



**NY Power  
Authority**

**Canal  
Corporation**

**MINUTES OF THE REGULAR JOINT MEETING  
OF THE  
POWER AUTHORITY OF THE STATE OF NEW YORK AND  
NEW YORK STATE CANAL CORPORATION**

**May 21, 2019**

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Minutes of the Regular Meeting of the Power Authority of the State of New York held via video conference at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York at approximately 10:00 a.m.

**Members of the Board present were:**

John R. Koelmel, Chairman  
Eugene L. Nicandri, Vice Chairman  
Dr. Anne M. Kress  
Tracy McKibben  
Michael A.L. Balboni  
Dennis G. Trainor

Anthony J. Picente, Jr., - Excused

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Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Joseph Kessler	Executive Vice President and Chief Operating Officer
Sarah Salati	Executive Vice President and Chief Commercial Officer
Lee Garza	Acting Executive Vice President and Chief Financial Officer – Financial Operations & Acting Controller
Robert Piascik	Senior Vice President & Chief Information Officer
Soubhagya Parija	Senior Vice President & Chief Risk Officer
Angela Gonzalez	Senior Vice President – Internal Audit
Kimberly Harriman	Senior Vice President – Public and Regulatory Affairs
Keith Hayes	Senior Vice President – Clean Energy Solutions
Kristine Pizzo	Senior Vice President – Human Resources
Karen Delince	Vice President and Corporate Secretary
John Canale	Vice President – Strategic Supply Management
Ruth Colón	Vice President – Enterprise Shared Services
Patricia Lombardi	Vice President – Project Management
Doug McMahon	Vice President – Strategy
Daniella Piper	Vice President – Digital Transformation Office / Acting Chief of Staff
Ethan Riegelhaupt	Vice President – Corporate Communications
Susan Craig	Director – Media Relations
Enrico Montesa	Director – Fuel Planning & Operations
Rob Daly	Manager – Licensing
Mark Slade	Director – Licensing
Mary Cahill	Manager – Executive Office
Gerard McLoughlin	Manager – Business Power Allocations & Compliance
Lynne Smith	Media Relations Specialist II
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary
Kate Ascher	Partner – Buro-Happold Engineering

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Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

**Introduction**

*Chairman Koelmel welcomed the Trustees and staff members who were present at 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 Authority's Bylaws, Article III, Section 3.*

1. **Adoption of the May 21, 2019 Proposed Meeting Agenda**

Chairman Koelmel said that the Agenda has been amended to postpone the adoption of the two Recharge NY items on the Consent Agenda (#4b i & #4b iii) because the Economic Development Power Allocation Board (“EDPAB”), which recommends these items for adoption, was unable to meet as scheduled on Monday due to the lack of a quorum.

On motion made by member Tracy McKibben and seconded by member Dennis Trainor, the meeting Agenda was adopted, as amended.

**Conflicts of Interest**

*Chairman Koelmel and members McKibben, Balboni and Trainor declared no conflicts of interest based on the list of entities previously provided for their review.*

*The following members declared conflicts of interest as indicated below and said they would not participate in the discussion or vote as it relates to those matters.*

- *Vice Chairman Nicandri – Seaway Private Equity Corp. (#4c iv)*
- *Member Anne Kress – Bergmann Associates, (#5c i-2) and Popli Architecture Engineering and Land Surveying, P.C. (#5c i-2)*

2. **Motion to Conduct an Executive Session**

***“Mr. Chairman, I move that the Board conduct an Executive Session to discuss the financial and credit history of a particular corporation.”*** On motion made by member Michael Balboni and seconded by member Dennis Trainor, the members held an executive session.



3. **Motion to Resume Meeting in Open Session**

***“Mr. Chairman, I move to resume the meeting in Open Session.”*** On motion made by member Michael Balboni and seconded by member Dennis Trainor, the meeting resumed in Open Session.

Chairman Koelmel said that no votes were taken during the Executive Session.

**4. CONSENT AGENDA:**

Upon motion made by member Michael Balboin and seconded by member Tracy McKibben, the Consent Agenda was approved, as amended.

**a. Governance Matters:**

**i. Approval of the Minutes**

The Minutes of the Annual Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held on March 26, 2019 were unanimously adopted.

b. Power Allocations:

- i. Transfer of Recharge New York Power, Expansion Power and Replacement Power Allocations

**TABLED**

ii. **Replacement Power Allocation**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY"**

The Trustees are requested to approve an allocation of 800 kilowatts ('kW') of Replacement Power ('RP') to Saint-Gobain Ceramics & Plastics, Inc. ('Saint-Gobain') which is planning an expansion at its facility in the Town of Wheatfield, Niagara County. The project is described in further detail below and in Exhibit '4b ii-A.' The term of the allocation would be seven years. The allocation would support capital investment of at least \$16.9 million and the creation of at least 12 jobs in Western New York ('WNY').

**BACKGROUND**

Under Public Authorities Law ('PAL') §1005(13), the New York Power Authority ('NYPA' or 'Authority') may contract to allocate 250 megawatts ('MW') of firm hydroelectric power as Expansion Power ('EP') and up to 445 MW of RP to businesses in the State located within 30 miles of the Niagara Power Project, provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county.

Each application for an allocation of EP and RP must be evaluated under criteria that include but need not be limited to, those set forth in PAL §1005(13)(a), which details general eligibility requirements. Among the factors to be considered when evaluating a request for an allocation of hydropower are the number of jobs created as a result of the allocation; the business' long-term commitment to the region as evidenced by the current and/or planned capital investment in the business' facilities in the region; the ratio of the number of jobs to be created to the amount of power requested; the types of jobs to be created, as measured by wage and benefit levels, security and stability of employment, and the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed.

The Authority works closely with business associations, local distribution companies and economic development entities to gauge support for the projects that would be supported with allocations of Authority hydropower. Discussions routinely occur with National Grid, Empire State Development, Invest Buffalo Niagara, the Niagara County Center for Economic Development, and the Erie County Industrial Development Agency to coordinate other economic development incentives that may help bring economic development to New York State. Staff confers with these entities to help maximize the value of hydropower to improve the economy of WNY and the State of New York. Each organization has expressed support for today's recommended RP allocation.

At this time, 67,510 kW of unallocated EP and 99,091 kW of unallocated RP is available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

**DISCUSSION**

The applicant, Saint-Gobain, is a world leader in the sustainable habitat and construction markets, and manufacturing and distributing building and high performance materials. Saint-Gobain is a \$56 billion global company with operations in 64 countries around the world.

The Saint-Gobain facility in Wheatfield was opened in 1943. It specializes in the manufacturing of seeded gel and ekonol to produce grinding wheels, sandpaper, bearings and abradable seals.

Saint-Gobain submitted an application requesting 2,000 kW of hydropower in connection with an expansion project. Saint-Gobain is proposing a two-part expansion at its facility. The initial expansion would add two production lines in a 5,000-square-foot section of the company's existing facility. The second part of the project would consist of a build-out of a 45,000-square-foot attached, vacant building on the same site. This expansion would include the installation of a fully automated production line to

increase production of seeded gel by 25 percent. Saint-Gobain hopes to have the expansion completed by the winter of 2020.

Saint-Gobain's total investment for the project will be at least \$16,900,000 – approximately \$3,000,000 for the two new production lines, and \$13,900,000 for the fully automated production line expansion.

Saint-Gobain would create at least 12 new jobs at its facilities (average compensation/benefits estimated at \$100,490) above its current job level of 74 positions.

The job creation ratio for the proposed allocation of 800 kW is 15 new jobs per MW. This ratio is below the historic average of 29.9 new jobs per MW based on allocations made during the past nine years. The total project investment of at least \$16.9 million would result in a capital investment ratio of \$21.13 million per MW. This ratio is below the nine-year historic average of \$23.1 million per MW.

Saint-Gobain currently purchases three RP allocations from NYPA – 2,100 kW, 1,005 kW and 100 kW. It is in compliance with all its existing contractual commitments.

Staff recommends that an allocation of 800 kW of RP for a term of seven years be awarded to Saint-Gobain in support of its proposed expansion.

Saint-Gobain has an existing hydropower contract that has been subject to the public review and approval process of Public Authorities Law §1009. In accordance with the terms of that contract, any additional allocation and associated supplemental commitments that Saint-Gobain receives may be added to the existing contract. The recommended allocation would be subject to the terms of that contract to the Authority's Service Tariff No. WNY-2. Delivery of the allocation would be provided by the customer's local electric distribution utility.

#### RECOMMENDATION

The Vice President – Economic Development, recommends that the Trustees approve an allocation of 800 kW of Replacement Power to Saint-Gobain as described herein and in Exhibit '4b ii-A' for a term of seven years.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That an allocation of 800 kilowatts of Replacement Power to Saint-Gobain Ceramics & Plastics, Inc. for a term of seven (7) years as detailed in the foregoing report of the President and Chief Executive Officer and Exhibit "4b ii-A" be and hereby is approved, subject to rates previously approved by the Trustees; and be it further**

**RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

iii. Recharge New York Power – Allocation Extensions

**TABLED**

iv. **Recommendation for Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY"**

The Trustees are requested to: (1) accept the recommendations of the Western New York Power Proceeds Allocation Board (the 'Allocation Board' or 'WNYPPAB') and make an award of Fund Benefits from the Western New York Economic Development Fund to the eligible applicant listed in Exhibits '4b iv-A' and '4b iv-A-1' in the amount indicated on the Exhibits for the reasons discussed below and in the Exhibit; and (2) authorize the other actions described herein with respect to such applicant and recommended award.

**BACKGROUND**

1. **Western New York Power Proceeds Allocation Act**

On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the 'Act'). The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund. The Fund consists of the aggregate excess of revenues received by the Authority from the sale of Expansion Power ('EP') and Replacement Power ('RP') produced at the Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an 'eligible applicant' is a private business, including a not-for-profit corporation. 'Eligible projects' is defined to mean 'economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments.' Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York state; support for tourism and marketing and advertising efforts for western New York state tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits are disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project when NYPA determines this approach is appropriate for a project, NYPA has authorized the approach in advance, and proposed expenses can be appropriately documented.

At least 15 percent of Fund Benefits must be dedicated to eligible projects which are 'energy-related projects, programs and services,' which is 'energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services,



and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.'

Allocations of Fund Benefits may only be made on the basis of moneys that have been deposited in the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

## 2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, and evaluating the merits of applications for Fund Benefits. The Allocation Board uses the criteria applicable to EP, RP and PP, and for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these criteria (collectively, 'Program Criteria'), adapted from the Allocation Board's 'Procedures for the Review of Applications for Fund Benefits,' is attached as Exhibit '4b iv-B.'

The Allocation Board met on March 4, 2013 and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined 'retail business' to mean 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.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board's recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award ('Award Contract') such other terms and conditions the Authority deems appropriate.

## 3. Application Process

In an effort to provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2019 on which the Allocation Board would meet to consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process was promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation and other local and regional economic development organizations within the State. A webpage was created that is hosted on [WWW.NYPA.GOV/WNYPPAB](http://WWW.NYPA.GOV/WNYPPAB) with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

## DISCUSSION

At its April 3, 2019 meeting, the Allocation Board considered an application from Carousel Society of the Niagara Frontier ('CSNF') seeking \$30,000 in Fund Benefits to add a music room at its North Tonawanda, New York, location.

As detailed in Exhibit '4b iv-A-1,' CSNF's application seeks Fund Benefits to restore a portion of its museum complex that collapsed in 1995 so that it can add a music room to display its growing organ collection. The project includes foundation repairs, premises upgrades including the installation of glass connecting corridors, shelving and furniture for the interpretive exhibit and other related costs. CSNF would spend approximately \$462,000 on its project. Included as part of the project, is the installation of a Geothermal HVAC system that would be used to efficiently heat and cool the facility and reduce energy

consumption. NYPA would be able to access the component of the Fund reserved by statute for energy-related projects, programs and services for that portion of the award aimed at the cost of the battery.

The Allocation Board's staff analyzed the application and made a recommendation to the Allocation Board based on eligibility requirements and Program Criteria. A copy of the recommendation memorandum provided to the Allocation Board for the CSNF project is attached as Exhibit '4b iv-A-1.' The application itself has also been made available to the Trustees for review.

The Allocation Board has recommended that this applicant receive a Fund Benefit award in the amount indicated on Exhibits '4b iv-A' and '4b iv-A-1.' Given the nascent stage of the proposed project, it was not possible to recommend the terms and conditions that would be applicable to the award and memorialized in an Award Contract between the Authority and successful applicant.

If this applicant receives a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicant after receipt of more detailed information concerning the project and proposed schedules. An Award Contract may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will contain provisions for periodic audits of the successful applicant for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments, relating to, among other things, employment levels and/or project element due dates.

#### RECOMMENDATION

The Vice President – Economic Development recommends that:

- (1) the Trustees accept the recommendations of the Allocation Board and make an award of Fund Benefits to the applicant in the amount identified in Exhibits '4b iv-A' and '4b iv-A-1,' conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in an Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or his designee, as to form;
- (2) the Chief Commercial Officer – Energy Solutions, or such official's designee, be authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the awards; and
- (3) the Chief Commercial Officer – Energy Solutions, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit '4b iv-A' subject to the foregoing conditions.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**WHEREAS, The Western New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund ("Fund") to the eligible applicant listed in Exhibit "4b iv-A" in the amount indicated;**

**NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant listed in Exhibits “4b iv-A” and “4b iv-A-1” in the amount indicated for the reasons set forth in the foregoing report and the exhibits and other information referred to therein, conditioned upon an agreement between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract (“Award Contract”) between the Authority and the applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or his designee, as to form; and be it further**

**RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further**

**RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, is authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit “4b iv-A” subject to the foregoing conditions; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**c. Procurement (Services) Contracts:**

**i. Procurement (Services) Contracts –  
Business Units and Facilities –  
Awards, Extensions and/or Additional Funding**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit '4c i-A,' as well as the continuation and/or funding of the procurement (services) and other contracts listed in Exhibit '4c i-B,' in support of projects and programs for the Authority's Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the bases for the new awards if other than to the lowest-priced, lowest total cost of ownership or 'best valued' bidders and the intended duration of such contracts, or the reasons for extension and the projected expiration dates, are set forth in the discussion below.

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year.

The Authority's current Expenditure Authorization Procedures ('EAPs') require the Trustees' approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$6 million, as well as personal services contracts in excess of \$2 million if low bidder or best value, or \$1 million if sole-source, single-source or other non-competitive award.

The Authority's current EAPs also require the Trustees' approval when the cumulative change order value of a personal services contract exceeds \$500,000, or when the cumulative change order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of \$6 million or 25% of the originally approved contract amount not to exceed \$6 million.

**DISCUSSION**

**Awards**

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit '4c i-A,' where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, all of these contracts contain provisions allowing the Authority to terminate the services for the Authority's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding all contracts, which range in estimated dollar value from \$112,000 to \$5 million. Except as noted, these contract awards do not obligate the Authority to a specific level of personnel resources or expenditures.

The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices can be negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

## **Extensions**

Although the firms identified in Exhibit '4c i-B' have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. The Trustees' approval is required because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority to terminate the services at the Authority's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority to a specific level of personnel resources or expenditures.

Extension of the contracts identified in Exhibit '4c i-B' is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

### **Contract Awards in Support of Business Units/Departments and Facilities:**

#### ***Business Services – Treasury***

The proposed single source, personal services contract with **Fitch Ratings, Inc. ('Fitch')** would provide credit rating services. In order to maintain our credit standing and access to the capital markets, NYPA must engage ratings agencies to review its credit, new issuances and other financial or operating information as they impact credit or issuances. Staff recommends a single source contract be awarded to Fitch for credit rating services. The contract is for an intended term of two years subject to the Trustees' approval, which is hereby requested. Approval is also requested for the not-to-exceed contract value amount of \$112,000.

#### ***Commercial Operations – Clean Energy Business & Market Development***

At their meeting of July 25, 2017, the Trustees approved the award of contracts to twenty-six firms associated with Request for Qualifications ('RFQ') Q17-6169MH to provide investment grade audit, design, engineering, procurement and installation services with an aggregate award value of \$275 million and term of up to five years. Subsequently, twenty-four suppliers entered into agreements with the Authority. These contracts were approved to support the Authority's Governmental Customer Energy Efficiency Program and Statewide Energy Efficiency Program, with contract funding allocated from these programs. It was noted that funding would generally be recovered directly from program participants and since market conditions continuously change for renewable and distributed energy technologies, the Authority would evaluate the need to pre-qualify additional firms on an annual basis. To that end, the Authority issued **RFQ Q18-6597SR** to refresh and re-evaluate vendor resources associated with distributed solar, wind, storage and microgrid services to select those firms possessing state of the art qualifications and resources. Due to the fluid nature of the solar industry, the present solicitation is intended to refresh the existing pool of vendors and add new capabilities in PV canopies, smart inverters, energy storage and community distributed generation. The RFQ Q18-6597SR was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Forty-five proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of twenty-one contracts to **AECOM USA, Inc., AES Distributed Energy, Inc., BQ Energy Development LLC, Bright Power, Inc.,**

Con Edison Clean Energy Businesses, Inc., Cypress Creek Holdings LLC, dba Cypress Creek Renewables LLC, Delaware River Solar LLC, Dimension Energy LLC, EDF Renewables Distributed Solutions, Inc., Engie Services U.S., Inc., Entersolar LLC, General Electric International, Inc., GE Endurant LLC, Grid Solutions (U.S.) LLC dba GE Grid Solutions LLC, Group-S LLC, dba En-Power Group, Lumos Solar LLC, MyPower Corp. dba Forefront Power LLC, NextEra Energy Capital Holdings, Inc. dba NextEra Energy Resources Development LLC, Siemens Industry, Inc., Strata Solar LLC and TRC Engineers, Inc., which are technically and commercially qualified and meet the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. These twenty-one new value contracts will be valid through August 31, 2022, coterminous with the pool of value contracts previously approved by the Trustees at their July 25, 2017 meeting, and will increase the stable of eligible, participating suppliers to forty-five. No additional funds are being requested.

### ***Corporate Services – Environmental Justice & Sustainability***

The proposed personal services contract with **AccountAbility North America LLC ('AccountAbility') (Q19-6651CC)** would provide Global Reporting Initiative (GRI) Standards. AccountAbility is a global sustainability consulting and standards firm that supports organizations in benchmarking performance, assessing and mapping material issues, engaging stakeholders, developing strategic roadmaps, and reporting and disclosing performance. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Sixteen firms / entities were listed as having been invited to, or requested to participate in, the Ariba event. Five proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contract to AccountAbility which is technically and commercially qualified and meets the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of three years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$385,056.

### ***Utility Operations – Environmental, Health & Safety***

The proposed personal services contracts with **AECOM USA, Inc. ('AECOM'), CHA Consulting, Inc. ('CHA'), LiRo Engineers, Inc. ('LiRo'), The Louis Berger Group (Domestic), Inc. ('Louis'), Parsons Engineering of New York, Inc. ('Parsons') and TRC Engineers, Inc. ('TRC') (Q19-6627JGM)** would support NYPA's operations and projects at all the Authority facilities and areas of business on an on-call basis for environmental services. These services will be used when environmental requirements are beyond the resources of existing Authority environmental staff or during emergencies situations when the Authority staff is not immediately available. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Seventy firms / entities were listed as having been invited to, or requested to participate in, the Ariba event. Thirty-two proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to AECOM, CHA, LiRo, Louis, Parsons and TRC which are technically and commercially qualified and meet the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The contracts are for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contracts, \$5 million.

### ***Utility Operations – Maintenance Resource Management (SENY)***

The proposed non-personal services contract with **Atlantic Cooling Technologies & Services LLC ('Atlantic') (A19-001246JV)** would provide service, maintenance and repair of the Eugene Zeltman

cooling tower. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Five firms / entities were listed as having been invited to, or requested to participate in, the Ariba event. One proposal was received electronically via Ariba and was evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contract to Atlantic which is technically and commercially qualified and meets the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of five years, subject to the Trustees' approval, which is hereby requested. This contract will begin on July 20, 2019 and end on July 19, 2024. Approval is also requested for the amount expected to be expended for the term of the contract, \$5 million.

#### ***Utility Operations – Maintenance Resource Management (SENY)***

The proposed non-personal services contract with **John Dineen Contracting ('Dineen') (A19-001245JV)** would provide maintenance and repair of the Eugene Zeltman Power Plant roof. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Five firms / entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contract to Dineen which is technically and commercially qualified and meets the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of five years, subject to the Trustees' approval, which is hereby requested. This contract will begin on July 16, 2019 and end on July 15, 2024. Approval is also requested for the amount expected to be expended for the term of the contract, \$5 million.

#### ***Utility Operations – Maintenance Resource Management (SENY)***

The proposed non-personal services contract with **ThyssenKrupp Elevator ('ThyssenKrupp')** would provide for elevator repair and maintenance services. NYPA is utilizing **NYS Office of General Services contract #PS902AA, award number 22913**, scheduled to expire April 19, 2021. The 500MW site has one freight and two passenger elevators; and elevator services are required in accordance with NYS Building Code, ASME A17.1. The passenger elevator in the plant site is a ThyssenKrupp TAC50 and has been inoperative since September. This elevator has a proprietary control system requiring a ThyssenKrupp authorized technician. Staff recommends the approval of a two-year contract with the possibility of three (3) one-year extensions in the not-to-exceed amount of \$500,000 to ThyssenKrupp.

#### ***Utility Operations – Project Management***

Due to the need to meet and maintain the Authority's project schedule, the proposed construction contract **(4600003630)** with **James H. Maloy, Inc. ('Maloy')** for the installation and removal of the flashboards at the Crescent and Vischer Ferry Power Projects became effective April 15, 2019, for the initial interim award amount of \$150,000, subject to the Trustee's approval as soon as practicable, in accordance with the Authority's Guidelines for Procurement Contracts and EAP's. As part of NYPA's license agreement with Federal Energy Regulatory Commission (FERC), NYPA is required to implement a solution allowing the pond levels to be raised for lockage and navigation during the canal navigation season at the Crescent and Vischer Ferry Power Projects. The present system uses flashboards to increase the height of the dams to comply with FERC requirements. Aside from complying with FERC requirements, installation of the flashboards is essential in increasing power output at the Crescent and Vischer Ferry Power Projects. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Five firms / entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received

electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Maloy which is technically and commercially qualified and meets the bid requirements on the basis of 'best value', which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$1,380,350.

### ***Utility Operations – Technical Compliance***

Due to the need to meet and maintain the Authority's project schedule, the proposed sole source personal services contract **(4500307147)** with **Lopez & Associates, Inc. ('Lopez')** for consulting services to provide for the development and validation of pre-employment tests for the SENY Operating Technician positions became effective January 23, 2019, for the initial interim award amount of \$40,000, subject to the Trustee's approval, in accordance with the Authority's Guidelines for Procurement Contracts and EAP's. This request includes work remaining under the expired contract **(4500288607)** for positions at the Charles Poletti Power Project. The consulting services will provide review, updating and scoring of NYPA's pre-employment aptitude tests which are currently used to screen candidates for various bargaining unit positions. The consulting services also include reviewing the need to digitize testing, as well as the identification and potential selection of regional vendors to administer electronic testing. Staff recommends the award of a contract to Lopez on a sole source basis as they are uniquely familiar with NYPA's specific needs and ongoing project requirements. The contract is for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$310,000 (\$110,000 for year one and \$50,000 for each additional year), including the interim amount.

### **Extensions and/or Additional Funding Requests:**

### ***Risk Management – Commodity Risk & Analytics***

At their meeting of December 15, 2016, the Trustees approved the award of contracts to six firms, **AON Risk Services Northeast, Inc. dba AON Risk Services, Inc. ('AON') (4600003261)**, **Deloitte & Touche LLP ('D&T') (4600003255)**, **Ernst & Young U.S. LLP ('EY') (4600003256)**, **PA Consulting Group, Inc. ('PAC') (4600003258)**, **Pivotal Risk Advisors, Inc. ('PRA') (4600003259)**, and **The Brattle Group, Inc. ('Brattle') (4600003257)** to provide for risk management consulting services to the Authority, in one or more of the following five work areas: 1) Risk Management Program Support to mature the Authority's Enterprise Risk Management program in ten potential areas (D&T and EY); 2) Risk Modeling and Quantification (Brattle); 3) Energy Derivative Fair Market Valuation and/or Validation (PAC); 4) Insurance Support (AON and D&T); and 5) Credit Risk Support (PRA). Such services support the Risk Management program in achieving its mission to protect and enhance the value of the organization through informed risk-based decision-making for optimal resource allocation. The Risk Management group at the Authority provides a coordinated approach to identifying, assessing and managing risks across the organization. Risk categories in finance (e.g., exposure to energy commodity markets, credit risk, liquidity and uncertainty in net revenue), as well as infrastructure, operational reliability, safety, workforce management, customer and legal and regulatory compliance are addressed under the program. The Trustees are requested to approve additional funding in the amount of \$5 million for a total contract aggregate value of \$10 million.

### ***Utility Operations – Project Management***

On May 11, 2018, the Authority issued a one-year, construction contract to **Perras Excavating, Inc. ('Perras') (4500297522)** in the amount of \$1,551,922 to support the continuation of construction services for the Joint Works project located at the Long Sault Dam, St. Lawrence-FDR Power Project. The Long Sault Dam concrete structure has been in existence for over 50 years and is showing signs of weathering and freeze/thaw damage. Concrete deterioration is occurring at vertical and horizontal construction joints throughout all of the thirty spillway gate bays. Significant deterioration is occurring at



the tailrace water elevation, where areas of exposed rebar are beginning to show. The requested extension is due to deferment of the construction work from 2018 and 2019. Staff requests Trustee approval for the extension of the Perras contract for one year, through May 10, 2020. Interim Approval is also requested for the extension of the contract from May 10, 2019 to May 21, 2019 for a continuation of services, subject to Trustee ratification. No additional funding is being requested.

#### ***Utility Operations – Project Management***

On June 29, 2018, the Authority issued a one-year construction contract to **M10, Inc. dba Michels Corp–Michels Power ('Michels') (4500298959)** in the amount of \$3,212,756 to install Optical Ground Wire ('OPGW') on the Gilboa to Fraser ('GF-5') transmission line. Due to a mid-span fiber failure, a section of the OPGW will be replaced. Prior to the outage work, NYPA will onboard an aviation Subject Matter Expert ('SME') contractor to review and approve Michels' Health and Safety Plan ('HASP') as well as oversee the helicopter flights both during hotline and clearance outages. This will ensure the safety of the crew, ground personnel and equipment during flight operations. Michels is experienced with the work done in the Gilboa area and has already completed installation of the OPGW. With a minimal amount of pre-work effort required to re-engage the GF-5 transmission line and the added safety oversight by the aviation SME, the work can continue with Michels. Staff requests a contract extension of one year, through June 28, 2020, to provide for the continuation of construction services for the installation of OPGW on the GF-5 transmission line. No additional funding is being requested.

#### ***Utility Operations – Project Management***

On June 22, 2018, the Authority issued a one-year construction contract to **O'Connell Electric Company, Inc. ('O'Connell') (4500298578)** in the amount of \$3,325,277 for the Plattsburgh Substation Station Service Electrical Equipment Installation work which is part of the ongoing Transmission Life Extension and Modernization Program ('T-LEM'). Staff requests a contract extension of one year, through June 21, 2020, to provide for the continuation of construction services for the installation of new electrical equipment for the Plattsburgh Substation Station Service Upgrade Project. The necessary outages required to facilitate replacement of existing equipment with new equipment by the contractor could not be accomplished within the contract term, due to the failure of Auto Transformer 1 at Plattsburgh Substation. Staff requests Trustee approval for the extension of the O'Connell contract for one year, through June 21, 2020. No additional funding is being requested.

#### **FISCAL INFORMATION**

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2019 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project's Capital Expenditure Authorization Request, as applicable.

#### **RECOMMENDATION**

The Senior Vice President – Operations Support Services and Chief Engineer; the Senior Vice President – Power Supply; the Senior Vice President – Public & Regulatory Affairs; the Senior Vice President – and Chief Risk Officer; the Vice President – Project Management; the Senior Vice President – Financial Operations & Acting Controller; the Vice President – Environmental Justice & Sustainability; the Vice President – Clean Energy Business & Market Development; the Vice President – Environmental Health & Safety; the Chief of Staff for the Chief Operating Officer & Vice President – Labor; the Regional Manager SENY; the Regional Manager Central NY; Treasurer; Senior Director Customer Business Development; Director Environmental Operations; Director Commodity Risk & Analytics; recommend that

the Trustees approve the award of multiyear procurement (services) and other contracts to the companies listed in Exhibit '4c i-A' and the extension and/or funding of the procurement (services) contracts listed in Exhibit '4c i-B,' for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

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

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award and funding of the multiyear procurement services contracts set forth in Exhibit “4c i-A,” attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the contracts listed in Exhibit “4c i-B,” attached hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

ii. **St. Lawrence-FDR Power Project –  
Facilities for Office of Parks – Capital Expenditure  
Authorization Request and Contract Award**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are hereby requested to approve additional capital expenditures in the amount of \$9,011,394 for the Facilities for Office of Parks Project (‘Project’) which includes construction of administration and maintenance buildings, demolition of the existing maintenance building, plus additional site improvements at the Nature Center campus located at the St. Lawrence-FDR Power Project. The total estimated cost of the project is \$10.9 million, of which \$1.9 million was previously approved.

The Trustees are also requested to approve the award of a competitively bid three-year construction contract in support of the Project in the amount of \$7,464,132 to Con Tech Building Systems, Inc. of Gouverneur, NY, for the construction of the new facilities. In accordance with the New York State Environmental Quality Review Act, the Authority is conducting an environmental review of this project that will be completed before the contract is executed.

BACKGROUND

In accordance with the Authority’s Capital Planning and Budgeting Procedures, capital expenditures in excess of \$6 million and construction contracts exceeding one-year in duration require the Trustees approval.

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustee approval for procurement contracts involving services to be rendered for a period in excess of one year. Additionally, in accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services contracts exceeding \$6 million requires the Trustees’ approval.

The previous Office of Parks, Recreation and Historic Preservation (‘OPRHP’) facilities were housed within the old Nature Center building which was destroyed by fire in March 2010. The OPRHP operates and maintains the Park and has been operating out of temporary facilities. The temporary facilities are inadequate to properly serve the needs of the Park.

DISCUSSION

This project will provide OPRHP with new facilities that will complement the adjacent, newly constructed Nature Center. The project involves the construction of two new buildings and expansion of existing infrastructure and site alterations. These new facilities will also replace the temporary trailer and maintenance garage that were put in place after the previous Nature Center Administrative Building Complex was destroyed.

The Authority issued a Request for Proposal (Q19-6620DKT) through the Ariba system, which was advertised in the New York State *Contract Reporter* on February 5, 2019. Two (2) proposals were received on March 28, 2019. The Authority’s Fair Cost Estimate for this work is \$6,528,200.

Bidder	Evaluated Proposal
Con Tech Building Systems, Inc. of Gouverneur, NY	\$7,464,132
Bette & Cring, LLC of Latham, NY	\$8,413,000

The proposals were reviewed by an Evaluation Committee composed of staff from Engineering, Strategic Supply Management, Project Management, and Program Controls.

Consistent with the Authority's Procurement Procedures and Project Management Procedures, the proposals have been evaluated for price, completeness, schedule compatibility, exceptions to the Bid Documents, relevant experience, and safety record.

The committee concluded that Con Tech Building Systems, Inc. submitted the lowest-priced technically acceptable bid. Con Tech has extensive experience in similar construction, has demonstrated knowledge of the scope-of-work and is capable of completing this project in accordance with the schedule. Con Tech did not take any technical exceptions and any exceptions to the commercial terms were resolved to the Authority's satisfaction. The work being performed under this contract is expected to be completed by the end of 2020.

Preliminary capital funding in the amount of \$1,900,000 was previously approved to perform the engineering, design and initial site and utility work for the Project.

The total Project cost is estimated at \$10,911,394 and is summarized as follows:

Preliminary Engineering and Design	\$ 308,977
Engineering/Design	\$ 524,915
Procurement	\$ 0.00
Construction/Installation	\$ 8,983,040
Authority Indirect and Direct Expenses	<u>\$ 1,094,462</u>
<b>TOTAL</b>	<b>\$10,911,394</b>

#### FISCAL INFORMATION

Payments associated with this project will be made from the Authority's Capital Fund.

#### RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Acting Regional Manager – Northern New York, the Vice President – Strategic Supply Management, the Vice President – Project Management, and the Project Manager recommend that the Trustees approve additional capital expenditures in the amount of \$9,011,394 and the ratification of a three-year contract to Con Tech Building Systems, Inc. of Gouverneur, NY, in the amount of \$7,464,132, to support the work associated with the Facilities for Office of Parks Project at the St. Lawrence-FDR Power Project.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Authority's Capital Planning and Budgeting Procedures, additional capital expenditures in the amount of \$9,011,394 are hereby authorized for the Facilities for Office of Parks Project at the St. Lawrence-FDR Power Project in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;**

<u>Capital</u>	<u>Expenditure Authorization</u>
Facilities for Office of Parks	<u>\$9,011,394</u>

**AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, approval is hereby granted to award a three-year contract to Con Tech Building Systems, Inc., of Gouverneur, NY to provide construction services to complete the aforementioned project as recommended in the foregoing report of the President and Chief Executive Officer upon completion of the Authority's environmental review;**

<u>Contractor</u>	<u>Contract Approval</u>
Con Tech Building Systems Gouverneur, NY	<u>\$7,464,132</u>

(Q19-6620DKT)

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

iii. **Extension of the Gas Transportation and Balancing Service Agreement with Consolidated Edison Company of New York, Inc.**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY"**

The Trustees are requested to authorize a three-year extension of the current Gas Transportation and Balancing Service Agreement ('Agreement') between Consolidated Edison Company of New York, Inc. ('Con Edison') and the Authority. The Agreement provides for the transportation and balancing services for Authority-owned gas to the Eugene W. Zeltmann Power Project (formerly known as the 500 MW unit), six Small Clean Power Plants ('SCPPs') gas turbine generator units, as well as the Astoria Energy II affiliated facility located in the Con Edison service territory.

**BACKGROUND**

The Authority's Expenditure Authorization Procedures governing fuel-related contracts require the Trustees' approval for terms that exceed 48 months. On August 1, 2008, the Trustees at their meeting of July 29, 2008 authorized the execution of an agreement with Con Edison for local transportation and balancing of natural gas supplies to the former 500 MW unit, the former Poletti unit and the six SCPPs. On July 1, 2011, the Agreement was amended to reflect the designation by Astoria Energy ('Astoria') for the Authority to act as its sole agent for the scheduling and balancing of natural gas to the Astoria Energy II Facility. Con Edison accepted Astoria's designation of the Authority as the sole agent and as a result, all scheduling and balancing of natural gas to the Astoria Energy II Facility became the responsibility of the Authority. Con Edison also agreed to aggregate all volumes of natural gas scheduled for delivery to the Eugene W. Zeltmann Power Project, six Small Clean Power Plants and Astoria Energy II for the purpose of performing balancing services.

**DISCUSSION**

Under the current Agreement, Con Edison would be obligated to provide local transportation and balancing service for 92,000 dths per day for the Authority-owned generators and 89,000 dths per day for the Astoria Energy II Facility for a total quantity of 181,000 dths per day of 'off-peak' firm service.

Notwithstanding the foregoing, Con Edison would have the right, at its sole discretion, to interrupt or curtail transportation service to the Authority, in whole or in part, for up to 720 hours each year, consistent with PSC-approved tariff provisions for electric generators. In the event of curtailments or interruptions in excess of this amount, the Authority would receive a pro-rata reduction in the annual demand charge specified below. In staff's opinion, the likelihood of interruptions or curtailments occurring is small, based upon historical experience, particularly during the summer period when Con Edison's transportation capacity typically exceeds demand.

One of the enhanced benefits set forth in the Con Edison Agreement would provide for the aggregation of all gas supplies for the Authority's generating units and the Astoria Energy II Facility. The ability to aggregate supplies and use gas interchangeably between units provides improved operating flexibility to the Authority, helping to mitigate against costly imbalance penalties incurred on Con Edison's system.

The pricing of transportation under the Con Edison Agreement consists of the following:

- (1) A **Demand Charge** equal to \$2,191,095 annually, payable in equal monthly installments throughout the term of the Agreement.
- (2) A **Variable Charge** of \$0.02/dth applicable to the first 181,000 dths per day of actual gas throughput.

- (3) An **Excess Variable Charge** of \$0.0326/dth applicable to all daily quantities above the first 181,000 dths per day of actual gas throughput.
- (4) A **Variable Balancing Charge** of \$0.012/dth for the total gas delivered during the month and subject to an annual review every November as approved by the New York State Department of Public Service.
- (5) A **Maintenance Fee for Hunts Point Compressor** of \$0.05/dth for all gas delivered via the Tennessee Pipeline, if any, during the period when the Hunts Point Compressor is in operation.
- (6) A **Heater Fuel Charge** equal to 0.5% of actual gas transported for the Authority to cover Line Loss applicable to power generators.

In addition to local transportation, the Con Edison Agreement would provide for balancing service which accommodates differences in the amount of daily gas scheduled versus the amount of gas consumed ('imbalances'). Daily/monthly imbalances would be reconciled (or 'cashed-out') via the sale or purchase of imbalance gas by the Authority under special pricing provisions corresponding to specific imbalance threshold levels set forth in the Agreement. The Agreement allows for the option to trade end-of-month imbalances with other marketers/direct customers at specific city-gate receipt points

The term of the Con Edison Agreement would commence on July 1, 2019, and would expire on June 30, 2022. During the aforementioned period, the rates are subject to change in accordance with any new orders issued by the New York State Department of Public Service Commission.

#### FISCAL INFORMATION

Expenditures under the Agreement are estimated at \$3.5 million per year and will be made from the Operating Fund. Actual expenditures incurred will vary based on quantities of gas delivered and balanced.

#### RECOMMENDATION

The Vice President – Energy Resource Management and the Director – Fuel Planning and Operations recommend that the Trustees authorize the execution of an Agreement between Consolidated Edison Company of New York, Inc. and the Authority having terms and conditions substantially consistent with those set forth in Exhibit '4c iii-A' hereto.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Authority's Expenditure Authorization Procedures for Fuel Procurement Contracts, approval is hereby granted to extend the term of the current Gas Transportation and Balancing Service Agreement with Consolidated Edison Company of New York, Inc. for a period of three years from July 1, 2019 to June 30, 2022; and be it further**

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

**May 21, 2019**

**take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**



iv. **Seaway Private Equity Corporation – Grant Agreement Amendment**

The President and Chief Executive Officer submitted the following report:

**“SUMMARY**

The Trustees are requested to approve an amendment to the Amended and Restated Grant Agreement with the Seaway Private Equity Corporation ('SPEC') (Exhibit '4c iv-A') to increase the amount set aside for legal and administrative expenses by authorizing SPEC to use the interest earned on the unexpended principal for such expenses.

**BACKGROUND**

By resolution approved September 20, 2005, as part of the St. Lawrence Relicensing Settlement Agreements, the Trustees authorized the Authority to negotiate the terms and conditions of a grant agreement ('Grant Agreement') with a St. Lawrence County not-for-profit corporation, subsequently incorporated as SPEC. Pursuant to that grant agreement, the Authority would provide a grant of \$10 million to be invested by SPEC under a capital commitment agreement ('Capital Commitment Agreement') with Golden Technology Management, LLC ('Golden'). Golden, in turn, would raise an additional \$20 million in private equity funds for the purpose of establishing a pool for investments in technology businesses to promote economic development and increase employment and the tax base in St. Lawrence County.

The original Grant Agreement was amended, effective as of March 1, 2006 ('Amended and Restated Grant Agreement') to: (i) clarify the definitions of business development firms in which SPEC may invest; (ii) allow SPEC to invest in firms other than Golden; (iii) allow SPEC to invest in firms that are not 'new technology' firms (requiring a two-thirds vote of the SPEC Board); and (iv) require that the Authority approve any alternate business development firms prior to SPEC's investment.

On July 28, 2009, the Trustees approved two amendments to the Amended and Restated Grant Agreement with SPEC to: (i) authorize SPEC to waive provisions of the standard-form Amended and Restated Capital Commitment Agreement upon a vote of two-thirds of its Board of Directors and (ii) increase the amount set aside for legal and administrative expenses, from \$250,000 to \$500,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

On January 23, 2013, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to increase the amount set aside for legal and administrative expenses, from \$500,000 to \$750,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

On March 20, 2018, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to further increase the amount set aside for legal and administrative expenses, from \$750,000 to \$800,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

Since its inception, SPEC has invested approximately \$9,332,079 of the original \$10,000,000 in firms located in St. Lawrence County. The fund has a balance of \$1,100,226.38 (including earned interest less expenses).

SPEC has now requested that the cap on administrative expenses be increased from \$800,000 to \$850,000. Currently, approximately \$759,801.30 has been expended by SPEC for administrative expenses. To date, the principal grant amount has earned \$1,310,632.79 in interest. It is recommended that the cap on administrative expenses be increased to \$850,000, with such increase to be paid out of the interest earned.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer recommends that the Trustees approve an amendment to the Amended and Restated Grant Agreement with the Seaway Private Equity Corporation to increase the amount set aside for legal and administrative expenses from \$800,000 to \$850,000 using the interest earned on the principal for such expenses.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That an amendment to the Amended and Restated Grant Agreement with the Seaway Private Equity Corporation ("SPEC") to increase the amount set aside for legal and administrative expenses from \$800,000 to \$850,000 using the interest earned on the principal for such expenses, be, and hereby is, approved on the terms set forth in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**d. Finance**

**i. New York Power Authority  
Other Post-Employment Benefits Trust:  
Selection of Investment Managers**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees are requested to approve the award of multi-year procurement contracts to MFS Investment Management ('MFS') and LMCG Investments, LLC ('LMCG') for professional investment management services in connection with the Authority's Other Post-Employment Benefits ('OPEB') Trust Fund.

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year. Moreover, the Authority's Expenditure Authorization Procedures require the Trustees' approval for the award of personal services contracts in excess of \$2 million if low bidder, or \$1 million if sole-source or non-low bidder. The terms of the contracts considered herein are for more than one year and, in some cases estimated to exceed the dollar thresholds over the term of the agreement, therefore, the Trustees' approval is required.

**OPEB Trust**

Power Authority Staff, alongside its financial advisor NEPC, annually reviews the OPEB allocation strategy to assess whether the Trust will stay on track toward its actuarial 7% average return goal and, if necessary, to redeploy assets in anticipation of significant economic and market changes. To that end, the addition of small allocations to Emerging Market Equity and Global Multi-Sector Fixed Income strategies should offer respective diversification from the concentration of larger cap international equities and domestic interest rates currently in the Trust portfolio, and high returns. These strategies are already contemplated within, and require no changes to, the Trust's existing Guidelines.

Certain Governmental Accounting Standards Board ('GASB') standards<sup>\*</sup> issued in 2004 require governmental employers to account for OPEB liabilities on an 'accrual' basis (i.e., as the benefits are earned during the working career of the employee) rather than on a 'pay-as-you-go' basis, where costs are recorded as the benefits are paid during the employee's retirement years. OPEBs may include medical, prescription drug, dental, vision, life and other long-term care benefits for retirees and eligible beneficiaries. Similar GASB standards for pensions have existed since 1994. The Authority began reporting its OPEB obligations in this manner in 2002. The GASB rules do not mandate funding of the accrued OPEB obligations, only a recognition of the accrued OPEB liability on the employer's financial statements. If left unfunded, however, the amount of the unfunded liability could significantly impact the employer's overall financial condition and its credit rating with an attendant impact on the cost of debt financing.

At their July 31, 2007 meeting, the Trustees (1) approved the creation of the Power Authority of the State of New York Other Post-Employment Benefits Trust (the 'Trust'); (2) adopted the Trust Investment Policy Statement; (3) appointed a Trustee Custodian and (4) approved an initial \$225 million funding plan. Subsequently, in October 2011, the Trustees approved an on-going annual funding plan for

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<sup>\*</sup> These standards include Statement No. 43 – Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans and Statement No.45 – Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.

the OPEB Trust and certain amendments to the Investment Policy Statement clarifying diversification and credit quality standards.

As of March 31, 2019, the market value of assets held in the OPEB Trust Fund totaled approximately \$624 million, of which \$430 million were invested in equities, \$154 million were invested in fixed income securities, \$65 million were invested in real estate investment trust securities, and the remainder were held in a money market fund. Of the \$624 million total market value, approximately \$78 million will be allocated to the new agreements.

## DISCUSSION

On January 15, 2019, staff solicited proposals for professional emerging market equity and global multi-sector fixed income investment management services for the OPEB Trust Fund by notice to a number of firms providing such services and advertisement in the NYPA instance of ARIBA and the New York State *Contract Reporter*. On or before February 6, 2019 the Authority received a total of twelve (12) proposals in those strategies.

Authority staff, with the support of its financial advisor, NEPC, LLC ('NEPC'), evaluated each proposal, taking into consideration quantitative and qualitative criteria. From a quantitative standpoint, staff evaluated historical performance; various risk metrics (including, but not limited to, each manager's standard deviation, Sharpe Ratio, pairing correlation, correlation to benchmark and Information Ratio), and the schedule of fees. From a qualitative standpoint, firms were evaluated based on team duration and experience, investment strategy and research capabilities. After conducting an extensive review and analysis of each proposal, Authority staff, with the concurrence of NEPC, invited the following four firms with the top tier rankings to give oral presentations in person at NYPA's offices in White Plains on April 29, 2019:

- Emerging Market Equity – Small Cap: Allianz Global Investors and LMCG Investments
- Global Multi-Sector Fixed Income: MFS Investment Management and Neuberger Berman Group

Based on the above criteria, portfolio diversification benefits evaluation and oral presentations, LMCG and MFS were identified to have the highest overall rankings to manage the assets in the OPEB Fund in the Emerging Market Equity – Small Cap and Global Multi-Sector Fixed Income strategies, respectively.

LMCG is an active risk-aware core manager with a quantitative, 'bottom-up' process that generates its alpha primarily based on stock selection. Due to their consistent returns, broad exposure to sectors and countries, and competitive fee structure, staff recommends that LMCG serve as the Emerging Market Equity Small Cap fund manager of the OPEB Trust managing approximately \$31 million in assets.

In respect to the Global Multi-Sector Fixed Income allocation, MFS' global opportunistic strategy with a focus on relatively high-quality corporate credit and sovereign rates, consistent returns, strong downside capture, and low fees is recommended to be hired as the Global Multi-Sector Fixed Income portfolio manager of the OPEB Trust with approximately \$47 million in assets.

It is recommended that the two firms be awarded five-year contracts, with proposed asset allocations as noted below, subject, however, to early termination at any time by the Authority on 60 days' notice. The allocation amounts were determined by the need to address rebalancing recommendations in the Authority's annual asset allocation study and are based on the assets' ending market value as of March 31, 2019. Amounts will be adjusted proportionally for the actual asset value on the transition date of the assets.

<u>Strategy</u>	<u>Allocation (\$ millions)</u>	<u>Firm</u>
Emerging Market Equity – Small Cap	31	LMCG
Global Multi-Sector Fixed Income	<u>47</u>	MFS
Total	\$ 78	

#### FISCAL INFORMATION

The fees for the recommended investment managers are expected to average approximately 40 to 50 basis points (a basis point is equal to 1/100<sup>th</sup> of 1%, or 0.01%) dependent on the investment style and amount of assets under management, subject to negotiation, and will be paid from the OPEB Fund.

#### RECOMMENDATION

The Deputy Treasurer recommends the Trustees' approval of the award of five-year service contracts to LMCG Investments, LLC and MFS Investment Management for professional investment management services.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award of the multiyear investment management service contracts to LMCG Investments, LLC and MFS Investment Management for professional investment management services in connection with the Authority's Other Post-Employment Benefits Trust Fund, as recommended in the foregoing report of the President and Chief Executive Officer, is hereby approved and the execution of such contracts by the Executive Vice President and Chief Financial Officer or the Treasurer, subject to the approval of the form thereof by the Executive Vice President and General Counsel, on behalf of the Authority is approved; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and Chief Financial Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**e. Real Estate**

**i. Lease of Communications Tower Spaces –  
South East New York Region**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees are requested to authorize entry into leases for microwave tower sites in support of the Authority's Communications Backbone Program ('Program').

**BACKGROUND**

As part of the Program, the Authority is in the process of building a microwave-based data connectivity system to provide redundant paths connecting operational data from the Authority's power generation facilities to its White Plains office building. The goal of the Program is to establish a robust, secure, and scalable communications network and reduce the Authority's dependency on commercial telecommunications.

At their March 26, 2019 meeting, the Trustees authorized entry into a lease to install four (4) microwave dishes and appurtenant equipment on the communications tower located on the top of One World Trade Center in New York, New York. Approval is now sought for additional leases in support of the Program.

**DISCUSSION**

Leases will be sought at twelve sites ('Sites') located throughout the South East New York ('SENY') region to install, operate and maintain antennas, together with appurtenant equipment, with anticipated terms as generally described on the attached Exhibit '4e i-A.' While final lease language is subject to negotiation, the Authority will seek at least a ten-year term to ensure extended access to each location. Any final lease is subject to structural analysis to confirm that the building/location is suitable for placement of the equipment. As shown on Exhibit 4e i-A, proposed rents vary by location. Authority staff has reviewed local market conditions and has determined that the terms are competitive and reasonable.

The Authority's Expenditure Authorization Procedures governing real estate require the Trustees' approval for the acquisition of lease interests in real property where the total term, including all renewal options, exceeds ten years. The Authority will seek terms exceeding ten years for all of the proposed locations.

**FISCAL INFORMATION**

Funds required for rent will come from the Authority's Operating Fund.

**RECOMMENDATION**

The Vice President – Enterprise Shared Services recommends that the Trustees approve the foregoing leases for the Authority's Communications Backbone Program.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the President and Chief Executive Officer and the Vice President – Enterprise Shared Services be, and hereby are, authorized to enter into leases to install, operate and maintain microwave communications equipment at various sites throughout the South East New York region on substantially the terms set forth herein, subject to approval of lease documents by the Executive President and General Counsel or his designee; and be it further**

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

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

ii. **Disposal of Surplus Land – Town of Gilboa  
and Town of Blenheim, County of Schoharie**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees are requested to authorize the conveyance of approximately 71.6 acres of surplus land to the Town of Gilboa, Schoharie County, and 1.1 acres of surplus land to the Town of Blenheim, Schoharie County in support of the relicensing of the Blenheim-Gilboa Power Project. The properties to be conveyed are generally shown on the map attached hereto as Exhibit '4e ii-A.' It is proposed that the consideration for the conveyances be \$1.00 and that the consideration be waived.

**BACKGROUND**

The Authority acquired title to the subject properties by appropriation, Map No(s). BG-0003, Parcel No(s) 56, 57, and 58, filed on 7/3/1969, in conjunction with its construction of the Blenheim-Gilboa Power Project ('Project'). The properties are no longer required for operational purposes and staff has identified them as surplus.

The Authority's Real Property Expenditure Authorization Procedures require the Trustees' approval of any disposition of real property where the appraised value is in excess of \$10,000.00.

Title 5-A of Article 9 of the Public Authorities Law (the 'Act') and the Authority's Guidelines for the Disposal of Real Property (the 'Guidelines') allow the Authority to dispose of surplus real property by negotiation and for less than fair market value when the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity. The deeds for the contemplated transfers of title to the municipalities will include language to this effect. Notice of the conveyances will be made to the public as required by the Act.

**DISCUSSION**

In a separate Trustee item being considered concurrently herewith, the Board is requested to approve the new Federal Energy Regulatory Commission ('FERC') license for the Project. As part of the relicensing, the Authority entered into an agreement with local municipalities, including the Town of Blenheim and the Town of Gilboa, titled the 'Local Community Relicensing Settlement Agreement' ('Agreement'). By the terms of this Agreement, filed with the FERC in April 2018, the Authority agreed to transfer ownership of certain surplus lands to local governmental entities. The properties to be transferred include a 71.6-acre parcel to the Town of Gilboa and a 1.1-acre parcel to the Town of Blenheim.

The properties will be conveyed 'as-is.' The Authority will retain the right to maintain, operate and access a stream gauge, gauge house and utility poles located on the property to be transferred to Gilboa.

Based on an independently appraised value of \$1,400.00 per acre, the value of the 1.1 acres to be conveyed to the Town of Blenheim is \$1,540.00. The value of the 71.6 acres to be conveyed to the Town of Gilboa is \$100,240.00.

**FISCAL INFORMATION**

In accordance with the foregoing, the Authority will transfer title to approximately 73 acres of real property located in the Towns of Gilboa and Blenheim to the respective municipalities without payment to the Authority.



RECOMMENDATION

The Vice President – Enterprise Shared Services recommends that the Trustees approve the conveyance of approximately 73 acres of surplus property to the Towns of Gilboa and Blenheim, Schoharie County, in support of the relicensing of the Blenheim-Gilboa Power Project.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the President and Chief Executive Officer and the Vice President – Enterprise Shared Services be, and hereby are, authorized to transfer title to approximately 73 acres of surplus real property located in the Towns of Gilboa and Blenheim, Schoharie County, to the respective municipalities, for a consideration of \$1.00, said payment to be waived; and be it further**

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

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

iii. **Naming of the Utica Visitors Center  
In Honor of John S. Dyson**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees are requested to approve the recommendation to name the Power Authority's Utica Visitors Center, scheduled for completion in the spring of 2020 and currently known as the NY Energy Zone, the John S. Dyson NY Energy Zone, after the former NYPA leader who played a key role in the Utica area's emergence as the hub of NYPA's statewide energy system.

**BACKGROUND**

At their meeting of October 2, 2018, the Trustees authorized capital expenditures of \$25.5 million for the Utica Visitors Center and awarded a two-year, \$15.7 million contract for construction of the facility. Major site preparation continues, with early construction underway, on a two-acre property at Roscoe Conkling Park, adjacent to the Utica Zoo, a prime tourist attraction.

The new admission-free center will be the public face of NYPA's Frederick R. Clark Energy Center in nearby Marcy and will focus on electricity and on the past, present and future of power generation and transmission in New York State. It will feature a wide range of interactive exhibits, including wall-mounted exploration stations and wall- and table-mounted touch-screen technologies, as well as a state-of-the-art ultra-high-definition 4D-theater.

In accordance with Company Policy 1-15, Naming and Dedicating Assets, a committee was formed to consider the naming of the Utica Visitors Center for Mr. Dyson. The committee consisted of Trustee Anthony J. Picente, Jr. and two NYPA officers – Joseph Kessler, Executive Vice President and Chief Operating Officer, and Justin E. Driscoll, Executive Vice President and General Counsel. The members gave particular consideration to the policy's requirement that any individual so honored "have a demonstrable record of contributions to NYPA, New York State or the community in which the asset is located." Following a review of Mr. Dyson's accomplishments, the committee concluded that he amply meets this standard and submitted a report recommending that the Utica Visitors Center be named in his honor.

**DISCUSSION**

Mr. Dyson served on the Board of Trustees from July 1979 through mid-May 1986 and during this period he was Chairman from August 1979 through June 1985. Mr. Dyson again served as a Trustee from March 2011 to August 2012 and during this period as Vice Chairman from March 2012 to August 2012.

During his tenure as Chairman, Mr. Dyson took on the major energy challenge of the time: the nation's—and New York State's—excessive and expensive dependence on foreign oil. Among other initiatives, he directed the Authority's siting and licensing of the 345-kilovolt Marcy-South transmission line, which would connect to NYPA's existing 765-kv line from Quebec at the Marcy Substation near Utica. The new 207-mile line would carry hydroelectric power from Canada and energy from other non-oil sources.

Mr. Dyson also negotiated and signed a major contract with Hydro-Quebec for hydropower purchases and led the start of planning for the Sound Cable Project, a 345-kv underground and underwater link between Westchester County and Long Island that would effectively become the third leg in NYPA's transmission connection to Quebec.

In addition, he focused with great success on the Authority's finances, presiding over the retirement, ahead of schedule, of the last of the bonds issued for construction of the St. Lawrence and Niagara hydro projects. This led to a consolidation of NYPA's financial statements that enabled use of available hydro revenues to back future bond issues.

Other highlights of Mr. Dyson's six-year tenure as Chairman included:

- Completion at Marcy of the Clark Energy Center, the nerve center of NYPA's systemwide operations and site of its principal transmission line training and maintenance facilities.
- Receipt of a federal license for a small hydroelectric plant at Hinckley Reservoir north of Utica and substantial progress on construction of the facility, which is today the Gregory B. Jarvis Hydroelectric Plant.
- Completion of two other small hydro plants, at Ashokan Reservoir in Ulster County and Kensico Reservoir in Westchester County.
- Creation of the Juice for Jobs program, the first NYPA initiative to specifically link low-cost power allocations to job creation and protection, and of Button Up, the Authority's first significant energy conservation program. The programs laid the groundwork for NYPA's far-reaching economic development and energy efficiency accomplishments in the years to come.
- Conversion of NYPA's oil-fueled Astoria 6 plant—renamed later in the Dyson years as the Charles Poletti Power Project—to burn natural gas as well as oil.
- Development of the Authority's first mission statement and strategic plan.

More than 25-1/2 years after Mr. Dyson stepped down as Chairman, Governor Andrew M. Cuomo nominated him, in January 2011, as a NYPA Trustee. In this role, and then as Vice Chairman from March 2012 until his retirement in August of that year, Mr. Dyson:

- Worked to maintain and enhance NYPA's financial strength.
- Helped ready the Authority to play an essential role in implementing the Energy Highway and other initiatives to strengthen the electric power system, promote economic development and energy efficiency and combat the growing threat of climate change.
- Addressed administrative and strategic priorities at NYPA, including new management appointments and measures to target more of the Authority's financial resources to upgrading and maintaining its generation and transmission assets.
- Oversaw preparations for NYPA's administration of the ReCharge NY and Build Smart NY programs and supervised final planning for life extension and modernization projects for the Authority's transmission system and Lewiston Pump-Generating Plant.
- Championed succession planning and staff training.

Mr. Dyson's distinguished record extends beyond his achievements at NYPA and includes earning a Bronze Star as a U.S. Army intelligence officer in Vietnam. He served as the New York City Deputy Mayor for Economic Development and Finance and as Chairman of the Mayor's Council of Economic Advisers under Mayor Rudolph W. Giuliani, a member of the Board of the Metropolitan Transportation Authority and a long-time Governor-appointed Trustee of Cornell University, his alma mater. (He also holds a master's degree from Princeton University's Woodrow Wilson School of Public and International Affairs.) In addition, he served with distinction as the state Commissioner of Agriculture and Markets and Commissioner of Commerce, a position in which he presided over inception of the iconic

"I Love New York" tourism campaign and, through this and other efforts, helped to create or protect thousands of jobs throughout the state.

Mr. Dyson's career as a successful businessman has mirrored his public service. He is Chairman of Millbrook Capital Management, a private investment firm, and the proprietor of a vineyard and winery group in Millbrook (Dutchess County), California and Italy. Mr. Dyson is also the author of *Our Historic Hudson*, a book on the history of the Hudson River Valley.

#### RECOMMENDATION

The Naming Committee recommends that the Power Authority's Utica Visitors Center be named the John S. Dyson NY Energy Zone in accordance with the above.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, that the New York Power Authority's Utica Visitors Center, currently known as the NY Energy Zone at Utica, New York be named the John S. Dyson NY Energy Zone in recognition of the exceptional contributions of John S. Dyson during his tenure at the New York Power Authority, from July 1979 to May 1986 and again from March 2011 through early August 2012; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**f. Canal Corporation**

**i. Procurement (Services) Contract –  
Rehabilitation/Construction of Canalway  
Trail Lock E18 to Route 167 – Contract Award**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Board of Directors ('Board') is requested to approve the award of a competitively bid 16-month contract related to Inquiry No. K19-10271914MR to Tioga Construction Co., Inc. of Herkimer, NY the low bidder for the Rehabilitation/Construction of the Canalway Trail from Lock E18 to Route 167 on the Erie Canal in the Town of Little Falls, Herkimer County, New York, in the bid amount of \$2,071,245.28. Construction is expected to begin in May 2019 and conclude by the contract completion date of October 15, 2020.

In accordance with the Canal Corporation's Procurement Guidelines and Expenditure Authorization Procedures ('EAPs'), Board approval is required when the award of contracts and/or purchase order releases exceeds one year in term or the value of such contracts exceeds \$6,000,000.

An interim approval process may be utilized if the contract award process is expected to extend beyond 60 days after the letting and is in the best interest of maintaining the project schedule. Accordingly, an interim approval in the amount of \$500,000 is being requested to commence critical work items. The interim award amount will allow the contractor to mobilize their operation, start clearing and grubbing operations and proceed with survey construction layout operations in advance of full contract award. In addition, other necessary work elements to be completed by the contractor will include construction of access roads, acquisition of the contract's mobile Global Positioning System ('GPS') survey unit, providing the required intermediate Sport Utility Vehicle ('SUV') and establishment of the project field office.

**BACKGROUND**

This project will rehabilitate/construct a 2.2-mile long segment of Erie Canalway Trail linking the existing paved terminus of the Fort Herkimer Church to Lock E18 trail segment to the west and the Office of Parks, Recreation and Historic Preservation ('OPRHP') trail segment to the east of Route 167. The Town of Little Falls to Route 167 trail segment was previously completed in 2013, the Fort Herkimer Church to Lock E18 segment is nearing completion, and the Fort Herkimer to Mohawk trail segment was completed by the Town of German Flatts in 2005. Once completed, the Lock E18 to Route 167 Canalway Trail segment will complete the original contemplated 7.6-mile-long Canal Trail system from Little Falls to Mohawk.

This project is within the limits of the Towns of Little Falls, located in Washington County. The canal system, as a whole, is a listed National Historic Landmark. This project enhances and expands the current recreational, multi-modal and economic opportunities offered by the Erie Canal and surrounding towns.

Construction activities will include installing temporary erosion and sediment control device, work zone traffic control, clearing brush and removing trees and stumps, excavating and grading for a 10-foot wide bituminous asphalt shared use path, constructing railing systems, constructing two short span bridges utilizing pre-stressed precast concrete solid slab deck units, installation of Geosynthetic Reinforced Soil ('GRS') bridge abutments, fill type retaining wall segments, rehabilitation of an existing former railroad bridge with the installation of new pedestrian-bicycle bridge railing and decking system at the eastern project limits, install topsoil and turf establishment, landscaping items, and three rail wood fencing.

DISCUSSION

In response to an advertisement issued on March 13, 2019 for the Canalway Trail from Lock E18 to Route 167 in the Town of Little Falls, Herkimer County, New York, Inquiry No. K19-10271914MR, three (3) proposals (bids) were received and publicly opened and read on April 9, 2019. An Evaluation Committee consisting of Canal Corporation's staff from Design, Construction and Procurement and New York Power Authority's Strategic Supply Management staff, reviewed the bids. Tioga Construction Co., Inc. was deemed by the committee to be the lowest responsible bidder.

FISCAL INFORMATION

All associated expenditures will be paid from a combination of the Empire State Trails and the Canal Corporation capital fund, as appropriate.

RECOMMENDATION

The Evaluation Committee recommends an interim approval in the amount of \$500,000.00, followed by the Board's approval and award of a 16-month construction contract (K19-10271914MR) in the bid amount of \$2,071,245.28.00, to Tioga Construction Co., Inc. of Herkimer, NY for the Rehabilitation/Construction of the Canalway Trail from Lock E18 to Route 167.

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Canal Corporation's Procurement Guidelines and Expenditure Authorization Procedures, approval is hereby granted to award a 16-month construction Contract, starting May 2019, for a total amount of \$2,071,245.28, to Tioga Construction Company, Inc., for the rehabilitation/construction of the Canalway Trail from Lock E18 to Route 167 on the Erie Canal in the Town of Little Falls, Herkimer County, New York, as recommended in the foregoing report of the President and Chief Executive Officer;**

<u>Contractor</u>	<u>Location</u>	<u>Contract Award</u>
Tioga Construction Company, Inc.	Herkimer, NY	<u>\$2,071,245.28</u>

**K19-10271914MR**

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Canal Corporation are, and each of them hereby is, authorized on behalf of the Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

ii. **Procurement (Services) Contract –  
Construction of Canalway Trail from Fort Edward  
to Kingsbury (New Swamp Road) – Contract Award**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Board of Directors ('Board') is requested to approve the award of a competitively bid 17-month contract related to Inquiry No. K19-10273818MR to James H. Maloy, Inc. of Loudonville, NY the low bidder for the Rehabilitation/Construction of the Canalway Trail from the Glens Falls Feeder Canal ('GFFC') to New Swamp Road on the Champlain Canal in the Towns of Fort Edward and Kingsbury, Washington County, New York, in the bid amount of \$2,442,000.00. Construction is expected to begin in May 2019 and conclude by the contract completion date of September 15, 2020.

In accordance with the Canal Corporation's Procurement Guidelines and Expenditure Authorization Procedures ('EAPs'), Board approval is required when the award of contracts and/or purchase order releases exceeds one year in term or the value of such contracts exceeds \$6,000,000.

An interim approval process may be utilized if the contract award process is expected to extend beyond 60 days after the letting and is in the best interest of maintaining the project schedule. Accordingly, an interim approval in the amount of \$500,000 is being requested to commence critical work items. The interim award amount will allow the contractor to mobilize their operation, start clearing and grubbing operations and proceed with survey construction layout operations in advance of full contract award. In addition, other necessary work elements to be completed by the contractor will include construction of access roads, acquisition of the contract's mobile Global Positioning System ('GPS') survey unit, providing the required intermediate Sport Utility Vehicle ('SUV') and establishment of the project field office.

BACKGROUND

This project will rehabilitate/construct a 1.2-mile long segment of Champlain Canalway Trail linking the existing paved terminus of the Glens Falls Feeder Connector Trail paved trail segment (at its confluence with the Old Champlain Canal in the Town of Fort Edward) to the intersection of the proposed trail with Tow Path Road northeast of the Route 196 pedestrian culvert underpass in the Town of Kingsbury. The rehabilitated/constructed portions of the trail will consist of crusher-run for the majority of the trail segment from the Glens Falls Feeder Connector Trail to the vicinity of the new proposed bridge (Bridge A) over the Old Champlain Canal, and bituminous asphalt surface courses between Bridge A and Bridge B (proposed bridge over Bond Creek), utilizing the existing paved surface of Rabideau Lane, and bituminous asphalt paved trail segment through the proposed pedestrian culvert under Route 196 to the intersection of Tow Path Road. The trail will continue in a northeasterly direction on a maintained/graded gravel surface section to the intersection of New Swamp Road.

This project is within the limits of the Towns of Fort Edwards and Kingsbury, both located in Washington County. The canal system, as a whole, is a listed National Historic Landmark. This project enhances and expands the current recreational, multi-modal and economic opportunities offered by the Champlain Canal and surrounding towns.

Construction activities will include installing temporary erosion and sediment control device, work zone traffic control, clearing brush and removing trees and stumps, excavating and grading for a 10-foot wide asphalt and/or crusher run stone shared use path, constructing railing systems, constructing two prefabricated steel truss pedestrian bridges, and constructing a precast concrete pedestrian-bicycle box culvert under Route 196 with associated precast concrete wing walls and geo-synthetic reinforced earth system ('GRES') retaining walls.

DISCUSSION

In response to an advertisement issued on March 4, 2019 for the Canalway Trail from Fort Edward to Kingsbury (New Swamp Road) in the Towns of Fort Edward and Kingsbury, Washington County, New York, Inquiry No. K19-10273818MR, two (2) proposals (bids) were received and publicly opened and read on March 26, 2019. The bids were reviewed by an Evaluation Committee consisting of Corporation staff from Design, Construction and Procurement and New York Power Authority Strategic Supply Management staff. James H. Maloy, Inc. was deemed by the committee to be the lowest responsible bidder.

FISCAL INFORMATION

All associated expenditures will be paid from a combination of the Empire State Trails and the Canal Corporation capital fund, as appropriate.

RECOMMENDATION

The Evaluation Committee recommends an interim approval in the amount of \$500,000.00, followed by the Board's approval and award of a 17-month construction contract (K19-10273818MR), in the bid amount of \$2,442,000.00, to James H. Maloy, Inc. of Loudonville, NY for the Canalway Trail from Fort Edward (GFFC) to Kingsbury (New Swamp Road).

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

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Canal Corporation's Procurement Guidelines and Expenditure Authorization Procedures, approval is hereby granted to award a 17-month construction Contract, starting May 2019, for the total amount of \$2,442,000.00, to James H. Maloy, Inc. for the construction of the Canalway Trail from the Glens Falls Feeder Canal ("GFFC") to New Swamp Road on the Champlain Canal in the Towns of Fort Edward and Kingsbury, Washington County, New York, as recommended in the foregoing report of the President and Chief Executive Officer;**

<u>Contractor</u>	<u>Location</u>	<u>Contract Award</u>
James H. Maloy, Inc. K19-10273818MR	Loudonville, NY	<u>\$2,442,000.00</u>

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Canal Corporation are, and each of them hereby is, authorized on behalf of the Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**



**DISCUSSION AGENDA:**

**a. Strategic Initiatives**

**i. President and Chief Executive Officer's Report**

President Quiniones provided highlights of the Authority's performance, to date, to the Board. (Exhibit "5a i-A").

**NYPA Overall Performance – March 2019**

President Quiniones said that NYPA's Overall Performance Scorecard for the period ending March 2019 showed the Authority generally meeting or exceeding its targets. The Greenhouse Gas Reductions under the Energy Services Business unit indicated results up to April 2019. However, up to March 2019, the Authority actually met that goal. The Authority is confident that, by the end of the year, it will be meeting or exceeding its targets.

President Quiniones then provided highlights of recommendations to be made by staff regarding the following projects:

**Relicensing – Blenheim-Gilboa Pumped Storage Power Project**

The Authority successfully relicensed its Blenheim-Gilboa Pumped Storage Power Project for a 50-year operating license, effective May 1, 2019. It took approximately five – six years to go through the relicensing process with the Federal Energy Regulatory Commission.

President Quiniones said that he wanted to thank the team that led this process under the leadership of Justin Driscoll – Mark Slade, Rob Daly and the entire team from the various Business Units who managed this process and did excellent work.

**New York's Clean Energy Highway**

**NYISO AC Transmission Proceeding – Segment A**

Based on Governor Cuomo's Energy Highway Blueprint issued in October 2012, the New York Independent System Operator ("NYISO"), New York State's grid operator, issued an RFP for transmission projects to bring more power from upstate to downstate New York, the load centers, and to unclog congestions along the way. This is a major investment in infrastructure in New York State to bring more renewable energy to the load centers. NYPA was a co-leader of the Task Force, which put together the blueprint for the State.

Four of the eight projects are NYPA projects – the Plattsburg-Vermont (PV 20) project, the line that connects Vermont under Lake Champlain and which has been completed; the Moses-Willis Tower Separation Project, which is also completed; the Moses- Adirondack 89 miles of transmission line of which NYPA is in the design and planning and Article 7 permitting processes; and the Marcy-South Series Compensation Project. The Authority's projects are reflected in its capital budget, which is normally in the range of \$450 million, but will be going up to approximately \$1 billion.

The Board will be requested to approve funding to commence the Authority's project in Segment A of the NYISO AC Transmission Proceeding Project.

**Reimagine the Canals**

The Canal Navigation Season opened on May 17. A Task Force to push forward the re-imagination of the canals, and include community input into the process, was announced at the opening. There was also a special event at the opening of the Canal Navigation Season – the naming of one of the tugboats after Elizabeth Katie Stanton, a pioneer in women’s ability to vote in Seneca Falls.

Staff will report further on the progress of the re-imagination of the canal system.

**b. Financial Operations**

**i. Chief Financial Officer's Report**

Mr. Lee Garza, Senior Vice President of Financial Operations & Acting Chief Financial Officer, provided highlights of the Authority's financial performance, to date, to the Board (Exhibit "5b i-A").

**March 2019 Year-to-Date Net Income**

At the end of the first quarter of this year and through the balance of the year, the Net Income is expected to be above budget. This result is primarily driven by increased water flows and hydro generation.

Net Income is \$11.8 million above the budgeted Net Income March year-to-date. These results are primarily driven by lower operating expenses associated with some of the work at the Niagara Project and Canals that has been shifted to the end of the year. This timing difference will reverse itself over the course of the year.

**Year-to-date Performance Through the First Quarter Ending March 2019**

**Generation Margins**

Generation margins through March is below budget as a result of lower power prices. This negative variance will fully reverse itself.

For the full year 2019, Net Income will be approximately \$20 million above budget. This is primarily driven by positive variances in Margin Generation associated with higher hydro generation and higher hydro flows, which have more than offset the softness in power prices.

**Transmission Margins / Non-Utility Margins**

Transmission margins and Non-Utility margins are on budget.

**Operating Expenses**

Operating Expenses are on budget.

**Interest Expense**

Interest Expense is slightly better than budgeted. This is primarily attributable to postponements and issues in the first quarter of this year.

**c. Utility Operations**

**i. Chief Operations Officer's Report**

Mr. Joseph Kessler, Executive Vice President and Chief Operations Officer provided highlights of Utility Operations' performance to the Board. (Exhibit "5c i-A")

**Performance Measures – Year-to-Date March 2019**

Generation Market Readiness

- Generation Market Readiness factor was at 99.61%. This is above the target of 97.40%.

Transmission System Reliability

- Transmission System Reliability factor was 96.05%. This is above the target of 95.83%.

Environmental Incidents

- Year-to-date, there were 5 incidents. The Target is not to exceed 8 incidents.

Safety

DART (Days Away, Restricted or Transferred) is the Authority's safety metrics.

- The year-to-date DART Rate is 1.08. The target is 0.78.

**1. NYISO Public Policy – AC Transmission Proceeding  
Phase 1 – Capital Expenditure Authorization Request**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees are requested to approve a Capital Expenditure Authorization Request ('CEAR') in the amount of \$28,140,000 for the AC Transmission Project ('Project') - Phase 1. Phase 1 of the Project comprises support for permitting, including the New York State Public Service Law Article VII application, engineering design, property rights acquisition, interconnection development costs, and system upgrades.

The New York Independent System Operator ('NYISO') Board of Directors approved the recommendation in the AC Transmission Public Policy Transmission Planning Report ('Report') to select the Authority and North America Transmission's ('NAT') joint transmission proposals on April 8, 2019. In accordance with the Authority - NAT Participation Agreement, the Authority has the option to obtain an ownership interest of up to 37.5% in the Project on or before the date, that is, thirty (30) days after design engineering is completed and a final Article VII Certificate is received, which is expected in September 2020. In consideration of maintaining this option, the Authority will fund 33% of the Project development costs until such time as the Authority decides to exercise its option.

This CEAR is for Phase 1 of the larger Project which is currently estimated at \$750 million, of which the Authority will fund up to 37.5%, if the option is exercised.

**BACKGROUND**

In accordance with the Authority's Capital Planning and Budgeting Procedures, capital expenditures in excess of \$6 million require the Trustees' approval.

**DISCUSSION**

On February 29, 2016, in accordance with the New York Public Service Commission's ('PSC') Order identifying transmission needs associated with the Central East and UPNY/SENY Corridors, the NYISO issued the AC Transmission Public Policy Transmission Needs Project Solicitation ('Solicitation') for developers to submit project proposals.

On March 16, 2016, the Authority executed a Memorandum of Understanding ('MOU') with NAT to develop and submit proposals in response to the Solicitation. NAT assumed the lead role and developed the proposals including engineering design and modeling, preparing a competitive cost estimate, a construction schedule and filed all submittals and remitted all NYISO required deposits and fees.

Subsequently, at the December 15, 2016 meeting, the Trustees authorized funding for the Authority's share of expenses pursuant to the MOU with NAT and in support of the Solicitation development for the Project.

On June 7, 2018, the Authority and NAT entered into a Participation Agreement. The Authority will have the option to secure an ownership interest of up to 37.5% in the Project. If the Authority exercises its option to secure an ownership interest in the Project, the Authority will fund its elected percentage ownership in the Project, up to 37.5%, and NAT will fund the balance of the Project costs. Request for approval for the balance of the capital expenditures is anticipated only if, and after the Authority exercises its option to secure ownership in the Project which is anticipated to occur in 2020. If the Authority elects not to exercise the option, then the costs incurred will be reimbursable by NAT subject to NAT's successful recovery of these costs from the Federal Energy Regulatory Commission ('FERC').

The Project is anticipated to be in-service by December 2023 and consists of the following:

- Replace approximately twelve (12) miles of conductor on existing Authority-owned 345kV structures;
- Removal of approximately eighty (80) miles of existing National Grid-owned circuits (115kV, 230kV and 345kV);
- Install approximately eighty (80) miles of new double- or two new single-circuit 345kV circuits;
- Install a new 345kV switchyard at Princetown;
- Remove the existing National Grid-owned 230kV Rotterdam substation;
- Install a new 345kV substation at Rotterdam.

The Project also includes the upgrade of substation facilities, which will be determined during the system impact and facility studies. These costs are not included in the \$750 million estimate but are likely to be the responsibility of NAT and the Authority.

The capital expenditure authorization request for Phase 1 is \$28.14 million. This funding will be utilized for:

Licensing/Engineering Design	\$ 12,500,000
Property Rights Acquisition	\$ 5,100,000
Interconnection Development	\$ 200,000
System Upgrades	\$ 6,000,000
Authority Direct Expenses	\$ 3,000,000
Authority Indirect Expenses	<u>\$ 1,340,000</u>
TOTAL	<u>\$ 28,140,000</u>

#### FISCAL INFORMATION

Payment associated with this Project will be made from the Authority's Capital Fund and will be eligible for cost recovery subject to FERC approval.

#### RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Senior Vice President – Power Supply, the Vice President – Project Management, the Vice President – Project and Business Development, and the Project Manager recommend that the Trustees approve capital expenditures in the amount of \$28.14 million for the AC Transmission Proceeding Project – Phase 1.

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

Mr. Joseph Kessler, Executive Vice President and Chief Operating Officer, provided highlights of staff's recommendation to the Board.

On motion made by Vice Chairman Nicandri and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Authority's Capital Planning and Budgeting Procedures, capital expenditures in the amount of \$28.14 million for the AC Transmission Proceeding Project - Phase 1, are hereby authorized in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;**

<u>Capital</u>	<u>Expenditure Authorization</u>
The AC Transmission Proceeding Project - Phase 1	<u>\$28,140,000</u>

**AND BE IT FURTHER RESOLVED, That the Authority intends to issue debt to finance the capital costs of the AC Transmission Proceeding Project – Phase 1; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**2. Procurement (Services) Contract – On-Call Engineering and Construction Management Services – Contract Award**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Board of Directors ('Board') is requested to approve the award of a competitively bid three-year contract with the possibility of two (2), one-year extensions related to Inquiry No. K19-10282901JGM for Engineering Services and Construction Management and Inspection Services to a total of ten (10) technically qualified firms in the aggregate amount of \$30,000,000 starting on or about July 1, 2019.

For the Engineering Service contracts, it is recommended that value contracts in the aggregate amount of \$15,000,000.00 be awarded to the following five (5) technically qualified firms:

- Bergmann Associates, Rochester, NY
- CHA Consulting, Inc., Albany, NY
- Gomez and Sullivan Engineers, DPC, Utica, NY
- T.Y. Lin International Engineering and Architecture, P.C., Rochester, NY
- WSP, Inc., New York, NY

For the Construction Management and Inspection Services contracts, it is recommended that value contracts in the aggregate amount of \$15,000,000.00 be awarded to the following five (5) technically qualified firms:

- Arcadis of New York, Inc., Clifton Park, NY
- Greenman-Pedersen Inc., Montebello, NY
- Mott MacDonald, Inc., Westwood, MA
- Popli Architecture, Engineering and Land Surveying, P.C., Penfield, NY
- Ravi Engineering & Land Surveying, P.C., Rochester, NY

In accordance with the Canal Corporation's Guidelines for Procurement Contracts and Expenditure Authorization Procedures, the Canal Board's approval is required when the term of a Personal Service Contract exceeds one year, and/or the value of such contracts exceeds \$2,000,000. The services are required to support the operations and maintenance of NYS Canal Corporation facilities and will be provided on an 'on call' basis. These services will be used to augment Canal Corporation's staff.

BACKGROUND

The Canal System includes four canals: The Erie, Champlain, Oswego and Cayuga-Seneca canals; canalized natural waterways, plus five lakes: Oneida, Onondaga, Cross, Cayuga and Seneca; short canal sections at Ithaca and Watkins Glen; feeder reservoirs, canals and rivers not accessible by boat from the Canal System; and Canal terminals on Lake Champlain. The Canal System passes through 25 counties and close to 200 villages, hamlets and towns. The Canal System is comprised of hundreds of water impounding and control structures including dams, guard gates, weirs, spillways, gated structures, impounding embankments and dive culverts.

The on-call contracts for engineering services and construction management and inspection services provide the Canal Corporation with a vehicle for rapid response to a wide variety of planned and emergent tasks within engineering as well as construction. Over the term of the contract(s), the Consultant will provide technical expertise in support of the goals and initiatives of the Corporation. Work will be assigned to the firm possessing the most capability in that area required and the ability to meet the Canal Corporation's schedule constraints. The award of multiple contracts in both of these work groups



ensures that adequate skill coverage will be available, as required, supplementing the Canal Corporation's staff in some areas and providing timely access to specialty skills in other areas.

#### DISCUSSION

In response to an advertisement issued on February 25, 2019 for the contracts for On-Call Engineering Services and Construction Management and Inspection Services, Inquiry No. K19-10282901JGM, twenty (20) proposals (bids) were received and were reviewed by an Evaluation Committee consisting of Canal Corporation's staff from Design, Construction and Procurement and New York Power Authority's Strategic Supply Management staff. These firms were selected on the basis of 'best value,' optimizing quality, cost and efficiency among responsive and responsible proposers. Individual tasks will be assigned by issuance of Purchase Order Releases ('PORs') against the established value contracts.

#### FISCAL INFORMATION

Expenditures for this contract will be paid from the Canal Corporation's Capital Fund, as appropriate.

#### RECOMMENDATION

The Evaluation Committee recommends the approval of a three-year contract with the possibility of two (2), one-year extensions in the aggregate amount of \$15,000,000.00 starting on or about July 1, 2019 to Bergmann Associates; CHA Consulting, Inc.; Gomez and Sullivan Engineers, DPC; T.Y. Lin International Engineering and Architecture, P.C.; and WSP, Inc. to provide On-Call Engineering Services. Further, the Evaluation Committee recommends the approval of a three-year contract with the possibility of two (2), one-year extensions in the aggregate amount of \$15,000,000.00, starting on or about July 1, 2019 to Arcadis of New York, Inc.; Greenman-Pedersen Inc.; Mott MacDonald, Inc.; Popli Architecture, Engineering and Land Surveying, P.C.; and Ravi Engineering & Land Surveying, P.C. to provide On-Call Construction Management and Inspection Services. The total aggregate value recommended for approval is \$30,000,000.00.

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

Mr. Joseph Kessler, Executive Vice President and Chief Operating Officer, provided highlights of staff's recommendation to the Board.

On motion made by member Michael Balboni and seconded by member Dennis Trainor, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Canal Corporation's Procurement Guidelines and Expenditure Authorization Procedures, approval is hereby granted to award a three-year contract with the possibility of two (2), one-year extensions for On-Call Engineering Services and Construction Management and Inspection Services, respectively, to the ten firms listed below, in the total aggregate amount of \$30,000,000.00, with these personal services contracts to commence on or about July 1, 2019, as recommended in the foregoing report of the President and Chief Executive Officer;**

<u>Services Contractor (Engineering)</u>	<u>Location</u>	<u>Contract Award</u>
Bergmann Associates	Rochester, NY	
CHA Consulting, Inc.	Albany, NY	
Gomez and Sullivan Engineers, DPC	Utica, NY	
T.Y. Lin International Engineering and Architecture P.C.	Rochester, NY	
WSP, Inc.	New York, NY	
<u>Aggregate Engineering Award Amount</u>		<b>\$15,000,000.00</b>
<u>Services Contractor (Construction Management and Inspection Services)</u>		
Arcadis of New York, Inc.	Clifton Park, NY	
Greenman-Pedersen, Inc.	Montebello, NY	
Mott MacDonald, Inc.	Westwood, MA	
Popli Architecture, Engineering and Land Surveying, P.C.	Penfield, NY	
Ravi Engineering & Land Surveying, P.C.	Rochester, NY	
<u>Aggregate Construction Management and Inspection Services Award Amount</u>		<b><u>\$15,000,000.00</u></b>
<b>Total Aggregate Award Amount</b>		<b><u>\$30,000,000.00</u></b>
<b>K19-10282901JGM</b>		

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Canal Corporation are, and each of them hereby is, authorized on behalf of the Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

**d. Commercial Operations**

**i. Chief Commercial Officer's Report**

Ms. Sarah Salati, Executive Vice President and Chief Commercial Officer, provided highlights of the Commercial Operations' year-to-date activities to the Board (Exhibit "5d i-A"). She said that in March, Commercial Operations did well relative to its targets and met the anticipated gross margin.

Commercial Operations year-to-date March 2019 performance follows:

**Wholesale**

- Customer Usage was outside the target.
- Generation was within the target.
- Electric Prices was significantly outside the target range.
- Fuel Prices was within the target.
- Merchant Gross Margin was outside the target.

Electricity prices were more depressed than estimated when the budget was prepared. This was largely due to the more temperate winter, which was 7 degrees warmer than anticipated. Electricity prices typically reflects higher costs of fuels. Natural gas is reserved for residential consumers. Even though the Authority had relatively higher generation from its hydro facilities in the first quarter, it was not able to offset the depressed or lower than anticipated electricity prices.

In terms of the full-year forecast, as Mr. Garza articulated, the Authority expects to meet its \$327 million gross margin budget for the year. This is due to the expected increase in generation, the fact that energy prices should be in line with what was anticipated and because of the Authority's hedging and risk management programs which have enacted hedges in order to reduce the band of uncertainty around the Authority's full-year gross margin.

**Economic Development**

**ReCharge New York Power / Capital Commitments**

The Authority continues to support the economic growth and competitiveness of New York State. Staff has been working closely with its stakeholders, the economic development Boards of the different regions and the Empire State Development Corporation in terms of allocating the Authority's low-cost hydropower. The team is focused on attracting additional Customer Investments and expects to share some of these opportunities with the Board in the near future.

**Energy Efficiency**

**Customer Investments**

The team is looking at improving operations in the area of energy efficiency, by accelerating customer investments that entail accelerating the fees and revenues that the Authority receive from those businesses. The Authority is well ahead of what it anticipated customer investments to be year-to-date.

**Non-Utility Revenues**

The Authority's non-utility revenues is within its target.

Operating Expenses

The Authority's operating expenses are below the budget year-to-date because there were some timing issues as well as some one-time nonrecurring costs; however, this will be reversed by the end of the year.

**e. Information Technology**

**i. Compute and Storage Platform – Capital Expenditure  
Authorization Request and Contract Award**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY**

The Trustees are requested to authorize capital funding in the amount of \$34,020,000 for a new Compute & Storage Platform supporting the forecasted growth due to expanding and new business needs.

The Trustees are also requested to approve a contract award to Source IT Technologies, LLC of New Caanan, CT, in the amount of \$29,595,935 for implementation of a complete integrated turn-key Compute & Storage Platform. This award covers the cost of all hardware, software licenses, implementation services, hardware/software maintenance fees, plus ongoing services for a term up to five (5) years. This contract will utilize funding from the aforementioned capital-funding request.

These expenditures are an acceleration of the 2019 submitted Capital Budget Plan based on business needs and is in alignment with the established five-year Information Technology strategy.

**BACKGROUND**

In accordance with the Authority's Capital Planning and Budget Procedures, capital expenditures in excess of \$6 million require the Trustees' authorization.

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures, procurement contracts involving services to be rendered for a period in excess of one year, or are greater than \$6 million, require the Trustees' approval.

As discussed below, the Authority issued a Request for Proposal in April 2019 to implement a turnkey solution for the Authority's Compute & Storage environment.

**DISCUSSION**

New York Power Authority's ('NYPA') drive to be a digital utility by 2020 brings challenges in meeting an ever-growing need for Information Technology ('IT') services. NYPA IT delivers foundational information technology, infrastructure, telecommunications and cyber services to the enterprise empowering business units to deliver on NYPA's Vision 2020 goals.

As technology constantly evolves, it remains imperative to stay current with industry trends and anticipate the impact these developments have on business processes and operations. NYPA's IT must consider this dynamic landscape among the many complex challenges and opportunities that affect the digital landscape.

NYPA's IT has outlined a comprehensive five-year strategy that is a practical and living action plan supporting the Authority's top priorities and initiatives enabling NYPA's digital transformation. The strategy articulates the top goals and programs necessary to ensure that NYPA IT continues to prioritize high standards of quality across its services and the enterprise.

To execute this strategy, NYPA's IT has organized its activities around five (5) core investment portfolios necessary to ensure that sufficient funding is available and that proper governance will be applied. The five core investment portfolios are composed of Compute & Storage, On-Premise Network,

Communications, Business Applications, and Cyber Portfolios. This capital request is specifically addressing the five-year plan for the Compute & Storage portfolio defined as:

*'targeted initiatives to refresh and sustain data center infrastructure and platforms including the retirement of assets as their function is moved to superior platforms or the cloud. Also, this includes the acquisition and implementation of cloud-based infrastructure and platform as a service to meet business needs.'*

The funds in the amount of \$34,020,000 that are being requested will move the Compute & Storage solution to the next level by incorporating enhanced functionality as indicated above.

The Authority solicited proposals from qualified Office of General Services ('OGS') State Contract and General Services Administration ('GSA') vendors for a Compute and Storage Platform through a RFP (Q19-6683TB) via an event notification on April 12, 2019. Of the twenty (20) firms notified of the bid document, two (2) bidders responded to the RFP. The proposals were from the following firms: CS Business Systems and Source IT Technologies, LLC. The other firms invited did not respond for reasons such as unable to provide pricing, inability to submit a competitive bid at this time, or simply chose not to respond.

The Evaluation Team included IT representatives from Architecture & Engineering, Critical Secure Services, Critical Services, Product Development, Resiliency & Technical Compliance, Service Delivery, Strategy & Planning, and Strategic Supply Management ('SSM') Category Management. The evaluation process consisted of the following approach:

1. Bidders were ranked based on price competitiveness.
2. Quantitative analysis was applied to rank the bidders based on the areas of technical ability, commercial strength and bid quality.
3. The Evaluation Team further reviewed the bidders on M/WBE status, Dunn & Bradstreet ('D&B') rating and experience. Both firms are certified M/WBE; D&B ratings were found comparable, and they have performed satisfactory work with NYPA in the past.
4. The Evaluation Team concluded the process with discussion and the selection of the top bidder for the award recommendation.

Source IT Technologies, LLC emerged as the lowest-priced qualified bidder from the evaluation process, having been the lowest-priced and demonstrated strengths in the evaluated areas.

The Evaluation Team recommends the award of an equipment contract to Source IT Technologies, LLC for a term of up to five (5) years in the amount of \$29,595,935. The terms of service shall commence on or about May 27, 2019 with all contracts ending on or about May 26, 2024, subject to the Trustees' approval.

#### FISCAL INFORMATION

Payment associated with these additional funds will be made as follows:

• Compute & Storage Platform Procurement	\$ 31,500,000
• Compute & Storage Facility Preparation	\$ 400,000
• Internal NYPA Labor	\$ 500,000
• HQ Overhead	<u>\$ 1,620,000</u>
Total	<u>\$ 34,020,000</u>

## RECOMMENDATION

The Senior Vice President – Information Technology recommends that the Trustees approve the Capital Expenditure Authorization Request in the amount of \$34,020,000 for the new Compute & Storage Platform.

The Senior Vice President – Information Technology recommends that the Trustees approve the contract award in the amount of \$29,595,935 to Source IT Technologies, LLC for the new Compute & Storage Platform implementation.

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

*Mr. Robert Piascik, Senior Vice President and Chief Information Officer, provided highlights of staff's recommendation to the Board. He said that staff is requesting the Board's approval for funding of the critical digital infrastructure, compute and storage platform.*

*The three principal business drivers for this request are:*

- 1) For the continued acceleration of NYPA's cyber security protection and strategy, i.e., to protect the Authority's technology assets and intellectual property;*
- 2) To refresh the Authority's existing technologies such as core processors and disk storage that are at end of their technology life, i.e. technologies that will no longer or soon will no longer be supported by the Authority's technology vendors; and*
- 3) To support accelerated business activity, e.g. moonshots and acceleration of sensor deployment, and the significant growth that is associated with those activities over the next five years.*

*Continued implementation of the cyber security strategy requires an acceleration in Compute & Storage technology capacity and implementation due to business requirement growth driven by:*

- Active Cyber Security Monitoring*
- Sensor deployment, which has increased nearly five times*
- The asset performance management*
- Drone technologies*
- Video Storage/Processing*
- 3-D modelling*
- Advanced Analytics (Artificial Intelligence / Machine Learning / Predictive Analytics).*

*A five-year forecasted business requirement showed a growth of 330% increase in storage and over 400% increase in the computing capacity that is required to support these initiatives.*

*In order to assure the availability of the essential capacity and to support the accelerated business demand, the Authority needs to implement this compute and storage technology in an accelerated manner, i.e. a one-year implementation.*

*Besides realizing the operating benefits and risk reduction, the accelerated one-year implementation will result in a \$14 million savings in both operational expense and capital expense. Essentially, this is the difference between \$34 million with a one-year implementation versus \$48 million with a five-year implementation. The net difference is \$29 million savings over five years.*

The major benefits of the Compute & Storage Platform are:

- Increased cyber security protection
- Critical capacity to support business requirements
- Significant reduction of OPEX and CAPEX
- Reduced IT infrastructure complexity

Some of the underlying technologies like software defined networks and micro segmentation are critical in order to meet the digital infrastructure objectives and other benefits. A common set of technology simplifies the environment and makes it less complex and more stable. There are numerous operating benefits and efficiencies, including faster and easier service provisioning and scalability. It is therefore important for the Authority to be able to manage its digital infrastructure on an ongoing basis.

Trustee Balboni added that one of the biggest initiatives of the Authority is to end digitalization, which drives tremendous amounts of data. There is now a convergence in both the cyber security and storage areas; therefore, in order to operate safely throughout the different permutations of data utilization, there needs to be a convergence of the storage and security capabilities. He said that Mr. Piascik has outlined an essential need for the Authority to understand that as it get more information, it has to be able to put that information in a place that it can be accessed; that it is secure; and the Authority needs to do it quickly.

He continued that the threat landscape as it relates to cyber security and data is changing dramatically. He said yesterday, the Cyber Security Infrastructure Security Agency in Washington D.C. issued an alert about the utilization of foreign-manufactured drones, specifically as it relates to the highjacking of data telecommunication within drone communications. He opined that, if the Authority is not looking at its legacy programs that provide the vulnerabilities in attacks, and if the Authority is not streamlining and accessing its data architecture for storage, then it is creating more vulnerability as it gets more and more data.

He ended by saying that the architecture that Mr. Piascik have outlined is going to allow the Authority to move forward not only this year, but in future years, to be able to scale any utilization of its data. Therefore, he fully supports the truncated time-period for the implementation of the Compute and Storage Platform and its costs.

On motion made by Trustee Balboni and seconded by Trustee McKibben, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Authority's Capital Planning and Budgeting Procedures, the Capital Expenditure Authorization Request revision is hereby approved, as recommended in the foregoing report of the President and Chief Executive Officer, in the amount and for the purpose listed below:**

<u>Capital</u>	<u>Expenditure</u>
Compute & Storage Platform	<u>\$34,020,000</u>

**AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award of the multiyear procurement equipment contract is hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer;**



Contractor

Contract Award

Source IT Technologies, LLC  
New Caanan, CT

\$29,595,935

AND BE IT FURTHER RESOLVED, That the payments associated with this contract will be made from the Authority's Capital Fund, which may include proceeds of debt issuances; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

**f. Licensing**

**i. Authorization of Acceptance of the Blenheim-Gilboa Pumped Storage Power Project New Operating License, Capital Expenditure Authorization Request for Compliance with New License and Implementation of Settlement Agreements**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY"**

The Trustees are requested to authorize acceptance of the new License issued by the Federal Energy Regulatory Commission ('FERC') for the Blenheim-Gilboa Pumped Storage Power Project ('Project') to the Power Authority of the State of New York ('Authority') for a term of 50 years.

The Trustees are also requested to authorize \$37.1 million in capital expenditures for costs related to compliance with the new License and for costs associated with implementing settlement obligations associated with relicensing the Project for the period 2019-2069.

**BACKGROUND**

In accordance with the Authority's Expenditure Authorization Procedures, the Trustees' approval is required for capital expenditures in excess of \$6 million.

In 1969, FERC issued a 50-year license for the Project; this license expired in April 30, 2019.

On December 13, 2010, the Trustees authorized capital expenditures for the first phase of the relicensing of the Project. Those tasks included the development and implementation of a comprehensive information management system; compilation of available information, informal consultation with potential stakeholders and the preparation of the documents necessary to begin the formal relicensing of the Project in 2014.

On September 24, 2013, the Trustees approved capital expenditures for the second phase of the relicensing of the Project that included the formal FERC relicensing process, which commenced on April 10, 2014 when the Authority filed its 'Notice of Intent' to relicense the Project. This second phase included issue scoping, study selection and planning, study field work and reporting, settlement discussions and preparing the license application.

On April 27, 2017, the Authority filed the Application for a new operating License for the Project with FERC. Since its filing, the Authority has reached settlement agreements with state and federal resource agencies and the relevant local municipalities: the towns of Gilboa and Blenheim and Schoharie County.

On February 23, 2018, the Authority filed with FERC a 'Comprehensive Relicensing Settlement Agreement' ('CRSA') reached with the US Fish and Wildlife Service, NYS Office of Parks, Recreation and Historic Preservation and NYS Department of Environmental Conservation ('DEC'). The CRSA identifies all protection, mitigation, and enhancement ('PM&E') measures necessary for inclusion in the new License for the Project and recommends a 50-year license term.

On April 9, 2018, the Authority filed the 'Local Community Relicensing Settlement Agreement Addressing Non-License Terms and Conditions' with FERC; this agreement was reached with the Towns of Blenheim and Gilboa. The Local Community Agreement provides for annual community payments, transfer of surplus lands and fully supports the CRSA and proposed PM&E measures and a 50-year license term.

On September 28, 2018, the Power Authority filed the 'Relicensing Settlement Agreement between the Power Authority of the State of New York and the County of Schoharie Addressing Non-License Terms and Conditions' with FERC. The County Agreement provides for annual community payments, support for an emergency warning system and fully supports the CRSA and proposed PM&E measures and a 50-year license term.

All Settlement Agreements are expressly conditioned on the issuance by FERC of a new 50-year license that is consistent with the terms contemplated by the Application and the CRSA, including the proposed license articles included therein.

DEC issued its Water Quality Certification on February 28, 2019; the Certification is consistent with the previously filed CRSA.

On April 30, 2019, FERC issued a new 50-year operating License, effective May 1, 2019, to the Power Authority for the Blenheim-Gilboa Pumped Storage Power Project.

### DISCUSSION

On April 30, 2019, FERC approved the issuance of a new 50-year operating license for the Project and Staff has reviewed the issuing order and concludes that it is consistent with the Application and associated settlement agreements and should be accepted.

Staff's projected capital expenditures for implementing the anticipated terms and conditions of the new License and for meeting settlement commitments from 2019 through 2069 include, in part, \$9.5 million for fish and wildlife habitat improvements and recreation enhancements, \$22.3 million in local community funding and \$5.3 million for compliance and implementation activities of Licensing and other Authority divisions. The Trustees are requested to approve \$37.1 million in capital expenditures for all compliance, implementation and settlement related activities.

### FISCAL INFORMATION

Payments will be made from a combination of Bond proceeds, Commercial Paper proceeds and Operating Revenues.

### RECOMMENDATION

The Executive Vice President and General Counsel, the Executive Vice President and Chief Operating Officer and the Director of Licensing recommend that the Trustees authorize the acceptance of the 50-year new operating license issued by FERC for the Blenheim-Gilboa Pumped Storage Power Project and approve capital expenditures of \$37.1 million for compliance, implementation and settlement activities associated with that new license.

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

*Mr. Mark Slade, Director of Hydro Licensing, provided highlights of staff's recommendation to the Board. He said that approximately eight years ago staff informed the Board that the Authority would be starting the process of relicensing the B-G Project. At that time, the Authority set a stretch goal of getting a new 50-year license with no significant operational restrictions, and, on April 30, the Federal Energy Regulatory Commission granted a new license, which achieved that goal.*

*He then introduced Mr. Rob Daly, the Licensing Manager of the entire process, saying that he did an excellent job of managing the process and maintaining a meticulous record. He was also responsible for making relationships that, ultimately, turned out to be critical to achieving this settlement. He said that*

NYPA's Legal and Licensing staffs as well as the team of consultants and outside counsel reviewed the New License and agree that it is consistent with the settlement agreements.

*The settlement is in keeping with the revenue from the Project since staff had to keep it scaled back to a level that the project could support. B-G's economics have been marginal, but as the emphasis on engine storage and renewables becomes more prominent, B-G will be recognized as the largest, most proven and most reliable energy storage unit in New York now and the foreseeable future.*

*In closing, Mr. Slade said that, of note, with the completion of this re-licensing process, all three of NYPA's large hydro projects have now received new 50-year licenses and none of them contained any significant new operational restrictions.*

*Staff is requesting that the Board accept this New License and to authorize \$37.1 million to fund the settlement agreement over the course of 50 years.*

On motion made by Trustee McKibben and seconded by Trustee Trainor, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Trustees authorize the President and Chief Executive Officer to accept the new operating License issued by the Federal Energy Regulatory Commission for the Blenheim-Gilboa Pumped Storage Power Project for a term of 50 years; and be it further**

**RESOLVED, That in accordance with the Authority's Expenditure Authorization Procedures, capital expenditures in the amount of \$37.1 million are hereby approved to facilitate and accomplish implementation of, and compliance with, the new License issued by the Federal Energy Regulatory Commission for the Blenheim-Gilboa Pumped Storage Power Project, as well as the settlement agreements associated therewith, in the amounts and for the purposes listed below:**

<u>Capital</u>	<u>Authorization</u>
Fish and Wildlife Habitat and Recreation Enhancements	\$ 9.5 million
Community Funding	\$22.3 million
Compliance and Implementation activities of the Licensing and other Authority divisions	\$ 5.3 million

**AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.**

**5. Board Committee Reports:**

**a. Finance Committee Report**

Chair Tracy McKibben said that the Finance Committee met this morning and received an update from the Chief Operating Officer, Joseph Kessler, and the Acting Chief Financial Officer, Lee Garza, on the large capital projects being undertaken by the Authority. The updates provided covered the ten capital projects, by investment amounts, that the Authority is pursuing as well as the financial impacts associated with the future investment in the AC Transmission Project, which was recently awarded to the Authority by the New York Independent System Operator. The ten projects that were covered are multiyear investments that the Authority is making; the Authority is expected to invest approximately \$3.5 billion in total. The Board previously approved \$1.6 billion.

Chair Tracy McKibben said that the Committee also adopted the Minutes of the last meeting and a motion to recommend the release of funds to the Canal Corporation as part of the Authority's regular quarterly releases and the item is now before the full Board for a vote.

i. **Release of Funds in Support of the New York State Canal Corporation**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY"**

The Trustees are requested to authorize the release of up to an additional \$21.6 million in funding to the New York State Canal Corporation ('Canal Corporation') to support the operations of the Canal Corporation in calendar year 2019. The amount requested is 25% of the Canal Corporation's 2019 O&M Budget as presented to the Canal Corporation Board of Directors at its December 2018 meeting. The amount requested is in addition to the \$43.2 million that the Trustees authorized through March 2019 to be released to support the operations of the Canal Corporation in calendar year 2019.

**BACKGROUND**

The Authority has been authorized to provide financial support for the Canal Corporation. See, e.g., Public Authorities Law §1005-b(2). However, certain expenditures associated therewith do not constitute Capital Costs or Operating Expenses ('Operating Expenses') as defined in the Authority's General Resolution Authorizing Revenue Obligations dated February 24, 1998, as amended and supplemented ('Bond Resolution'). Expenditures for the Canal Corporation's operating purposes that do not constitute Capital Costs or Operating Expenses must satisfy the requirements of the Authority's Bond Resolution relating to the release of funds from the trust estate created by the Bond Resolution for lawful corporate purposes. In addition, as set forth in the Trustees' Policy Statement dated May 24, 2011, a debt service coverage ratio of 2.0 is to be used as a reference point in considering any such release of funds.

The Bond Resolution permits the Authority to withdraw monies 'free and clear of the lien and pledge created by the [Bond] Resolution' provided that (a) such withdrawals must be for a 'lawful corporate purpose as determined by the Authority,' and (b) the Authority must determine, taking into account among other considerations anticipated future receipt of revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (i) payment of reasonable and necessary operating expenses, (ii) an Operating Fund reserve in amounts determined by the Authority to be adequate for working capital, emergency repairs or replacements, major renewals or for retirement from service, decommissioning or disposal of facilities, (iii) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt or (iv) payment of interest and principal on subordinate debt.

Under the Bond Resolution, Capital Costs (which includes capital costs related to the Canal Corporation) may be paid without satisfying the provision described above.

**DISCUSSION**

With this authorization, the Trustees will approve the release of \$21.6 million, an amount equal to 25% of the Canal Corporation's 2019 O&M Budget. With regard to Canal Corporation's operating expenses in excess of \$64.8 million in calendar year 2019, staff is not requesting any action at this time, but will return to the Board to request additional releases as needed.

Staff has reviewed the effect of releasing up to an additional \$21.6 million in funding at this time on the Authority's expected financial position and reserve requirements. In accordance with the Board's Policy Statement adopted May 24, 2011, staff calculated the impact of this release, together with the last 12 months' releases including (i) the release of \$54 million in Canal related operating expenses for 2018 previously authorized at the August and October 2018 meetings; (ii) the release of \$30 million in Recharge New York Discounts for 2019; (iii) the release of \$43.2 million in Canal related operating expenses for 2019 previously authorized at the December 2018 and March 2019 meetings; (iii) the release of up to \$1 million in Western NY Power Proceeds net earnings; and (iv) the release of up to \$2

million in Northern NY Power proceeds net earnings on the Authority's debt service coverage ratio and determined it would not fall below the 2.0 reference level. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to release such amounts from the trust estate created by the Bond Resolution consistent with the terms thereof.

#### FISCAL INFORMATION

Staff has determined that sufficient funds are available in the Operating Fund to release an additional up to \$21.6 million in funding to support the operation of the Canal Corporation in calendar year 2019. Staff has further determined that the amounts presently held in reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution and that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's Bond Resolution.

The expenses associated with the operations of the Canal Corporation for calendar year 2019 are included in the Canal Corporation's 2019 O&M Budget.

#### RECOMMENDATION

The Chief Financial Officer recommends that the Trustees authorize the release of up to an additional \$21.6 million in funding to the Canal Corporation to support the operations of the Canal Corporation in calendar year 2019. The Chief Financial Officer further recommends that the Trustees affirm that such release is feasible and advisable, that the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution, and that such funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's Bond Resolution.

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

*The Finance Committee adopted a motion to recommend the release of funds to the Canal Corporation.*

On motion made by Trustee McKibben and seconded by Trustee Trainor, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Trustees hereby authorize the release of up to an additional \$21.6 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2019, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution, that the amount of up to \$21.6 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that the release of such amount is feasible and advisable; and be it further**

**RESOLVED, That as a condition to making the payments specified in the foregoing report, on the day of such payments, the Treasurer or the Deputy Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Executive Vice President and General Counsel.**



**b. Governance Committee Report**

Chair Anne Kress said that the Governance Committee met briefly this morning to consider the appointment of Sundeep Thakur as Controller of the Authority and Canal Corporation at an annual salary of \$200,000 effective immediately, and the Committee adopted a motion to make this recommendation to the full Board. She said that the Board is now asked to vote on that appointment.

i. **Appointment of Authority and Canal Corporation Controller**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Authority's Trustees and the Canal Corporation's Board of Directors are requested to consider the appointment of Sundeep Thakur as Controller of the Authority and Canal Corporation, at an annual salary of \$200,000, effective immediately, to hold such office until his successor is chosen and qualified or until his earlier removal, resignation or death.

**BACKGROUND & DISCUSSION**

The appointment of officers is governed by the Bylaws, Article IV, Section 2, which provides that the Trustees/Board of Directors shall appoint officers by formal resolution upon the recommendation of the Governance Committee.

**RECOMMENDATION**

The Governance Committee recommends that the Authority's Trustees and the Canal Corporation's Board of Directors appoint Sundeep Thakur as Controller, at an annual salary of \$200,000, effective immediately, to hold such office until his successor is chosen and qualified or until his earlier removal, resignation or death.

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

*The Governance Committee adopted a motion to recommend the approval of the recommendation to appointment of Mr. Sundeep Thakur as Controller of the Authority and Canal Corporation.*

On motion made by Trustee Kress and seconded by Vice Chairman Nicandri, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to Article IV, Section 2 of the Authority and Canal Corporation's Bylaws, Sundeep Thakur is hereby appointed as Controller, at an annual salary of \$200,000, effective immediately, to hold such office until his successor is chosen and qualified or until his earlier removal, resignation or death.**

## **6. Informational Item: Reimagine the Canals**

Ms. Kimberly Harriman, Senior Vice President of Regulatory and Public Affairs provided an update on the Reimagine the Canals initiatives.

### **Reimagine the Canals Design Competition**

In 2017, the New York Power Authority assumed operation and ownership of the New York State Canal System. Shortly after that turnover of control, the Authority launched a Re-Imagine the Canals Design Competition. The competition was designed to take a 200-year-old asset and imagine what the next hundred years would look like for this iconic asset. In October 2018, the Authority announced the winners of the competition.

The Authority received 145 applications from nine countries. People from around the world were energized about this iconic Canal system and came up with some innovative ideas. One of those ideas that won is the “Erie Armada,” a festival and boat race that will take place in September of 2019 in the Finger Lakes region. It is designed not only to celebrate the history of the canal but also to reinforce the recreational purpose of the canal and to recognize the craft breweries all along the spine of the canal. In addition to the boat race, the “Erie Armada” will be an immersive festival experience designed to bring in an age group that has not been on the canal before and those millennials who are a part of both recreational boating as well as craft breweries involvements.

The second winner in the competition is the Canalside Pocket Neighborhoods. This is an innovative living adaptive use along the canal spearheaded by the Madison County Planning Department. Their idea of Pocket Living is not new; however, taking a Canal asset, with spans of property that are underutilized or not used at all, and converting them into livable communities is new. The aspects of this project include the Pocket Neighborhood Guidelines and Book, which will be developed from the documentation of the project as it moves through the planning, contracting, construction and habitation stages. Developers will learn about how this project was established, how it works, and some of the lessons learned along the way, so that these ideas will be replicable across the 324 miles of the Erie Canal spine for other canal communities that are interested in developing pocket neighborhoods.

By the end of 2019, the team will develop a Request for Proposal (“RFP”) for potential developers. Staff will inform the Board when a site is identified and the developers are ready to commence with construction.

### **Reimagine the Canals Vision Development**

Based on the way that the Reimagine the Canals Design Competition was constructed, the Authority could pick only two winners from the 145 applicants and the many great ideas and real possibilities for the canals that they presented. Centered on this, on May 17, the Governor announced the Reimagine the Erie Canal Task Force to look at and promote economic development, recreation and resiliency, starting with, but not limited to, all of the proposals received from the 145 applicants from nine countries for the Re-Imagine the Canal competition.

The 300-mile Erie Canal runs along several major rivers and tributaries and, in its construction, those were altered. Therefore, the Task Force will:

- Look at the infrastructure of the Erie Canal and assess how it can mitigate impacts from flooding and ice jams, such as those that occurred in the Mohawk communities, to improve resiliency in those communities;
- Evaluate how to better promote economic development opportunities along the waterway;
- Identify opportunities to restore natural ecosystems and protect NYS waterways;

- Identify ways to use the canal infrastructure to expand irrigation for Western New York farming communities;
- Evaluate opportunities for adaptive reuse of legacy infrastructure to achieve those goals of economic development, recreation, and resiliency.

As part of the planning process, the Task Force members are charged with:

- 1) Overseeing technical analysis and plan development;
- 2) Reaching out to the community and stakeholders in order to engage them on their ideas and perspective; and
- 3) Task force convening, which is to take the technical analysis and the plan, as well as the community outreach, and, ultimately, assemble them into a strategic plan and vision for the Re-Imagine the Canals development.

### **Task Force Structure**

Membership and Structure of the Task Force:

The Erie Canal has three regions, namely, Western, Central, and Mohawk. Therefore, the leaders of the Task Force were chosen from those regions as follows:

- Robert Duffy, President and Chief Executive Officer of the Greater Rochester Chamber of Commerce – Western Region;
- Joanie Mahoney, Chief Operating Officer of SUNY College of Environmental Science and Forestry – Central Region; and
- Joe Martens, Director of the New York Offshore Wind Alliance – Mohawk Valley Region.

In addition to the three leaders, the Task Force membership will be established from a variety of disciplines that will be impacted and will include maritime recreation experts, agricultural, environmental, historic preservation, and economic development. Also, the membership at large will come from official members from state agencies such as DEC and Parks and other authorities.

Staff will report to the Board as the process for the Reimagine Vision plan develops.

7. **Next Meeting**

The regular joint meeting of the New York Power Authority Board of Trustees and Canal Corporation's Board of Directors will be held on July 30, 2019 **at the Clarence D. Rappleyea Building, White Plains, New York**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

**Closing**

On motion made by member Dennis Trainor and seconded by member Tracy McKibben, the meeting adjourned at approximately 11:57 a.m.

*Karen Delince*

Karen Delince  
Corporate Secretary

MAY 21, 2019

# **EXHIBITS**

## **For**

### **May 21, 2019**

#### **Regular Joint Meeting**

#### **Minutes**

**APPLICATION SUMMARY**  
**Replacement Power**

<b>Company:</b>	Saint-Gobain Ceramics & Plastics, Inc. ("Saint-Gobain")
<b>Project Location:</b>	Town of Wheatfield
<b>County:</b>	Niagara
<b>IOU:</b>	National Grid
<b>Business Activity:</b>	Manufacturer of building and industrial materials.
<b>Project Description:</b>	A two-phased expansion: (1) installation of two new production lines within the existing facility; and (2) a build out of 45,000-square-foot facility on site to increase manufacturing of seeded gel abrasive grains.
<b>Existing Allocation(s):</b>	Three allocations of Replacement Power (2,100 kW, 1,005 kW and 100 kW). These allocations are tied to a collective job commitment of 69 jobs. Saint-Gobain's employment is currently at 74 employees and it is in compliance with its contractual commitments.
<b>Power Request:</b>	2,000 kW
<b>Power Recommended:</b>	800 kW
<b>Job Commitment:</b>	
<b>Current:</b>	74 jobs
<b>New:</b>	12 jobs
<b>New Jobs/Power Ratio:</b>	15 jobs/MW
<b>New Jobs - Avg. Wage and Benefits:</b>	\$100,490
<b>Capital Investment:</b>	\$16.9 million
<b>Capital Investment/MW:</b>	\$21.13 MM/MW
<b>Other ED Incentives:</b>	A \$500,000 Excelsior Award from Empire State Development and additional support from the Niagara County Center for Economic Development.
<b>Summary:</b>	A \$56 billion global company with operations in 64 countries, Saint-Gobain has again chosen its Wheatfield facility to expand its manufacturing business associated with transforming raw materials into advanced products. Along with additional state and local support, low cost power continues to provide critical support for its operations.



**Exhibit "A"**  
**May 21, 2019**

**Applicants Recommended for an Award of Fund Benefits by the Western NY Proceeds Allocation Board**

<b>Line</b>	<b>Business</b>	<b>City</b>	<b>County</b>	<b>Economic Development Region</b>	<b>Project Description</b>	<b>Project Type</b>	<b>Recommended Award Amount</b>	<b>Total Project Cost</b>	<b>Jobs Retained</b>	<b>Jobs Created</b>
1	Carousel Society of the Niagara Frontier	N. Tonawanda	Niagara	Western NY	Expansion	Tourism	\$30,000	\$461,742	N/A	N/A
<b>Total:</b>							<b>\$30,000</b>	<b>\$461,742</b>	<b>N/A</b>	<b>N/A</b>

**Total Jobs Created & Retained: N/A**



# Western NY Power Proceeds Allocation Board

## Western New York Economic Development Fund Recommendation Memo

### EXHIBIT A-1

Applicant Name:	Carousel Society of the Niagara Frontier ("CSNF")	REDC Region:	Western New York
Project Type:	Tourism	County:	Niagara
Industry:	Museums, Zoos and Parks	Locality:	N. Tonawanda
Amount Requested:	\$30,000	Start Date:	July 1, 2019
		Finish Date:	April 1, 2020
<b>RECOMMENDED OFFER</b>			
Recommended Total Award:		\$30,000	
Total Project Cost:		\$461,742	
% of Project Cost Recommended:		6%	
<b>PROJECT BUDGET (Proposed by Applicant)</b>			
<b>Use of funds</b>	<b>Amount</b>	<b>Source of Funds</b>	<b>Amount</b>
Music Room Construction	\$259,548	WNY EDF	\$30,000
15% Contingency	\$54,775	<b>Committed:</b>	
Repair and Foundation	\$32,000	NYS Assembly	\$140,000
Geo Thermal HVAC	\$27,619	Niagara Greenway Commission	\$110,000
Connecting Glass Corridors	\$30,000	NYS Parks	\$89,742
Bridge Loan Interest	\$20,000	DASNY	\$75,000
Shelving & Exhibit Furniture	\$15,000	WNY Foundation	\$5,000
Blacktop Pathway	\$10,000	Equity	\$12,000
Landscape Sprinkler	\$8,000		
Admin/RFP Costs	\$4,800		
<b>Total:</b>	<b>\$461,742</b>	<b>Total:</b>	<b>\$461,742</b>
<b>REGIONAL IMPACT MEASUREMENTS</b>			
Job Commitments:		The Funding Track under which the application was submitted does not require job-related impact.	
Average Salary of Jobs:			
Indirect Jobs Created			
Other Impact			
<b>PROJECT DESCRIPTION (Adapted from Application)</b>			
The CSNF seeks to restore the portion of its museum complex that collapsed in 1995 so that it can add a music room to display its collection of seven band organs, original Wurlitzer Company music roll making equipment and B.A.B. Organ Company perforator and master rolls. The project includes foundation repairs, premises upgrades including the installation of glass connecting corridors,			



## Western NY Power Proceeds Allocation Board

### Western New York Economic Development Fund Recommendation Memo

#### EXHIBIT A-1

shelving and furniture for the interpretive exhibit and other related costs. The project also includes installation of a Geothermal HVAC system that would be used to efficiently heat and cool the facility.

#### OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

ESD:			
Economic Dev. Loan:		Other: NYS Assembly - \$140,000 Niagara Greenway - \$110,000 Office of Parks - \$89,742 DASNY - \$75,000	

#### PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS
N/A	\$	

#### BASIS FOR RECOMMENDATION

Adding a band organ production exhibit would complete restoration of the Allan Herschell Company industrial site, which is listed in the NYS and National Historic Site Registers, and the history of carousel production in the US. It is expected to increase regional tourism by attracting an additional 3,000-5,000 visitors interested in automated musical instruments.

The project also:

- Supports an organization that hosted nearly 20,000 visitors from around the world in 2017.
- Enhances the Applicant's ability to share carousel and band organ history with over 2,500 students who visit annually. Operation of the music roll perforators demonstrates early punch card coding and adds to the Applicant's STEM class offering. In 2016, the Applicant received the Excellence in Collaboration Award from the Erie County Association of School Boards for their "Tonawanda – North Tonawanda STEAM is Dynamite!" program.
- Supports an organization that participates in a senior work program, and the Niagara County Summer Youth Program that provide training and work experience to underrepresented groups.
- Aligns well with North Tonawanda's Comprehensive Plan, which describes the City's objective to "protect, retain and compliment the historic and cultural resources that contribute to the quality of life in the City and promote cultural and historic assets to become a tourist destination."
- Aligns well with WNYREDC strategies as the initiative was identified as a 2018 priority project for WNYREDC.



**NEW YORK**  
STATE OF  
OPPORTUNITY.

## **Western NY Power Proceeds Allocation Board**

### **Western New York Economic Development Fund Recommendation Memo**

#### **EXHIBIT A-1**

<b>ANTICIPATED DISBURSEMENT TERMS</b>
Fund Benefits would be used to reimburse the applicant for a portion of costs associated with the Geo Thermal HVAC system and machinery and equipment purchases. It is anticipated that funds will be disbursed in arrears upon project completion. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$462K.

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Criteria adapted from the Western NY Power Proceeds Allocation Board's  
"Procedures for the Review of Applications for Fund Benefits"

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1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.<sup>1</sup> The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:
  - Promote "Smart Growth" by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
  - Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
  - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.
  - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
  - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-

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<sup>1</sup> As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

border planning to create transportation and logistical infrastructure; improve operational relationships; promote the attractiveness of WNY as a hub for global trade.

- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to <http://regionalcouncils.ny.gov/content/western-new-york>.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.<sup>2</sup> The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: <http://regionalcouncils.ny.gov/content/finger-lakes>.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant's long term commitment to the region as evidenced the current and/or planned capital investment in applicant's facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.
8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.

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<sup>2</sup> As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
  10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
  11. The extent of the applicant's willingness to satisfy affirmative action goals.
  12. The extent to which an award of Fund Benefits 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.
  13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
  14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
  15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
  16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
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**Procurement (Services) and Other Contracts – Awards**  
**(For Description of Contracts See "Discussion")**

**EXHIBIT "A"**  
**May 21, 2019**

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
BUSINESS SERVICES - TREASURY	<b>FITCH RATINGS, INC.</b> New York, NY	05/21/19 (on or about)	Provide credit rating services	05/20/21	Si/P			<b>\$112,000*</b>
							*Note: represents total for up to 2-year term	
COMMERICAL OPERATIONS – CLEAN ENERGY BUSINESS & MARKET DEVELOPMENT	<b>Q18-6597SR; 21 Awards</b>  <b>1. AECOM USA, INC.</b> New York, NY  <b>2. AES DISTRIBUTED ENERGY, INC.</b> Boulder, CO  <b>3. BQ ENERGY DEVELOPMENT LLC</b> Wappingers Falls, NY  <b>4. BRIGHT POWER, INC.</b> New York, NY  <b>5. CON EDISON CLEAN ENERGY BUSINESSES, INC.</b> Valhalla, NY  <b>6. CYPRESS CREEK HOLDINGS LLC dba CYPRESS CREEK RENEWABLES LLC</b> Santa Monica, CA  <b>7. DELAWARE RIVER SOLAR LLC</b> New York, NY  <b>8. DIMENSION ENERGY LLC</b> Atlanta, GA  <b>9. EDF RENEWABLES DISTRIBUTED SOLUTIONS, INC.</b> West Lebanon, NH	07/25/17	Provide investment grade audit, design, engineering, procurement and installation services	08/31/22	B/P		<b>\$275 million*</b>	
							*Note: represents total for 5-year term, as approved at the July 25, 2017 Trustee meeting. <b>There is no request for additional funding, just additions to the stable of qualified suppliers.</b>	

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)  
1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search  
2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service



Procurement (Services) and Other Contracts – Awards  
(For Description of Contracts See "Discussion")

EXHIBIT "A"  
May 21, 2019

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
	<b>10. ENGIE SERVICES U.S., INC.</b>		Overland Park, KS					
	<b>11. ENTERSOLAR LLC</b>		New York, NY					
	<b>12. GENERAL ELECTRIC INTERNATIONAL, INC.</b>		Schenectady, NY					
	<b>13. GI ENDURANT LLC</b>		Chicago, IL					
	<b>14. GRID SOULTIONS (U.S.) LLC dba GE GRID SOLUTIONS LLC</b>		Atlanta, GA					
	<b>15. GROUP-S LLC dba EN-POWER GROUP</b>		White Plains, NY					
	<b>16. LUMOS SOLAR LLC</b>		Nederland, CO					
	<b>17. MYPower CORP. dba FOREFRONT POWER LLC</b>		New York ,NY					
	<b>18. NEXTERA ENERGY CAPITAL HOLDINGS, INC. dba NEXTERA ENERGY RESOURCES DEVELOPMENT LLC</b>		Juno Beach, FL					
	<b>19. SIEMENS INDUSTRY, INC.</b>		Minnetonka, MN					
	<b>20. STRATA SOLAR LLC</b>		Chapel Hill, NC					

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**Procurement (Services) and Other Contracts – Awards**  
**(For Description of Contracts See "Discussion")**

**EXHIBIT "A"**  
**May 21, 2019**

<b><u>Plant Site</u></b>	<b><u>Company Contract #</u></b>	<b><u>Start of Contract</u></b>	<b><u>Description of Contract</u></b>	<b><u>Closing Date</u></b>	<b><u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u></b>	<b><u>Compensation Limit</u></b>	<b><u>Amount Expended To Date</u></b>	<b><u>Expected Expenditures For Life Of Contract</u></b>
	<b>21. TRC ENGINEERS, INC.</b> Windsor, CT							
CORPORATE SERVICES - ENVIRONMENTAL JUSTICE & SUSTAINABILITY	<b>ACCOUNTABILITY NORTH AMERICA LLC</b> New York, NY <b>(Q19-6651CC)</b>	05/21/19 (on or about)	Provide Global Reporting Initiative (GRI) Standards	05/20/22	B/P			<b>\$385,056*</b>
							*Note: represents total for up to 3-year term	
UTILITY OPERATIONS – ENVIRONMENTAL HEALTH & SAFETY	<b>Q19-6627JGM; 6 Awards</b> <b>1. AECOM USA, INC.</b> New York, NY <b>2. CHA CONSULTING, INC.</b> Albany, NY <b>3. LIRO ENGINEERS, INC.</b> Syosset, NY <b>4. THE LOUIS BERGER GROUP (DOMESTIC), INC.</b> Morristown, NJ <b>5. PARSONS ENGINEERING OF NEW YORK, INC.</b> Syracuse, NY <b>6. TRC ENGINEERS, INC.</b> Windsor, CT	05/21/19 (on or about)	Provide support to NYPA's operations and projects at all the Authority facilities and areas of business on an on-call basis for environmental services	05/20/24	B/P			<b>\$5 million*</b>
							*Note: represents total aggregate value for up to 5-year term	

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**2 Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

**Procurement (Services) and Other Contracts – Awards**  
**(For Description of Contracts See "Discussion")**

**EXHIBIT "A"**  
**May 21, 2019**

<b><u>Plant Site</u></b>	<b><u>Company Contract #</u></b>	<b><u>Start of Contract</u></b>	<b><u>Description of Contract</u></b>	<b><u>Closing Date</u></b>	<b><u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u></b>	<b><u>Compensation Limit</u></b>	<b><u>Amount Expended To Date</u></b>	<b><u>Expected Expenditures For Life Of Contract</u></b>
UTILITY OPERATIONS – MAINTENANCE RESOURCE MANAGEMENT (SENY)	<b>ATLANTIC COOLING TECHNOLOGIES &amp; SERVICES LLC</b> Carlstadt, NJ <b>(A19-001246JV)</b>	07/20/19	Provide service, maintenance and repair of the Eugene Zeltman cooling tower	07/19/24	B/S			<b>\$5 million*</b>
							*Note: represents total for up to 5-year term	
UTILITY OPERATIONS – MAINTENANCE RESOURCE MANAGEMENT (SENY)	<b>JOHN DINEEN CONTRACTING</b> Brooklyn, NY <b>(A19-001245JV)</b>	07/16/19	Provide maintenance and repair of the Eugene Zeltman Power Plant roof	07/15/24	B/S			<b>\$5 million*</b>
							*Note: represents total for up to 5-year term	
UTILITY OPERATIONS – MAINTENANCE RESOURCE MANAGEMENT (SENY)	<b>THYSSENKRUPP ELEVATOR</b> Henrietta, NY <b>(OGS #PS902AA)</b>	05/21/19 (on or about)	Provide for elevator repair and maintenance services (SENY)	05/20/21	B/S			<b>\$500,000*</b>
							*Note: represents total for 2-year term with possibility of three (3) one-year extensions	
UTILITY OPERATIONS – PROJECT MANAGEMENT	<b>JAMES H. MALOY, INC.</b> Loudonville, NY <b>(4600003630)</b>	04/10/19	Provide installation of the flashboards is essential in increasing power output at the Crescent and Vischer Ferry Power Projects	04/09/24	B/C	\$150,000		<b>\$1,380,350*</b>
							*Note: represents total for up to 5-year term including an interim value of \$150,000	
UTILITY OPERATIONS – TECHNICAL COMPLIANCE	<b>LOPEZ &amp; ASSOCIATES, INC.</b> Great Neck, NY <b>(4500307147)</b>	01/23/19	Provide consulting services that will review, update and score NYPA's pre-employment tests for the SENY Operating Technician positions	01/22/24	S/P	\$40,000		<b>\$310,000*</b>
							*Note: represents total for up to 5-year term including an interim value of \$40,000	

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**Procurement (Services) Contracts – Extensions and/or Additional Funding**  
**(For Description of Contracts See "Discussion")**

**EXHIBIT "B"**  
**May 21, 2019**

<b><u>Plant Site/ Bus. Unit</u></b>	<b><u>Company Contract #</u></b>	<b><u>Start of Contract</u></b>	<b><u>Description of Contract</u></b>	<b><u>Closing Date</u></b>	<b><u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u></b>	<b><u>Compensation Limit</u></b>	<b><u>Amount Expended To Date</u></b>	<b><u>Authorized Expenditures For Life Of Contract</u></b>
RISK MANAGEMENT - COMMODITY RISK AND ANALYTICS	<b>6 awards:</b>	01/01/17	Provide for risk management consulting services	12/31/21	B/P			<b>\$10 million*</b>
	<b>1. AON RISK SERVICES NORTHEAST, INC. dba AON RISK SERVICES, INC.</b> Philadelphia, PA <b>(4600003261)</b>						\$1,099,375	
	<b>2. DELOITTE &amp; TOUCHE LLP</b> Hermitage, TN <b>(4600003255)</b>						\$3,495,446	
	<b>3. ERNST &amp; YOUNG U.S. LLP</b> Secaucus, NJ <b>(4600003256)</b>						\$870,267	
	<b>4. PA CONSULTING GROUP, INC.</b> Arlington, VA <b>(4600003258)</b>						\$54,350	
	<b>5. PIVOTAL RISK ADVISORS, INC.</b> Houston, TX <b>(4600003259)</b>						\$0	
	<b>6. THE BRATTLE GROUP, INC.</b> Boston, MA <b>(4600003257)</b>						\$613,000	
							*Note: represents aggregate total for up to 5-year term including additional funding request of \$5 million, total contract value \$10 million	
UTILITY OPERATIONS - PROJECT MANAGEMENT	<b>PERRAS EXCAVATING, INC.</b> Massena, NY <b>(4500297522)</b>	05/11/18	Provide time extension for the continuation of construction services for the Joint Works program located at the Long Sault Dam, St. Lawrence-FDR Power Project	05/10/20	B/C		\$522,133	<b>\$1,551,922*</b>
							*Note: represents total for 2-year term, with no additional funding and 1-year extension requested	

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**Procurement (Services) Contracts – Extensions and/or Additional Funding**  
**(For Description of Contracts See "Discussion")**

**EXHIBIT "B"**  
**May 21, 2019**

<b><u>Plant Site/ Bus. Unit</u></b>	<b><u>Company Contract #</u></b>	<b><u>Start of Contract</u></b>	<b><u>Description of Contract</u></b>	<b><u>Closing Date</u></b>	<b><u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u></b>	<b><u>Compensation Limit</u></b>	<b><u>Amount Expended To Date</u></b>	<b><u>Authorized Expenditures For Life Of Contract</u></b>
UTILITY OPERATIONS - PROJECT MANAGEMENT	<b>M10, INC. dba MICHELS CORP.- MICHELS POWER NEENAH, WI (4500298959)</b>	06/29/18	Provide time extension for the continuation of construction services for the installation of optical ground wire on the Gilboa-Fraser (GF-5) transmission line	06/28/20	B/C		\$2,975,605	<b>\$3,212,756*</b>
						*Note: represents total for 2-year term, with no additional funding and 1-year extension requested		
UTILITY OPERATIONS - PROJECT MANAGEMENT	<b>O'CONNELL ELECTRIC COMPANY, INC. Victor, NY (4500298578)</b>	06/22/18	Provide for the continuation of construction services for the installation of new electrical equipment for the Plattsburgh Sub- station Station Service Upgrade Project	06/21/20	B/C		\$1,308,361	<b>\$3,325,277*</b>
						*Note: represents total for 2-year term, and includes no additional funding and 1-year extension		

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2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service

FIFTH AMENDMENT  
TO  
AMENDED GAS TRANSPORTATION AND BALANCING SERVICE AGREEMENT

This Fifth Amendment to the Amended Gas Transportation and Balancing Service Agreement (this "*Fifth Amendment*") made as of July 1, 2019 by and between the New York Power Authority ("NYPA"), also known as the Power Authority of the State of New York, and Consolidated Edison Company of New York, Inc. ("*Con Edison*").

WHEREAS, NYPA and Con Edison are parties to an Amended Gas Transportation and Balancing Service Agreement made as of August 1, 2008, and subsequently amended by letter agreements dated February 1, 2010 and February 25, 2010 and by Third and Fourth Amendments dated July 1, 2011 and July 1, 2016, respectively, (together, the "Amended NYPA GT&B Agreement");

WHEREAS, the Amended NYPA GT&B Agreement provides for scheduling, balancing and deliveries of NYPA-owned Gas to specific NYPA-owned Generating Units;

WHEREAS, in the Third Amendment to the Amended NYPA GT&B Agreement, NYPA and Con Edison agreed that (i) the scheduling and balancing of Gas for the Astoria II Facility shall be aggregated with the scheduling and balancing of Gas for the NYPA-owned Generating Units and (ii) NYPA shall pay Con Edison for such balancing service and for certain charges and costs incurred by Astoria Energy LLC ("*Astoria*") under the Second Amendment to Astoria's own Gas Transportation and Balancing Service Agreement with Con Edison; and

WHEREAS, NYPA and Con Edison desire to extend the Term of the Amended NYPA GT&B Agreement for longer than the automatic one-year period(s) provided for in Section 13.2 of the Fourth Amendment to the Amended NYPA GT&B Agreement.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, NYPA and Con Edison agree to further amend the Amended NYPA GT&B Agreement as follows:

1. Defined Terms. Capitalized terms used herein are used with the meanings given such terms in the Amended NYPA GT&B Agreement, unless specified otherwise in this Fifth Amendment.
2. Revised Term of Agreement. Sections 13.1 and 13.2 of Article XIII (Term) of the Amended NYPA GT&B Agreement are deleted in their entirety and are replaced with the following new Sections 13.1 and 13.2:

**13.1** Subject to the provisions of Article XII and Sections 5.5 and 9.2 hereof, the term of this Agreement will be from July 1, 2019 through June 30, 2022 (the "Term"), provided, however, that (i) the Term will be subject to automatic successive one-year extensions as provided in Section 13.2 below; and (ii) the

provisions regarding billing and payment and confidentiality will remain in effect for such time as may be required to carry out their intent.

**13.2** At the conclusion of the Term specified in Section 13.1 above, i.e., on June 30, 2022, the Term of this Agreement will be automatically extended for successive one-year periods unless either Party provides written notice to the other Party, no later than sixty (60) days prior to the expiration of the then-existing Term, of its intention not to so extend the Term of this Agreement. In such event, this Agreement shall terminate at the end of the then-existing Term.

3. Other Terms Unchanged. All other provisions of the Amended NYPA GT&B Agreement remain unchanged and shall continue in full force and effect.

4. Miscellaneous. This Fifth Amendment to the Amended NYPA GT&B may be executed in counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. This Fifth Amendment and any counterpart thereof may be delivered via facsimile, it being the express intent of NYPA and Con Edison that this Fifth Amendment and any counterpart thereof delivered via facsimile shall, together with the copies of signatures thereon, have the same force and effect as if they were originals.

**IN WITNESS WHEREOF**, NYPA and Con Edison have duly executed this Fifth Amendment to the Amended NYPA GT&B as of the date first written above.

**NEW YORK POWER AUTHORITY**

**CONSOLIDATED EDISON  
COMPANY OF NEW YORK,  
INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Jenny Liu  
Title: Vice President  
Energy Resource Management

Name: Kathleen Trischitta  
Title: Director, Gas Supply

## AMENDMENT TO AGREEMENT

**AMENDMENT** made this \_\_\_\_ day of February, 2019 to the **AMENDED AND RESTATED GRANT AGREEMENT** by and between the **POWER AUTHORITY OF THE STATE OF NEW YORK**, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Law of 1931, as amended, with offices located at 123 Main Street, White Plains, New York (hereinafter referred to as “**NYPA**”) and **SEAWAY PRIVATE EQUITY CORPORATION**, a New York not-for-profit corporation with offices located at 101/201 Peyton Hall, Main Street, Box 8561, Clarkson University, Potsdam, New York 13699-8561 (hereinafter referred to as “**SPEC**”).

WHEREAS, NYPA and SPEC entered into an Amended and Restated Grant Agreement, effective as of the 1st day of March, 2006, as amended (the “**Grant Agreement**”) whereby NYPA provided SPEC with a grant in the amount of \$10,000,000 (the “**Grant**”) for the purpose of investing in new technology companies related to energy and/or the environment upon the terms and conditions set forth in the Grant Agreement through “Capital Commitment Agreements” as defined and described in the Grant Agreement; and

WHEREAS, the Grant Agreement, as amended, further provides for a limitation on administrative expenses in the sum of \$800,000 to be paid, in the first instance, out of the interest earned; and

WHEREAS, the parties further desire by this Amendment to increase the limitation on administrative expenses by \$50,000 to \$850,000; and

NOW, THEREFORE, in consideration of the premises and covenants herein, the parties agree as follows:

1. Section 2 of the Grant Agreement is hereby amended and replaced in its entirety with the following:

“2. **Costs and Expenses.** Reasonable legal and administrative costs of establishing SPEC corporate structures and contracts and meeting insurance requirements shall be payable from the Grant within ten (10) business days after NYPA receives a requisition therefor from SPEC, provided that this Agreement shall not require such expenses to be paid out of the Grant to the extent that the aggregate total of all such costs during its term exceeds \$850,000. NYPA shall have the right to audit such requisitions pursuant to Section 6 below. NYPA shall maintain the unspent balance of such \$850,000 amount for future operating expenses of SPEC. Such costs, in the first instance, shall be paid from the interest earned on the original Grant.”

2. Except as otherwise provided herein, all other terms and conditions of the Grant Agreement shall remain in full force and effect.

3. Capitalized terms undefined herein shall have the meanings prescribed to them in the Grant Agreement.

SIGNATURE PAGE FOLLOWS



IN WITNESS WHEREOF, NYPA and SPEC have executed this Amendment to the Grant Agreement on the date first written above.

**POWER AUTHORITY OF THE STATE OF NEW YORK**

By: \_\_\_\_\_

John Canale  
Vice President, Strategic Supply Management

**SEAWAY PRIVATE EQUITY CORPORATION**

By: \_\_\_\_\_










Anthony G. Collins, President

**COMMUNICATIONS TOWER SPACES-PROPOSED LEASES- SENY REGION**

Site Location	Site Owner	Proposed Equipment	Proposed Term	Proposed Structural Analysis Fee	Proposed Monthly Rate	Estimated Annual Escalator
731 Lexington Avenue, New York, NY(New York County)	American Towers	(2) 6' antennas, (2) 3' antennas and (1) standard rack inside equipment room	10 years with (2) 5 year options to renew	\$3,000	\$2,000	3.5%
Brentwood (Suffolk County)	CTI Towers	1 antenna at 182' on tower, 1 at 100' on tower and 100 sqft of ground space	5 years with (3) 5 year options to renew	\$2,000	\$1,750	3.0%
Hempstead (Nassau County)	CTI Towers	1 antenna at 182' on tower, 1 at 100' on tower and 100 sqft of ground space	5 years with (3) 5 year options to renew	\$2,000	\$1,750	3.0%
Selden (Suffolk County)	Communications Leasing	(1) 6' antenna at 246' AGL and (1) 3' antenna at 150' AGL	To exceed 10 years.	TBD	\$1,700	0.0%
Glen Oaks (Queens County)	Communications Leasing	(4) 6' antennas all at 367' AGL and (2) 3' antennas all at 367' AGL	To exceed 10 years.	TBD	\$5,100	0.0%
Plainview (Nassau County)	Communications Leasing	(2) 6' antennas 1 at 246' AGL and 1 at 131' AGL and (1) 3' antenna at 262' AGL	To exceed 10 years.	TBD	\$2,900	0.0%
East Garden City (595 Stewart Avenue) (Nassau County)	Alma Realty Corp (Agent)	(1) 6' antenna and (1) 3' antenna includes equipment space	To exceed 10 years.	TBD	\$1,800	0.0%
East Garden City (600 Stewart Avenue) (Nassau County)	National Grid	(1) 1' antenna and (1) small mounted cabinet	To exceed 10 years.	N/A	\$0	N/A
28 Liberty (New York City, New York County)	CSC Management LLC - K2 Acquisition Company, LLC	(1) 6' antenna and (3) 3' antenna includes equipment space	5 years with (3) 5 year options to renew	TBD	\$9,850	3.0%
Alpine Towers (Alpine, Bergen County, New Jersey)	CSC Management LLC - K2 Acquisition Company, LLC	(2) 6' antenna and (1) 3' antenna includes equipment space.	5 years with (3) 5 year options to renew	\$5,000	\$5,500	3%
Westchester Towers Owners Corporation (1841 Central Park Ave, Yonkers, NY 10710) (Westchester County)	PLI Management	(1) 6' antenna and (1) 3' antenna includes equipment space	To exceed 10 years.	TBD	\$23,400 per year or \$1,950 per month which includes both antennas and equipment	TBD
Market Street Garage (Yonkers, Westchester County)	QIC	(2) 3' antennas includes equipment space	To exceed 10 years	TBD	\$1,750	TBD

**New York Power Authority  
Blenheim - Gilboa  
Pumped Storage Project  
Surplus Parcel  
Towns of Blenheim & Gilboa  
County of Schoharie**

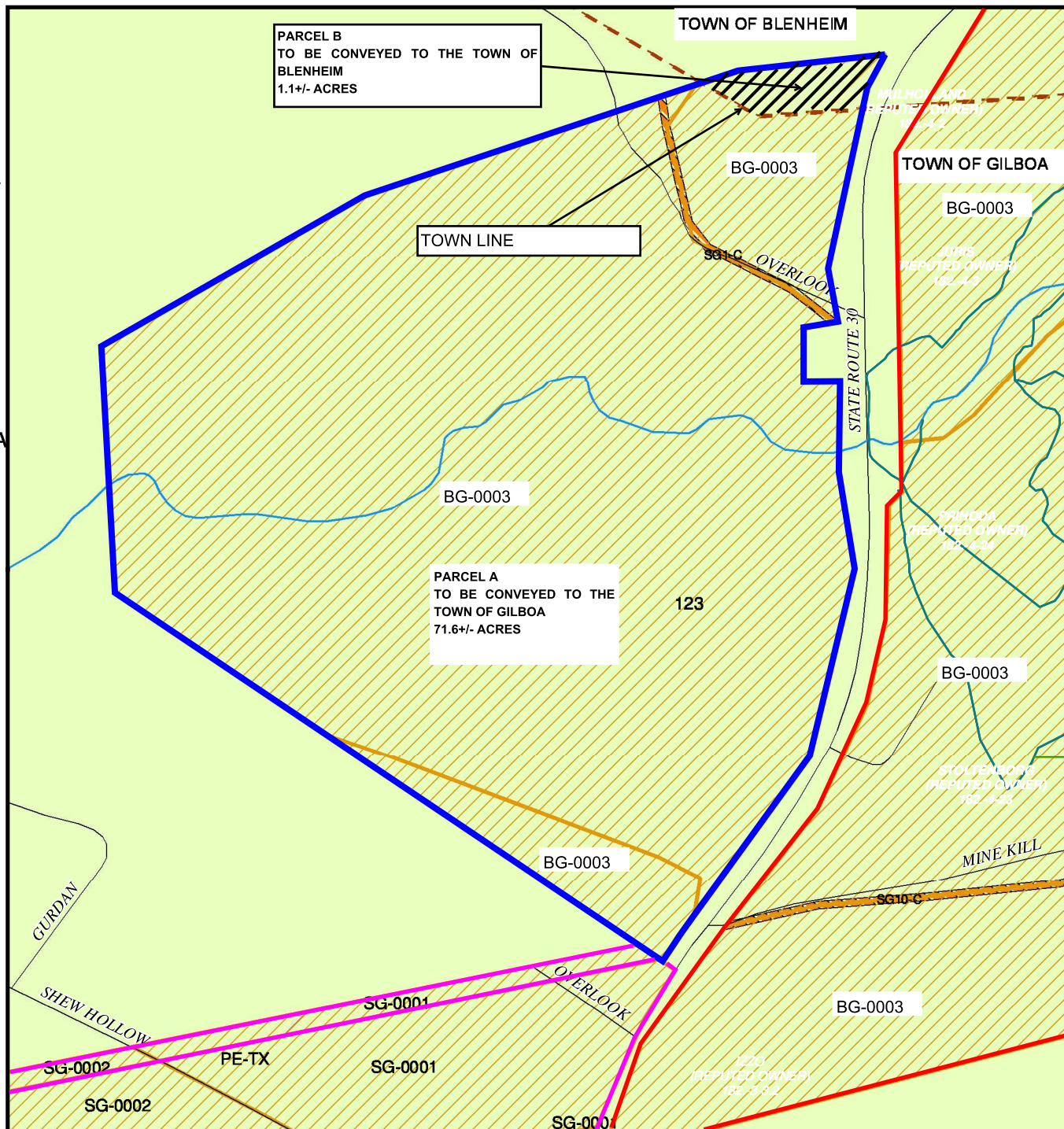
**Legend**

-  Primary Highways
-  Other Roads
-  Conveyed Maps
-  Easements from NYPA
-  Acquired Maps
-  Easements to NYPA
-  City/Town
-  NYPA OWNED
-  SURPLUS PARCEL



400 200 0  
Feet

**OPTION A TOWN LINE AS  
SHOWN ON SCHOHARIE  
COUNTY REAL  
PROPERTY TAX  
MAPPING**





**NY Power  
Authority**

**Canal  
Corporation**

# **CEO Report**

**Gil Quiniones**

**President & Chief Executive Officer**

**May 21, 2019 9**



# NYPA Overall Performance – March 2019

	<u>YTD Target</u>		<u>YTD Actual</u>
<b>Maintain Infrastructure</b>			
▲ Generation Market Readiness	97.40%		▲ 99.61%
▲ Transmission System Reliability	95.83%		▲ 96.05%
<b>Financial Management</b>			
▲ Debt Coverage Ratio (Q)	2.50		▲ 4.43
▲ O&M Budget Performance (\$M)	\$117.80		▲ \$112.77
<b>Energy Services</b>			
● Greenhouse Gas (GHG) Saved (Tons)	3,892		● 613
▲ Energy Efficiency Investment in State Facilities (\$M)	\$20.67		▲ \$29.56
<b>Workforce Management</b>			
▲ Skilled Workforce: Retention (Q)	440		▲ 541
<b>Safety Leadership</b>			
■ DART Rate	0.78		■ 1.08
<b>Environmental Responsibility</b>			
▲ Environmental Incidents	8		▲ 5

YTD Performance Measure Status

▲	Meeting or exceeding target
■	Missing target
●	Significantly missing target
◆	No updated data

# Re-licensing – Blenheim Gilboa Pumped Storage Power Project

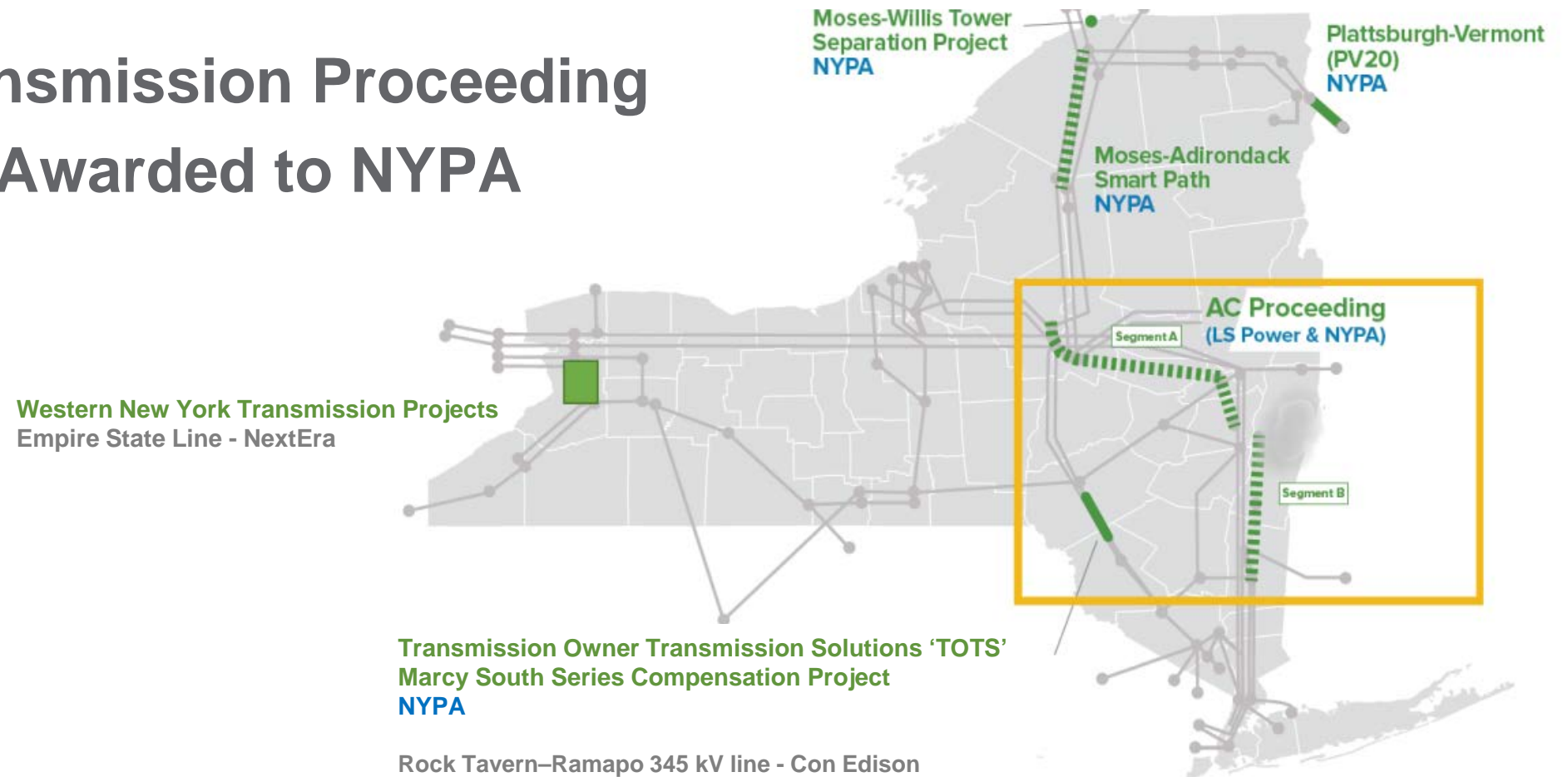


- 50-Year Operating License
- Effective May 1, 2019

# New York's Clean Energy Highway

## NYISO AC Transmission Proceeding

- Segment A Awarded to NYPA



# Reimagine the Canals – Update



**Navigation Season**  
- Opened 5/17/19



**Governor's Reimagine the Canal Task Force**  
-Announced 5/17/19





# Financial Operations

**Lee Garza**

**Senior Vice President, Financial Operations**

**May 2019**

# MARCH 2019 YEAR-TO-DATE NET INCOME

In \$ Millions

BUDGETED MARCH YTD NET INCOME		\$26.0	MAR 2019 YTD BUDGET
Margins—Generation	(\$13.2)		\$234.9
Margins—Transmission	(3.7)		41.4
Margins—Non-Utility	1.6		5.2
Operating Expenses	17.4		(225.5)
<b>Net Operating Income</b>	<b>2.1</b>	<b>2.1</b>	<b>56.0</b>
Interest Expense, Net		9.7	(30.0)
<b>ACTUAL MARCH YTD NET INCOME</b>		<b>\$37.8</b>	<b>\$26.0</b>



# 3+9 FULL-YEAR FORECASTED NET INCOME

In \$ Millions

BUDGETED YEAR-END NET INCOME				2019 BUDGET
Margins—Generation <sup>1</sup>	\$15.8			\$904.9
Margins—Transmission	0.6			152.8
Margins—Non-Utility	(0.1)			20.9
Operating Expenses	(1.2)			(939.2)
<b>Net Operating Income</b>	<b>15.1</b>	<b>15.1</b>		<b>139.4</b>
Interest Expense, Net		4.7		(118.5)
FORECASTED YEAR-END NET INCOME <sup>2</sup>				
	Low Value	Forecasted Value	High Value	
	\$10.1	\$40.7	\$64.0	\$20.9

<sup>1</sup> Inclusive of \$14.8 million conservative budgeting adjustment covering the period April-December 2019.

<sup>2</sup> 90% variance range developed by varying hydro generation, fossil dispatch, energy and capacity prices, and ancillary services revenue.



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# Utility Operations

Joseph F. Kessler, P.E.

EVP & Chief Operating Officer

May 21, 2019

# Level 1 KPIs – Year-to-Date March 2019

KPI	YTD March 2019			
	Status	Target	Actual	Variance
Generation Market Readiness	▲	97.40%	99.61%	2.21%
Transmission System Reliability	▲	95.83%	96.05%	0.22%
Environmental Incidents (Corporate)	▲	8	5	-3
Dart Rate (Corporate)	■	0.78	1.08	0.30

## Status

▲	Within Target
■	Outside of Target
●	Significantly Outside of Target Range

# AC Transmission Proceeding - Funding Request

## Background

- Authorize funding request for Phase 1 - AC Transmission Proceeding Project up to \$28.1 million

## Highlights

- NY Independent System Operator approved the Authority & North America Transmission joint proposal for “Segment A” on April 8, 2019
- Scope includes ~100 miles of transmission line upgrades, 2 new switchyards and system upgrades to lines and stations owned by others
- Phase 1 includes support for permitting, engineering design, property rights acquisition, interconnection development costs and system upgrades
- Permitting and engineering is anticipated through the beginning of 2021

# On-Call Engineering and Construction Management Services – Contract Award

## Background

- NYSCC spending approximately \$10 million per year for Engineering and Construction Management Services. Remaining funding within current on-call value contracts is limited.

## Highlights

- RFP advertisement began in February 2019 with proposals due March 2019.
- 20 proposals received - 14 submitted for Engineering Services, 13 submitted for Construction Management Services.
- 5 firms for each Service selected by NYSCC evaluation committees.

## Trustee Action

- Approval of 5 on-call value contracts for Engineering Services for a 3 year period having an aggregate amount of \$15 million.
- Approval of 5 on-call value contracts for Construction Management Services for a 3 year period having an aggregate amount \$15 million.





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# **Commercial Operations**

**Sarah Salati**

**EVP & Chief Commercial Officer**




**May 21, 2019**

# Commercial Operations KPI – March 2019

GOAL	KPI	YTD March 2019			
		Status	Target	Actual	Variance
Wholesale	Customer Usage (twh)		6.4	6.2	-3%
	Generation (twh)		6.5	7.1	9%
	Electric Prices (\$/mwh)		\$47.71	\$35.14	-26%
	Fuel Price (\$/mmbtu)		\$7.69	\$4.96	-36%
	Merchant Gross Margin (\$M)*		\$88.6	\$81.7	-8%

\* Excludes Astoria Energy II and NYPA Zeltmann Power Project

## Status




	Within Target (>0%)
	Outside of Target (-1% to -10%)
	Significantly Outside Target range (<-11%)






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# Commercial Operations KPI – March 2019

GOAL	KPI	YTD March 2019			
		Status	Target	Actual	Variance
Economic Development	Recharge NY (MW) Allocated			765/910	
	All Programs - Jobs Retained			407,778	
	Capital Committed (\$B)			\$35.3	
Energy Efficiency	Customer Investments (\$M)		\$41.8	\$55.6	33%
	Non-Utility Revenues (\$M)		\$4.3	\$6.2	44%
	Operating Expenses (\$M)		\$7.4	\$8.4	14%

## Status

	Within Target (>0%)
	Outside of Target (-1% to -10%)
	Significantly Outside Target range (<-11%)



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# Reimagine the Canals

An aerial photograph showing a canal system flowing through a town. The canal is a straight, narrow waterway with concrete walls, running from the foreground towards the background. It is flanked by green grass and trees. To the left of the canal is a residential neighborhood with many houses and trees. To the right is a larger area with more trees and some buildings. In the background, a bridge crosses the canal, and the water continues to flow. The overall scene is a mix of urban and natural elements.

NYPA BOARD UPDATE  
MAY 2019

## TIMELINE TO DATE

Two major components: **Reimagine the Canals Design Competition** and **Reimagine the Canals Vision Task Force**

**2017**

**NYPA assumed ownership of the NYS Canal System**

*Jan 2017*

**2018**

**Reimagine the Canals Design Competition launched**

*Oct 2017*

**2019**

**Reimagine the Canals winners announced**

*Oct 2018*

**Reimagine the Canals Vision Task Force announced**

*May 2019*



# REIMAGINE DESIGN COMPETITION

## Erie Armada (\$500,000 award)

*A multi-day festival and boat race that celebrates New York's growing craft beer industry, to be held this summer.*

### Team: Parks and Trails NY & AREA4

- Festival will take place in September 2019 in the Finger Lakes region. Exact date and location will be made public in June.
- Created Erie Armada, Inc. (a non-profit dedicated for the production of the event in 2019 and future years)
- The event will feature:
  - Waterborne canal activities
  - Exclusive brewery collaborations
  - Immersive festival experiences (including music)
  - Range of overnight accommodations options





# REIMAGINE DESIGN COMPETITION

## Canalside Pocket Neighborhoods (\$1.5 million award)

*Planning and design of a new type of canalside neighborhood on former industrial land in the Village of Canastota, which can be replicated in other canal communities.*

**Team: Madison County Planning Department**

- The team is undertaking a property appraisal of the preferred site, and has begun drafting a Request for Proposal for potential developers.
- By the end of 2019, the team aims to solicit a developer for the project and create a masterplan for the site.
- Towards the end of the project, the team will develop a guidebook documenting the lessons learned from this project and a step-by-step process for other canal communities that are interested in developing pocket neighborhoods.





# **REIMAGINE VISION DEVELOPMENT**

## **May 17<sup>th</sup> Task Force announcement**

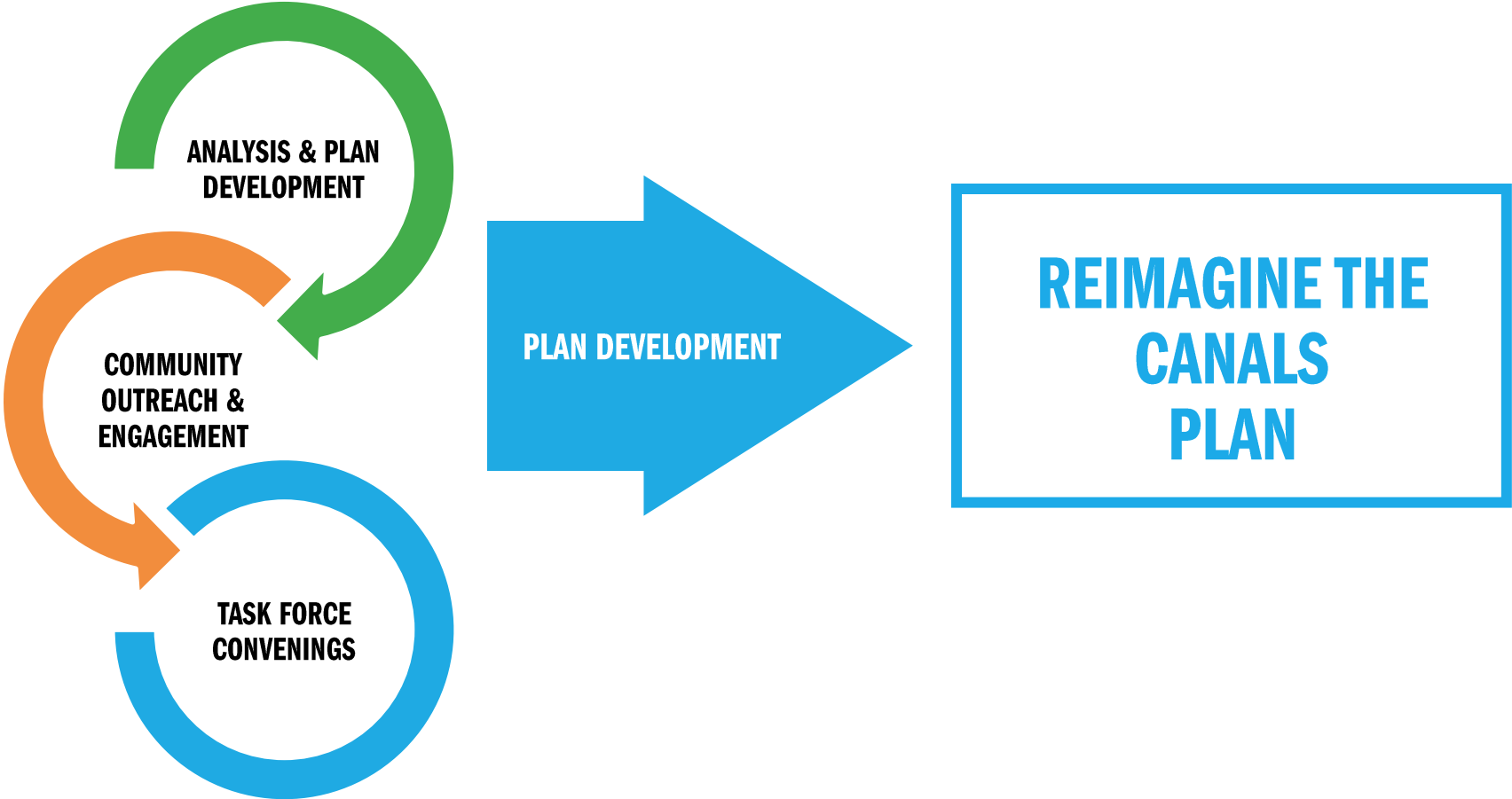
**Governor Cuomo announced the formation of a Task Force to explore ways to “Reimagine the Erie Canal” to promote economic development, recreation, and resiliency**

**The Governor’s “Reimagine” initiative will:**

- **Assess how canal infrastructure can help mitigate impacts from flooding and ice jams to improve resiliency in Mohawk communities**
- **Evaluate how the waterway can better support economic development**
- **Identify opportunities to restore natural ecosystems and protect NYS waterways**
- **Identify ways to use canal infrastructure to expand irrigation for Western New York farms**
- **Evaluate opportunities for adaptive reuse of legacy infrastructure to improve the quality of life for New Yorkers**

# REIMAGINE VISION DEVELOPMENT

## 2019 planning process



# REIMAGINE VISION DEVELOPMENT

## Task Force structure

### Members

- Members representing key stakeholder groups such as: maritime recreation, agriculture, environment, historic preservation, parks, economic development, and accessibility interest groups
- Participation from state agency officials

### Task Force chairs

- **Bob Duffy**, President and Chief Executive Officer, Greater Rochester Chamber of Commerce (West)
- **Joanie Mahoney**, Chief Operating Officer, SUNY College of Environmental Science and Forestry, former Executive of Onondaga County (Central)
- **Joe Martens**, Director, New York Offshore Wind Alliance, former NYS DEC Commissioner (Mohawk Valley)

### Subcommittees

Three subcommittees to be organized by region:

- **Western New York**
- **Central New York**
- **Mohawk Valley**