

APPLICATION SUMMARY
Expansion Power

Company: Buffalo Shredding and Recovery LLC

Location: Hamburg

County: Erie

IOU: National Grid

Business Activity: Metals Recycling

Project Description: The project consists of refurbishing a vacant steel mill and purchasing and installing a large shredder system and metals processing and separation equipment. The primary use of the power is for operating a 4,000- horsepower shredder motor. The project includes a processing and separation system, and renovation of the facility with lighting, pumps and motors and air handling equipment. The projected capital investment is \$12.5 million.

Existing Allocation(s): None

Power Request: 4,600 kW

Power Recommended: 1,200 kW

Job Commitment:

Existing: 0 jobs

New: 22 jobs

New Jobs/Power Ratio: 18.3 jobs/MW

New Jobs - Avg. Wage and Benefits: \$43,000

Capital Investment: \$12.5 million

Capital Investment/MW: \$10.4 million/MW

Other ED Incentives: Working with Hamburg IDA for tax incentives

Summary: Buffalo Shredding and Recovery is a newly formed subsidiary of Metalico, Inc., a privately held corporation with multiple New York State and out-of-state recycling facilities. The company has over 200 NYS employees located at its Rochester, Syracuse, and Buffalo

facilities. This project, to be undertaken in the shutdown Arcelor-Mittal steel mill, would enable the company to create 22 jobs, including 18 within the first year of operations. The 22 jobs would effectively be "in-sourced" from its Pittsburgh, PA, operations, where the company currently ships much of its raw feedstock for processing. The project would positively impact the Southern Buffalo Railroad, creating \$1.5 million in rail freight business that has declined since the closure of the steel mill. An allocation of hydropower would be an incentive for Buffalo Shredding and Recovery to move forward, improving its operational cost structure and efficiencies. The project's \$12.5 million investment, 22 new jobs, and indirect economic effects will have a positive impact on the Buffalo area.