicant listed in Exhibit “4b ii-A” in the amount indicated;

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant listed in Exhibit “4b ii-A” in the amount indicated for the reasons set forth in the foregoing report and the exhibits and other information referred to therein, conditioned upon an agreement between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract (“Award Contract”) between the Authority and the applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or his designee, as to form; and be it further

RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, is authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit “4b ii-A” subject to the foregoing conditions; and be it further

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

c. Procurement (Services) Contracts:

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

The President and Chief Executive Officer submitted the following report:

“SUMMARY

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

BACKGROUND

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

The Authority’s current Expenditure Authorization Procedures (‘EAPs’) require the Trustees’ approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$6 million, as well as personal services contracts in excess of \$2 million if low bidder, or \$1 million if sole-source, single-source or non-low bidder.

The Authority’s current EAPs also require the Trustees’ approval when the cumulative change order value of a personal services contract exceeds \$500,000, or when the cumulative change order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of \$6 million or 25% of the originally approved contract amount not to exceed \$6 million.

DISCUSSION

Awards

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit ‘4c i-A,’ where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, all of these contracts contain provisions allowing the Authority to terminate the services for the Authority’s convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding all contracts, which range in estimated dollar value from approximately \$36,000 to \$9,900,000. Except as noted, these contract awards do not obligate the Authority to a specific level of personnel resources or expenditures.

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

Extensions

Although the firms identified in Exhibit '4c i-B' have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. The Trustees' approval is required because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority to terminate the services at the Authority's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority to a specific level of personnel resources or expenditures.

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

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

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

Business Services – Strategic Supply Management

The proposed personal services contracts with **Ariba, Inc. ('Ariba') and Kreller Business Information Group, Inc. ('Kreller') (Q17-6308SR; PO# TBA)** would provide a Third-Party Risk Vendor Responsibility Vetting ('VRV') tool. In obtaining the VRV tool it will help to mitigate third party risk by using a consistent due diligence process, enable ongoing monitoring, eliminate manual processes to drive efficiency, and ensure a streamline web-based workflow across its operations that complies with data privacy and non-US and US national security requirements. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Sixty-nine firms / entities were listed as having downloaded the bid documents from the NYPA website. Ten proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to Ariba and Kreller which are technically and commercially qualified and meet the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of the contract is five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for \$475,000 to be awarded to Ariba and \$185,000 awarded to Kreller, equating the total aggregate amount expected to be expended for the term of the contracts, \$660,000.

Commercial Operations - Business Development

The proposed personal services contracts with **Energy Initiatives Group, LLC / EN Pipeline Engineering ('EN'); Leidos Engineering, LLC ('Leidos'); Mott MacDonald NY, Inc. ('Mott'); Sargent & Lundy, LLC ('Sargent'); Siemens Industry, Inc. ('Siemens'); and SNC, Ltd. ('SNC') (Q17-6345JGM; PO# TBA)** would provide for On-Call Transmission Consulting Services. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised in the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Fifty-seven firms / entities were listed as having downloaded the bid documents from the NYPA website. Seventeen proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to

EN, Leidos, Mott, Sargent, Siemens and SNC which are technically and commercially qualified and meet the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of the contracts is up to five years, subject to Trustee approval, which is hereby requested. Approval is also requested for the total aggregate amount expected to be expended for the term of the contracts, \$9.5 million.

Information Technology – Maintenance and Technical Support

The proposed sole-source, non-personal services contract with **Oracle America, Inc. ('Oracle') (PO# TBA)**, would provide maintenance and technical support for the Authority's Oracle software install base. The Authority requires maintenance and technical support for its Oracle software on an annual basis. Technical support and version continuity must be maintained in order to avoid service interruption, or the corruption of data. Staff recommends this contract award on a sole-source basis as the required upgrades, support and revisions are the intellectual property of Oracle and can only be secured from Oracle. The contract is for an intended term of up to three years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$890,579.83.

Law – Licensing

Personal services contracts with **Louis Berger US ('Louis'), Gomez and Sullivan Engineers, DPC ('GSE'), TRC Environmental Corporation ('TRC'), and Kleinschmidt Associates, Inc. ('Kleinschmidt') (Q18-6393JGM; PO# TBA)** will support Authority staff in hydropower licensing, environmental permitting, design, engineering and implementation of habitat improvement and environmental protection or mitigation measures and recreational enhancement projects. These contracts will provide the Authority with a vehicle for rapid, qualified response to a wide variety of emergent tasks, many requiring expertise in Federal Energy Regulatory Commission practice. Bid documents were developed by staff and were accessible through the NYPA.gov site. The request for quotations was advertised in the New York State *Contract Reporter* and posted on the Authority's Procurement page from which thirty firms / entities downloaded the bid documents. Seven proposals were received electronically via ARIBA and were evaluated. Staff recommends the award of contracts to Louis, GSE, TRC, and Kleinschmidt which are technically and commercially qualified and meet the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible bidders. The intended term of the contract is up to five years and the amount of \$9.9 million is requested.

Operations – Project Management

The proposed sole-source, personal service contract with **Bristol Harbor Group, Inc. ('BHG') (PO# TBA)**, would provide Engineer of Record services for the fabrication support and close out of the Breaker II vessel for the Niagara Project. In August 2013, BHG was awarded a contract for the engineering and fabrication support services for two ice-breaker vessels for a not-to-exceed value of \$234,000 for a 5-year term. Through this contract BHG completed the design of both the Joncaire II and Breaker II vessels and successfully provided fabrication support for the Joncaire II. As a result of lessons learned from the Joncaire II fabrication, a redesign of the Breaker II was required. Staff recommends this contract award on a sole-source basis to ensure the Breaker II vessel is constructed according to the appropriate BHG design documentation such that BHG will provide project specific professional guidance and oversight throughout the project's lifecycle. The contract is for an intended term of up to three years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$75,640. Please note that 50% of the total contract amount will be reimbursed by Ontario Power Generation Inc.

Operations – Technical Compliance

The proposed non-personal service contract with **Longo Electrical-Mechanical, Inc. ('Longo') (Q17-6213JT; PO# 4600003466)**, would provide motor repair and maintenance services to the Authority's

SENY Power Plants, including the Small Clean Power Plants (SCPPs). This contract would provide material and services to repair, inspect and maintain various sized electric motors. Interim approval is being requested pending the Trustees' ratification at their meeting on May 22, 2018 in the amount of \$150,000 for work that will be performed during the SCPPs scheduled outage. Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Thirty firms / entities were listed as having downloaded the bid documents from the NYPA website. Thirteen firms were invited to the bid via Ariba, and one proposal was received and evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Longo which is technically and commercially qualified and meets the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of up to five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$4 million.

Operations – Transmission

The proposed sole-source contract with **Dovetail Partners, Inc. ('Dovetail') (PO# TBA)** to serve as the administrator for the Right-of-Way Stewardship Council (ROWSC) accreditation program which would provide standards of excellence for environmental stewardship and presents the opportunity for the Authority to demonstrate their commitment to such standards. The intended term of this contract is five years with a proposed effective date on or about June 1, 2018, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$36,000.

Extensions and/or Additional Funding Requests:

Customer Energy Solutions and Energy Efficiency

At their meeting of July 30, 2015, the Trustees approved the award of contracts to seven firms, **Buro Happold Consulting Engineers, PC (PO# 4600003064)**, **Firefly Energy Consulting, LLC (PO# 4600003063)**, **ICF Resources, LLC (PO# 4600003066)**, **KEMA, Inc. (PO# 4600003065)**, **Navigant Consulting, Inc. (PO# 4600003067)**, **Nexant, Inc. (PO# 4600003068)** and **Optimal Energy, Inc. (PO# 4600003061)** to provide consulting support to (a) gather and analyze up-to-date information from customers, service providers, and other market participants and stakeholders, and (b) develop new programs and services that meet the needs of customers while supporting State energy policy and recovering costs. These contracts were for a term of up to five years in the aggregate amount of \$3 million. Based on the expected growth of the energy services marketplace for new products and services, and in order to complete current work and support future program work and initiatives, including NYEM 2.0, Governor's EO-166, as well as energy efficiency related efforts, additional funding will be required. To that end, staff requests that the aggregate funding be increased by \$2 million to a total of \$5 million. Please note that Firefly Energy Consulting, LLC is a New York State-certified Minority-owned Business Enterprise ('MBE').

At their meeting of July 30, 2015, the Trustees approved the award of contracts to four firms, **Donia & Associates, LLC (PO# 4600002993)**, **Hill International, Inc. (PO# 4600002991)**, **LJ Gonzer Associates (PO# 4600002990)** and **NPTS, Inc. (PO# 4600002994)** in support of the Five Cities Energy Master Plan which also provided for Energy Efficiency and Customer Energy Solutions staff augmentation services for a term of up to three years. These firms have provided personnel to support construction management, project management as well as design and engineering efforts. In order to support new work and maintain the terms, conditions and pricing as originally awarded, staff recommends a two-year extension of these contracts through June 30, 2020. It should be noted that Donia & Associates, LLC is both a New York State-certified MBE and Woman-owned Business Enterprise ('WBE') and NPTS, Inc. is a New York State-certified MBE.

Enterprise Shared Services – Human Resources

At their meeting of September 24, 2013, the Trustees approved the award of a competitively bid contract to **Conduent HR Consulting, LLC ('Conduent') (formerly known as Buck Consultants LLC) (PO# 4600003326)** for a term of up to five years in the original amount of \$530,000. In accordance with the EAP's, a request for additional funding of \$500,000 was approved in 2016. Conduent has continued to provide valuable analysis and analytics for union and management benefit plans, assistance with the New York State Paid Family Leave benefits, prescription market checks for compliance with other benefit contracts and has facilitated compliance and financial reconciliation for the Employer Group Waiver Program for management retirees. Staff requests the Trustees' approval for additional funding of \$300,000 to continue to utilize these services through the end of the previously approved term of five years. This will increase the total contract amount to \$1,330,000.

Law – Labor Negotiations

At their meeting of December 16, 2014, the Trustees approved a single-source personal services contract award to **Proskauer Rose, LLP (PO# 4500251856)** to provide labor negotiation services in the amount of \$175,000 for up to three years. Subsequently, and in accordance with the Authority's Expenditure Authorization Procedures and Guidelines for Procurement Contracts, this contract was extended for one additional year and additional funding in the amount of \$500,000 was approved. In order to allow for Proskauer Rose, LLP to continue providing labor negotiation services, staff requests the Trustees' approval for a contract extension of one year through October 12, 2019, and additional funding in the amount of \$300,000 to be allocated on an 'as-needed' basis for a total contract value of \$975,000.

Law – Legal Services

At their meeting of March 26, 2015, the Trustees approved the award of twenty-four (24) competitively bid personal service contracts to provide legal services in the categories of: (i) General Legal Services; (ii) Bond, Underwriter and Disclosure Counsel Services; and (iii) Energy Services Counsel, on an 'as needed' basis for a term of up to five years and in the aggregate amount of \$13 million. It is anticipated that this initial aggregate amount will be fully allocated by the end of July 2018. Staff requests Trustee approval for additional funding of \$7 million to continue to utilize the legal services under these contracts through the end of the previously approved term of up to five years.

An updated list of open contracts, grouped by category, is as follows:

- (i) **General Legal Services:** *Barclay Damon, LLP (PO# 4600002974), Bond Schoeneck & King, PLLC (PO# 4600002975), Holland & Knight, LLP (PO# 4600002935), Nixon Peabody, LLP (PO# 4600002955), Bleakley Platt & Schmidt, LLP (PO# 4600002976), Carter Ledyard & Milburn, LLP (PO# 4600002949), Gibbons, PC (PO# 4600002954), Graves Horton Askew & Jenkins, LLC (PO# 4600002970), Jackson Lewis, PC (PO# 4600002953), Towne, Ryan & Partners, PC (PO# 4600002971), and Pillsbury Winthrop Shaw Pittman, LLP (PO# 4600002967). Note: Towne, Ryan & Partners, PC is a NYS-certified WBE.*
- (ii) **Bond, Underwriter and Disclosure Counsel Services:** *Bryant & Rabbino, LLP (PO# 4600002960), Hawkins Delafield & Wood, LLP (PO# 4600002947), Nixon Peabody, LLP (PO# 4600002948), Dentons US, LLP (PO# 4600003012), and Orrick Herrington & Sutcliffe, LLP (PO# 4600002968). Note: Bryant & Rabbino, LLP is a NYS-certified MBE.*
- (iii) **Energy Services Counsel:** *Barclay Damon, LLP (PO# 4600002973), Bond Schoeneck & King, PLLC (PO# 4600002966), Holland & Knight, LLP (PO# 4600002952), Stinson Leonard Street, LLP (PO# 4600002950), and Van Ness Feldman, LLP (PO# 4600003136).*

Operations – Technical Compliance

A three-month extension of the personal services contract with **Gomez and Sullivan Engineers, DPC ('GSE') (PO# 4500284802)** would allow for the continuation of compliance and implementation services pursuant to the FERC license issued for the Niagara Power Project, until such time as new contracts with qualified firms are in place. In order to allow for GSE to continue services, staff requests the Trustees' approval of the interim period from April 10, 2018 and an extension of approximately three months to June 30, 2018 with no additional funding request.

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2018 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project's Capital Expenditure Authorization Request, as applicable.

RECOMMENDATION

The Vice President – Project Management; Vice President – Energy Efficiency; Chief of Staff for the Chief Operating Officer & Vice President – Labor, Operations; Vice President – Project & Business Development; Director Business Development; Assistant General Counsel; Director Licensing; Director Supply Relationship Management; Regional Manager SENY; Operations Manager – SCPP; Regional Manager Transmission; Transmission Superintendent; Manager ROW/Environmental; Program Manager Energy Efficiency; Treasurer recommend that the Trustees approve the award of multiyear procurement (services) and other contracts to the companies listed in Exhibit "4c i-A" and the extension and/or funding of the procurement (services) contracts listed in Exhibit '4c i-B,' for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

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

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

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

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

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

**ii. Procurement (Services) Contracts –
Strategic Supply Management (Commodities) –
Industrial & MRO Supplies - Contract Award**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to authorize the award of a competitively bid contract to W.W. Grainger, Inc. ('Grainger') of Lake Forest, Illinois in an aggregate amount of \$30 million to provide Maintenance, Repair and Operation ('MRO')/Industrial Supplies to support the day-to-day operations for all of the Authority's Operating Facilities, Headquarters and the Canal Corporation Sections and Headquarters. The contract will be for a term not to exceed five years.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for the award of non-personnel services or equipment contracts in excess of \$6 million.

To help meet the objective of becoming the Nations' first digitized utility, NYPA's Strategic Supply Management will be implementing a new, on-line catalog function in its ARIBA platform that will allow personnel from any of the facilities to order material from their desktop or mobile platform on a secure, password-protected application. To date, the combined, annual spend for both the Canal Corporation and the Authority in the MRO and Industrial Supply space is approximately \$4 million. However, in order to provide Catalog access for both NYPA's and the Canal Corporation's projects, Power Generation and Transmission work, staff anticipates a potential twofold increase in the potential spend.

DISCUSSION

The Strategic Supply Management team provides Procurement support, centrally, at White Plains Headquarters as well as at all of the Authority's Power Projects where they also control and manage the inventory. The Authority and the Canal Corporation have fragmented spend over multiple suppliers within the MRO/Industrial Supply category and staff is looking to establish a strategic partnership with a supplier to provide both MRO and Industrial Supplies, where NYPA and the Canal Corporation can leverage their total spend and obtain volume discounts, improved service levels, and implement a catalog-based contract. As part of the value added component of this request for proposal, Strategic Supply Management has requested that Grainger provide, at no additional charge, to the Authority and Canal Corporation, a Vendor Maintained Inventory ('VMI') program, inclusive of vending machine distribution for quick access to low-cost, high-moving materials. This program has the potential to minimize waste, improve efficiencies and save money by allowing the Strategic Partner to procure and maintain the inventory on a consignment basis.

On January 23, 2018, the Authority advertised a Request for Proposals ('RFP') (#Q18-6381KK) in the New York State *Contract Reporter* and SAP's ARIBA platform soliciting firms interested in providing MRO/Industrial Supplies in support of the Authority's Operating Facilities, Headquarters as well as the Canal Corporation's Headquarters and Sections. The RFP consisted of the MRO/Industrial supplies specified into two categories, namely, Market Basket (specifically identified items) and Non-Market Basket (items that fall into certain categories within their catalog, HVAC, PPE, tools, etc.). Four firms expressed interest in the RFP and, on February 26, 2018, F&F Industrial Supply, Chocktaw Kaul, Fastenal and Grainger submitted their proposals.

TECHNICAL EVALUATION

An Evaluation Committee consisting of Strategic Supply Management personnel and NYPA consultant (Ernst & Young) evaluated the proposals using the following criteria:

1. Price of specified products
2. Discounted pricing for Non-Market Basket products
3. Value Added Services (VMI)
4. Supporting NYPA's Supplier Diversity Goals

After a review of the four proposals and selection of two viable firms, the Evaluation Committee recommended that Grainger be awarded the contract based upon a few determining factors. While both bidders, Fastenal and Grainger, were close in overall savings, Grainger demonstrated that the company could comply with the Authority's Supplier Diversity Goals as well as its Service Disabled Veteran Owned goals. Based upon a baseline average of \$4 Million in annual spend for MRO and Industrial Supplies, Grainger's bid, when combining all of their savings initiatives, will save the Authority and Canal Corporation 24% on an annual basis.

FISCAL INFORMATION

While this contract will be valued at \$30 million, funding to pay for all of the expenditures associated with this contract will come from the individual Cost Centers and/or department associated with each Project.

RECOMMENDATION

The Vice President – Strategic Supply Management recommends that the Trustees approve the award of a contract to W. W. Grainger, Inc. in the aggregate amount of \$30 million for a term not to exceed five years for Maintenance, Repair and Operation/Industrial Supplies to support the day-to-day operations of the Authority and Canal Corporation.

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

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

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures an aggregate \$30 million be authorized for a catalog-based contract for the Material Repair & Operations (“MRO”) and Industrial Supplies that will support all of the Authority's and Canal Corporation's Operating and Headquarter facilities as recommended in the foregoing report of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Ceiling</u>	<u>Termination Date</u>
W.W. Grainger, Inc. Lake Forest, Illinois	\$30M	July, 2023
Q18-6381KK		

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

NIA

**iii. Procurement (Services) Contracts –
Niagara Gantry Crane Parapet Bus
Program – Contract Award Ratification**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to ratify the award of a competitively bid three-year contract in the amount of \$3,583,324 to Simmers Crane Design & Service Company ('Simmers') of Salem, Ohio for the Niagara Gantry Crane Parapet Bus Program ('Program'). Interim funding in the amount of \$642,000 was previously approved by the Chief Operating Officer in March 2018.

BACKGROUND

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

The reliability and safety of the gantry cranes is essential for maintenance at the Niagara Power Project. In 2016, an engineering assessment was performed on the bus enclosures of the Robert Moses Power Plant ('RM') 630 Ton, RM 30 Ton, Lewiston Pump Generation Plant ('LPGP') 65 Ton, and LPGP 150 Ton cranes. The assessment recommended upgrades to the bus enclosures and the addition of a fourth grounding conductor for compliance with the National Electric Code.

At their January 31, 2017 meeting, the Trustees approved the Capital Expenditure Authorization Request ('CEAR') Part 1 for the Program in the amount of \$3.91 million including \$.72 million in preliminary funding. These funds were used for the RM 100 Ton gantry crane parapet bus work, which was completed in 2017. Based on the success and lessons learned from that work, this comprehensive Program was developed and the CEAR Part 2 in the amount of \$5.66 million was approved in May 2017.

DISCUSSION

This Program will be delivered as an Engineer-Procure-Construct delivery method and the scope-of-work will include, but not be limited to, design engineering, procurement of materials, all upgrades, and installation of a fourth grounding conductor for all four cranes.

After issuance of a Request for Proposal and a competitive bidding process, Simmers was recommended for award of a three-year contract in the amount of \$3,583,324. Simmers has extensive experience in design and fabrication of cranes and has demonstrated knowledge of the scope-of-work. Simmers' award is limited to \$642,000 pending the Trustees' approval of the contract award. Simmers has performed satisfactorily on previous projects for the Authority and is the sole bidder.

The total Program cost, inclusive of preliminary funding, is estimated at \$9,568,352.

FISCAL INFORMATION

Payment associated with this contract will be made from the Authority's Capital Fund

RECOMMENDATION

The Senior Vice President – Operations Support Services, the Vice President – Project Management, the Vice President – Strategic Supply Management, and the Project Manager recommend that the Trustees approve the request for the ratification of a three-year contract to Simmers Crane

Design & Services Company in the amount of \$3,583,324 for the Niagara Gantry Crane Parapet Bus Program.

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

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

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award a three-year contract to Simmers Crane Design & Service Company in the amount of \$3,583,324 to support the work associated with the Niagara Gantry Crane Parapet Bus Program, as recommended in the foregoing report of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Contract Approval</u>
Simmers Crane Design & Service Co. Salem, Ohio	<u>\$3,583,324</u>

(PO No. 4500295537)

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

**iv. Funding Agreement for Construction Phase –
Niagara Gorge Corridor Project**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to authorize funding of up to \$36.5 million for the construction of the Niagara Gorge Corridor ('NGC') Project ('the Project').

Funding will be through an agreement between the Authority and the New York State Office of Parks, Recreation & Historic Preservation ('OPRHP'), the New York State Department of Transportation ('NYSDOT'), the USA Niagara Development Corporation ('USAN'), a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development ('ESD'), a public benefit corporation of the State of New York, and the City of Niagara Falls, New York (the 'City').

BACKGROUND

In accordance with the Niagara Redevelopment Act and as part of the Niagara Power Project construction, the Authority built the Robert Moses Parkway ('RMP') from the North Grand Island Bridge to the International Bridge in the Town of Lewiston in the 1950s. At that time, construction of the RMP was viewed as a necessary project by the people of the City of Niagara Falls and nearby communities to help transform the area into a tourist capital that emulated the Canadian side of the Niagara River. OPRHP initially held jurisdiction over the RMP and since 1975, the NYSDOT has managed operations and maintenance of the RMP. The Authority owns about 71 percent of the land and retains ownership of the sections of the RMP. In 2016, the name of the RMP was changed to the Niagara Scenic Parkway ('NSP').

DISCUSSION

Today, the needs and concerns of the region have changed significantly from the early 1960's. Economic development and support for the local business community are community priorities. Preservation and restoration of the upper rim of the Niagara Gorge, as well as unimpeded pedestrian/bicycle access to the Gorge rim from neighborhoods adjoining the NSP are now considered more important than the need to maintain an underutilized and oversized transportation system.

OPRHP, in partnership with NYSDOT, the City of Niagara Falls, and USAN, and in cooperation with the Village of Lewiston, prepared a Final Scoping Report for the NGC Project.

The Project aims to develop an appropriately scaled transportation network to link existing and proposed roadways, attractions and cultural/historic sites in a more natural, park-like setting along the corridor while improving vehicle, pedestrian and bicycle access and safety features along the Gorge. The Project also gives rise to economic opportunities for the region.

Recent actions to support the Project include:

1. January 2014 - Authority Trustees authorized a funding agreement in the amount of \$2 million with the USAN for preliminary engineering and environmental clearance for the Project;
2. December 2016 - Authority Trustees authorized up to \$3.5 million for final engineering design of the Project, bringing the total authorized amount to \$5.5 million; and
3. May 2018 - NYSDOT will release construction of the NGC Project to bid with Project Identification Number ('PIN') 5761.90, Contract No. D263753.

The Trustees are now requested to authorize funding for construction anticipated to continue for a four-year period as follows:

<u>Year</u>	<u>Funding Requested</u>
2018	\$ 6,750,000
2019	\$ 13,600,000
2020	\$ 12,800,000
2021	\$ 3,350,000
TOTAL	\$ 36,500,000

FISCAL INFORMATION

The estimated cost to the Authority of \$36.5 million for the construction phase of the NGC Project will be expended over the next four years. This project will be funded by general funds from the Authority's operating account.

RECOMMENDATION

The Senior Vice President and Chief Engineer - Utility Operations, the Senior Vice President - Public and Regulatory Affairs, the Vice President - Project Management, the Regional Manager - Western New York and the Project Manager - Western New York recommend that the Trustees approve the funding for the Niagara Gorge Corridor Project Construction phase as described above.

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

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

RESOLVED, That pursuant to the Guidelines for Non-Procurement Contracts adopted by the Authority, the Trustees hereby authorizes entering into a funding agreement for the Niagara Gorge Corridor Project construction in the amount of \$36.5 million, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

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

d. Capital Expenditure Authorization Requests:

**i. New York Energy Manager – Revised
Capital Expenditure Authorization Request**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to authorize additional capital funding in the amount of \$8,269,800 for new energy management software for the New York Energy Manager ('NYEM'). This request will increase the original authorization from \$1,640,100 to \$9,909,900.

BACKGROUND

In accordance with the Authority's Capital Planning and Budget Procedures, capital expenditures in excess of \$6 million require the Trustees' approval.

No contract awards are being requested at this time. Any future contract requests associated with this project will be in accordance with the Authority's Expenditure Authorization Procedures.

In September 2015, the NYPA Trustees authorized funding in the amount of \$1,640,000 for the construction of the New York Energy Manager's Video Wall and Audio/Visual Equipment. Those monies have been utilized and the wall was constructed successfully resulting in a showcase of energy technology for NYEM.

In July 2017, the Authority issued a Request for Proposals to assist in defining Master Service Agreements with qualified technology vendors in the areas of Management Consulting, Technology Implementation and iSOC and NYEM Support /Training. Specific projects were not assigned to the ten selected firms, including C3 IoT.

In March 2018, a contract with a specific project was awarded to C3 IoT. This project will implement the C3 IoT cloud based Energy Management Software for utilization by NYPA's customers.

DISCUSSION

To move NYPA towards its goal of becoming the first end-to-end digital utility in the country, NYEM requires new energy management software as well as the potential for building an energy marketplace with the technology provider, C3 IoT. Some of the services that staff expects to be able to offer the Authority's NYEM customers include:

- Weather Normalization
- Fault Detection & Diagnostics/Monitoring Notifications & Alarms
- Solar Monitoring & Analytics
- Virtual Energy Audits
- Building Energy Forecasting
- Anomaly Detection
- Carbon Emissions Analytics
- Capability of interacting with dataset using preferred BI tools (e.g., Tableau)
- Well-developed API's for off-platform functions.

The additional funds in the amount of \$8,269,800 that are being requested will move the NYEM solution to the next level by incorporating enhanced functionality as indicated above.

FISCAL INFORMATION

Payment associated with these additional funds will be made as follows:

• NYEM Procurement	\$ 3,412,500
• NYEM Implementation	\$ 3,888,500
• Internal NYPA Labor	\$ 575,000
• HQ Overhead	\$ <u>393,800</u>
Total	\$ <u>8,269,800</u>

RECOMMENDATION

The Vice President - New York Energy Manager recommends that the Trustees approve the Capital Expenditure Authorization Request revision in the amount of \$8,269,800 for new energy management software for the New York Energy Manager.

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

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

RESOLVED, That pursuant to the Authority’s Capital Planning and Budgeting Procedures, the Capital Expenditure Authorization Request revision is hereby approved, as recommended in the foregoing report of the President and Chief Executive Officer, in the amount and for the purpose listed below:

<u>Capital</u>	<u>Expenditure Revision</u>
New York Energy Manager - New Energy Management Software	<u>\$8,269,800</u>

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

5. **DISCUSSION AGENDA:**

a. **Strategy and Finance**

i. **New York Power Authority Electric Vehicle Initiative:
Phase 1 – Funding Request for Three Projects to
Accelerate the Electric Vehicle Market**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to authorize an investment of \$40 million in funds, as part of an overall allocation of up to \$250 million to be used between now and 2025. The initial \$40 million is to be used for the deployment of three Phase 1 EV Initiative projects between now and end of 2019 (“Phase I EV Initiative” or the “Initiative”). The three Phase 1 EV Initiative projects will comprise the following: Direct Current Fast Charging (“DCFC”) stations strategically located along interstate corridors throughout New York State, an EV Model Community, and a DCFC hub at a New York City airport.

BACKGROUND

Over the next few years, the Authority is seeking to accelerate EV adoption in service of the Governor’s Zero Emission Vehicle (“ZEV”) and greenhouse gas (“GHG”) targets. This first phase of investment is specifically aimed at leveraging initial public sector investment to stimulate private investment in EV infrastructure, identify new business and ownership models, and test how best to integrate EVs into the electric grid.

Consistent with its Mission, the Authority has been a leader for over 20 years in providing its customers throughout the state with EV infrastructure and services.

In 2013, The Trustees approved \$2 million in funding for a series of EV projects, resulting in over \$7 million in total funding leveraged from combined public and private partnerships. This program resulted in:

- 100 Level 2 charging ports at Authority customer sites, such as airports, train stations, and municipal parking lots
- 4 DCFC (high speed) units along the NYS Thruway

From 2017 to 2018, the Authority provided advisory services to the MTA and Con Edison regarding a pilot for 10 new electric buses in New York City. Additionally, the Authority is planning to install over 300 additional Level 2 public chargers at customer sites, and over 20 additional DCFC units, under a public/private partnership model at service stops along the Thruway from New York City to Buffalo.

This EV initiative will support the Governor’s State Energy Plan goal of reducing statewide GHG emissions by 40% below 1990 levels by 2030, the Governor’s ZEV mandate, which calls for increasing EVs in the state to approximately 850,000 by 2025, and the Governor’s Charge NY 2.0 target of 10,000 public EV chargers by 2021. To that end, and consistent with its enabling legislation, the Authority seeks to collaborate with other public agencies, the private sector, trade groups, and non-governmental organizations (“NGOs”) to animate the EV market.

DISCUSSION

The Authority aims to increase EV adoption and help the state meet its greenhouse gas reduction goals by reducing key barriers to implementation, such as lack of awareness about EVs from customers, customer “range anxiety,” or unwillingness to buy EVs due to a lack of public and highway charging infrastructure, and accelerating the already maturing regulatory incentives to install EV chargers.

As part of this first phase of investment, the Authority plans to continue building the DCFC “backbone” in the state to enable other market players’ interest and attract long-term private sector investment in the market. Specifically, the Authority will work with public and private partners to place DCFCs in strategic locations that will drive market adoption of EVs and test business models, including rate/fee design and ownership arrangements. Phase 1 of this initiative entails three projects:

1. DCFC deployment: Collaborate with the private sector and other partners to identify and install up to 200 DCFC’s along strategically located interstate corridors. Key activities include conducting detailed analysis and assessment of optimal locations and prioritization focusing on accessibility, convenience (access to amenities), speed, and affordability for the driver.
2. EV Model Community: Establish a seamless customer journey in target distribution municipal utility customer sites, identify new business models around energy-as-a-service, and develop a standardized intelligent utility-managed charging platform for up to 200 EVs. Key components include working with the private sector and other partners increasing customer awareness, sponsoring events, developing an online customer portal, developing home and public charging “subscriptions,” managing charging to ensure reliability, affordability, and grid efficiency, increasing non-peak electric load, increasing revenue for municipal utility customers, and spurring economic growth.
3. NYC Airport Charging Hub: Substantially de-risk the NYC market for DCFC hubs, and enable private sector participation in both site construction and utilization. The goal is to identify public/private partnerships to catalyze EV adoption by drivers within a 200+-mile radius of NYC. Key components include installing approximately 10 chargers at or near JFK and LGA airports, serving 100+ EVs daily, providing ridesharing services for drivers with shifts running between 150-300 miles per day, and targeting rideshare, public vehicles, rental agencies, airport/commercial fleets, and buses.

FISCAL INFORMATION

The \$40 million Phase 1 program will be funded from the Authority’s Operating Fund.

RECOMMENDATION

The Chief Financial Officer and the Vice President - Strategy recommend that the Trustees formally approve Phase I of the Electric Vehicle (‘EV’) Initiative as described above.

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

Chairman Koelmel said that the focus of the discussion at this meeting is to build on the strategic dialogue that the Authority have had over the past couple years and the past six months, in particular. He said President Quiniones, Robert Lurie, the Executive Vice President and Chief Financial Officer and the Chief Strategy Officer, would make a presentation to the Board regarding the Authority’s Electric Vehicle Initiative.

President Quiniones said that today’s presentation will be focused entirely on the Authority’s strategy and on the central question of how NYPA can make a much bigger impact on the state’s energy policy to produce better outcomes for the people of the state of New York. The Trustees have asked that staff creatively look at how NYPA can use its capability and resources to achieve greater success and

build on its current strategic plan. To that end, The Authority has been reviewing that process and has been building on its strategic plans.

The NYPA 2020 Strategic Plan was launched in 2014, the same year that the state's energy plan was launched, with three main goals through 2030, focusing on customer service and infrastructure modernization while building its internal capabilities for future success. The Plan was refreshed in 2017 to account for new technologies and market changes, introducing a vision and a plan for NYPA to become the first end-to-end digital utility not only in the United States, but also in the world. This goal is to make the Authority become a very efficient and effective organization in delivering the best products and services to its customers.

In January this year, Governor Cuomo, in his state of the state message, set three ambitious new targets designed to move the state towards the goals he had already set for renewables and greenhouse gas reduction, namely, a target of 2.4 gigawatts of off-shore wind by 2030; 1,500 megawatts of energy storage by 2025; and increased energy-efficiency targets including the issuance of Executive Order 166 that requires state agencies and authorities to lead the way in accomplishing or exceeding these energy efficiency mandates. The 2017 refreshed Strategic Plan included four key assurances that NYPA made to its customers, and the people of the state:

- 1) Be the market leader for energy efficiency and renewable energy services.*
- 2) Provide the best deal for electricity supply management for the Authority's supply customers.*
- 3) Be the leader in energy storage and electric vehicle infrastructure and services.*
- 4) Have the Largest market share of new transmission and large scale renewable projects.*

Today, the Authority is delivering on those promises with the first of several bold actions that will keep New York in its place as a national leader in the energy and environmental policy, while helping to achieve the state's goals. Moreover, the Authority intends to do this using its capital, together with capital from private sector partners, to multiply its impact.

The Authority is taking this bold action in two broad ways: building on its existing Strategic Plan, as well as finding new areas that goes beyond the Authority's existing strategies and projects that have been deployed, to date.

These new areas, by nature, require the Authority to get more comfortable with uncertainty and to be more patient with its returns. This has always been NYPA's role since the beginning of its history, to do what it can for the benefit of the state, even as it invites private sector partners to help create conditions for future investments. These long-term investments will result in disproportional benefits for all New Yorkers in the future. However, it is not dissimilar to the investments that the Authority has made in the 1950s and 1960s in building its hydroelectric power projects, and, since then, one-third of the high-voltage power transmission grid in the state of New York.

President Quiniones then asked Mr. Lurie to continue the presentation focusing on the areas of potential investments.

Mr. Lurie reiterated President Quiniones' comment that Governor Cuomo has been consistent in establishing some very ambitious targets in the "environmental" and "energy policy" areas. The Authority focused on two of the state's targets in developing its Plan, namely, the goal of achieving 50 percent of generation of electricity in the state from renewable energy sources by 2030; and a 40 percent reduction in greenhouse gas emissions from 1990 levels.

The state has made significant progress towards those goals and the Authority's Plan is focused on continuing the progress.

New York State's Green House Gas Emissions

Achieving New York State's Green House Gas emissions goal will require a 33% reduction by 2030 to reach the target. Progress has been made in some of the areas, e.g. in electric power generation. The Authority's transition to renewable energy, one area of focus in its Strategic Plan, is well underway. Transportation is the biggest segment of emissions in the economy. Residential emissions, largely space heating and water heating for residential use, is also a significant sector, followed by commercial and industrial.

Critical Focus Areas

A robust process was used to identify the critical focus areas:

- *Starting with a very broad scan of ideas staff explored areas beyond the Strategic Plan;*
- *Staff interviewed experts inside and outside of the Authority; and*
- *Staff looked at what other jurisdictions' (Europe, Asia and other states), along with New York, leaders in energy policy were doing and screened and refined those ideas based on a robust criteria to come up with what would be appropriate for NYPA to focus on, given its skills and responsibilities as set out in its legislative mandate.*

Criteria Used to Prioritize Focus Areas

- *Meaningful impact on the State's Energy Goals - the goals that were set out in the State Energy Plan such as the greenhouse gas reduction - and also the overall goals of the Governor's Reforming the Energy Vision initiative, which focused on market solutions to many of the evolving needs in the state energy system and how private sector investment can be induced, because the private capital markets can bring a lot more capital to bear on these problems than the public sector can, and, in many ways, they can be more effective.*
- *Secondly, address affordability and reliability issues to achieve those goals while also making sure that electricity remains affordable and reliable. NYPA has always focused on this issue; however, this is one of the roles that NYPA can play, that is, figuring out how it can achieve these goals while, at the same time, making electricity affordable and reliable.*
- *NYPA wants to make sure that whatever ideas it actually execute compliments what it does well, its statutory mandate, and its historical skill set. NYPA reviewed its existing strategy to see how it can make sure that it delivers additional economic development to the state. NYPA assessed its ability to create jobs and economic growth from these initiatives.*
- *Lastly, NYPA wants to make sure that it combines its strategy with the ability to bring in private sector investments and partnerships.*

The Authority explored a wide range of ideas across the energy value chain, at both the supply and demand side of the energy market, and where it might impact both. NYPA also explored adjacent markets, i.e. areas that are not within its historical mandate, and whether it would be appropriate to do something in those areas, if it would be more impactful.

The Authority then identified three areas that would be the most impactful for investment in the initial stage as follows:

1. Clean Generation

The Governor has set a target of 2.4 gigawatts of renewable power from offshore wind by 2030. In order to achieve the 2030 target, an increase in on-shore renewables and offshore wind is necessary.

NYPA has been soliciting renewable energy from large-scale renewable projects and has made some progress in achieving procurement of renewables. NYSERDA has also done several solicitations for renewable energy for distribution throughout the state. The state believes that the on-shore renewables investment that it is making through NYSERDA and NYPA, and, essentially, through customer purchases of renewables, can attract about \$1.5 billion in private investment and create more than one thousand jobs.

A supply chain will need to be developed in terms of manufacturing facilities, and all of the supporting infrastructures, for parts and for the assembly of these projects. Transmission investments will also have to be made, all of which will create jobs. NYPA is exploring a variety of ways that it can use its resources to achieve these goals. NYPA is already soliciting power from on-shore renewables on behalf of its customers and will pursue innovative ways to help finance those projects to drive down the cost for its customers. In addition, NYPA is continuing to build the transmission necessary to bring low-cost renewables from upstate to downstate and to bring that power around the state efficiently.

In terms of off-shore wind, an area that has some promise for NYPA given its skillset and resources, NYPA is looking at how it can effectively and efficiently interconnect all of the off-shore wind projects to the existing power grid, and do so in the most efficient and low-cost way. To that end, NYPA will partner with developers on ways that it can work with them to produce returns and lower costs for customers and also ways that it can maximize the local economic development impact from the job creation.

2. Flexibility for a Carbon Free Future

NYPA can increase grid flexibility to ensure New York State's bold renewables target is met in a carbon-free and affordable way.

As NYPA increases the amount of renewables on the state's grid, it has to make sure that the intermittent supply of renewables is reliable when it is integrated into the entire system and that it balances those intermittent sources of energy with demand. There are various tools that NYPA can use to make sure that it is supplying power when it is needed, and to make sure that it uses that power when it is carbon free and least expensive.

Storage

Storage is a flexibility solution that can keep the grid reliable as the various renewable sources are increased. Energy storage can be in the form of batteries. In addition, NYPA's pumped hydro storage facilities can be used to store the electricity when it is created (from solar or wind) and be able to use it when demand is the highest at peak periods producing returns and lower costs for customers.

Understanding how critical storage is going to be in implementing renewable energy at scale and driving down the amount of greenhouse gas emissions in the electric system, the state established a target of 1,500 megawatts for storage growth by 2025.

The private investors and technology providers and developers are anxious to get involved in the implementation of storage deployments in the state. However, the problem is that storage is still very

early in development, and the rules around how to be compensated for the flexibility services that storage can provide, either to customers or to the grid, are not fully developed.

The state Public Service Commission and the Federal Energy Regulatory Commission have begun proceedings on the subject of Storage. There is some uncertainty in the market about the outcomes and that is limiting the degree to which those storage facilities are being adopted.

In the meantime, NYPA's efforts and investments can target the barriers that will need to be overcome for the state to achieve its 2025 flexibility needs:

- NYPA can deploy storage projects across its customer base and across its assets on the bulk transmission system to show how storage can provide valuable, flexibility services to the grid. This, in turn, can inform the regulatory process and determine how best to compensate for the value of those services.
- Show how the technology will work. NYPA can show business models that the private sector can use as it begins to invest in that area, and show customers what value storage can provide for them. This will provide an opportunity for NYPA to capture data about customer usage, not only of storage, but, in general, how the customers can use storage to manage their load and increase the value of the services that they get.
- Share that data across the private sector market and with regulatory agencies to help them reduce the uncertainty of how those business models might work in the future.
- As to the Demand response, NYPA can focus on how to use data to show customers how they can move their load around in a flexible way, i.e. move their demand around so that they can use power when it is both available and cheapest on the grid, and, as a result, save money. At the same time, this will limit the degree to which there is a strain on the system at peak times.

Staff will come back to the Board at a future meeting with a full plan on how the Authority can resolve these problems.

3. Electric Vehicle (EV) Acceleration

New York State has an opportunity to become a national leader in reducing Greenhouse Gases ("GHG") from the transportation sector by accelerating the adoption of Electric Vehicles.

In 1990, the GHG emission from the transportation sector was 29%; the emissions increased to 41% in 2014. The Zero emission vehicle (ZEV) target is to have 850,000 plug-in electric vehicles by 2025. Currently, there are very few electric vehicles on the road. Therefore, it will be a challenge to reach this target. In addition, by 2025, two million electric vehicles will need to be on the road to meet the Greenhouse gas reduction target of 40 percent by 2030, and, as a result, reduce CO₂ emissions in the state. Meeting New York State's goal of 40% reduction in greenhouse gases by 2030 will require significant and rapid electrification of the transportation sector.

NYPA has been making investments in this area, collaborating extensively with other state partners to bring about electric vehicle testing and transition. For example, NYPA has been working with the MTA and Con Ed on electric buses and have partnered with the New York State Thruway to install new, fast-charging stations at all Thruway service stations between New York City and Buffalo as part of the Governor's Charge New York 2.0 Initiative.

There are several barriers to accelerating the adoption of electric vehicles in New York and NYPA is well positioned to address them.

First, there is not enough awareness by the public and potential buyers of electric vehicles about the benefits and the costs of electric vehicles relative to gas vehicles. A survey indicated that approximately 60 percent of car buyers know very little about electric vehicles. NYPA has to work with other private/public sector partners to address that information gap.

Second, highway and other charging infrastructures are perceived to be unavailable. Hence, potential buyers have “range anxiety,” i.e. they are concerned that the battery in their car will not get them to the next charging station. The fact that charging stations are not always available and/or are not visible to potential buyers, most buyers say that the lack of charging stations is the biggest impediment to them buying an electric vehicle. The private sector is not investing in charging infrastructure because the electric vehicle adoption is marginal.

Third, regulations to optimize system-level and consumer benefits are still being developed. The PSC is working on regulations that will provide incentives to electric vehicle owners to use the charging stations, and incentivize them to use those electric vehicles at a time and place where the strain on the grid is lessened, maximizing the economic benefits.

NYPA is proposing to put an investment plan in place to address the key barriers and accelerate private investment, over time. To that end, staff is asking for the Board’s approval to set aside up to \$250 million between now and 2025 to address these barriers.

NYPA will seek to address the key barriers to electric vehicle adopting primarily by:

- 1) Marketing efforts with other partners to help people understand the benefits of electric vehicles. With a number of new EV models about to hit the market by the automakers, it will be much easier to make a case, both in terms of the initial cost, and the lifetime cost to consumers;*
- 2) Installing a fast-charging infrastructure backbone focusing primarily on highways and also city areas around the state so that potential buyers of EVs can see that this infrastructure is available and breakthrough the problem of infrastructure and charging stations versus EV adoption;*
- 3) Supporting the Public Service Commission and DPS in the acceleration of this new regulatory structure. NYPA will provide test cases and input as the PSC and DPS develop the regulations in order to ensure that the result keeps the costs down, and keeps the grid as reliable as possible.*

NYPA will accelerate private investment in electric vehicles by:

- 1) Working with private investors to drive down some of the uncertainty of the risks of investing in this area;*
- 2) Working with other public sector organizations such as NYSERDA and the Department of Environmental Conservation to amplify the efforts; and*
- 3) Working to de-risk the market by looking at new business and pricing models to attract private sector capital.*

NYPA’s EV initiative will focus on delivering five critical EV Programs:

- 1) Build Public DCFC Stations*

These are charging stations that can go as high as 150 kilowatts per station. The goal is to get the charging times down to the 10-to-20-minute range; get as much as a 200-mile range in the car battery; place the charging stations along all major highway corridors in the state - about every 30 miles; and to put DCFC charging stations in various city hub areas e.g. multi-family housing or where people who are passing through airports and other high-traffic areas can stop and charge their vehicle in a short time in order to drive the charging time closer to what they are used to with gasoline engines;

2) *Increase Customer Awareness*

This will be done through a marketing and information effort;

3) *Electric Bus Financing*

NYPA will help incentivize the transition to electric buses throughout the state by working with transit agencies in various cities to help finance and incentivize the transition to electric buses, so that the benefits of electric vehicles can be felt by people who use the bus system;

4) *Vehicle Fleet Conversion*

NYPA will work with various vehicle fleet owners, starting with the state and NYPA, to convert vehicle fleets to electric vehicles. Also, explore ways that private companies can join in that transition; and

5) *Regulatory Review and Support.*

In closing, Mr. Lurie said that, at a future meeting, staff would bring to the Board a plan outlining exactly how the Authority proposes to spend the \$250 million over the next several years. Staff will present to the Board business plans on all three initiatives; for the larger initiative on Electric Vehicles; and also on the other two areas, flexibility and clean generation. In addition, staff will be asking for financial and headcount adjustments to the Authority's existing four-year budget plan. Staff will also report to Board on the initial stages of the first tranche investment.

NYPA is now seeking the Board's approval for an investment of \$40 million in funds. This is part of the overall allocation to be set aside - up to \$250 million between now and 2025. This initial \$40 million investment will be used for three specific Phase 1 projects to be completed at the end of 2019:

1) *DCFC Rollout - installing DC fast charger stations throughout certain highway corridors in the state, focusing on the major traffic corridors, initially for about 200 DC fast charger plugs at 150 kilowatts to make the fast-charging infrastructure much more visible to potential buyers.*

2) *The EV model communities - focusing on both infrastructure and marketing within a constrained geographic area, which might be a small city or a municipal utility territory, where NYPA can combine a lot of these efforts in addressing this information gap, and seeing what works and what does not work in helping drive EV adoption.*

3) *Airport Charging Hubs - placing fast chargers at the two major airports in New York City and regarding fast chargers at those airports as "ridesharing" networks. Private vehicles and Port Authority vehicles will also use these Hub Charging stations to show how electric vehicle adoption at these high-traffic areas can be driven by having these Hub stations easily available. The Port Authority is a key partner that the Authority is bringing into this effort.*

Chairman Koelmel said that this is the culmination of an extended effort, in particular over the last six months, by the team and the Board to get NYPA to this point - the opportunity to boldly step out and step up to this challenge. He applauded President Quiniones and the entire team for creating a very

exciting plan to realize this initiative. He said the Board looks forward to monitoring and measuring the outcomes as the Authority drives and effects this change through marketing and other dynamics.

Trustee Balboni said, and the members agreed, that he wholeheartedly supports the project. He said that it is completely in alignment with NYPA's mission and mandate of increasing generation from renewables, and decreasing greenhouse gases. He said, in fact, power by itself is just not enough to meet the mandates, and NYPA has a history of collaboration on energy projects involving electric vehicles. This is exactly what NYPA should be doing in terms of filling the gaps between the strategy and the implementation of the state's Energy Plan.

President Quiniones said that since the Board challenged staff last December to be a leader in this initiative and to help transform the utility sector, especially in New York State, the staff has been working diligently with various teams at the Authority. Staff has also been engaged in briefing Board members individually for the past six months, and has provided updates in previous Board meetings prior to today's meeting. This is the culmination of staff's efforts, presenting to the Board the three focused areas that the Authority has decided on, and to make a recommendation to the Board for the first initiative under one of those three goals.

President Quiniones continued that he would like to thank Robert Lurie and his team and the members of the various business units at NYPA for their efforts. He said, this has been a cross-functional effort with staffs working hard and putting all the necessary analytical underpinning of the recommendations to make sure that the Authority is making as fact-based a set of decisions as it can while taking some measurable risks as it enters this new set of businesses.

Upon motion made by Vice Chairman Nicandri and seconded by Trustee Trainor, The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees hereby authorize an investment of \$40 million in funds, as part of an overall allocation of up to \$250 million to be used between now and 2025. The initial \$40 million is to be used for the deployment of Direct Current Fast Charging ("DCFC") stations, development of the EV Model Community, and development of an electric fleet charging hub at a New York City airport, with the authorized funds being utilized over a four-year period for the Program as described in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That Operating Fund monies will be used to fund the three program components in the amount and for the purposes listed below:

Operating Funds	Expenditure (not to exceed)	Authorization Expires
DC Fast Charging points EV Model Community Airport DC Fast Charging Hub	\$40 million	5/22/2022

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do

May 22, 2018

any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

6. **Board Committee Reports**

a. **Audit Committee**

Chairman Nicandri said that the Audit Committee met this morning and received an update from Ms. Angela Gonzalez, the Senior Vice President of Internal Audit, on the status of the 2018 Audit Plan for NYPA and Canals. In addition, the Committee reviewed a status report on the open audits and Ms. Gonzalez's 100-day Plan.

7. **Next Meeting**

Chairman Koelmel said that the Regular meeting of the Boards would be held on July 31, 2018 **at the Clarence D. Rappleyea Building, White Plains, New York**, unless otherwise designated by the Chair with the concurrence of the Trustees.

Closing

Upon motion made by Trustee Balboni and seconded by Trustee McKibben, the meeting was adjourned at approximately 12:30 p.m.

Karen Delince

Karen Delince
Corporate Secretary

EXHIBITS

For

May 22, 2018

Regular Meeting

Minutes

No.	Company Name	Program	City	County	Base Jobs	New Jobs	Estimated Capital Investment	New Jobs Avg. Wage & Benefits	Power Requested (kW)	Power Recommended (kW)	Contract Term
1	Moog Inc.	RP	East Aurora	Erie	3,155	69	\$33,800,000	\$124,600	6,000	4,000	7 Years
TOTALS						69	\$33,800,000			4,000	

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER
(CES)

to

MOOG INC.

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Moog Inc. (“Customer”), having facilities at Jamison Road & Seneca Street, East Aurora, NY 14052-0018. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, known as “Expansion Power” (or “EP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, FERC Project No. 2216, known as “Replacement Power” (or “RP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, EP consists of 250 megawatts (“MW”) of firm hydroelectric power and associated firm energy produced by the Niagara Power Project;

WHEREAS, RP consists of 445 MW of firm hydroelectric power and associated firm energy produced by the Niagara Power Project;

WHEREAS, the Authority is authorized pursuant to PAL § 1005(13)(a) to award EP and/or RP based on, among other things, the criteria listed in the PAL, including but not limited to an applicant’s long-term commitment to the region as evidenced by the current and planned capital investment; the type and number of jobs supported or created by the allocation; and the state, regional and local economic development strategies and priorities supported by local units of governments in the area in which the recipient’s facilities are located;

WHEREAS, the Customer applied to the Authority for an allocation of hydropower to support operations at a new and/or expanded facility to be constructed and operated by the Customer (defined in Section I of this Agreement as the “Facility”);

WHEREAS, on September 26, 2017, the Authority’s Board of Trustees (“Trustees”) approved a 4,000 kilowatt (“kW”) allocation of RP to the Customer for a seven (7) year term (defined in Section I of this Agreement as the “Allocation”) in connection with the construction and operation of the Facility as further described in this Agreement;

WHEREAS, on September 26, 2017, the Trustees authorized the Authority to, among other things, take any and all actions and execute and deliver any and all agreements and other documents necessary to effectuate its approval of the Allocation;

WHEREAS, the provision of Electric Service associated with the Allocation is an

unbundled service separate from the transmission and delivery of power and energy to the Customer, and delivery service will be performed by the Customer's local electric utility in accordance with the Utility Tariff;

WHEREAS, the Parties have reached an agreement on the sale of the Allocation to the Customer on the terms and conditions provided for in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009 which specifies the approval process for certain contracts negotiated by the Authority; and

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

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

NOW THEREFORE, the Parties hereto agree as follows:

I. Definitions

- A. **Agreement** means this Agreement.
- B. **Allocation** refers to the allocation of EP and/or RP awarded to the Customer as specified in Schedule A.
- C. **Contract Demand** is as defined in Service Tariff No. WNY-1.
- D. **Electric Service** is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-1 and the Rules.
- E. **Expansion Power** (or **EP**) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(5) and (13).
- F. **Facility** means the Customer's facilities as described in Schedule A to this Agreement.
- G. **Firm Power** is as defined in Service Tariff No. WNY-1.
- H. **Firm Energy** is as defined in Service Tariff No. WNY-1.
- I. **FERC** means the Federal Energy Regulatory Commission (or any successor organization).
- J. **FERC License** means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project's original license which became effective in 1957.

- K. **Hydro Projects** is a collective reference to the Project and the Authority's St. Lawrence-FDR Project, FERC Project No. 2000.
- L. **Load Serving Entity** (or **LSE**) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.
- M. **NYISO** means the New York Independent System Operator or any successor organization.
- N. **NYISO Tariffs** means the NYISO's Open Access Transmission Tariff or the NYISO's Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.
- O. **Project** means the Niagara Power Project, FERC Project No. 2216.
- P. **Replacement Power** (or **RP**) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(5) and (13).
- Q. **Rules** are the applicable provisions of Authority's rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.
- R. **Service Tariff No. WNY-1** means the Authority's Service Tariff No. WNY-1, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.
- S. **Schedule A** refers to the Schedule A entitled "Expansion Power and/or Replacement Power Allocations" which is attached to and made part of this Agreement.
- T. **Schedule B** refers to the Schedule B entitled "Expansion Power and/or Replacement Power Commitments" which is attached to and made part of this Agreement.
- U. **Schedule C** refers to the Schedule C entitled "Takedown Schedule" which is attached to and made part of this Agreement.
- V. **Schedule D** refers to the Schedule D entitled "Clean Energy Standard Cost Recovery Charges" which is attached to and made part of this Agreement.
- W. **Substitute Energy** means energy that the Authority provides at the request of the Customer to replace hydroelectricity that would otherwise have been supplied to the Customer under this Agreement. Unless otherwise agreed upon by the Parties, Substitute Energy refers to energy purchased by the Authority for the Customer from markets administered by the NYISO.

- X. **Taxes** is as defined in Service Tariff No. WNY-1.
- Y. **Unforced Capacity (or “UCAP”)** means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.
- Z. **Utility Tariff** means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

II. Electric Service

- A. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-1 and the Rules. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified on Schedule A.
- B. The Authority will provide, and the Customer shall pay for, Electric Service with respect to the Allocation specified on Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall take and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
- C. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-1.
- D. The Customer acknowledges and agrees that Customer’s local electric utility shall be responsible for delivering the Allocation to the Facility specified in Schedule A, and that the Authority has no responsibility for delivering the Allocation to the Customer.
- E. The Contract Demand for the Customer’s Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
- F. The Contract Demand may not exceed the Allocation.

III. Rates, Terms and Conditions

- A. Electric Service shall be sold to the Customer based on the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-1 and the Rules.
- B. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30

days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. Any rate increase to Customer under this subsection shall be on a non-discriminatory basis as compared to other Authority customers after giving consideration to the factors set forth in the first sentence of this subsection. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

- C. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-1 and the Rules, Electric Service shall be subject to the Clean Energy Standard Cost Recovery Charges provided for in Schedule D.

IV. Expansion Power and/or Replacement Power Commitments

- A. Schedule B sets forth the Customer's specific "Expansion Power and/or Replacement Power Commitments." The commitments agreed to in Schedule B are in addition to any other rights and obligations of the Parties provided for in the Agreement.
- B. The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's performance of the commitments described in Schedule B.
- C. In the event of partial completion of the Facility which has resulted in such Facility being partly operational and the partial attainment of the Base Employment Level, the Authority may, upon the Customer's request, provide Electric Service to the Customer in an amount determined by the Authority to fairly correspond to the completed portion of the Facility, provided that the Customer demonstrates that the amount of requested Electric Service is needed to support the operations of the partially completed Facility.
- D. The Customer shall give the Authority not less than ninety (90) days' advance notice in writing of the anticipated date of partial or full completion of the Facility. The Authority will inspect the Facility for the purpose of verifying the completion status of the Facility and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time after verification based on applicable operating procedures of the Authority, the Customer's local electric utility and the NYISO.

- E. In the event the Customer fails to complete the Facility by September 26, 2020 (*i.e.*, within three (3) years of the Authority's award of the Allocation), the Allocation, at the option and discretion of the Authority, may be canceled or reduced by the total amount of kilowatts determined by the Authority to fairly correspond to the uncompleted portion of the Facility, provided that in such event, and upon request of the Customer, such date may be extended by the Authority in its sole discretion.

V. Rules and Service Tariff

Service Tariff No. WNY-1, as may be modified or superseded from time to time by the Authority, is hereby incorporated into this Agreement with the same force and effect as if set forth herein at length. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-1 and the Rules, the provisions of Service Tariff No. WNY-1 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-1, the provisions of this Agreement shall govern.

VI. Transmission and Delivery of Firm Power and Firm Energy; Responsibility for Charges

- A. The Customer shall be responsible complying with all requirements of its local electric utility that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff.
- B. The Customer shall be solely responsible for paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff. Should the Authority incur any charges associated with such delivery service, the Customer shall reimburse the Authority for all such charges.
- C. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service Tariff No. WNY-1 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related. Such NYISO Charges shall be in addition to the charges for power and energy.
- D. By entering into this Agreement, the Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that the Authority and the local electric utility determine is necessary to provide for the Allocation, sale and delivery of EP and/or RP to the Customer, the proper and efficient implementation of the EP and/or RP programs, billing related to EP and/or RP, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters.
- E. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement or other form of understanding between the Authority and the

Customer's local electric utility on terms and conditions that are acceptable to the Authority.

- F. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, provide documentation, execute consents and provide other information (collectively, "Information") which the Authority determines is necessary for the provision of Electric Service, the delivery of EP and/or RP, billing related to the EP and/or RP program, the effective and proper administration of the EP and/or RP program, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide such Information shall be grounds for the Authority in its sole discretion to withhold or suspend Electric Service to the Customer.

VII. Billing and Billing Methodology

- A. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
- B. The Authority will render bills by the 10th business day of the month for charges due for the previous month. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and other applicable charges.
- C. The Authority may render bills to the Customer electronically.
- D. The Authority and the Customer may agree in writing to an alternative method for the rendering of bills and for the payment of bills, including but not limited to the use of an Authority-established customer self-service web portal.
- E. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
- F. Unless otherwise agreed to by the Authority and the Customer in writing, if the Customer fails to pay any bill when due, an interest charge of two percent (2%) of the amount unpaid shall be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent (1 1/2%) of the sum unpaid shall be added on the first day of each succeeding billing period until the amount due, including interest, is paid in full.

- G. Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.
- H. If at any time after commencement of Electric Service the Customer fails to make complete and timely payment of any two (2) bills for Electric Service, the Authority shall have the right to require the Customer to deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit shall be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. If the Customer fails or refuses to provide the deposit within thirty (30) days of a request for such deposit, the Authority may, in its sole discretion, suspend Electric Service to the Customer or terminate this Agreement.
- I. All other provisions with respect to billing are set forth in Service Tariff No. WNY-1 and the Rules.
- J. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

VIII. Hydropower Curtailments and Substitute Energy

- A. If, as a result of reduced water flows caused by hydrologic conditions, there is insufficient energy from the Hydro Projects to supply the full power and energy requirements of the Authority's firm power customers served by the Authority from the Hydro Projects, curtailments (*i.e.* reductions) in the amount of Firm Power and Firm Energy associated with the Allocation to which the Customer is entitled shall be applied on a *pro rata* basis to all firm power and energy customers served from the Hydro Projects, consistent with Service Tariff No. WNY-1 as applicable.
- B. The Authority shall provide reasonable notice to Customer of any curtailments referenced in Section VIII.A of this Agreement that could impact Customer's Electric Service under this Agreement. Upon written request by the Customer, the Authority will provide Substitute Energy to the Customer to replace the Firm Power and Firm Energy that would otherwise have been supplied pursuant to this Agreement.
- C. For each kilowatt-hour of Substitute Energy supplied by the Authority, the Customer will pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Billing and payment for Substitute Energy shall be governed by the Billing and Payments provision of the Authority's Rules (Section 454.6) and shall apply directly to the Substitute Energy service supplied to the Customer.

- D. The Parties may enter into a separate agreement to facilitate the provision of Substitute Energy, provided, however, that the provisions of this Agreement shall remain in effect notwithstanding any such separate agreement. The provision of Substitute Energy may be terminated by the Authority or the Customer on fifteen (15) days' prior written notice.

IX. Effectiveness, Term and Termination

- A. This Agreement shall become effective and legally binding on the Parties upon execution of this Agreement by the Authority and the Customer.
- B. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (1) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (2) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-1, or the Rules; or (3) expiration of the Allocation by its own term as specified in Schedule A.
- C. The Customer may exercise a partial termination of the Allocation upon at least thirty (30) days' notice prior written notice to the Authority. The termination shall be effective commencing with the first billing period as defined in Service Tariff No. WNY-1.
- D. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-1, or the Rules.

X. Additional Allocations

- A. Upon proper application by the Customer, the Authority may in its discretion award additional allocations of EP or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (i) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (ii) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
- B. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for additional allocations and consider the terms and conditions that should be applicable of any additional allocations.

XI. Notification

- A. Correspondence involving the administration of this Agreement shall be addressed as

follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601

Email:

Facsimile: _____

Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Moog Inc.
Jamison Road & Seneca Street
East Aurora, NY 14052-0018

Email:

Facsimile:

Attention:

The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XI.B of this Agreement.

- B. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed properly given: (1) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (2) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (3) if delivered by hand, with written confirmation of receipt; (4) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (5) if sent by electronic mail to the appropriate address as set forth above, with written confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

XII. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a).

XIII. Venue

Each Party consents to the exclusive jurisdiction and venue of any state or federal court within or for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement.

XIV. Successors and Assigns; Resale of Hydropower

- A. The Customer may not assign or otherwise transfer an interest in this Agreement.
- B. The Customer may not resell or allow any other person to use any quantity of EP and/or RP it has purchased from the Authority under this Agreement.
- C. Electric Service sold to the Customer pursuant to this Agreement may only be used by the Customer at the Facility specified in Schedule A.

XV. Previous Agreements and Communications

- A. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, representations, warranties, commitments, offers, contracts and writings, written or oral, with respect to the subject matter hereof.
- B. Except as otherwise provided in this Agreement, no modification of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

XVI. Severability and Voidability

- A. If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof.
- B. Notwithstanding the preceding paragraph, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

XVII. Waiver

- A. Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter.
- B. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

XVIII. Execution

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each

Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement by email as a PDF file shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

MOOG INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

**SCHEDULE A TO AGREEMENT FOR THE SALE OF EXPANSION POWER AND/OR
REPLACEMENT POWER (CES)**

EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Moog Inc.	Allocation Amount (kW)		Trustee Approval Date	
Type of Allocation		Facility		Expiration Date
Replacement Power	4,000	Jamison Road & Seneca St. East Aurora, NY 14052- 0018	September 26, 2017	Seven (7) years from commencement of Electric Service of any portion of this Allocation.

**SCHEDULE B TO AGREEMENT FOR THE SALE OF EXPANSION POWER
AND/OR REPLACEMENT POWER (CES)**

EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

I. Employment Commitments

A. Employment Levels

The provision of EP and/or RP to the Customer hereunder is in consideration of, among other things, the Customer's creation and/or maintenance of the employment level set forth in the Appendix of this Schedule (the "Base Employment Level"). Such Base Employment Level shall be the total number of full-time positions held by: (1) individuals who are employed by the Customer at Customer's Facility identified in the Appendix to this Schedule, and (2) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.

The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's sole discretion.

B. Employment Records and Reports

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice

all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

II. Reductions of Contract Demand

A. Employment Levels

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in this Schedule B, for the subject calendar year, the Authority may reduce the Contract Demand subject to Article II.D of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

B. Power Utilization Levels

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement. If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-1) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to Article II.D of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

C. Capital Investment

The Customer agrees to undertake the capital investment set forth in the Appendix to this Schedule.

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's obligations provided for in this Schedule B.

D. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to this Schedule , the Authority shall provide the Customer with at least thirty (30) days prior written notice of such reduction, specifying the amount of the reduction of Contract Demand and the reason for the reduction, provided, however, that before making the reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance or Facility upgrading periods when such events temporarily reduce plant employment levels or electrical demand as well as business cycle.

III. Energy Efficiency Audits; Information Requests

Unless otherwise agreed to by the Authority in writing, the Customer shall undergo an energy efficiency audit of its Facility and equipment at which the Allocation is consumed at the Customer's expense at least once during the term of this Agreement but in any event not less than once every five years. The Customer will provide the Authority with a copy of the audit or, at the Authority's option, a report describing the results of the audit, and provide documentation requested by the Authority to verify the implementation of any efficiency measures implemented at the Facility.

The Customer agrees to cooperate to make its Facility available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform, if any, at the Authority's own expense.

The Customer shall 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 Customer may, after consultation with the Authority, exclude from written copies of audits, reports and other information provided to the Authority under this Article trade secrets and other information which if disclosed would harm the competitive position of the Customer.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

Within three (3) years of commencement of Electric Service, the Customer shall employ at least 3,224 full-time employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained thereafter for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT

The Customer shall make a minimum capital investment of \$33,800,000 to construct and furnish the Facility (the “Capital Investment”). The Capital Investment is expected to consist of the following approximate expenditures on the items indicated:

Building construction (~95,000 sq.ft. addition) -	\$24,700,000
Lighting & HVAC equipment -	\$ 3,000,000
Hydraulic Pump & Chiller Systems -	\$ 1,000,000
Compressed Air System -	\$ 100,000
Further electrical infrastructure upgrades -	\$ 4,500,000
Miscellaneous project costs and contingencies -	<u>\$ 500,000</u>

Total Minimum Capital Investment: \$33,800,000

The Capital Investment shall be made, and the Facility shall be completed and fully operational, no later than September 26, 2020 (*i.e.*, within three (3) years of the date of the Authority’s award of the Allocation). Upon request of the Customer, such date may be extended in the sole discretion of the Authority.

**SCHEDULE C TO AGREEMENT FOR THE SALE OF EXPANSION POWER AND/OR
REPLACEMENT POWER (CES)**

TAKEDOWN SCHEDULE

N/A

**SCHEDULE D TO AGREEMENT FOR THE SALE OF EXPANSION POWER
AND/OR REPLACEMENT POWER (CES)**

CLEAN ENERGY STANDARD COST RECOVERY CHARGES¹

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-1 or the Rules, the Customer shall be subject to a (i) Zero Emission Credit (“ZEC”) Charge, and (ii) Renewable Energy Credit (“REC”) Charge (collectively, the “Clean Energy Standard Cost Recovery Charges”), as of the dates indicated herein. The Clean Energy Standard Cost Recovery Charges shall be in addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff No. WNY-1 and the Rules.
2. The Clean Energy Standard Cost Recovery Charges have been developed to support the Clean Energy Standard (“CES”) established by the New York Public Service Commission (“PSC”) in an order entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-270 (the “CES Order”). The CES is intended to implement the clean energy goals of the State Energy Plan (“SEP”). The SEP’s goals are that 50% of New York’s consumed electricity is to be provided by renewable electricity sources of power by 2030, and to reduce statewide greenhouse gases by 40% by 2030.
3. As detailed in the CES Order, the PSC established a regulatory program (the “CES Program”) which imposes two requirements on load serving entities (“LSEs”) identified in the CES Order (hereinafter, “Affected LSEs”):

(1) An obligation to purchase “Zero Emission Credits” (“ZECs”) from the New York State Energy Research Development Authority (“NYSERDA”), in an amount representing the Affected LSE’s proportional share of ZECs calculated by the amount of electric load it serves in relation to the total electric load served by all LSEs in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is currently scheduled to commence on April 1, 2017, and will be implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).

(2) An obligation to support renewable generation resources to serve the Affected LSE’s retail customers to be evidenced by the procurement of qualifying Renewable Energy Credits (“RECs”) in quantities that satisfy mandatory minimum percentage proportions of the total retail load served by the Affected LSE (the “REC Purchase Obligation”). Minimum purchase proportions for Affected LSEs for years 2017-2021 are specified in the CES Order, subject to adjustment after a 3-year look-back, and the PSC indicates it will adopt increasingly larger minimum purchase proportions for years 2022-2030. The REC Purchase Obligation is

¹ Capitalized terms not defined in this Schedule D have the meaning ascribed to them in the Agreement, Service Tariff No. WNY-1, or the Rules.

scheduled to commence January 1, 2017 and will be implemented on the basis of program years running from January 1 through December 31 of each year (“REC Program Year”).

4. The Authority is not subject to PSC jurisdiction for purposes of the CES Order. However, it supplies electricity to end-use customers throughout the State in a manner similar to an Affected LSE, and supports the clean energy goals of the SEP. Therefore, the Authority will participate in the CES Program as further explained herein by (i) assuming a ZEC Purchase Obligation, and (ii) adapting a form of the REC Purchase Obligation, through an Authority REC Program, to the end-user load for which the Authority serves as an LSE, including power sold under EP and RP Programs, for the purpose of implementing the CES and the SEP’s clean energy goals. The Authority’s participation in the CES Program as described will cause the Authority to incur costs. The ZEC Charge and the REC Charge are intended to recover from the Customer the costs the Authority will incur from purchasing ZECs and RECs that are attributable to Customer load served under this Agreement. By accepting Electric Service under the Agreement, the Customer agrees to reimburse the Authority for such costs through payment of the ZEC Charge and REC Charge.

5. ZEC Charge

a. The Authority anticipates the ZEC Charge to the Customer will be determined as follows, subject to the qualifications provided for in other provisions of this Schedule D:

i. The cost of the total ZEC Requirement for all LSEs in the New York Control Area, including the Authority as a participating LSE, will be assessed as described in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA. Its share will be based on the proportion of the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The Authority anticipates that LSE ZEC Purchase Obligations will be based on initial forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

ii. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as LSE, including the EP and RP Programs (the “EP and RP Programs ZEC Cost”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP Programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for the ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation would be allocated to the EP and RP Programs based on the proportion of the actual annual kilowatt-hours load served under such Programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

- iii. The Authority will allocate a portion of the EP and RP Programs ZEC Cost to the Customer as the ZEC Charge based on the proportion of the Customer's actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP Programs (EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation mentioned above will be passed through to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP Program by the Authority (EP and RP Programs level load).
- b. The ZEC Charge shall apply to the sale of EP and/or RP sold under this Agreement on and after April 1, 2017, unless by written notice the Authority specifies that the ZEC Charge shall apply to sales of EP and/or RP commencing on a later date.

6. REC Charge

- a. The Authority anticipates the REC Charge to the Customer will be determined as follows, subject to the qualifications provided for in other provisions of this Schedule D:
 - i. Under the Authority REC Program, the Authority will, at a minimum, secure a sufficient number of RECs as required by the REC Purchase Obligation to cover the Customer's load based on the percent of the Customer's kilowatt-hour load as prescribed in the CES Order. The Authority will purchase RECs from NYSERDA or secure qualified RECs from one or more other sources in the Authority's discretion.
 - ii. The Authority may, in its sole discretion, as part of the Authority REC Program, offer the Customer a "customer choice component" that would allow the Customer to elect one or more options in connection with the REC Purchase Obligation, such as (but not necessarily limited to) the following: (a) designate the Authority to secure RECs for the Customer's load, and pay the Authority the REC Charge; (b) purchase the required number of qualifying RECs itself pursuant to an authorized Authority-developed process, thereby avoiding payment of the standard REC Charge; or (c) make a form of Alternative Compliance Payments ("ACPs") as calculated by the Authority pursuant to an authorized Authority-developed process.
 - iii. The costs incurred by the Authority under the Authority REC Program that are attributable to the Customer's load will be passed on to the Customer as the REC Charge. Depending on the availability of the Customer's kilowatt-hour load information and other data from third-party sources, the Customer will either be billed for actual costs or estimated costs subject to reconciliation adjustments.

- b. The REC Charge shall apply to the sale of EP and/or RP sold under this Agreement on and after January 1, 2017, unless by written notice the Authority specifies that the REC Charge shall apply to sales of EP and/or RP commencing on a later date.
7. The Authority may, in its discretion, provide the Customer with additional information relating to the determination of the Clean Energy Standard Cost Recovery Charges by notice prior to the first billing of either charge, at the time of the first billing of either charge, or in another appropriate manner determined by the Authority.
8. The Authority may, in its sole discretion, modify the manner in which it participates in the CES Program, upon consideration of such matters as PSC orders modifying or implementing the CES Order and CES Program, guidance issued by the Department of Public Service, the Authority's legal and financial obligations and policies, changes of law, and other information the Authority determines to be appropriate.
9. The Authority may, in its sole discretion, include the Clean Energy Standard Cost Recovery Charges as part of the bills that are rendered pursuant to Article VII of the Agreement, or bill the Customer for such Charges pursuant to another procedure to be established by the Authority.
10. The Authority may, in its sole discretion, modify the methodology used for determining the Clean Energy Standard Cost Recovery Charges and the procedures used to implement such charges, upon consideration of such matters as PSC orders modifying or implementing the CES Order and CES Program, guidance issued by the Department of Public Service, and any other matter the Authority determines to be appropriate to the determination of such methodology.
11. Nothing in this Schedule D shall limit or otherwise affect the Authority's right to: (a) charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-1 or the Rules; or (b) charge the Customer, or recover from the Customer for, any cost, expense or other liability to the Authority resulting from any statutory enactment, or any action of the PSC or other governmental authority relating to the SEP or CES.



POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power to Expansion and
Replacement Customers located
In Western New York

Service Tariff No. WNY-1

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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power (as defined below) directly to a qualified business Customer (as defined below) for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff

Agreement: An executed “Agreement for the Sale of Expansion and/or Replacement Power and Energy” between the Authority and the Customer (each as defined below).

Annual Adjustment Factor or **AAF:** This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business customer who has received an allocation for Expansion Power and/or Replacement Power from the Authority and who purchases Expansion Power and/or Replacement Power directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power and/or **Replacement Power:** Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A load split methodology applicable to a Customer's allocation. It is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility, or such local utility's tariff, regarding the delivery of WNY Firm Power. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30 starting July 1, 2013, and for any year thereafter.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-1.

Target Rate: This term shall have the meaning set forth in Section III herein.

All other capitalized terms and abbreviations used but not defined herein shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

Beginning on July 1, 2013, there will be a 3-year phase-in to new base rates. The phase-in will be determined by the rate differential between the 2012 EP/RP rates and a "Target Rate." The Target Rate, specified in Section III.A.1. below, is based on the rates determined by the Authority to be applicable in RY 2013 for sales of "preservation power" as that term is defined in PAL § 1005(13). The following Sections III.A.1-4 describe the calculation and implementation of the phase-in.

1. The initial rate point will be established by the EP/RP rates (\$/kW and \$/MWh), determined by mid-April 2012 and made effective on May 1, 2012 in accordance with the Authority's then-applicable EP and RP tariffs. The Target Rate (*i.e.* demand and energy rates) for RY 2013 shall be \$7.99/kW and \$13.66/MWh.
2. The difference between the two rate points is calculated and divided by 3 to correspond with the number of Rate Years over which the phase-in will occur. The resulting quotients (in \$/kW and \$/MWh) are referred to as the "annual increment."
3. The annual increment will be applied to the base rates for the 3-year period of the 2013, 2014 and 2015 Rate Years, which shall be as follows:

RY 2013: July 1, 2013 to June 30, 2014

RY 2014: July 1, 2014 to June 30, 2015

RY 2015: July 1, 2015 to June 30, 2016

The annual rate adjustments normally made effective on May 1, 2013 under then-applicable EP and RP tariffs will be suspended, such that demand and energy rates established in 2012 shall be extended through June 30, 2013.

4. Effective commencing in RY 2013, the Annual Adjustment Factor ("AAF") described in Section V herein, shall be applied as follows:
 - A. For the RY 2013 only, the AAF will be suspended, and the RY 2013 rate increase will be subject only to the annual increment.
 - B. For the RYs 2014 and 2015, the AAF will be applied to the demand and energy rates after the addition of the annual increment to the rates of the previous RY rates. Such AAF will be subject to the terms and limits stated in Section V herein.
 - C. Beginning in RY 2016, the AAF will be applied to the previous RY rates, and the annual increment is no longer applicable.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the

Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) and PAL § 1005(5) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The minimum monthly charge shall equal the product of the demand charge and the contract demand (as defined herein). Such minimum monthly charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its sole discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Customer's Load Split Methodology as following:

- For Customers whose allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's Takedown (kW) amount.
- For Customers whose allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's Takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as following:

- For Customers whose allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the Takedown (kW) amount at 70 percent load factor for that Billing Period.

- For Customers whose allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the Takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III B.D. shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended to limit the Authority's rights under the Agreement.

F.Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G.Billing Period

Any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H.Billing Demand

The billing demand shall be determined by applying the applicable billing methodology to total meter readings during the billing period. See Section IV.E, below.

I.Billing Energy

The billing energy shall be determined by applying the applicable billing methodology to total meter readings during the billing period. See Section IV.E, below.

J.Contract Demand

The contract demand of each Customer will be the amount of Expansion Power and/or Replacement Power, not to exceed their Allocation, provided to such Customer by the Authority in accordance with the Agreement.

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any billing period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
- 2.If, as a result of reduced water flows caused by hydrologic conditions, there is insufficient energy from the Hydro Projects to supply the full power and energy requirements of NYPA's Firm Power customers served from the Hydro Projects, hydropower curtailments (*i.e.* reductions) in the amount of Firm Power and Energy to which the Customer is entitled shall be applied on a *pro rata* basis to all Firm Power and Energy customers served from the Hydro Projects. Reductions as a percentage of the otherwise required Firm Power and Energy sales will be the same for all Firm Power and Energy customers served from the Hydro Projects. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods. The Customer will receive appropriate bill credits as provided under the Rules.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology and Billing

Unless otherwise specified in the Agreement, the following provisions shall apply:

- 1.The billing methodology to be used to render bills to the Customer related to its Allocation shall be determined in accordance with the Agreement and delivery agreement between the Authority and, as applicable, the Customer or local electric utility or both.

2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the local utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the Load Split Methodology provided for in any contract between the Authority and the Customer’s local electric utility, any contract between the Authority and the Customer, or any contract between the Authority, the Customer and the Customer’s local electric utility for delivery of WNY Power. Billing Demand may not exceed the amount of the Contract Demand.

3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the methodology provided for in any contract between the Authority and the Customer’s local electric utility for delivery of WNY Power.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Energy during any billing period the higher of either (i) the sum of (a), (b) and (c) below or (ii) the monthly minimum charge as defined herein:

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer’s billing demand (as defined in Section IV.E, above) for the billing period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer’s billing energy (as defined in Section IV.E, above) for the billing period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges (“NYISO Charges”)

The Customer shall compensate the Authority for the following NYISO Charges assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;

- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and
- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another third party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing, and are subject to adjustment as provided for in the Agreement, Service Tariff No. WNY-1 and the Rules. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority shall render bills to the Customer electronically.
2. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
3. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
4. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its sole discretion to suspend Electric Service to the Customer or terminate this Agreement.

H. Adjustment of Charges

1. Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

The Authority's Rules shall apply to the Electric Service provided under this Service Tariff. In the event of any inconsistencies, conflicts or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern.

J. Customer Resales Prohibited

The Customer may not resell any quantity of Expansion Power and/or Replacement Power.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
- a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. The Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended by the Parties to reflect, the Customer and the Authority shall mutually select a substitute Index. The Parties agree to mutually select substitute indices within 90 days, once notified by the other party that the indices are no longer available or no longer reflect the relevant factors or changes with the indices were intended by the Parties to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If unable to reach agreement on substitute indices within the 90-day period, the Parties agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> (\$000s)	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24
<u>Measuring Year -1 (2011)</u>			
CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23
	Ratio of MY/MY-1		1.00

• Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year <u>(2013)</u>	Measuring Year -1 <u>(2012)</u>
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

*New York State Power Authority
Public Hearing*

February 15, 2018



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New York State Power Authority
Thursday, February 15, 2018, 2:30 p.m.,
Niagara Power Project Visitors' Center
5777 Lewiston Road
Lewiston, New York 14092

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ERS :

MS . DELINCE 3
MR . SMITH 5
MS . DELINCE 11

1 MS. DELINCE: Good afternoon. This is a
2 public hearing required by law and authorized by the
3 New York Power Authority's Board of Trustees on the
4 proposed Customer Contracts for the sale of
5 hydropower to Time Release Sciences, Inc., Ceres
6 Crystal Industries Inc., Greenpac Mill, LLC, Hammond
7 Manufacturing Company Inc., and Moog Inc.

8 My name is Karen Delince, and I'm the
9 Authority's Corporate Secretary.

10 New York State Public Authorities Law,
11 Section 1009, sets forth procedures for executing
12 certain contracts negotiated by the Authority.

13 First, prior to the hearing, it requires that
14 notice of the hearing be provided. Therefore, a
15 notice was sent to the Governor, the Senate's
16 President Pro Temp, the Senate Minority Leader, the
17 Senate Finance Committee Chair, the Assembly
18 Speaker, the Assembly Minority Leader, the Assembly
19 Ways and Means Committee Chair.

20 In addition, notices appeared in the
21 following newspapers once a week for the four weeks
22 leading up to this hearing: Niagara Gazette,
23 Buffalo News, Buffalo Business First,

1 Lewiston-Porter Sentinel, Albany Times-Union, and
2 Dunkirk Observer.

3 The public was also given access to the
4 proposed contracts on the Authority's website and at
5 the Authority's White Plains office during the
6 30-day period prior to today's hearing.

7 After the hearing, the public will be given
8 access to the hearing transcript, once it is
9 completed, at www.nypa.gov and at the White Plains
10 office.

11 The next step in the process set forth in
12 Section 1009 will be for the NYPA Trustees to
13 reconsider the proposed contracts in light of public
14 comments.

15 Once the Trustees have completed their final
16 review, the contracts will be forwarded to the
17 Governor for his consideration and approval.

18 If you plan to make an oral statement at this
19 hearing, I ask that you so indicate on the sign-in
20 sheet. Also, if you have a written statement,
21 please give a copy to Lorna Johnson and one to the
22 reporter.

23 Written statements may be of any length and

1 will appear in the record of the hearing in addition
2 to oral statements.

3 The record of the hearing will remain open for
4 additional comments through close of business,
5 Friday, February 16, 2018.

6 Additional comments should be mailed, faxed,
7 or emailed to the Corporate Secretary at:
8 123 Main Street, 11-P, White Plains, NY 10601; or
9 (914)390-8040; or secretarys.office@nypa.gov.

10 At this point, I would like to introduce
11 Mr. Richard Smith, the Authority's Director of
12 Business and Project Development, Western New York,
13 who will provide additional details on the proposed
14 Customer Contracts. Thank you. Mr. Smith.

15
16 MR. SMITH: Thank you, Ms. Delince. Good
17 afternoon. My name is Richard Smith. I'm the
18 Business and Project Development Director within
19 NYPA's Economic Development Department.

20 I'm here today to present a summary of a
21 proposed new contract for a current customer here in
22 Western New York, for the sale of hydropower
23 generated here at the Niagara Power Project.

1 I will also present a summary of proposed
2 hydropower contracts with four existing customers
3 who have five allocations with contracts that are
4 set to expire in 2018 and have been recently
5 approved for extension by the Authority's Board of
6 Trustees.

7 Regarding the contracts: under Public
8 Authorities Law, Section 1005, Subsection 13, the
9 Authority may allocate and sell directly or by sale-
10 for-resale, 250 MW of Expansion Power, known as EP,
11 and 445 MW of Replacement Power, known as RP, to
12 businesses located within 30 miles of the Niagara
13 Power Project, provided that the amount of EP
14 allocated to businesses in Chautauqua County on
15 January 1, 1987, shall continue to be allocated in
16 Chautauqua County.

17 Moog Inc. was awarded a new 4000-kilowatt
18 hydropower allocation by the Authority's Trustees on
19 September 26, 2017, in return for commitments made
20 to create or expand its business in Western New
21 York.

22 Specifically, Moog, a manufacturer of
23 precision motion control products, will expand its

1 operations in the Town of Elma in Erie County. The
2 expansion calls for Moog to construct a new
3 95,000-square-foot manufacturing facility with an
4 investment of at least \$33.85 million and the
5 creation of at least 69 new jobs above its base jobs
6 level of 3,155. The Trustees approved the
7 allocation over a term of seven years.

8 Also, on September 26, 2017, the Authority's
9 Trustees approved an extension to the term of five
10 existing hydropower allocations to four current
11 customers with facilities in Western New York.

12 Specifically, an extension of the 250 kW RP
13 allocation that is due to expire on March 31, 2018,
14 for Time Release Sciences, Inc., also known as TRS.

15 TRS is committed to maintain 77 jobs through
16 June 30, 2020, at its packaging facilities located
17 in Buffalo, New York.

18 An extension of two RP allocations scheduled
19 to expire on June 30, 2018, for Ceres Crystal
20 Industries, a manufacturer of cubic zirconia
21 crystals. The first allocation is 1,000 kW of RP
22 and the second allocation is 1,600 kW of RP. In
23 return, Ceres will maintain 35 jobs at its Niagara

1 Falls facility through June 30, 2020.

2 An extension of the 10,000 kW RP allocation
3 expiring on June 30, 2018, for Greenpac Mill, LLC, a
4 manufacturer of lightweight liner board, operating
5 in Niagara Falls, New York. Greenpac is committed
6 to maintain a minimum of 108 jobs at the facility
7 through June 30, 2020.

8 An extension of the 100 kW RP allocation
9 expiring on June 30, 2018, for Hammond Manufacturing
10 Company, Inc., a manufacturer of outlet strips and
11 electronic transformers, located in Cheektowaga, New
12 York. Hammond is committed to maintain a minimum of
13 24 jobs at its facility through June 30, 2020.

14 The following is a summary of some of the
15 pertinent provisions in each of the proposed
16 contracts.

17 The contracts provide for the direct billing
18 of all hydropower supply charges and all New York
19 Independent System Operator, Inc. charges and taxes.

20 The contracts include the customer's
21 agreed-upon commitments with respect to employment,
22 capital investment, and power utilization.

23 Under the contracts, the Authority may reduce

1 or terminate the allocation if employment, power
2 utilization, or capital investment commitments are
3 not met.

4 Relatedly, the contracts include an annual
5 job reporting requirement and a job compliance
6 threshold of 90 percent. Should the company's
7 average annual employment fall below the compliance
8 threshold of 90 percent of the employment
9 commitment, the Authority may reduce the amount of
10 the allocation.

11 The contract for Moog provides for the
12 company to perform an energy audit at its facility
13 at least once within five years in order to ensure
14 that the customer uses the hydropower efficiently.
15 The extension contract does not carry this energy
16 audit provision due to the short-term nature of the
17 extension through June of 2020.

18 To address non-payment risk that could result
19 from the direct billing arrangement, the contract
20 includes commercially reasonable provisions
21 concerning the Authority's ability to charge late
22 payment fees and to require deposits in the event of
23 the customer's failure to make payment for any two

1 monthly bills. These contract provisions are
2 consistent with other Authority direct sale
3 contracts, including the Recharge New York sales
4 contracts.

5 The contracts provide for the collection of a
6 Zero Emission Credit Charge and a Renewable Energy
7 Credit Charge to allow the Authority to recover
8 costs it would incur relating to its purchase of
9 Zero Emission Credits and Renewable Energy Credits,
10 attributable to the customer's load.

11 The contract includes the Authority's Service
12 Tariff WNY-1, which specifies rates and other terms
13 applicable to all EP and RP allocations and that are
14 consistent with the Authority's other hydropower
15 program, Preservation Power.

16 Lastly, transmission and delivery service for
17 the allocation will be provided by National Grid or
18 NYSEG in accordance with the utilities' Public
19 Service Commission approved delivery service
20 tariffs.

21 As Ms. Delince stated earlier, the Authority
22 will accept your comments on the proposed contracts
23 until the close of business on Friday, February 16,

1 2018.

2 I will now turn the hearing back to
3 Ms. Delince.

4 MS. DELINCE: Thank you, Mr. Smith. We will
5 recess now and reconvene when speakers arrive.

6

7 (Recess.)

8

9 MS. DELINCE: The February 15, 2018 public
10 hearing on the proposed Customer Contracts for Time
11 Release Sciences, Inc., Ceres Crystal Industries,
12 Inc., Greenpac Mill, LLC, Hammond Manufacturing
13 Company, Inc., and Moog, Inc. is now officially
14 closed.

15 As previously stated, the record of the
16 hearing will remain open for additional comments
17 through close of business, Friday, February 16,
18 2018.

19 Thank you and good night.

20

21 (Hearing closed at 6:30 p.m.)

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STATE OF NEW YORK
COUNTY OF ERIE

I, Olga Runfola, a Notary Public in and for
the State of New York, do hereby certify:

That this proceeding was taken pursuant to
notice at the time and place herein set forth; that
said proceeding was taken down in shorthand by me
and thereafter under my supervision transcribed into
the English language, and I hereby certify the
foregoing proceeding is a full, true and correct
transcription of the shorthand notes so taken.

I further certify that I am neither counsel
for nor related to any parties to said action, nor
in anywise interested in the outcome thereof.

IN WITNESS WHEREOF, I have hereunto
subscribed my name this 19th day of February, 2018.



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Applicants Recommended for an Award of Fund Benefits by the Western NY Proceeds Allocation Board

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	Moog, Inc.	Niagara Falls	Niagara	Western NY	Business Expansion	Business Investment	\$1,600,000	\$26,025,000	50	100
Total:							\$1,600,000	\$26,025,000	50	100

Total Jobs Created & Retained: 150

Criteria adapted from the Western NY Power Proceeds Allocation Board's
"Procedures for the Review of Applications for Fund Benefits"

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.¹ The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:
 - Promote "Smart Growth" by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
 - Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
 - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.
 - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
 - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-border planning to create transportation and logistical infrastructure; improve

¹ As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

operational relationships; promote the attractiveness of WNY as a hub for global trade.

- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to <http://regionalcouncils.ny.gov/content/western-new-york>.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council (“REDC”) having responsibility for the region in which an Eligible Project is located.² The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: <http://regionalcouncils.ny.gov/content/finger-lakes>.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant’s long term commitment to the region as evidenced the current and/or planned capital investment in applicant’s facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.
8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.

² As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “revitalization” projects.

9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
 10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
 11. The extent of the applicant's willingness to satisfy affirmative action goals.
 12. The extent to which an award of Fund Benefits 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.
 13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
 14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
 15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
 16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
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Applicant Name:	Moog Inc. ("Moog")	REDC Region:	Western New York
Project Type:	Business Investment	County:	Niagara
Industry:	Space Propulsion Testing Facility	Locality:	Niagara Falls
Amount Requested:	\$1,600,000	Start Date:	June 2017
		Finish Date:	December 2022
RECOMMENDED OFFER			
Recommended Total Award:	\$1,600,000		
Total Project Cost:	\$26,025,000		
% of Project Cost Recommended:	6%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Machinery and Equipment	\$10,950,000	WNY EDF	\$1,600,000
Construction/Renovation	\$9,450,000	Cash Equity	\$24,425,000
Design/Planning	\$4,450,000		
Working Capital (Lease Payments)	\$800,000		
Infra. Costs (power, gas, sewer)	\$250,000		
Furniture and Fixtures	\$125,000		
Total:	\$26,025,000	Total:	\$26,025,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will retain 50 full time equivalents ("FTE") at the project location and create 100 FTE positions at the project location over five years.		
Average Salary of Jobs:	\$83,600		
Indirect Jobs Created			
Other Impact			



Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Recommendation Memo

PROJECT DESCRIPTION (Adapted from Application)			
<p>Moog plans to update its Niagara Falls space propulsion facility by replacing (i) a 75 year old, converted gas fed boiler used for process steam with an energy efficient model, (ii) old lighting with high efficiency LED fixtures, and an old HVAC system with a high efficiency system. Moog will also expand the facility by adding two buildings totaling approximately 10,000 square feet in space. Investments including new construction, site renovations, machinery and equipment and furniture and fixture purchase will be made over a five year period and extend the facility's useful life by 40 years.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$4.5 Excelsior Job Tax Credit	NYS Office of Community Renewal:	N/A
Economic Dev. Loan:	N/A	Other: NCIDA:	\$3,830,800 Property Tax Abatement; \$519,400 Sales Tax Exemption
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
N/A	\$		
BASIS FOR RECOMMENDATION			
<p>Use of the Western New York Economic Development Fund to support this project will help Moog retain its space propulsion business in New York State. Moog has a number of U.S. and global locations, including facilities in Utah that were seriously considered for this project because they are in close proximity to the division's customer base.</p> <p>The project supports the retention of 50 and the creation of 100 high-skill and high wage (\$83.6K avg. annual salary) jobs over the next 5 years. Jobs associated with Moog's space propulsion business represent the cutting edge of engineering and advanced manufacturing including the use of additive manufacturing.</p> <p>The project supports efforts to revitalize an old, partially abandoned industrial facility located on a Niagara County Superfund site.</p> <p>Supporting the project will allow Moog to continue its partnership with the State University of New York at Buffalo through which research and experiential learning opportunities are provided to students and faculty alike.</p>			



Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Recommendation Memo

ANTICIPATED DISBURSEMENT TERMS
Fund Benefits would be used to reimburse the applicant for a portion of costs associated with purchasing and installing machinery and equipment. It is anticipated that: (1) funds would be disbursed in arrears in a manner proportionate to the total for eligible expenses; and (2) reimbursement would be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying such matters as the applicant has incurred eligible expenses of approximately \$26MM and is compliant with yearly job commitments.

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

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
BUSINESS SERVICES - STRATEGIC SUPPLY MANAGEMENT	Q17-6308SR; 2 Awards 1. ARIBA, INC. Pittsburg, PA 2. KRELLER BUSINESS INFORMATION GROUP, INC. Cincinnati, OH	05/22/18 (on or about)	Third Party Risk Vendor Responsibility Vetting (VRV) tool	05/21/23	B/P			\$660,000*
*Note: represents aggregate total for up to 5-year term with \$475,000 of the aggregate total awarded to Ariba, Inc. and \$185,000 to Kreller Business Information Group, Inc.								
COMMERCIAL OPERATIONS - BUSINESS DEVELOPMENT	Q17-6345JGM; 6 Awards 1. ENERGY INITIATIVES GROUP, LLC Marlborough, MA 2. LEIDOS ENGINEERING, LLC Reston, VA 3. MOTT MACDONALD NY, INC. Iselin, NJ 4. SARGENT & LUNDY, LLC Chicago, IL 5. SIEMENS INDUSTRY, INC. Minnetonka, MN 6. SNC, Ltd. Rochester, NY	05/22/18 (on or about)	Provide On-Call Transmission Consulting Services	05/21/23	B/P			\$9.5 million*
*Note: represents aggregate total for up to 5-year term								

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 1 Award Basis: B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
 2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

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

EXHIBIT "4c i-A"
May 22, 2018

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
INFORMATION TECHNOLOGY - MAINTENANCE AND TECHNICAL SUPPORT	ORACLE AMERICA, INC. Reston, VA (PO# TBA)	05/22/18 (on or about)	Provision of Oracle software maintenance and support services	05/21/21	S/S			\$890,579.83*
							*Note: represents total for 3-year term	
LAW - LICENSING	Q18-6393JGM; 4 Awards 1. LOUIS BERGER U.S., INC. Morristown, NJ 2. GOMEZ AND SULLIVAN ENGINEERS, DPC Utica, NY 3. TRC ENVIRONMENTAL CORPORATION Windsor, CT 4. KLEINSCHMIDT ASSOCIATES, PA, PC Pittsfield, ME	05/22/18 (on or about)	Provision of services associated with licensing and environmental issues requiring expertise in Federal Energy Regulatory Commission (FERC) standards and requirements	05/21/23	B/P			\$9.9 million*
							*Note: represents aggregate total for up to 5-year term	
OPERATIONS - PROJECT MANAGEMENT	BRISTOL HARBOR GROUP, INC. Bristol, RI (PO# TBA)	05/22/18 (on or about)	Provision of Engineer of Record services for the Breaker II Vessel for the Niagara Project	05/21/21	Si/P			\$75,640*
							*Note: represents total for 3-year term, with 50% to be reimbursed by Ontario Power Generation Inc.	
OPERATIONS - TECHNICAL COMPLIANCE	LONGO ELECTRICAL-MECHANICAL, INC. Wharton, NJ (PO# 4600003466)	05/22/18 (on or about)	Provide motor repair and maintenance services to the Authority's SENY Power Plants	05/21/23	B/S	\$150,000		\$4 million*
							*Note: represents total for up to 5-year term including the interim award amount of \$150,000	

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

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
OPERATIONS - TRANSMISSION	DOVETAIL PARTNERS, INC. Minneapolis, MN (PO# TBA)	06/01/18 (on or about)	Serve as an administrator for the Right-of-Way Stewardship Council (ROWSC) accreditation program	05/31/23	S/P			\$36,000*

*Note: represents total for 5-year term

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

EXHIBIT "4c i-B"
 May 22, 2018

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
CUSTOMER ENERGY SOLUTIONS AND ENERGY EFFICIENCY	Q15-5865LW; 7 awards: 1. BURO HAPPOLD CONSULTING ENGINEERS, PC New York, NY (PO# 4600003064) 2. FIREFLY ENERGY CONSULTING, LLC ♦ Dallas, TX (PO# 4600003063) 3. ICF RESOURCES, LLC Fairfax, VA (PO# 4600003066) 4. KEMA, INC. Burlington, MA (PO# 4600003065) 5. NAVIGANT CONSULTING, INC. New York, NY (PO# 4600003067) 6. NEXANT, INC. San Francisco, CA (PO# 4600003068) 7. OPTIMAL ENERGY, INC. Hinesburg, VT (PO# 4600003061)	08/01/15	Provide for consulting services in support of Program Strategy and Development ("PS&D") initiatives	07/31/20	B/P		\$1,588,721	\$5,000,000*

*Note: represents aggregate total for up to 5-year term including additional funding request of \$2,000,000

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

EXHIBIT "4c i-B"
May 22, 2018

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
CUSTOMER ENERGY SOLUTIONS AND ENERGY EFFICIENCY	Q15-5863SR; 4 awards: 1. DONIA & ASSOC- ♦ IATES, LLC Brooklyn, NY 4600002993 2. HILL INTERNATIONAL, INC. Philadelphia, PA 4600002991 3. L J GONZER ASSOCIATES Cranford, NJ 4600002990 4. NPTS, INC. ♦ Buffalo, NY 4600002994	07/02/15	Provide for the services of temporary personnel to support construction activities and/or perform engineering services in connection with Energy Efficiency and Customer Energy Solutions programs and projects	06/30/20	B/S		\$6,759,250	\$10,000,000*
								*Note: represents aggregate total for up to 5-year term, including two-year extension request; no additional funding is requested
ENTERPRISE SHARED SERVICES – HUMAN RESOURCES	CONDUENT HR CONSULTING, LLC New York, NY (PO# 4600003326)	12/16/13	Provide for ongoing benefit consulting and actuarial services	12/15/18	B/P		\$669,878	\$1,330,000*
								*Note: represents total for 5-year term, and includes \$300,000 additional funding request
LAW - LABOR NEGOTIATIONS	PROSKAUER ROSE, LLP New York, NY (PO# 4500251856)	10/15/14	Provide for legal representation, advice and counsel to the Authority in connection with labor and employment matters	10/12/19	Si/L		\$656,575	\$975,000*
								*Note: represents total for 5-year term, and includes \$300,000 additional funding request and one-year contract extension request

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

EXHIBIT "4c i-B"
 May 22, 2018

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
LAW – LEGAL SERVICES	Q14-5764MR; Q14-5765MR; Q14-5766MR; 21 extensions:	03/26/15	Provide for Energy Services Counsel; Bond, Underwriter and Disclosure Counsel; and General Legal Services	03/25/20	B/L		\$11,288,052	\$20,000,000*
	1. HOLLAND & KNIGHT, LLP New York, NY (PO# 4600002935) (PO# 4600002952)							
	2. NIXON PEABODY, LLP Albany, NY (PO# 4600002948) (PO# 4600002955)							
	3. BOND SCHOENECK & KING, PLLC Garden City, NY (PO# 4600002966) (PO# 4600002975)							
	4. BARCLAY DAMON, LLP Syracuse, NY (PO# 4600002973) (PO# 4600002974)							
	5. HAWKINS DELAFIELD & WOOD, LLP New York, NY (PO# 4600002947)							
	6. CARTER LEDYARD & MILBURN, LLP New York, NY (PO# 4600002949)							
	7. STINSON LEONARD STREET, LLP Washington, DC (PO# 4600002950)							

*Note: represents aggregate total for requested 5-year term and includes \$7 million additional funding request

[continued on next page]

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

EXHIBIT "4c i-B"
 May 22, 2018

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
	8. JACKSON LEWIS, PC White Plains, NY (PO# 4600002953)							
	9. GIBBONS, PC Newark, NJ (PO# 4600002954)							
	10. BRYANT & RABBINO, LLP ♦ New York, NY (PO# 4600002960)							
	11. PILLSBURY WINTHROP SHAW PITTMAN, LLP Washington, DC (PO# 4600002967)							
	12. GRAVES HORTON ASKEW & JENKINS, LLC Washington, DC (PO# 4600002970)							
	13. TOWNE, RYAN & PARTNERS, PC ♦ Albany, NY (PO# 4600002971)							
	14. BLEAKLEY PLATT & SCHMIDT, LLP White Plains, NY (PO# 4600002976)							
	15. DENTONS US, LLP New York, NY (PO# 4600003012)							
	16. VAN NESS FELDMAN, LLP Washington, DC (PO# 4600003136)							

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

EXHIBIT "4c i-B"
 May 22, 2018

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
	17. ORRICK HERRINGTON & SUTCLIFFE, LLP New York, NY (PO# 4600002968)							
OPERATIONS – TECHNICAL COMPLIANCE	GOMEZ AND SULLIVAN ENGINEERS, DPC Utica, NY (PO# 4500284802)	04/10/17	Provide compliance and implementation services for the Niagara Power Project	06/30/18	B/P		\$463,791	\$691,241*
						*Note 1: represents total for approximate 15-month term; no additional funding is requested		

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