ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD

MINUTES

December 12, 2016 – 10:00 a.m.
Via Videoconference from
Clarence D. Rappleyea Building, White Plains, New York

New York Power Authority Offices:
123 Main Street, 16th Floor, White Plains, NY
535 Washington Street, Suite 202, Buffalo, NY
21 Hawkins Point Road, Massena, NY (St. Lawrence Visitor's Center)

1. Approval of the December 12, 2016 Proposed Meeting Agenda
2. Approval of the Minutes of the Meeting of July 25, 2016
3. Approval of the 2017 Schedule of EDPAB Meetings
4. Recharge New York Power Program Allocations
5. Extension of the Economic Development Plan (Pratt)

OTHER BUSINESS

6. Next Meeting

December 12, 2016

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, 535 Washington Street, Suite 202, Buffalo, NY
3) New York Power Authority, 21 Hawkins Point Road, Massena, NY

The following Members of the Board were present:

Sam Hoyt, Chairman
Eugene L. Nicandri, Member
Robert B. Catell, Member
George Maziarz, Member

Also in attendance were:

Justin Driscoll	Executive Vice President & General Counsel, NYPA
Karen Delince	Vice President & Corporate Secretary, NYPA
Keith Hayes	Vice President Marketing, Business Marketing & Economic Dev. & Muni & Coop, NYPA
Maribel Cruz	Manager – Business Power Allocations & Compliance, NYPA
Yale Brown	Business Power Allocations & Compliance, Analyst II, NYPA
Timothy Muldoon	Manager, Power Contracts, NYPA
Richard Smith	Director, Business & Project Development, NYPA
Carol Sampson	Community Relations Representative II, NYPA
Lorna Johnson	Senior Associate Corporate Secretary, NYPA
Sheila Baughman	Senior Assistant Corporate Secretary, NYPA

Introduction

Chairman Hoyt welcomed the Economic Development Power Allocation Board ("EDPAB") members, Eugene Nicandri, Robert Catell and Senator George Maziarz (retired), and Authority senior staff members 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 December 12, 2016 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

Upon motion made by Member Eugene Nicandri and seconded by Member George Maziarz, the Minutes of the Meeting held on July 25, 2016 were approved.

3. Adoption of the 2017 Schedule of EDPAB Meetings

Upon motion made by Member George Maziarz and seconded by Member Eugene Nicandri, the 2017 Schedule of Meetings was approved.

Proposed Schedule of EDPAB Meetings in 2017

Date	***Time***
January 30, 2017	10:00 a.m.
February	***No Meeting Scheduled***
March 20, 2017	10:00 a.m.
April	***No Meeting Scheduled***
May 22, 2017	10:00 a.m.
June	***No Meeting Scheduled***
July 24, 2017	10:00 a.m.
August	***No Meeting Scheduled***
September 25, 2017	10:00 a.m.
October	***No Meeting Scheduled***
November	***No Meeting Scheduled***
December 11, 2017	10:00 a.m.

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

RESOLVED, That the schedule of EDPAB Meetings for the year 2017, as set forth in the foregoing memorandum of the Vice President & Corporate Secretary, be, and hereby is, approved.

4. Recharge New York Power Program Allocation

SUMMARY

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

1. recommend that the New York Power Authority ("Authority") 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";

3. recommend that the Trustees award allocations of RNY Power available for eligible small businesses and not-for-profit corporations to the entities listed in Exhibit "C";

4. determine that the applicants listed in Exhibit "D" are ineligible for an allocation of RNY Power;

5. determine that the applicants listed in Exhibit "E" will not be recommended for an allocation of RNY Power; and

6. terminate the application review process for the applicants listed in Exhibit "F".

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 scores provided by 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 fifteen prior occasions spanning from April 2012 through July 2016. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business "expansion" purposes, 101.3 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, 11.0 MW remain unallocated. Of the remaining RNY Power made available pursuant to Chapter 60, 50.1 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 and/or Not-for-Profit-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the small business and not-for-profit applicants listed on Exhibit "C" be awarded small business and not-for-profit based 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".

4. Ineligibility Determinations

Based on its review of the applications of the companies listed in Exhibit "D", staff recommends that the Board determine that the applicants listed on Exhibit "D" are not eligible to receive RNY Power for the reasons described in Exhibit "D".

5. Applications Not Recommended

Based on its review of the applications of the companies listed in Exhibit "E", staff recommends that the Board not recommend the applications listed on Exhibit "E" for RNY Power for the reasons described in Exhibit "E". [1]

6. Termination of Application Review Process

Staff recommends that the Board terminate the application review process for the applicants for RNY Power listed in Exhibit "F" on the ground that the applicants listed have not been responsive to requests by staff for additional information, preventing a complete analysis of the application, and rendering the applicants' RNY Power application incomplete.

RECOMMENDATION

For the reasons stated above, staff recommends that EDPAB: (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; (3)

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[1] In view of the recommended disposition of the applications listed on Exhibit "E", staff has not considered the eligibility of the applicants so indicated on Exhibit "E", and is not making any recommendations concerning eligibility at this time.

recommend that the Trustees award allocations of RNY Power to the small business and not-for-profit applicants listed in Exhibit "C" in the amounts indicated therein; (4) determine that the applicants listed in Exhibit "D" are ineligible to receive RNY Power allocations for the reasons discussed in Exhibit "D"; (5) determine that the applicants listed in Exhibit "E" will not be recommended for allocations of RNY Power for the reasons discussed in Exhibit "E"; and (6) determine that application review process for the applicants listed in Exhibit "F" will be terminated for the reasons discussed in Exhibit "F".

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

Mr. Hayes provided highlights of staff's recommendations to the Board. He said staff is requesting that EDPAB recommend that the Authority's Trustees approve the award of 33 allocations of Recharge New York large business retention, large business expansion and small business and not-for-profit based power to applicants. The Board is also requested to determine that three applicants are not eligible to receive RNY allocations; not recommend four applicants for Recharge New York allocations for various reasons and terminate the application review process for one Recharge New York applicant.

Upon motion made by Member George Maziarz and seconded by Member Robert Catell, 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 ("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 Senior Vice President – Economic Development & Energy Efficiency (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 and not-for-profit corporations listed in Exhibit "C" to the Attached Memorandum in the amounts indicated therein for the reasons indicated in Exhibit "C" and the Attached Memorandum; and be it further

RESOLVED, That the applicants listed in Exhibit "D" are ineligible for RNY Power for the reasons discussed in the Attached Memorandum and Exhibit "D"; and be it further

RESOLVED, That the applicants listed in Exhibit "E" are not recommended for RNY Power for the reasons discussed in the Attached Memorandum and Exhibit "E"; and be it further

RESOLVED, That the application review process for the applicants listed in Exhibit "F" is terminated for the reasons discussed in the Attached Memorandum and Exhibit "F"

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

Exhibit "A"
December 12, 2016

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	Syracuse Heat Treating Corporation	Syracuse	Onondaga	Central New York	NGRID	Provides heat treating services	474	236	25	0	25	$1,000,000		7
	Central New York Region Sub-totals:							**236**	**25**	**0**	**25**	**$1,000,000**		
2	Cox & Company, Inc.	Plainview	Nassau	Long Island	LIPA	Aerospace-related ice protection systems□	1,000	466	196	30	226	$2,500,000		7
	Long Island Region Sub-totals:							**466**	**196**	**30**	**226**	**$2,500,000**		
3	PAR Technology Corporation	New Hartford	Oneida	Mohawk Valley	NGRID	Designs software systems for restuarants □	760	350	200	0	200	$4,800,000	(1)	7
	Mohawk Valley Region Sub-totals:							**350**	**200**	**0**	**200**	**$4,800,000**		
	Totals							**1,052**	**421**	**30**	**451**	**$8,300,000**		

(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"
December 12, 2016

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	Calico Cottage, Inc.	Amityville	Suffolk	Long Island	LIPA	Manufacturer of fudge-making ingredients	800	500	73	5	$13,000,000	(4)	7
2	Modern Meadow, Inc.	Farmingdale	Suffolk	Long Island	LIPA	Biofabrication of animal-free leather	1,500	1,050	40	160	$25,000,000		7
3	WHTB Glass LLC	Brookhaven	Suffolk	Long Island	LIPA	Manufacturer of architectural glass	3,300	2,310	0	143	$18,900,000		7
	Long Island Region Sub-totals:							**3,860**	**40**	**308**	**$56,900,000**		
4	PAR Technology Corporation	New Hartford	Oneida	Mohawk Valley	NGRID	Designs software systems for restuarants	300	210	200	30	$1,100,000	(2)	7
	Mohawk Valley Region Sub-totals:							**210**	**0**	**30**	**$1,100,000**		
5	UltraCell Insulation, LLC	Lackawanna	Erie	Western New York	NGRID	Production of cellulose insulation	1,000	700	0	30	$7,150,000		7
	Western New York Region Sub-totals:							**700**	**0**	**30**	**$7,150,000**		

Totals	**4,770**	**40**	**368**	**$65,150,000**

(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) This applicant was previously approved for a retention-based RNY Power allocation. The base employment refers to the applicant's retained jobs; the majority of which are already associated with an existing power allocation.

Economic Development Power Allocation Board **Exhibit "C"**
Recommendations - RNY Power Allocations for Retention and Expansion Purposes (Small Business and/or NFP Corporations) **December 12, 2016**

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	Beak & Skiff Holding Company, LLC	LaFayette	Onondaga	Central New York	NGRID	Production of fresh apple cider	94	46	59	0	$250,000	(1)	7
	Central New York Region Sub-totals:							**46**	**59**	**0**	**$250,000**		
2	Carolina Eastern - Crocker, LLC	Le Roy	Genesee	Finger Lakes	NGRID	Cornmeal grinding facility	90	46	2	0	$100,000		7
3	Carolina Eastern - Crocker, LLC	Stafford	Genesee	Finger Lakes	NGRID	Custom blending of dry-bulk fertilizer	81	40	26	0	$450,000		7
4	iuvo Bioscience Operations, LLC	Rush	Monroe	Finger Lakes	NGRID	Pharmaceutical research and development	239	116	42	0	$1,000,000		7
	Finger Lakes Region Sub-totals:							**202**	**70**	**0**	**$1,550,000**		
5	Check-Mate International Products, Inc.	West Babylon	Suffolk	Long Island	LIPA	Manufacturer of high-precision tools	368	180	200	35	$2,260,000		7
6	Comtech Telecommunications Corp.	Melville	Suffolk	Long Island	LIPA	Designs advanced communication systems	274	136	94	6	$1,175,000		7
7	New Horizon Graphic, Inc.	Hauppauge	Suffolk	Long Island	LIPA	Commercial printing and finishing	280	140	41	0	$500,000	(1)	7
8	Polygen Pharmaceuticals, Inc.	Edgewood	Suffolk	Long Island	LIPA	Manufacturer of generic pharmaceuticals	65	30	26	0	$5,000,000	(1)	7
9	The Habco Corp.	Amityville	Suffolk	Long Island	LIPA	Cheese processing and packaging	275	120	40	0	$1,500,000		7
10	V.E. Power Door Co., Inc.	Brentwood	Suffolk	Long Island	LIPA	Manufacturer of door and gate operators	40	20	28	0	$560,000		7
	Long Island Region Sub-totals:							**626**	**429**	**41**	**$10,995,000**		
11	Metal Solutions, Inc.	Utica	Oneida	Mohawk Valley	NGRID	Manufacturer of sheet metal	159	76	74	0	$450,000		7
12	Munson-Williams-Proctor Arts Institute	Utica	Oneida	Mohawk Valley	NGRID	Regional fine arts center	544	176	102	0	$500,000		7
13	NCI Group, Inc.	Rome	Oneida	Mohawk Valley	NGRID	Manufacturer of metal building components	161	80	80	0	$400,000	(1)	7
14	Square Stamping Mfg. Corporation	Barneveld	Oneida	Mohawk Valley	NGRID	Metal stamping facility	158	76	26	0	$250,000	(1)	7
	Mohawk Valley Region Sub-totals:							**408**	**282**	**0**	**$1,600,000**		

	Retention-Based Totals							**1,282**	**840**	**41**	**$14,395,000**		

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)
15	Beak & Skiff Holding Company, LLC	LaFayette	Onondaga	Central New York	NGRID	Production of fresh apple cider	56	26	59	6	$3,093,194	(1), (2)	7
16	Half in the Bag Brewery, LLC	Syracuse	Onondaga	Central New York	NGRID	Brewery for craft beers	90	46	0	6	$498,612		7
17	LOOP Recycled Products of New York	Syracuse	Onondaga	Central New York	NGRID	Recycling center for paint products	250	126	0	20	$300,000		7
	Central New York Region Sub-totals:							**198**	**0**	**32**	**$3,891,806**		
18	Fontrick Door, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Manufacturer of doors and windows	270	136	0	40	$5,500,000		7
	Finger Lakes Region Sub-totals:							**136**	**0**	**40**	**$5,500,000**		
19	New Horizon Graphic, Inc.	Hauppauge	Suffolk	Long Island	LIPA	Commercial printing and finishing	70	36	41	3	$480,000	(1), (2)	7
20	Polygen Pharmaceuticals, Inc.	Edgewood	Suffolk	Long Island	LIPA	Manufacturer of generic pharmaceuticals	35	16	26	10	$1,000,000	(1), (2)	7
21	Visual Millwork & Fixture Mfg., Inc.	Deer Park	Suffolk	Long Island	LIPA	Manufacturing and design of display products	240	120	40	15	$6,495,000	(4)	7
	Long Island Region Sub-totals:							**172**	**40**	**28**	**$7,975,000**		
22	Fusion Graphix, Inc.	Montgomery	Orange	Mid-Hudson	CHUD	Custom printing of promotional materials	35	16	6	2	$110,000	(4)	7
	Mid-Hudson Region Sub-totals:							**16**	**6**	**2**	**$110,000**		
23	NCI Group, Inc.	Rome	Oneida	Mohawk Valley	NGRID	Manufacturer of metal building components	500	250	80	80	$10,355,000	(1), (2)	7
24	Square Stamping Mfg. Corporation	Barneveld	Oneida	Mohawk Valley	NGRID	Metal stamping facility	52	26	26	5	$3,750,000	(1), (2)	7
	Mohawk Valley Region Sub-totals:							**276**	**0**	**85**	**$14,105,000**		
25	Northwell Health, Inc.	Little Neck	Queens	New York City	CONED	Medical research and testing laboratory	1,796	596	230	21	$48,224,456	(4)	7
	New York City Region Sub-totals:							**596**	**230**	**21**	**$48,224,456**		

Expansion-Based Totals	**1,394**	**276**	**208**	**$79,806,262**	
Retention & Expansion-Based Totals	**2,676**	**1,116**	**249**	**$94,201,262**	

(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.

Economic Development Power Allocation Board
ReCharge New York Power Program
Informational Item - Applicants Not Eligible

Exhibit "D"
December 12, 2016

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	Sole Devotion	Albany	Albany	Capital District	NGRID	Retail shoe store	The applicant's business falls within EDPAB's definition of a retail business. Specifically, the applicant operates 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.
2	X3CNG Corp.	Bronx	Bronx	New York City	CONED	Compressed natural gas fueling station	The applicant's business falls within EDPAB's definition of a retail business. Specifically, the applicant operates 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.
3	Valhalla, LLC	Buffalo	Erie	Western New York	NGRID	Retail coffee shop	The applicant's business falls within EDPAB's definition of a retail business. Specifically, the applicant operates 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.

Economic Development Power Allocation Board **Exhibit "E"**
ReCharge New York Power Program **December 12, 2016**
Informational Item - Applicant/Application Not Recommended for RNY Power Allocation

Line	Company	City	County	Economic Development Region	IOU	Description	Reason [1]
1	Center for Development of Interest in Learning (CDOIL, Inc.)	Roosevelt	Nassau	Long Island	LIPA	Educational research and teacher training	Specific entities within the facility that would use and receive the benefit of an RNY allocation would not have a utility account or utility grade demand meter, and therefore it would not be possible for the utility to collect demand and usage data from specific users of RNY Power.
2	Beaverkill Farm, Inc.	Saugerties	Ulster	Mid-Hudson	CHUD	Horse boarding farm	The applicant's power demand is insufficient to support an award of RNY Power and to meet other program requirements, and a RNY Power allocation based on such power demand is unlikely to have a meaningful impact on the applicant's operating costs.
3	Catskill Interpretive Center	Mount Tremper	Ulster	Mid-Hudson	NYSEG	Visitor center for Catskills region	The applicant's power demand is insufficient to support an award of RNY Power and to meet other program requirements, and a RNY Power allocation based on such power demand is unlikely to have a meaningful impact on the applicant's operating costs.
4	Edelweiss Dairy, LLC	Freedom	Cattaraugus	Western New York	Not Applicable	Dairy farm	The applicant is served by a municipal electric utility which is not in a position to accept and account for RNY Power to individual customers. In addition, the applicant already enjoys competitive electric rates by virtue of the utility's receipt of low-cost NYPA hydropower.

(1) In view of the recommended disposition of the applications listed on Exhibit "E", staff has not considered the eligibility of these applicants, and is not making any recommendations concerning eligibility at this time.

Economic Development Power Allocation Board
ReCharge New York Power Program
Informational Item - Terminate Application/Review Process

Exhibit "F"
December 12, 2016

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	Catskill Center for Conservation and Development	Arkville	Delaware	Southern Tier	NYSEG	Environmental preservation & economic development	The applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.

5. Extension of the Economic Development Plan (Pratt)

SUMMARY

The Economic Development Power Allocation Board ("EDPAB" or "Board") is requested to approve an extension of the Economic Development Plan ("Plan") covering the use of net revenues produced by the sale of Expansion Power ("EP") to provide electric bill discounts in the form of an Industrial Incentive Award ("IIA") to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state. With EDPAB's approval, the term of the Plan would be extended from December 31, 2016 to May 31, 2018.

BACKGROUND

Public Authorities Law ("PAL") §1005 (eighth unnumbered paragraph) directs the Authority to identify "net revenues" produced by the sale of EP and, further, to identify an amount of such net revenues that will be used solely for IIAs. The New York Power Authority ("Authority") is directed in §1005 to identify net revenues available for IIAs no less often than annually. Net revenues are defined by §1005 as any excess of revenues properly allocated to the sales of EP over costs and expenses properly allocated to such sales.

IIAs are to be made in conformance with an economic development plan covering all such "net revenues." The Authority submits a Plan to EDPAB, pursuant to Economic Development Law ("EDL") §188, which also provides for EDPAB's approval of the Plan upon its determination that such Plan is consistent with, among other things, the criteria and requirements provided for in EDL §§184 and 185 that are used to evaluate applications for certain power. A copy of EDL §§ 184 and 185 is attached as Exhibit "A."

At its October 26, 2009 meeting, EDPAB approved an Economic Development Plan that allows the use of net revenues from the sale of EP for the calendar years 2008 through and including 2016 to provide electric bill discounts to manufacturing companies located in New York State that are at identifiable risks of closing or relocating to another state.

At its May 21, 2013 meeting, the Authority's Board of Trustees ("Trustees") authorized an IIA to Pratt Paper (NY), Inc. ("Pratt") upon determining that Pratt had demonstrated it met the qualifying criteria for an IIA and after careful consideration of Pratt's business case. The Trustees approved an annual amount of up to $1 million per year for up to five (5) years.

Pratt operates a paper mill, a corrugated box factory and a sorting facility in Staten Island within Consolidated Edison's service territory. Manufacturing processes represent a substantial portion of Pratt's total electricity consumption; energy costs are a primary consideration for the economic viability of the plant. Pratt's IIA, in the form of a cents per kWh price discount applied to a level of annual electric consumption, was approved subject to, among other appropriate terms and conditions:

- Reevaluation and reduction should Pratt's electric rates decline during the term of the IIA.

- The availability of EP net revenue funding for IIAs, which is in NYPA's sole discretion;

- Appropriate determination(s) by the Trustees that the funding of IIAs in any fiscal year will not have a significant impact on the Authority's finances.

- Approval of an extension of the Plan by EDPAB beyond 2016 to the extent that an IIA to Pratt would extend beyond such year.

- A reduction in the amount of the IIA if Pratt does not meet agreed-upon job commitments (256 full-time employees) at the Staten Island facility.

- An agreement providing for the IIA and which address these and other appropriate terms and conditions in a form satisfactory to the Authority.

DISCUSSION

Upon the Trustee's approval of Pratt's IIA, the Authority executed an agreement with Pratt ("Agreement") providing for the terms and conditions applicable to the Pratt IIA. The Agreement provides for an initial one-year term for the IIA and an extension of the IIA for four subsequent one-year terms at the Authority's discretion subject to conditions specified in the Agreement.

In accordance with the Agreement, Pratt was eligible to receive up to $1 million for the initial term of the Agreement and began receiving quarterly IIA payments as of June 2013. It has received $1 million for each of the first three-year terms of the IIA for a total of $3 million.

At the completion of each annual term, a compliance review and due diligence was performed on the terms and conditions of the Agreement prior to offering each subsequent annual term. Pratt has been compliant for each annual term, most recently, employing an average of 278 persons at its facility during the third annual term ending May 2016.

The current Plan allows the use of net revenues from the sale of EP be used for IIAs for the calendar years from 2008 through and including 2016. Therefore, payment of Pratt's IIA beyond December 2016, specifically the last five months of the fourth annual term (January 2017 through May 2017) and the subsequent fifth year (June 2017 through May 2018), requires an extension of the Plan.

Accordingly, at its September 27, 2016 meeting, the Trustees approved an extension of the Plan to May 31, 2018 and also authorized submission of such Plan to EDPAB to request its approval of the modified Plan.

FISCAL INFORMATION

Industrial Incentive Awards may be paid only if sufficient net revenues are produced by the sale of EP. Given that such net revenues and associated awards are anticipated in each year's budget, extension

of the Plan through May 31, 2018 to accommodate the remainder of Pratt's IIA benefits will not have a significant impact on the Authority's finances.

RECOMMENDATION

For the reasons stated above, staff recommends that EDPAB: (1) determine that the extended Plan and its implementation are consistent with the criteria and requirements provided for in EDL §§ 184 and 185; and (2) approve an extension to May 31, 2018 of the Plan covering the use of net revenues produced by the sale of Expansion Power to provide electric bill discounts in the form of Industrial Incentive Awards to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state.

Chairman Hoyt invited Mr. Keith Hayes to present staff's recommendation to the Board.

Mr. Hayes provided highlights of staff's recommendation to the Board. He said staff is requesting that the Board approve an extension of the Economic Development Plan from December 31, 2016 through May 31st, 2018. The Plan covers the use of net revenues produced by the sale of Expansion Power for industrial incentive awards for economic development purposes consistent with the criteria established in Economic Development Law, sections 184 and 185.

The Trustees approved an industrial incentive award to Pratt Paper, Inc. ("Pratt") subject to certain terms and conditions including Pratt's commitment to retain 256 employees at its Staten Island Paper Mill and the approval by EDPAB of an extension of the Plan beyond 2016. Pratt has been compliant with the terms of the award. The Trustees approved an extension of the Plan to May 31, 2018 in order to fulfil the obligations of Pratt's award beyond 2016. The Trustees also approved submitting the Plan to EDPAB requesting extension of the Plan through May 31, 2018.

Upon motion made by Member George Maziarz and seconded by Member Robert Catell, 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 determines that, based the attached memorandum and the exhibits and other information referred to therein and the criteria and requirements provided for in Economic Development Law §§ 184 and 185 (collectively, the "Criteria"), the extended Economic Development Plan ("Plan") and its implementation are consistent with the Criteria, and therefore approves the extended Plan that provides for the use of net revenues from the sale of Expansion Power through May 31, 2018, in order to provide electric bill discounts in the form of Industrial Incentive Awards to manufacturing companies in New York State that are at identifiable risk of closure or relocation to another state, and for the reasons indicated in the Attached Memorandum.

EXHIBIT A

Economic Development Law §§ 184 AND 185

§ 184. Criteria for eligibility for economic development power. Each application for an allocation of economic development power shall be evaluated under criteria adopted by the board. Such criteria shall address, but need not be limited to:

(a) the number of new jobs created as a result of an economic development power allocation;

(b) the applicant's long-term commitment to New York State, as evidenced by the applicant's current and/or planned capital investment in business facilities in New York State;

(c) the ratio of the number of jobs to be created to the amount of economic development power requested by the applicant;

(d) the types of jobs created, as measured by wage and benefit levels, security and stability of employment;

(e) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed;

(f) the extent to which economic development power will affect the overall productivity or competitiveness of the applicant's business and its existing employment within the state;

(g) the extent to which an allocation of economic development power may result in a competitive disadvantage for other businesses in the state;

(h) the general economic conditions and economic distress in the area in which the applicant's business facility would be located and the extent to which economic development power could contribute to the alleviation of such distress;

(i) the growth potential of the business facility and the contribution of economic strength to the area in which the business facility is or would be located;

(j) the extent of the applicant's willingness to make jobs available to persons defined as eligible for services under the federal job training partnership act of nineteen hundred eighty-two and the extent of the applicant's willingness to satisfy affirmative action goals;

(k) the extent to which an allocation of economic development power 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; and

(l) the impact of the allocation on the operation of any other facilities of the applicant, on other businesses within the state, and upon other electric ratepayers.

§ 185. Revitalization programs. In addition to the criteria described in section one hundred eighty-four of this article and such other criteria as the board may by rule or regulation define, an economic development power allocation may be made to a business in serious, long-term distress that is not primarily caused by normal, short-term changes in the business cycle, when the applicant demonstrates to the satisfaction of the board:

(a) that the applicant has formulated and will implement a comprehensive business revitalization plan which is described in its application, and which:

(1) contains a detailed strategy for actions to be taken by the applicant to continue as a successful business, including, but not limited to, productivity and efficiency improvements, changes in operations, financing or management, measures to enhance labor and management cooperation and to improve the skills and performance of the work force at all levels, capital investment in new equipment and plant modernization, development of new markets and products, and such other actions as will enable the business to stabilize and sustain its operations;

(2) has been endorsed by the board of directors; and

(3) establishes a verifiable schedule for completion of proposed actions;

(b) that an allocation of economic development power will significantly contribute to the revitalization plan;

(c) that the business is likely to close, partially close or relocate out of state resulting in the loss of substantial numbers of jobs;

(d) that the business is an important employer in the community and efforts to revitalize the business are in the long-term interests of both employees and the community;

(e) that a reasonable prospect exists that the proposed revitalization plan will enable the business to remain competitive and become profitable and preserve jobs for a substantial period of time;

(f) that the applicant demonstrates cooperation with the local electricity distributor and other available sources of assistance to reduce energy costs to the maximum extent practicable, through conservation and load management; and

(g) that the allocation will not unduly affect the cost of electric service to customers of the local electricity distributor.

Other Business

No other business to report.

6. **Next Meeting**

Chairman Hoyt said that the next meeting of the Board will be held on Monday, January 30, 2017 at 10:00 a.m.

Closing

Upon motion made by Member Eugene Nicandri and seconded by Member Robert Catell, the meeting was adjourned by Chairman Hoyt at approximately 10:20 a.m.