

Date: March 29, 2016

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Emergency Energy Control Center – Acquisition of Real Property

SUMMARY

The Trustees are requested to authorize the acquisition by purchase or eminent domain of certain real property located at the former Griffiss Air Base in the City of Rome, County of Oneida, from the Griffiss Land Development Corporation (“GLDC”), as more particularly shown on the attached Exhibit “A,” for a sum not to exceed Sixty Thousand (\$60,000.00) Dollars. The proposed acquisition comprises approximately 1.6 acres of real property and will serve as the site of the new Emergency Energy Control Center.

BACKGROUND

The Authority’s Expenditure Authorization Procedures governing real estate require the Trustees’ approval for the acquisition of a fee interest in real property where the fair market value exceeds \$10,000.

Article 5, Title 1, §1007 of the Public Authorities Law allows for the acquisition of property when the Authority finds it necessary or convenient for it to acquire any real property.

The property to be acquired will serve as the site for the planned relocated Emergency Energy Control Center (“EECC”). NYPA’s current EECC is located within the Marcy 765 kV switchyard, approximately 900 feet from the Clark Energy Center (“CEC”) building which houses the primary Energy Control Center (“ECC”). The Marcy 765 kV switchyard has been identified by the North American Electric Reliability Corporation (“NERC”) and the Electric Power Research Institute as a critical electric power facility on the United States grid. The close proximity of the existing EECC and the ECC, however, represent an operational and security vulnerability.

Originally, the EECC was designed strictly as an emergency back-up for the main Control Room located in the CEC building. Although the existing EECC independently replicates the functions performed in the main control center, its close proximity to the primary ECC raises the possibility of common failure due to the same catastrophic event. Physical and biological threats near the CEC could render both control rooms unusable. The current EECC is extremely limited in space and is inadequate for all support and administrative personnel. In addition, there is no space for a security console or CEC Alternate Emergency Operations Center (“EOC”) in the existing EECC.

NYPA’s Internal Audit Report #IS001218 (DEC 2001) recommends that the “Transmission Business Unit management should revisit the location of the EECC and also develop a Disaster Recovery Plan that is coordinated with the Disaster Recovery Plans of Information Technology (“IT”) and Power Generation that maintain systems and infrastructure critical to the continuity of the Authority’s business.”

NERC's Reliability Readiness Evaluation Positive Observations/Recommendations (DEC 2007) recommends "review and implement, as appropriate, moving the back-up control center to another location to enhance survivability and sustainability of operations."

NERC standards require the transition period between the loss of primary control center functionality and the time to fully implement the back-up functionality to be less than or equal to two hours.

DISCUSSION

Real Estate staff investigated multiple potential locations for the EECC facility and determined that the property located on the former Griffiss Air Force Base best met the criteria established for the facility site. The site is approximately thirty minutes from CEC and meets the aforementioned time requirement. After initial negotiations with the GLDC, the parties agreed on a per-acre cost of \$30,000. Staff believes that this represents fair market value for the property. The subject parcel comprises approximately 1.6 acres: the precise acreage will be established by a survey to be carried out upon the Trustees' approval of the acquisition and after final negotiation with GLDC.

Acquisition of the property is subject to completion of appropriate due diligence, including verification of title and environmental testing.

FISCAL INFORMATION

Funds required for the property acquisition will come from the Authority's Capital Fund.

RECOMMENDATION

The Vice President – Enterprise Shared Services and the Vice President – Transmission recommend that the Trustees approve the acquisition, by purchase or eminent domain, of approximately 1.6 acres of real property located at the former Griffiss Air Base from the Griffiss Land Development Corporation ("GLDC") for a sum not to exceed Sixty Thousand (\$60,000.00) Dollars, for the new Emergency Energy Control Center.

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

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to the Authority's Expenditure Authorization Procedures and the provisions of Article 5, Title 1 of the Public Authorities Law, the Authority hereby finds it necessary to acquire by purchase or eminent domain the real property shown on the map attached hereto as Exhibit "A," for a sum not to exceed Sixty Thousand (\$60,000.00) Dollars, and hereby finds and determines that such real property is required for a public use and hereby determines that such real property is reasonably necessary for the pending Emergency Energy Control Center Project; and be it further

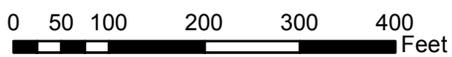
RESOLVED, That in the opinion of the Authority the acquisition of the real property shown on the map attached hereto as Exhibit "A" is *de minimis* in nature so that the public interest will not be prejudiced by the acquisition of such real property without a public hearing; and be it further

RESOLVED, That the Vice President – Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

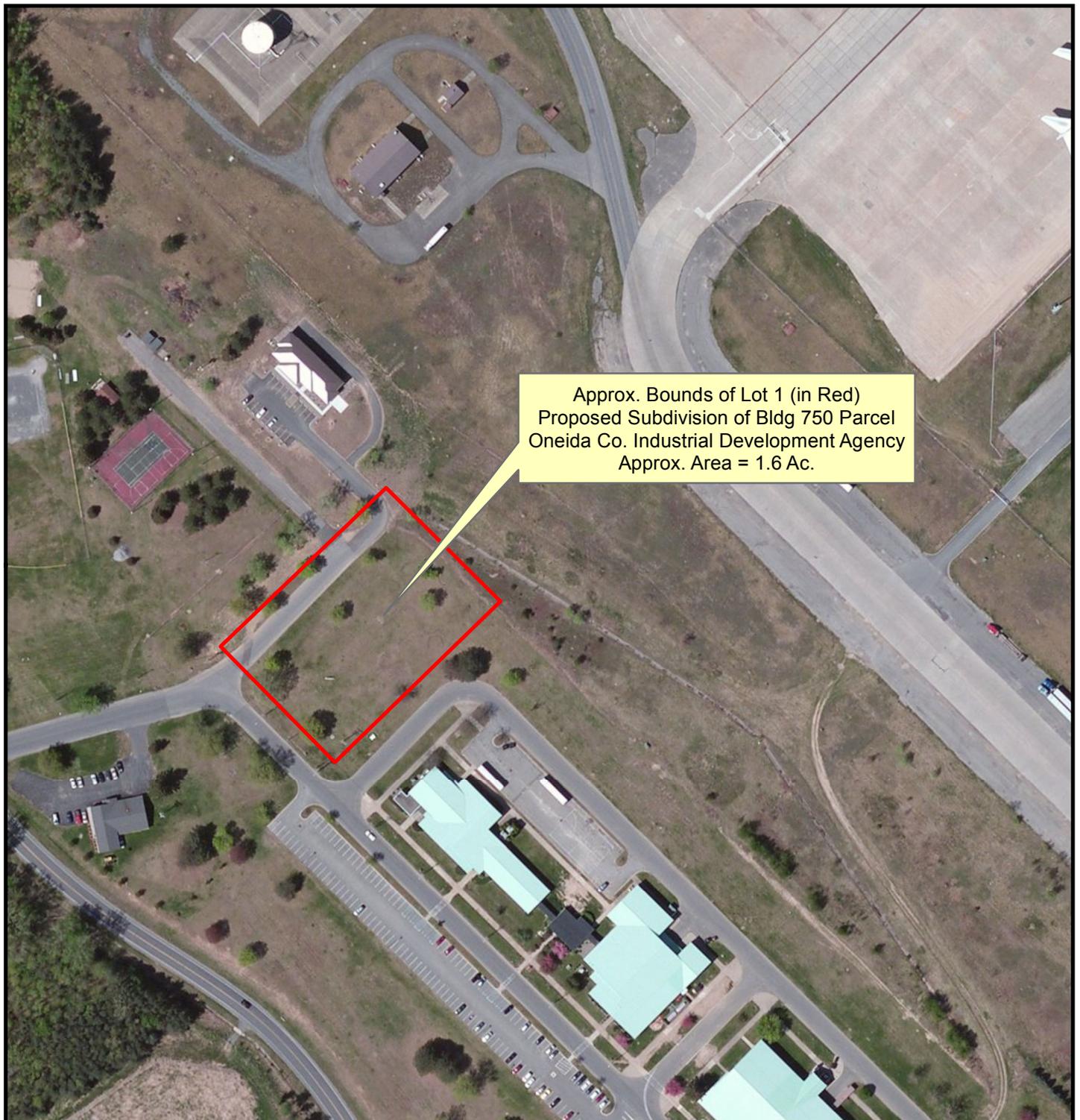
RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver 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.

New York Power Authority
Energy Control Center (ECC)
Proposed Parcel Acquisition
For Alternate ECC Site
Lands of Oneida County
Industrial Development Agency
City of Rome
Oneida County

EXHIBIT A



1 inch = 200 feet



Approx. Bounds of Lot 1 (in Red)
Proposed Subdivision of Bldg 750 Parcel
Oneida Co. Industrial Development Agency
Approx. Area = 1.6 Ac.