

**ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD**

**MINUTES**

*March 20, 2017 – 10:00 a.m.  
Via Videoconference from  
Clarence D. Rappleyea Building, White Plains, New York*

*New York Power Authority Offices:  
123 Main Street, 16<sup>th</sup> Floor, White Plains, NY  
4750 Witmer Road, 3<sup>rd</sup> Floor, Niagara Falls, NY 14305*

1. Approval of the March 20, 2017 Proposed Meeting Agenda
2. Approval of the Minutes of the Meeting of December 12, 2016
3. Recharge New York Power Program Allocations
4. Transfer of Recharge New York Power and Hydropower Allocations
5. Recharge New York Power Program Application Modification

**OTHER BUSINESS**

6. Next Meeting

A regular meeting of the Economic Development Power Allocation Board was held via videoconference at the following participating locations:

- 1) New York Power Authority, 123 Main Street, White Plains, NY
- 2) New York Power Authority, 4750 Witmer Road, Niagara Falls, NY

The following Members of the Board were present:

**Eugene L. Nicandri**, Member  
**Robert B. Catell**, Member - Chaired meeting  
**George Maziarz**, Member

**Excused:**      **Sam Hoyt**, Chair

**Also in attendance were:**

Karen Delince	Vice President & Corporate Secretary, NYPA
Keith Hayes	Vice President Economic Development, NYPA
Maribel Cruz	Manager – Business Power Allocations & Compliance, NYPA
Yale Brown	Business Power Allocations & Compliance, Analyst II, NYPA
Timothy Muldoon	Manager, Power Contracts, NYPA
Dave Work	Director, Power Contracts & Tariffs, NYPA
John Paine	Lead Power Contracts Analyst, NYPA
M. Swartberg	Lead Power Contracts Analyst, NYPA
Lou Paonessa	Senior Director, Community Affairs, NYPA
Lorna Johnson	Senior Associate Corporate Secretary, NYPA
Sheila Baughman	Senior Assistant Corporate Secretary, NYPA

## Introduction

*Member Robert Catell said Chairman Hoyt is excused from attending and he asked him to act as Chair for the meeting. Acting Chairman Catell welcomed the Economic Development Power Allocation Board (“EDPAB”) members, Eugene Nicandri and Senator George Maziarz (retired), and Authority senior staff to the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the EDPAB Bylaws, Article III, Section 2.*

### 1. Approval of the Proposed Meeting Agenda

Upon motion made by Member George Maziarz and seconded by Member Eugene Nicandri, the Agenda for the March 20, 2017 meeting was approved.

*The members indicated that they have no conflicts of interest based on the list of entities being considered for power allocations.*

2. Approval of the Minutes

*Acting Chairman Catell asked that the Minutes of the July 25, 2016 meeting, which were previously approved, be amended to recuse him from the vote as it relates to the ReCharge New York Power Allocation to Northwell Health, Inc.*

*Upon motion made by Member Eugene Nicandri and seconded by Member George Maziarz, the Minutes of the Meeting held on December 12, 2016 were unanimously approved.*

### **3. Recharge New York Power Program Allocations**

#### **SUMMARY**

The Economic Development Power Allocation Board (“EDPAB” or “Board”) is requested to:

1. recommend that the New York Power Authority (“Authority” or “NYPA”) Trustees (“Trustees”) award allocations of Recharge New York (“RNY”) Power available for “retention” purposes to the businesses listed in Exhibit “A”;
2. recommend that the Trustees award allocations of RNY Power available for “expansion” purposes to the businesses listed in Exhibit “B”; and
3. recommend that the Trustees award allocations of RNY Power available for eligible small businesses and not-for-profit corporations to the small businesses listed in Exhibit “C”.

#### **BACKGROUND**

On April 14, 2011, Governor Andrew M. Cuomo signed into law the RNY Power Program as part of Chapter 60 (Part CC) of the Laws of 2011 (“Chapter 60”). The program makes available 910 megawatts (“MW”) of “RNY Power,” 50% of which will be provided by the Authority’s hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to seven years in exchange for job and capital investment commitments.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid and Rochester Gas and Electric utility companies; at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide; and up to 100 MW shall be dedicated for eligible not-for-profit corporations and eligible small businesses statewide.

Under the statute, “eligible applicant” is defined to mean an eligible business, eligible small business, or eligible not-for-profit corporation, however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations. At its meeting on April 24, 2012, EDPAB defined a retail business as a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services, consistent with the rules previously promulgated by EDPAB for implementation of the Authority’s Economic Development Power program.

Prior to entering into a contract with an eligible applicant for the sale of RNY Power, and prior to the provision of electric service relating to a RNY Power allocation, the Authority must offer each eligible applicant that has received an award of RNY Power the option to decline to purchase the RNY Market Power component of such award. If the applicant declines to purchase the RNY Market Power component from the Authority, the Authority has no responsibility for supplying RNY Market Power component of the award.

As part of Governor Andrew M. Cuomo’s initiative to foster business activity and streamline economic development, applications for all statewide economic development programs, including the RNY Power Program, have been incorporated into a single on-line Consolidated Funding Application (“CFA”) marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State’s efforts to generate sustainable economic

growth and employment opportunities. All applications that are considered for an RNY Power allocation are submitted through the CFA process.

Applications for RNY Power are subject to a competitive evaluation process and are evaluated based on the following criteria set forth in the statutes providing for the RNY Power Program (the "RNY Statutes"):

- “(i) the significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a recharge New York power allocation will have on the applicant's operating costs;
- (ii) the extent to which a recharge New York power allocation will result in new capital investment in the state by the applicant;
- (iii) the extent to which a recharge New York power allocation is consistent with any regional economic development council strategies and priorities;
- (iv) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;
- (v) the applicant's payroll, salaries, benefits and number of jobs at the facility for which a recharge New York power allocation is requested;
- (vi) the number of jobs that will be created or retained within the state in relation to the requested recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a recharge New York power allocation;
- (vii) whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a recharge New York power allocation;
- (viii) the significance of the applicant's facility that would receive the recharge New York power allocation to the economy of the area in which such facility is located;
- (ix) the extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a recharge New York power allocation;
- (x) whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the authority;
- (xi) the extent to which a recharge New York power allocation will result in an advantage for an applicant in relation to the applicant's competitors within the state; and
- (xii) in addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the allocation is requested is located.”

Based on the evaluation of these criteria, the applications were scored and ranked. Evaluations also considered input from the relevant Regional Economic Development Council under the third and eighth criteria.

In arriving at recommendations for RNY Power for EDPAB's consideration, staff, among other things, attempted to maximize the economic benefits of low cost NYPA hydropower, the critical state asset

at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.

Business applicants with relatively high scores were recommended for allocations of retention RNY Power of 50% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 10 MW for any recommended allocation. Not-for-profit corporation applicants that scored relatively high were recommended for allocations of 33% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 5 MW. Applicants currently receiving hydropower allocations under other Authority power programs were recommended for allocations of RNY Power of 25% of the requested amount, subject to the caps as stated above.

RNY Power allocations have been awarded by the Trustees on sixteen prior occasions spanning from April 2012 through December 2016. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business “expansion” purposes, 101.5 MW remain unallocated. Of the 100 MW of RNY Power that is set aside for not-for-profit corporations and small businesses pursuant to Chapter 60, 8.2 MW remain unallocated. Of the remaining RNY Power made available pursuant to Chapter 60, 52.1 MW remain unallocated.

## DISCUSSION

### 1. Retention-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the applications listed on Exhibit “A” be awarded *retention*-based RNY Power allocations in the amounts indicated. Each business has stated a willingness to create or retain jobs in New York State. Additionally, these applicants will be committing to capital investments in exchange for the recommended RNY Power allocations.

The RNY Power “retention” allocations identified in Exhibit “A” are each recommended for a term of seven years unless otherwise indicated. An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award. The Authority’s standard RNY Power contract template, approved by the Trustees at their March 27, 2012 meeting, contains provisions addressing such things as effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain mutually agreed upon commitments, relating to among other things, employment levels, power utilization, and capital investments. In addition, there is a requirement that a recipient of an allocation perform an energy efficiency audit at its facility not less than once during the first five years of the term of the allocation.

### 2. Expansion-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the applications listed on Exhibit “B” be awarded *expansion*-based RNY Power allocations in the amounts indicated from the 200 MW block of RNY Power dedicated pursuant to statute for the businesses that propose to expand existing businesses or create new business in the State. These applications sought a RNY Power allocation for expansion only, in the case of a new business or facility. Each such allocation would be for a term of seven years unless otherwise indicated.

As with the evaluation process used for the retention recommendations described above, applications for the expansion-based RNY Power were scored based on the statutory criteria, albeit with a focus on information regarding each applicants’ specific project to expand or create their new facility or business (e.g., the expansion project’s cost, associated job creation, and new electric load due to the expansion).

The respective amounts of the expansion-related allocations listed in Exhibit “B” are largely intended to provide approximately 70% of the individual expansion projects’ estimated new electric load.

Because these projects have estimated new electric load amounts, and to ensure that an applicant's overestimation of the amount needed would not cause that applicant to receive a higher proportion of RNY Power to new load, the allocations in Exhibit "B" are recommended on an "up to" amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same proportion of the RNY Power allocation to requested load as stated in Exhibit "B." The contracts for these allocations would also contain the standard provisions previously summarized in the last paragraph of Section 1 above.

**3. Small Business RNY Power Allocations**

Staff recommends that EDPAB recommend to the NYPA Trustees that the small business applicants listed on Exhibit "C" be awarded RNY Power allocations in the amounts indicated therein. The applicants have committed to retain or create jobs in New York State and make capital investments in exchange for the recommended RNY Power allocations as described in Exhibit "C".

**RECOMMENDATION**

For the reasons stated above, staff recommends that the Board: (1) recommend that the Authority Trustees award allocations of RNY Power for retention purposes to the businesses listed in Exhibit "A" in the amounts indicated therein; (2) recommend that the Trustees award allocations of RNY Power for expansion purposes to the businesses listed in Exhibit "B" in the amounts indicated therein; and (3) recommend that the Trustees award allocations of RNY Power to the small business applicants listed in Exhibit "C" in the amounts indicated therein.

***Acting Chairman Catell invited Mr. Keith Hayes, Vice President of Economic to present the Recharge New York Power ("RNY") Program item to the Board.***

***Mr. Hayes introduced Mr. Yale Brown, Business Power Allocations & Compliance Analyst, to the Board and indicated that Mr. Brown will provide the highlights of staff's recommendations to the Board.***

***Mr. Brown said staff is requesting that EDPAB recommend that the Authority's Trustees approve the award of 14 allocations of Recharge New York large business retention, large business expansion and small business and not-for-profit based power to twelve applicants.***

Upon motion made by Member George Maziarz and seconded by Member Eugene Nicandri, the Recharge New York Power Program allocations were approved by the Board.

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

**RESOLVED, That the Economic Development Power Allocation Board (“Board”) approves that the Board of Trustees (“Trustees”) of the Power Authority of the State of New York (“Authority”) award allocations of Recharge New York (“RNY”) Power for retention purposes to the businesses listed in Exhibit “A” to the attached memorandum of the Vice President, Economic Development (the “Attached Memorandum”) in the amounts indicated therein for the reasons indicated in Exhibit “A” and the Attached Memorandum; and be it further**

**RESOLVED, That the Board approves that the Authority Trustees award allocations of RNY Power for expansion purposes to the businesses listed in Exhibit “B” to the Attached Memorandum in the amounts indicated therein for the reasons indicated in Exhibit “B” and the Attached Memorandum; and be it further**

**RESOLVED, That the Board approves that the Authority Trustees award allocations of RNY Power to the small businesses listed in Exhibit “C” to the Attached Memorandum in the amounts indicated therein for the reasons indicated in Exhibit “C” and the Attached Memorandum.**

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

Exhibit "A"  
 March 20, 2017

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Total Job Commitment	Capital Investment (\$)	Contract Term (years)
1	Quality Vision International Inc.	Rochester	Monroe	Finger Lakes	RGE	Manufacturer of measurement devices	658	326	250	0	250	\$1,500,000	7
	<b>Finger Lakes Region Sub-totals:</b>							<b>326</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>\$1,500,000</b>	
2	L-3 Communications Holdings, Inc.	Hauppauge	Suffolk	Long Island	LIPA	Manufacturer of communication systems	875	436	338	0	338	\$2,000,000 <sup>(1)</sup>	7
	<b>Long Island Region Sub-totals:</b>							<b>436</b>	<b>338</b>	<b>0</b>	<b>338</b>	<b>\$2,000,000</b>	
3	Potters Industries, LLC	Potsdam	St. Lawrence	North Country	NGRID	Manufacturer of engineered glass materials	567	280	31	0	31	\$750,000	7
	<b>North Country Region Sub-totals:</b>							<b>280</b>	<b>31</b>	<b>0</b>	<b>31</b>	<b>\$750,000</b>	

Totals

<b>1,042</b>	<b>619</b>	<b>0</b>	<b>619</b>	<b>\$4,250,000</b>
--------------	------------	----------	------------	--------------------

(1) These companies are also recommended for expansion-related allocations of RNY for separate and distinct job creation and capital investment commitments associated with proposed business expansions.

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

Exhibit "B"  
 March 20, 2017

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (1)	Base Employment (3)	Job Creation Commitment	Project Capital Investment (\$)	Contract Term (years)
1	Best Yet Market, Inc.	Bay Shore	Suffolk	Long Island	LIPA	Food production and warehousing	3,900	2,730	0	125	\$2,000,000	7
2	L-3 Communications Holdings, Inc.	Hauppauge	Suffolk	Long Island	LIPA	Manufacturer of communication systems	450	316	480	25	\$8,800,000 (2), (4)	7
<b>Long Island Region Sub-totals:</b>								<b>3,046</b>	<b>142</b>	<b>150</b>	<b>\$10,800,000</b>	
3	The Gunlocke Company LLC	Wayland	Steuben	Southern Tier	NYSEG	Manufacturer of wood furniture solutions	2,400	1,680	600	75	\$2,630,000 (5)	7
<b>Southern Tier Region Sub-totals:</b>								<b>1,680</b>	<b>0</b>	<b>75</b>	<b>\$2,630,000</b>	

Totals

<b>4,726</b>	<b>142</b>	<b>225</b>	<b>\$13,430,000</b>
--------------	------------	------------	---------------------

- (1) All expansion-based RNY Power allocations are recommended to be "up to" the amount indicated pending the applicant's compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.
- (2) These companies are also being recommended for retention-based RNY Power allocations associated with separate and distinct contractual commitments relating to such matters as job retention, capital investment spending, and power utilization associated with an existing business.
- (3) The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.
- (4) The base employment level for this applicant includes their job retention commitment (338) in addition to the relocation of additional employees (142) from another company facility to this site.
- (5) This applicant was previously approved for a retention-based RNY Power allocation. The base employment refers to the applicant's retained jobs which are already associated with an existing power allocation.

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

Exhibit "C"  
 March 20, 2017

**Retention-Based Allocations**

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Capital Investment (\$)	Contract Term (years)
1	Auburn Vacuum Forming Co., Inc.	Auburn	Cayuga	Central New York	NYSEG	Manufacturer of plastic components	269	130	15	0	\$150,000	7
<b>Central New York Region Sub-totals:</b>								<b>130</b>	<b>15</b>	<b>0</b>	<b>\$150,000</b>	
2	Fruitcrown Products Corp.	Farmingdale	Suffolk	Long Island	LIPA	Manufacturer of fruit bases & flavors	237	116	100	0	\$300,000	(1) 7
3	Official Offset Corporation	Amityville	Suffolk	Long Island	LIPA	Commercial printing and binding	208	100	17	0	\$250,000	7
<b>Long Island Region Sub-totals:</b>								<b>216</b>	<b>117</b>	<b>0</b>	<b>\$550,000</b>	
4	Doughnut Plant, Inc.	Long Island City	Queens	New York City	CONED	Commercial bakery production	39	16	32	0	\$300,000	7
<b>New York City Region Sub-totals:</b>								<b>16</b>	<b>32</b>	<b>0</b>	<b>\$300,000</b>	
5	St. Lawrence NYSARC	Canton	St. Lawrence	North Country	NGRID	Services for the developmentally disabled	72	36	100	0	\$374,000	7
<b>North Country Region Sub-totals:</b>								<b>36</b>	<b>100</b>	<b>0</b>	<b>\$374,000</b>	

**Retention-Based Totals**

<b>398</b>	<b>264</b>	<b>0</b>	<b>\$1,374,000</b>
------------	------------	----------	--------------------

**Expansion-Based Allocations**

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (3)	Base Employment	Job Creation Commitment	Project Capital Investment (\$)	Contract Term (years)
6	Consolidated Building Supply Systems, LLC	Rochester	Monroe	Finger Lakes	RGE	Manufacturer of lighting fixtures	200	100	0	12	\$2,000,000	7
<b>Finger Lakes Region Sub-totals:</b>								<b>100</b>	<b>0</b>	<b>12</b>	<b>\$2,000,000</b>	
7	Fruitcrown Products Corp.	Farmingdale	Suffolk	Long Island	LIPA	Manufacturer of fruit bases & flavors	123	60	100	14	\$3,000,000	(1), (2) 7
<b>Long Island Region Sub-totals:</b>								<b>60</b>	<b>0</b>	<b>14</b>	<b>\$3,000,000</b>	
8	Pine Pharmaceuticals LLC	Tonawanda	Erie	Western New York	NGRID	Manufacturer of compounded medications	275	136	18	17	\$5,400,000	(4) 7
<b>New York City Region Sub-totals:</b>								<b>136</b>	<b>18</b>	<b>17</b>	<b>\$5,400,000</b>	

**Expansion-Based Totals**

<b>296</b>	<b>18</b>	<b>43</b>	<b>\$10,400,000</b>
------------	-----------	-----------	---------------------

**Retention & Expansion-Based Totals**

<b>694</b>	<b>282</b>	<b>43</b>	<b>\$11,774,000</b>
------------	------------	-----------	---------------------

- (1) These applicants are being recommended for both RNY retention and expansion-based allocations.
- (2) The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.
- (3) All expansion-based RNY Power allocations are recommended to be "up to" the amount indicated pending the applicant's compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.
- (4) There will be a base employment level associated with the applicant's RNY expansion-based allocation.

4. **Transfer of ReCharge New York Power and Hydropower Allocations**

**SUMMARY**

The Economic Development Power Allocation Board (“Board”) is requested to approve the Recharge New York (“RNY”) Power and Hydropower allocations listed below, subject to the conditions discussed in this memorandum:

1. Transfer of a 2,070 kilowatt (“kW”) Recharge New York (“RNY”) Power allocation from Cascades Tissue Group – New York Inc. (Mechanicville) to Cascades New York, Inc. in order to address organizational changes.
2. Transfer of (i) a 386 kW RNY Power allocation from PCI Paper Conversions, Inc., which uses the allocation at facilities located Thompson Rd. North, Syracuse, to Matt Industries, Inc., and (ii) a 73 kW RNY Hydropower allocation awarded to Matt Industries, Inc. from the company’s Dupli Park Drive, Syracuse facility to a facility located on Thompson Rd. North, Syracuse, in order to address ownership and organizational changes.
3. Transfer of a 46 kW RNY Power allocation from East/West Industries, Inc.’s facility in Ronkonkoma, to a new facility, also located in Ronkonkoma.
4. Transfer of a 38 kW RNY Hydropower allocation from PPI Corp.’s 112 Riverside Drive, Geneseo facility to a new facility the company will operate at 275 Commerce Drive, Rochester.
5. Transfer of an 83 kW RNY Hydropower allocation from Syracuse Label Co., Inc.’s Liverpool facility to a new facility in North Syracuse.
6. Transfer of United Baking Co.’s 900 kW RNY Power allocation used at its Shirley facility to Give & Go Prepared Foods (USA) Corp., and realignment of the employment commitments relating to the Shirley facility and United Baking Co.’s facility in Islip, NY, where United Baking uses a 316 kW RNY Power allocation, in order to address ownership and organizational changes.

The Board has previously approved transfers of RNY Power and Hydropower allocations in similar circumstances.

## DISCUSSION

The following discussion provides the basis for the recommended actions for each of the eleven Authority customers discussed in this memorandum.

### 1) Cascades Tissue Group – New York, Inc.

Cascades Tissue Group – New York, Inc. (“CTGNY”) has a 2,070 kW RNY Power allocation for use at its facility in Mechanicville. This facility hosts a paper machine business, where the company produces packaging and tissue products comprised mainly of recycled materials. The company merged with its sister company, Cascades Recovery US, Inc. and is now operated as Cascades Tissue Group – Mechanicville, a division of Cascades New York, Inc. (“CNY”). The merger will not result in changes to operations at the facility. The successor company has indicated it will honor all terms and commitments associated with CTGNY’s RNY Power allocation agreement.

### 2) Matt Industries, Inc.

Matt Industries, Inc. (“Matt”) has a 73 kW RNY Hydropower allocation for use at its facility at One Dupli Park Drive, Syracuse. The company is a commercial printer that prints envelopes for direct mail, and corporate identity products like business cards, letterhead, note pads, brochures, and postcards.

Matt acquired the operations of PCI Paper Conversions, Inc. (“PCI”) which includes the building and assets at PCI’s Thompson Rd. North, Syracuse location. PCI has a 386 kW RNY Power allocation for use at the Thompson Rd. North, Syracuse facility, which manufactures sticky note pads; specialty glues and coatings for the construction industry; decorative graphics for the food and beverage markets; and adhesive coated paper rolls for sale to other printers. Matt also hired the employees of PCI at that location.

Matt has moved its operations from One Dupli Drive to the Thompson Rd. North facility where it does business as PCI Adhesives LLC.

The parties request that PCI’s 386 RNY Power allocation be transferred to Matt for use at the Thompson Road North facility. Matt represents that it will honor all of the existing terms and commitments associated with both allocations. Matt requests that its’ 73 kW RNY Hydropower allocation be transferred from its Dupli Park Drive facility to the Thompson Rd. North location. If transfer of the PCI transfer is approved, Matt will elect to receive only the 50% hydropower portion of the original PCI RNY Power allocation, which amounts to 193 kW of RNY Hydropower.

### 3) East/West Industries, Inc.

East/West Industries, Inc. (“East/West”), a customer with a 46 kW RNY Power allocation, located at 13<sup>th</sup> Avenue in Ronkonkoma, designs and manufactures aerospace products, including aircraft seating, life support equipment and ground support equipment, primarily for Department of Defense customers. East/West has outgrown its current facility and is moving to a facility located at Orville Drive North, also in Ronkonkoma. The company requests that its allocation be transferred to this new location. East/West will agree to honor all of the existing terms and commitments associated with the allocation.

4) PPI Corp.

PPI Corp. dba FTT Manufacturing (“PPI”), located on Riverside Drive in Geneseo, is a precision manufacturer of advanced technology medical components for use in devices for the healthcare and life sciences markets. PPI has a 38 kW RNY Hydropower allocation and requests that the allocation be transferred to its facility at 275 Commerce Drive, Rochester, where the company moved to in 2016. For liability purposes the company created FTT Medical Inc. (“FTT”) which assembles PPI’s manufactured products in the Commerce Drive facility. Because of this split, employees and capital investment of FTT will not be allowed to be counted towards PPI’s commitments. PPI has indicated that it will honor all existing terms and commitments of the RNY Hydropower agreement with the Authority, exclusive of FTT’s operations, at the new location.

5) Syracuse Label Co., Inc.

Syracuse Label Co., Inc. (“Syracuse Label”), a company with an 83 kW RNY Hydropower allocation, located in Liverpool, manufactures pressure sensitive labels, films and boardstocks. The company’s product line includes silk screen printing, hot stamp printing, lenticular printing, embossing, coupons, and folding cartons. Syracuse Label moved to a larger facility located in North Syracuse. The company requests a transfer of its RNY Hydropower allocation to its new facility. Syracuse Label indicates it will agree to honor all terms and commitments under its RNY Hydropower contract at its new location.

6) United Baking Co.

United Baking Co. (“United”), a customer with two RNY Power allocations, (i) a 900 kW allocation at its facility in Shirley, where it bakes high quality muffins under the name Uncle Wally’s, and (ii) a 316 kW allocation used at its facility in Islip, where the business bakes premium branded and private label cookies under the name Cookies United. Though the facilities have different allocations, the company’s employment commitment of 235 jobs reflects a commitment attached to both allocations.

United sold its muffin business in Shirley to Give & Go Prepared Foods (USA) Corp. (“Give & Go”). The parties request that the 900 kW RNY Power allocation be transferred to Give & Go.

If approved, the Trustees of the New York Power Authority (“Authority”) will also be requested to approve the transfers. For the Board’s information, United and Give & Go will also ask the Authority to allow the employment commitment for the allocations to be divided between the two locations and adjusted to 150 jobs at Shirley and 85 jobs at Islip. The proposed adjustments would not result in a change in the total overall employment commitment for the two facilities. United represents that it will continue to honor the terms and commitments of the RNY Power contract for the Islip facility, and Give & Go indicates it will agree to honor all terms and commitments of United under its RNY Power contract for the Shirley facility, subject to the requested adjustments.

RECOMMENDATION

Staff recommends that the Board approve the transfers relating to the allocations of CTGNY, Matt, East/West, PPI, Syracuse Label, and United discussed above, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer.

*Acting Chairman Catell invited Mr. Yale Brown to present staff's recommendation to the Board.*

*Mr. Brown provided highlights of staff's recommendation to the Board. He said staff is requesting that the Board approve the transfers of ReCharge NY power allocations for six customers and the realignment of employment commitments for one customer, each of whom are experiencing business changes necessitating such transfers and realignment.*

Upon motion made by Member George Maziarz and seconded by Member Eugene Nicandri, staff's recommendations were approved by the Board.

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

**RESOLVED, That the Economic Development Power Allocation Board ("Board") approves transfer of the 2,070 kilowatt ("kW") Recharge New York ("RNY") Power allocation awarded to Cascades Tissue Group – New York, Inc. for use at its facility Mechanicville, to Cascades New York, Inc., for its use at the same facility, as described in the Attached Memorandum, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer; and be it further**

**RESOLVED, That the Board approves the transfer of the 73 kW RP Hydropower allocation awarded to Matt Industries, Inc. for use at its facility on Dupli Park Drive in Syracuse, to its facility on Thompson Rd. North in Syracuse, as well as, the transfer of the 386 kW RP Power allocation awarded to PCI Paper Conversions Inc. for use at its facility on Thompson Rd. North in Syracuse, to Matt Industries, Inc. for use at the same facility on Thompson Rd. North in Syracuse, as described in the Attached Memorandum, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer; and be it further**

**RESOLVED, That the Board approves the transfer of the 46 kW RP Power allocation awarded to East/West Industries, Inc., for use at its facility on 13<sup>th</sup> Avenue in Ronkonkoma, to its facility on Orville Drive North in Ronkonkoma as described in the Attached Memorandum, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer; and be it further**

**RESOLVED, That the Board approves the transfer of the 38 kW RNY Hydropower allocation awarded to PPI Corp. for use at its facility in Geneseo, to its**

facility in Rochester, as described in the Attached Memorandum, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer; and be it further

**RESOLVED**, That the Board approves the transfer of the 83 kW RNY Hydropower allocation awarded to Syracuse Label Co., Inc. for use at its facility in Liverpool, to its facility in North Syracuse, as described in the Attached Memorandum, subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer; and be it further

**RESOLVED**, That the Board approves the transfer of the 900 kW RNY Power allocation awarded to United Baking Co. for its use at its facility in Shirley to Give & Go Prepared Foods (USA) Corp., subject to the following conditions: (1) approval of the transfers by the Authority; (2) there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (3) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer.

5. **Recharge New York Power Program Application Modification**

**SUMMARY**

The Economic Development Power Allocation Board (“Board”) is requested to authorize staff to modify the current Board-approved Recharge New York (“RNY”) Power Program application (“Application”): (i) to enable the Application to be used for applications by existing RNY Power customers who will apply to extend an existing RNY Power allocation; and (ii) when, in the judgment of the Vice President of Economic Development for the New York Power Authority (“NYPA”), a modification to the Application would improve the effectiveness of the application process and administration of the RNY Power Program.

**BACKGROUND**

Part CC of Chapter 60 of the Laws of 2011 (the “Statute”) created the Recharge New York (“RNY”) Power Program. In summary, the Statute:

- authorizes NYPA to make available up to 910 megawatts of RNY Power for allocation, consisting of equal parts of NYPA hydropower and power procured by NYPA through a competitive procurement process or other sources;
- created the Economic Development Power Allocation Board and assigned responsibilities to the Board and NYPA regarding administration of the Program;
- requires applications for RNY Power to be in a form and contain such information, exhibits and supporting data as the Board prescribes in consultation with NYPA;
- authorizes awards of RNY Power to eligible applicants for a term of up to seven years;
- authorizes withdrawn or relinquished RNY Power to be available to eligible applicants;

Economic Development Power (“EDL”) § 188-a(b)(2) provides that applications for RNY Power shall be in a form and contain such information, exhibits and supporting data as the Board prescribes in consultation with NYPA.

In accordance with this provision, the Board approved the current form of Application on September 26, 2011. The application is a part of the State’s Consolidated Funding Application, which serves as a single entry point for access to economic development funding and support for eligible applicants.

Power sales under the RNY Power Program commenced July 1, 2012. Approximately 740 businesses currently receive RNY Power through contracts with NYPA. Approximately 400 businesses entered into contracts with NYPA during the first six months of the program.

The Statute authorizes a process for applications by RNY Power recipients to apply to extend existing RNY Power allocations. Specifically, EDL § 188-a(f) provides:

After an award of a recharge New York power allocation, the board shall accept requests from recipients who at the time of such request are eligible applicants who are in substantial compliance with contractual commitments made in connection with the recharge New York power program for an extension of an existing allocation (i) during the twenty-four month period immediately preceding the expiration of the term of the allocation, or (ii) at such earlier time with the consent of the authority in writing. Requests for extensions shall be reviewed using the criteria set forth in paragraph one of subdivision (c) of this section.

A large number of RNY Power recipients will be able to apply for an extension of existing RNY Power allocations this year pursuant to EDL § 188-a(f).

## DISCUSSION

The current Application, while comprehensive, was not intended to be used for extensions of existing RNY Power allocations. Consequently, the Application does not solicit information directly relevant to the extension of an existing RNY Power allocation. With the Board's authorization, staff would modify the Application to solicit information relevant to consideration of an application by a RNY Power recipient to extend its RNY Power allocation, including information relating to an applicant's continuing eligibility, the applicant's compliance record with its contractual commitments regarding existing RNY Power allocations (*e.g.*, employment and capital investment) and current compliance status, compliance with contractual provisions regarding energy audits, and changes in business conditions that might warrant changes in the recipient's contractual commitments.

The revised Application would be made available to RNY Power recipients after May 1, 2017. Due to the large number of RNY Power recipients staff expects to apply for an extension in the second half of 2017 (in excess of 400 customers), staff may need to implement a schedule for the extension process, which could permit the filing of extension applications before the 5-year mark in accordance with the Statute to enable staff to present recommendations for RNY Power extensions to the Board on a timely and organized basis. Staff anticipates bringing the first completed extension recommendations to the Board for review and recommendations in December 2017.

In addition, based on its experience administering the Program over the past five years, staff has determined that it needs flexibility to be able to modify the Application periodically to obtain additional information from applicants for RNY Power, including (i) more detailed information about applicants and proposed projects, (ii) more pointed questions about Program criteria, (iii) information that is needed to respond to changes in the law that could affect the Program, and (iv) information about energy efficiency and conservation. Accordingly, in addition to modifying the Application to accommodate applications to extend RNY Power allocations, staff also requests authorization to modify the Application when, in the judgment of NYPA's Vice President of Economic Development, a modification would improve the effectiveness of the Application process and administration of the RNY Power Program. If so authorized, staff would periodically report back to the Board on modifications made to the Application for these purposes.

RECOMMENDATION

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

1. authorize staff to modify the Application as appropriate to enable the Application to be used for applications to extend RNY Power allocations; and
2. authorize staff to modify the Application when, in the judgment of NYPA's Vice President of Economic Development, a modification would improve the effectiveness of the Application process and administration of the RNY Power Program.

*Acting Chairman Catell invited Mr. Yale Brown to present staff's recommendation to the Board.*

*Mr. Brown provided highlights of staff's recommendation to the Board. He said staff is requesting that the Board authorize staff to modify the ReCharge NY application to solicit information directly relevant to the extension of an existing ReCharge NY power allocation and modify the ReCharge NY application when the Vice President of Economic Development determines that a modification to the application would improve the effectiveness of the application process and administration of the ReCharge NY power program.*

Upon motion made by Member George Maziarz and seconded by Member Eugene Nicandri, staff's recommendation was approved by the Board.

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

**RESOLVED, That the Economic Development Power Allocation Board hereby authorizes staff to modify the current form and content of the application for the Recharge New York ("RNY") Power Program ("Application") as appropriate: (1) to enable the Application to be used for applications to extend existing RNY Power allocations; and (2)**

**when, in the judgment of the Vice President of Economic Development of the New York Power Authority, a modification would improve the effectiveness of the Application process and administration of the RNY Power Program.**

**Other Business**

*No other business to report.*

6. Next Meeting

*Acting Chairman Catell said that the next meeting of the Board will be held on Monday, July 24, 2017 at 10:00 a.m.*

**Closing**

Upon motion made by Member George Maziarz and seconded by Member Eugene Nicandri, the meeting was adjourned by Acting Chairman Catell at approximately 10:22 a.m.