

POWER AUTHORITY OF THE STATE OF THE STATE OF NEW YORK

**ANNUAL REPORT TO THE GOVERNOR AND LEGISLATIVE LEADERS
PURSUANT TO PUBLIC AUTHORITIES LAW §§ 1005(9-A), (26) AND (27)**

Power Authority of the State of New York

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INTRODUCTION

This annual report is submitted to the Governor and legislative leaders for the purpose of reporting on the activities of the New York Power Authority (“NYPA”) regarding the implementation of subdivisions 9-a, 26 and 27 of section 1005 of the Public Authorities Law (“PAL”). These provisions were added to the PAL by Chapter 58 of the Laws of the 2019 (“Chapter 58”) and became effective on April 12, 2019 (the “Effective Date”).

This annual report covers the period from the Effective Date through December 31, 2020, with emphasis on 2020.¹

PAL § 1005(9-a)

In summary, PAL § 1005(9-a) authorizes NYPA to “design, finance, develop, construct, install, lease, operate and maintain electric vehicle charging stations throughout the state for use by the public.”

NYPA’s initial implementation work, undertaken primarily in 2019, focused on the following activities:

- planning, including identifying appropriate locations for electric vehicle (“EV”) charging stations, based on such considerations as priority corridors, traffic patterns, proximity to key exits/intersections, hours of operation and available amenities;
- engaging with landowners of prospective site hosts;
- preparation of documents, such as host site agreements, insurance, permits and utility interconnection forms; and

¹ Copies of these statutory provisions are provided in an appendix to this report. PAL § 1005(9-a) requires that the information specified therein be reported on NYPA’s website. NYPA has included such information in this report for the sake of completeness.

- securing appropriate contracts with third-party vendors for construction, management and other services.

NYPA has since commenced construction of EV charging stations under Section 1005(9-a). To date, NYPA has executed contracts providing for the installation of 27 vehicle charging stations which are expected to make nearly 100 EV chargers available for public use by Summer 2021. As of December 31, 2020, 25 chargers at 6 sites were operational. The following table provides a summary of information relating to the operational EV charging sites.

SITE	ADDRESS	# OF CHARGERS	COSTS (in \$000, as of 12/31/2020)
Fairport	Fairport Village Landing, Fairport, NY 14450	2	\$427
JFK International Airport	130th Place Between E & W Hangar Road, JFK Airport, Queens, NY 11430	10	\$1,616
Lagrangeville	16 John J Wagner Way, Lagrangeville, NY 12540	4	\$760
Malone	355 W Main St, Malone, NY 12953	1	\$164
Schroon Lake	1567 U.S. 9, Schroon Lake, NY 12870	4	\$676
Watertown	1290 Arsenal St, Watertown, NY 13601	4	\$677

Approximately 75 additional chargers which are expected to be located at 21 sites throughout the state are either under construction or in the pre-construction planning stage.

NYPA expects these chargers to become operational in 2021.²

NYPA maintains additional information and a map of its EV charging station deployment progress on its website at www.nypa.gov/evolveny.

² NYPA programs implemented under other statutory authority (e.g., PAL § 1005(17)) have led to the installation of approximately 230 additional EV charging ports during the 2019-20 time-period.

PAL § 1005(26)

PAL § 1005(26) provides in pertinent part that NYPA, as deemed feasible and advisable by the trustees, is authorized to “plan, finance, construct, acquire, operate, improve and maintain, either alone or jointly with one or more other entities, transmission facilities for the purpose of transmitting power and energy generated by renewable wind energy generation projects that are located in state territorial waters, and/or in waters under the jurisdiction or regulation of the United States...”

In October 2019, the New York State Energy Research and Development Authority, as part of its first phase of solicitations for development of off-shore wind projects, finalized contracts with Sunrise Wind LLC, a joint venture of Ørsted A/S and Eversource Energy, for the development of an 880 megawatt off-shore wind project known as the Sunrise Wind Project. In connection with PAL § 1005(26), NYPA is currently considering options to support the development of transmission assets related to the Sunrise Wind Project as well as other projects.

The New York State Climate Leadership and Community Protection Act (“CLCPA”), enacted July 18, 2019, codified in law the state’s target to install 9,000 megawatts of offshore wind by 2035. NYPA is in discussions with other developers regarding participation in future offshore wind projects in response to solicitations for the development of offshore wind capacity to meet CLCPA goals.

Under a regulatory framework of the Federal Energy Regulatory Commission known as “Order 1000”, the New York Independent System Operator (“NYISO”) on August 1, 2020 requested parties to identify “Public Policy Requirements” that are driving the need to expand transmission system capability. In response, NYPA filed comments in October 2020 proposing

that the New York Public Service establish a number of “Public Policy Transmission Needs” (or “PPTN”), including one to address transmission upgrades needed to accommodate offshore wind projects required to comply with the objectives of the CLCPA. In anticipation of the possible establishment of such a PPTN and NYISO’s issuance of a request for proposals that would result therefrom, NYPA has engaged in transmission planning and is in discussions with multiple parties to evaluate potential projects and co-participants to address the anticipated offshore wind related PPTN.

PAL § 1005(27)

PAL § 1005(27) authorizes NYPA to, among other things, procure and sell market power and renewable power to NYPA power customers, state and local government entities and Community Choice Aggregation entities.

In the year following enactment of Chapter 58, NYPA focused on: (1) stakeholder outreach with entities who are eligible to purchase energy products from NYPA (“Eligible Entities”) to gain an understanding of the energy needs and expectations of Eligible Entities and associated opportunities for NYPA to address other energy needs of Eligible Entities (*e.g.*, energy efficiency and management); (2) market analyses, including potential sources of market and renewable energy supplies to serve potential new customers, and assessments of power usage by building type; (3) development of potential product offerings, focusing on such issues as energy product, potential allocation processes, cost and price analyses, risk assessment, procurement process, and the availability of green energy products; and (4) design of tariff and contract forms that would be used for power sales.

In 2020, NYPA has focused on a variety of issues in preparation for power sales under PAL 1005(27).

For example, NYPA has been negotiating the terms of delivery agreements with investor-owned delivery utilities (“IOUs”) who would provide delivery service for NYPA power sold under Section 1005(27). NYPA expects to require delivery agreements with each of the state’s IOUs.

NYPA has participated in proceedings before the New York State Public Service Commission commenced by the IOUs to seek approval of amendments to the IOUs’ service tariffs to authorize the delivery of power that would be sold under PAL § 1005(27).

During 2020, NYPA has engaged in discussions with entities who have expressed interest in purchasing power from NYPA under the authority of Section 1005(27).

While NYPA expected to begin executing power sale agreements with customers in 2020, the COVID-19 pandemic caused immediate and severe economic dislocation beginning in the first quarter of 2020. Businesses across the state, including many business customers in NYPA’s Economic Development Power (“EDP”) Programs – Recharge New York (“RNY”) Power, and Expansion Power, Replacement Power and Preservation Power (collectively, “Hydro”) – have been severely impacted by the COVID-19 pandemic. Many companies have suffered significant losses in business, increased operating costs, and supply chain difficulties, and have had to curtail operations, reduce or eliminate capital spending and/or reduce employment levels.

As a result of the pandemic, energy demand has been flat or severely curtailed in many business sectors and many businesses have been reluctant to make major business decisions like changing energy suppliers.

In response, NYPA has implemented several initiatives intended to provide relief to EDP Program customers (who are Eligible Entities under Section 1005(27)) to help mitigate the impacts of the COVID-19 pandemic. For example:

- NYPA, early in 2020, suspended the Annual Adjustment Factor applicable to its energy and demand rates under tariffs applicable to its EDP Programs beginning with the adjustment that would have taken effect on July 1, 2020, for a period of one year from July 1, 2020 through June 30, 2021;
- NYPA implemented an Economic Development Customer Assistance Program (“EDCAP”), which allowed EDP Program customers to defer their monthly NYPA billed energy and demand payments for a period of up to six (6) months without interest or penalty.
- NYPA deferred contract compliance action for RNY Power customers for the RNY 2018-19 compliance period and for Hydro customers for the Hydro 2019 compliance period.
- As an enhancement to EDCAP, NYPA implemented a Temporary Power Assistance (“TPA”) Program which allowed EDP customers to apply for an increase to their EDP Program allocations to help customers stabilize their energy costs. As of the filing of this report, over 190 EDP customers have accessed TPA to collectively purchase over 185,000 kilowatts of supplemental EDP.

APPENDIX

The authority is authorized and directed:

9-a. As deemed feasible and advisable by the trustees, to design, finance, develop, construct, install, lease, operate and maintain electric vehicle charging stations throughout the state for use by the public. The authority shall annually post on their website a report on those activities undertaken pursuant to this subdivision, including but not limited to: the total number of electric vehicle charging stations in operation pursuant to such authorization, the locations of such charging stations, and the total costs to the authority associated with such activities.

26. (a) As deemed feasible and advisable by the trustees, to plan, finance, construct, acquire, operate, improve and maintain, either alone or jointly with one or more other entities, transmission facilities for the purpose of transmitting power and energy generated by renewable wind energy generation projects that are located in state territorial waters, and/or in waters under the jurisdiction or regulation of the United States, which supplies electric power and energy to the state of New York that the authority deems necessary and desirable in order to: (i) provide, support and maintain an adequate and reliable supply of electric power and energy in the state of New York, and/or (ii) assist the state in meeting state energy-related goals and standards.

(b) The source of any financing and/or loans provided by the authority for any of the actions authorized in paragraph (a) of this subdivision may be the proceeds of notes issued pursuant to section one thousand nine-a of this title, the proceeds of bonds issued pursuant to section one thousand ten of this title, or any other available authority funds.

(c) The authority shall complete and submit a report, on or before January thirty-first, two thousand twenty, and annually thereafter, on those activities undertaken pursuant to this subdivision to the governor, the speaker of the assembly, the temporary president of the senate, the minority leader of the senate, the minority leader of the assembly, the chair of the senate finance committee, the chair of the assembly ways and means committee, the chair of the assembly energy committee, and the chair of the senate energy and telecommunications committee. Such report shall be posted on the authority's website and accessible for public review.

27. (a) Notwithstanding any other provision of this title, as deemed feasible and advisable by the trustees, the authority is authorized to undertake the following actions when it deems it necessary or desirable to address the energy-related needs of any (i) authority customer, (ii) public entity, or (iii) CCA community:

(1) (A) supply power and energy procured from competitive market sources to any (i) authority customer, (ii) public entity, or (iii) CCA community through the supply of such products through an energy services company or other entity that is authorized by the public service commission to procure and sell energy products to participants of a CCA program, provided, however, that the authority shall not supply at any point more than a total of four hundred megawatts of power and energy to authority customers and public entities pursuant to the authority of this clause;

(B) supply renewable power, energy, or related credits or attributes procured through a competitive process, from competitive market sources, or through negotiation when a competitive procurement is not reasonably feasible and such products can be procured on reasonably competitive terms to (i) any authority customer, (ii) any public entity, or (iii) any CCA community through the supply of such products through an energy services company or other entity that is authorized by the public service commission to procure and sell energy products to participants of a CCA program; and

(2) (A) alone or jointly with one or more other entities, finance the development of renewable energy generating projects that are located in the state, including its territorial waters, and/or on property or in waters under the jurisdiction or regulatory authority of the United States, (B) purchase power, energy or related credits or attributes produced from such renewable energy generating projects, and (C) allocate and sell any such products to (i) any authority customer, (ii) any public entity, and (iii) any CCA community through an energy services company or other entity that is authorized by the public service commission to procure and sell energy products to participants of a CCA program, provided that the authority shall not, pursuant to the authority in this subparagraph, finance more than six renewable energy generation projects and have a per-project electric generating capacity in excess of twenty-five megawatts.

(b) Nothing in this subdivision authorizes the authority to act as an energy supply company or administrator for CCA programs.

(c) Power and energy sold pursuant to the authority provided in paragraph (a) of this subdivision shall only be sold for use at facilities located in the state.

(d) Any public entity is hereby authorized to contract with the authority for the purchase of power, energy, or related credits or attributes which the authority is authorized to supply under paragraph (a) of this subdivision.

(e) The source of any financing and/or loans provided by the authority for any of the actions authorized in paragraph (a) of this subdivision may be the proceeds of notes issued pursuant to section one thousand nine-a of this title, the proceeds of bonds issued pursuant to section one thousand ten of this title, or any other available authority funds.

(f) The authority shall complete and submit a report, on or before January thirty-first, two thousand twenty, and annually thereafter on those actions undertaken pursuant to this subdivision to the governor, the speaker of the assembly, the temporary president of the senate, the chair of the assembly ways and means committee, the chair of the senate finance committee, the chair of

the assembly energy committee and the chair of the senate energy and telecommunications committee. Such report, at a minimum, shall include: (i) an accounting of the total amount of power, energy, and related credits and attributes procured from competitive market sources and supplied to authority customers, public entities, and CCA communities; (ii) an accounting of the total amount of renewable power, energy, and related credits and attributes procured through negotiation and supplied to authority customers, public entities, and CCA communities; (iii) a description of all renewable energy generating projects financed by the authority, including the aggregate amount of financing; (iv) an accounting of all power, energy, and related credits and attributes purchased by the authority from such projects; and (v) an identification of all public entities, authority customers, and CCA communities to which the authority supplied, allocated or sold any power, energy or related credits or attributes.

(g) For purposes of this subdivision, the following terms shall have the meanings indicated in this paragraph unless the context indicates another meaning or intent:

(i) "Authority customer" means an entity located in the state to which the authority sells or is under contract to sell power or energy under the authority in this title or any other law.

(ii) "CCA community" means one or more municipal corporations located within the state that have provided for the purchase of power, energy, or related credits or other attributes under a CCA program.

(iii) "CCA program" means a community choice aggregation program approved by the public service commission.

(iv) "Public entity" has the meaning ascribed to that term by subparagraph five of paragraph (b) of subdivision seventeen of this section.

(v) "Renewable energy resources" means solar power, wind power, hydroelectric, and any other generation resource authorized by any renewable energy standard adopted by the state for the purpose of implementing any state clean energy standard.

(vi) "Renewable energy generating project" means a project that generates power and energy by means of renewable energy resources, or that stores and supplies power and energy generated by means of renewable energy resources, and includes the construction, installation and/or operation of ancillary facilities or equipment done in connection with any such renewable energy generating projects, provided, however, that such term shall not include the authority's Saint Lawrence hydroelectric project or Niagara hydroelectric project.

(vii) "State" means the state of New York.