



**NY Power
Authority**

**Canal
Corporation**

**JOINT MEETING OF
NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
AND
NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS**

PROPOSED AGENDA

March 25, 2025 at 10:00 a.m. (approximately)

Members: Chair John R. Koelmel, Dennis Trainor, Bethaida Gonzalez, Cecily Morris, Lewis Warren, Jr., Laurie Wheelock, Michael Cusick

- 1. Adoption of the March 25, 2025 Proposed Meeting Agenda**
- 2. Motion to Conduct an Executive Session**
- 3. Motion to Resume Meeting in Open Session**
- 4. DISCUSSION AGENDA:**
 - a. Strategic Initiatives**
 - i. President and Chief Executive Officer's Report -- (Justin E. Driscoll)
 1. VISION2030 Renewed – Resolution (Daniella Piper)
 - b. Risk and Resiliency**
 - i. Chief Risk and Resiliency Officer's Report -- (Alexis Harley)
 - c. Canal Corporation Revitalization**
 - i. Director's Report – (Brian U. Stratton)
 - ii. Public Access Report – (Rebecca Hughes)
 - iii. Operations Report – (David Mellen)
 1. Vessel Naming in Honor of the City of Rome – Resolution (David Mellen)



d. Risk and Resiliency Committee Report – (Chair Morris)

e. Finance Committee Report -- (Chair Koelmel)

i. Finance Committee Recommendations for Approval:

1. Release of Funds in Support of the New York State Canal Corporation for Q2 2025 – Resolution (Adam Barsky)
2. Release of Funds for the Western New York Power Proceeds Fund – Resolution (Adam Barsky)
3. Release of Funds for the Voluntary Contribution of Funds to State Energy Programs – Resolution (Adam Barsky)
4. Workforce Development Funding – Authorization to Release Funds – Resolution (Adam Barsky)
5. Project Luminate – Contract Awards – Resolution (Steven Damsky)
6. Service Providers for Energy Efficiency Program - Additional Funding – Resolution (Dave Work)
7. Astoria Property Acquisition – Resolution (Girish Behal)
8. St. Lawrence/FDR Power Project Relicensing – Capital Expenditure Authorization – Request to Increase Authorized Spending Limit for Compliance with New License and Implementation of Settlement Agreements – Resolution (Andrew Boulais)
9. Workforce Development – Grant Funding Request – Resolution (Sandra Bleckman)
10. Financial Advisory Services – Resolution – Contract Award (Adam Barsky)

f. Governance Committee Report -- (Chair Gonzalez)

i. Governance Committee Recommendations for Approval:

1. Procurement and Related Reports for New York Power Authority and Canal Corporation (January – December 2024) -- Resolution (John Canale)
2. Annual Report of Procurement Contracts, and Annual Review of Open Procurement Service Contracts -- Resolution (John Canale)



3. Annual Review and Approval of Guidelines and Procedures for the Disposal and Acquisition of Real Property, and Annual Reports for the Disposal and Acquisition of Real Property – Resolution (Allison Shea)
4. Annual Review and Approval of Certain Policies for New York Power Authority and Canal Corporation -- Resolution (Karina Saslow)
5. New York Power Authority and Canal Corporation 2024 Annual Board Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget Office -- Resolution (Chair Gonzalez)
6. Annual Review and Approval of Guidelines for the Investment of Funds and 2024 Annual Report on Investment of Authority Funds -- Resolution (Adam Barsky)
7. Strategic Plan and Mission Statement – Resolution (Daniella Piper)

g. Audit Committee Report – (Chair Trainor)

- i. Audit Committee Recommendations for Approval:
 1. New York Power Authority and Canal Corporation 2025 Internal Audit Plan and Strategy -- Resolution
 2. 2024 Financial Reports Pursuant to Section 2800 of the Public Authorities Law and Regulations of the Office of the State Comptroller – Resolution (Adam Barsky)
 3. New York Power Authority and Canal Corporation Audit Committee Charter -- Resolution
 4. New York Power Authority Internal Audit Charter (Corporate Policy5-1) -- Resolution

5. CONSENT AGENDA:

a. Customer Solutions

- i. Expansion Power Allocations and Modifications – Resolution (Maribel Cruz Brown)



- ii. Municipal and Rural Electric Cooperative IEDP Allocation (Village of Marathon) – Resolution (Maribel Cruz Brown)
- iii. Preservation Power Allocation Modification – Resolution (Maribel Cruz Brown)
- iv. RNY Power – New, Extended and Modified Allocations – Resolution (Maribel Cruz Brown)
- v. Transfer of RNY Power Allocations – Resolution (Maribel Cruz Brown)

b. Procurement (Services) Contracts

- i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding -- Resolution (John Canale)

c. Real Estate

- i. Artpark Occupancy Agreement – Town of Lewiston, County of Niagara – Resolution (Allison Shea)

d. Governance Matters

- i. Approval of the Minutes:
 - 1. Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on January 28, 2025

6. NEXT MEETING



March 25, 2025

Motion to Conduct an Executive Session

I move that the Board conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105f of the Public Officers Law).



March 25, 2025

Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.



President & CEO Report

Justin E. Driscoll
President & CEO

March 25, 2025

VISION 2030

CLEAN ENERGY

TRANSMISSION

STRONG CANAL SYSTEM

DECARBONIZATION



EVOLVE NY



A Year's Worth of Work for Our Future

In 2024, leading to the midpoint of VISION2030, NYPA and Canals underwent a process of refreshing our strategic plan.

Our **VISION2030 Renewed** plan:

Strengthens our commitment to advancing our clean energy future

- This isn't just a reflection of where we have been, but a ***clear directive on how we will continue to lead in the years ahead.***
- We are building on the strategic priorities and foundational pillars with ***refreshed key performance indicators, expanded goals and significant progress laid out*** from our VISION 2030 plan.

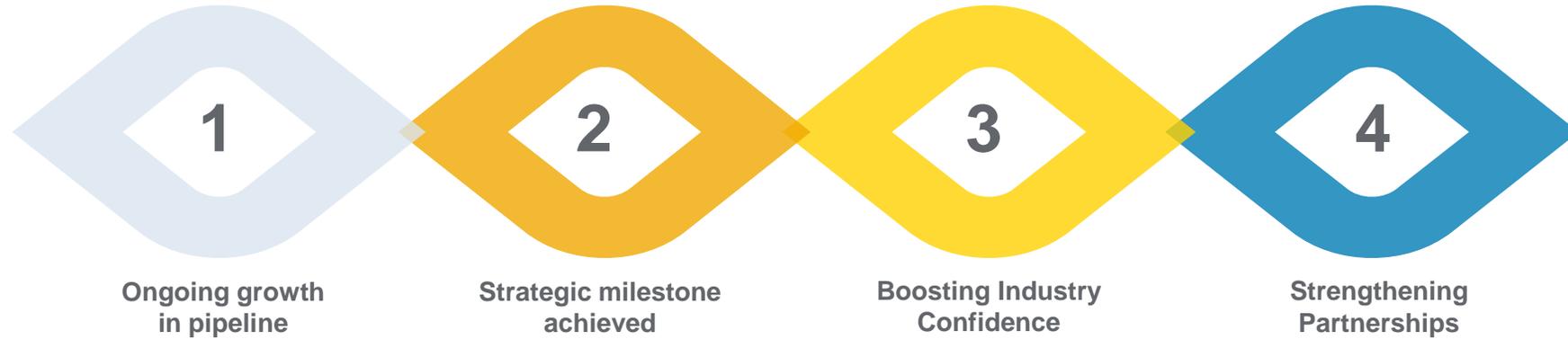
Harnesses NYPA's unique strengths and expanded authority

- NYPA is uniquely positioned to make substantial contributions to New York's energy landscape; ***we have the ability to directly influence and shape the integration of renewable resources into the grid.***
- Coupled with our expanded authority, ***we now have significant upgrades to our already robust toolkit*** compared to when the original VISION2030 was issued over four years ago.

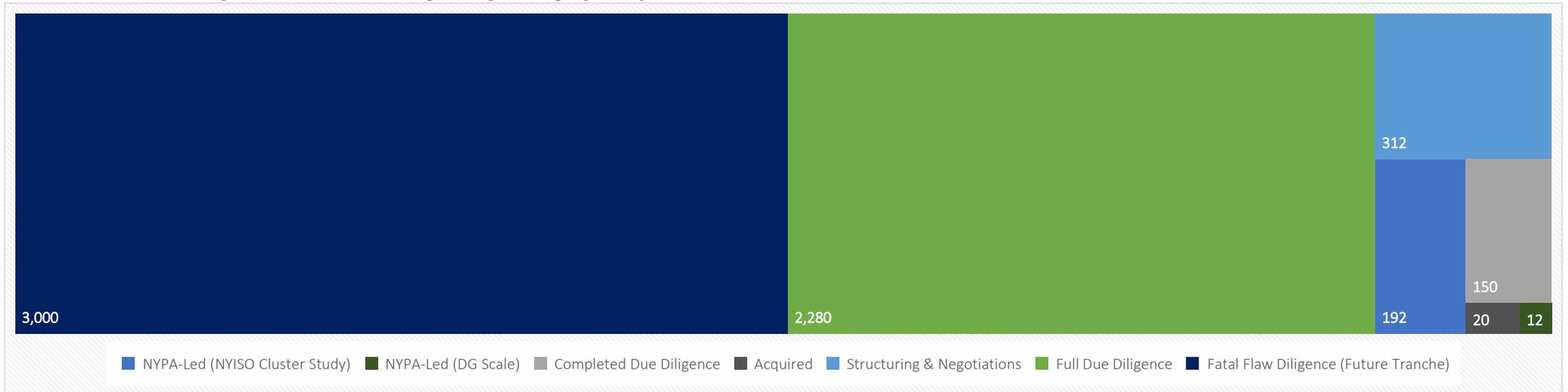
Drives performance and resilience through deeper innovation

- Our innovation focuses on ***creating an environment that accelerates the implementation of groundbreaking processes and solutions*** to address complex challenges and achieve business objectives.
- NYPA has long been synonymous with energy innovation. ***VISION2030 Renewed is the latest chapter in our legacy.***

Strategic Progress: Due diligence and new project opportunities



Renewables Pipeline Status by Capacity (MW)



Giving further context to the strategic progression of our efforts

Greenfield Projects (NYPA Self-developed)

- 4 projects - approximately 200MW in NYISO Cluster Study
- 2 projects - approx. 3 MW in Full Feasibility assessments after successfully completing pre-feasibility studies
- 4 projects - approx. 10 MW in Pre-feasibility studies assessing their technical and commercial viability and, identifying any critical issues

Co-developed Projects (collaborating with private sector)

- A large scale 20MW solar PV project (Somers Solar) fully acquired by NYPA
- Structuring & Negotiations
5 projects exceeding 300 MW in capacity in project partnership structuring and negotiations currently. *(Further details cannot be shared at this point as they are in active negotiations)*
- Full Due Diligence
21 projects exceeding 2,280 MW in capacity in full due diligence

Property Acquisition

- A 15.7-acre parcel adjacent to NYPA's existing power assets in the Astoria Complex.
- The property is expected to be utilized for transmission infrastructure required to support the State's CLCPA goals related to decarbonization.
- The property will mitigate the real estate constraints currently faced by NYPA in planning for long-term transmission upgrades in the area and connecting transmission assets and clean energy resources into Zone J.
- The property is ideally suited for potential future energy system enhancements.

Future Tranche

NYPA is Currently evaluating over 25 projects exceeding 3 GW in capacity to be considered for future series of projects



STRATEGIC PRIORITIES



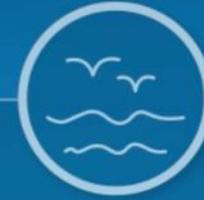
Drive the **CLEAN ENERGY** transformation through emissions-free generation



Be the leading **TRANSMISSION** developer, owner and operator for New York State



Enable **CUSTOMERS** to achieve their decarbonization goals



Revitalize the New York State **CANAL** System

FOUNDATIONAL PILLARS



Support the diverse needs of the **COMMUNITIES** in which we operate and impact



Integrate **SUSTAINABILITY** into operations to drive value



Build an **INNOVATION** ecosystem that accelerates customer and grid decarbonization



Uplift our **PEOPLE** and live our **VALUES**



Strengthen our **RESILIENCE** for long-term viability



**NY Power
Authority**

**Canal
Corporation**



NY Power | Canal
Authority | Corporation

VISION2030

Strategic Overview

Renewed Plan | Midpoint Assessment | Streamlined Priorities | Strengthened Pillars



March 25, 2025

VISION2030 Renewed

1. Strategic Planning Process
2. Strategic Evolution Map 2020 - 2030
3. Midpoint Successes
4. Managing Risks & Uncertainty
5. Renewed Priorities & Pillars
6. Implementation Framework & Governance

VISION2030 Renewed – Strategic Planning Process & Methodology

We undertook a methodical, evidence-based approach to planning, integrating cross-functional expertise and market intelligence to ensure the renewed strategy addresses both immediate NYPA needs and long-term imperatives

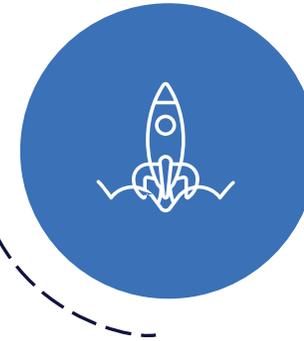
1. STRATEGIC INTELLIGENCE



3. STAKEHOLDER ENGAGEMENT



5. IMPLEMENTATION PLANNING



2. ASSESSMENT METHODOLOGY



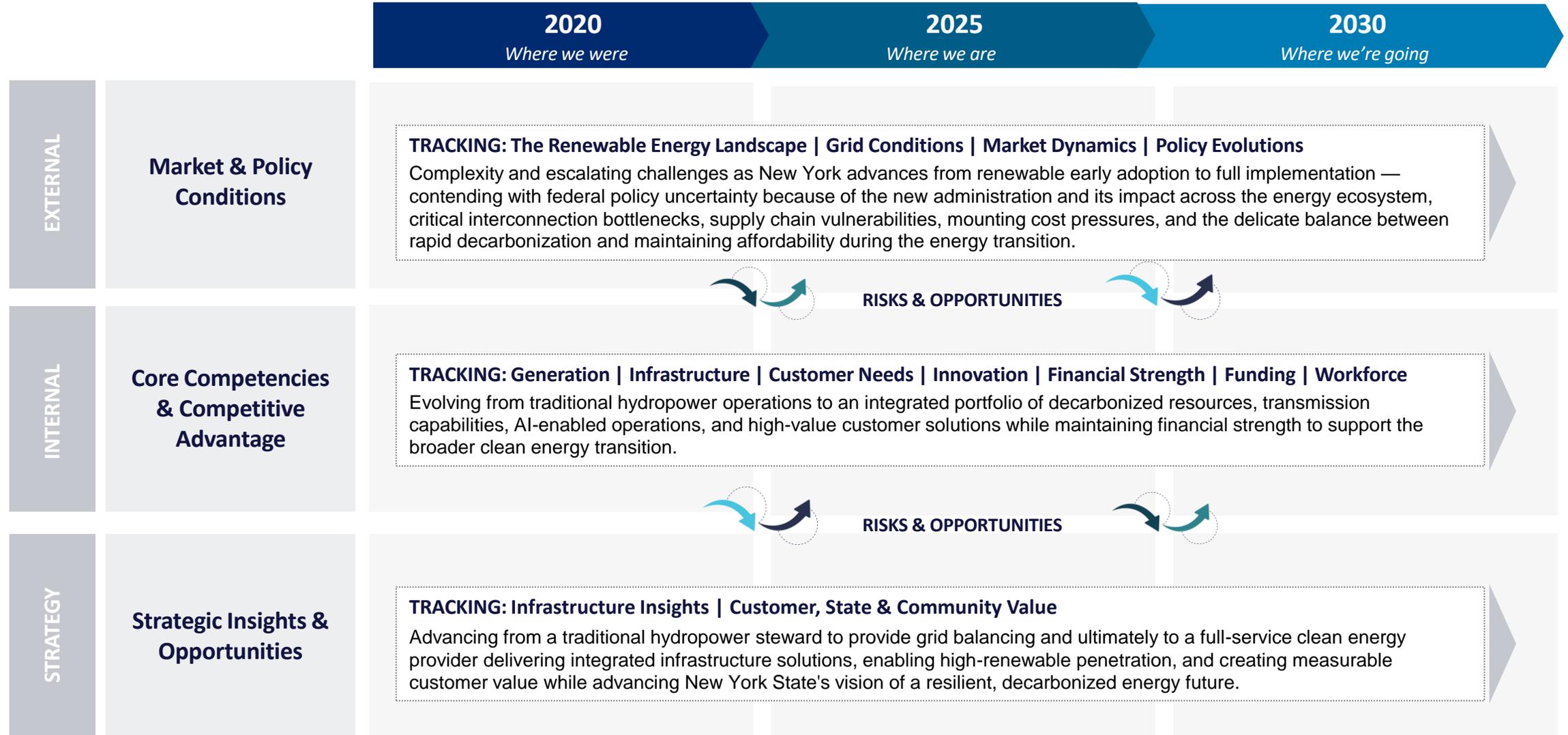
4. RISK ASSESSMENT



12 Month Timeframe

VISION2030 Renewed – Mapping the Strategic Evolution: 2020-2025-2030

At the VISON2030 mid-point, we have considered the impact of internal and external forces on our position; market conditions have evolved, as have internal capabilities, leading to further opportunities, a renewed focus, and emerging futureproofing requirements.



Strategic Planning Context – Mapping External & Internal Pathways

At the VISON2030 mid-point, market conditions have evolved, as have internal capabilities

		2020 Where we were	2025 Where we are	2030* Where we're going
EXTERNAL	Market & Policy Conditions	Renewable Energy Landscape <ul style="list-style-type: none"> NYS at ~28% renewable electricity with ambitious CLCPA targets of 70% by 2030, 100% carbon-free by 2040 Grid Conditions <ul style="list-style-type: none"> Grid congestion and reliability challenges with intermittent renewable integration 275 interconnection queue applications Market Dynamics <ul style="list-style-type: none"> Economic pressures on traditional energy markets Market animation at the edge of the grid led by PSC Reforming the Energy Vision Proceeding (REV) Customers target 'low hanging fruit' energy efficiency projects (lighting, building upgrades, appliances etc.) Policy Evolutions & Further Factors <ul style="list-style-type: none"> Canal system aging, w/ limited funding and reduction in commercial shipping 	Renewable Energy Landscape <ul style="list-style-type: none"> Tracking to 53% by 2030 (short of CLPCA 70%, target) NYPA Expanded Authority Potential Nuclear Renaissance Grid Conditions <ul style="list-style-type: none"> Continued congestion, <500 interconnection queue apps Generator deactivations outpacing new supply Market Dynamics <ul style="list-style-type: none"> Supply chain disruptions and interest rate fluctuations Commodity price volatility, margin risk Offshore wind uncertainty, CHPE operational Spring 2026 Current flexibility potential 1.3 GW Policy Evolutions & Further Factors <ul style="list-style-type: none"> Federal Policy Shifts: Energy Dominance Customer decarbonization costs Cyber threats & extreme weather 	Renewable Energy Landscape <ul style="list-style-type: none"> Full decarbonization of electricity sector mandated (100% carbon-free by 2040) 20 GW of new renewable resources may be needed by 2030 Grid Conditions <ul style="list-style-type: none"> NYISO forecast a 23% increase in congestion statewide by 2030 Winter peaking driven by electrification of heating & transportation NY may have over 3 GW of cost-effective, grid flexibility potential in 2030, 8 GW by 2040 Market Dynamics <ul style="list-style-type: none"> Strengthening hydro value AI integration fast emerging with strong capability Policy Evolutions & Further Factors <ul style="list-style-type: none"> Enhanced community engagement and affordability focus
		INTERNAL	Core Competencies & Competitive Advantage	Generation Portfolio <ul style="list-style-type: none"> 25% of NY's electricity, 80% carbon-free hydropower Early renewable development initiatives Transmission & Infrastructure <ul style="list-style-type: none"> Transmission operations established Multi-Million-Dollar Comms and Sensor Infrastructure First EVolve NY High-Speed Electric Vehicle Charging Hub Customer & Innovation <ul style="list-style-type: none"> Early state customer solutions partnerships, progress with energy efficiency & street lighting Digital utility transformation underway (AGILe, iSOC, NY Energy Manager), ISO 55001 Certification Financial Strength, Funding & Workforce <ul style="list-style-type: none"> Strong balance sheet and investment-grade credit ratings Dedicated workforce planning initiative

*Illustrative external factors representative of potential scenarios

VISION2030 Renewed – Midpoint Highlights & Successes

Across NYPA and Canals, several large initiatives are in flight and demonstrating tangible benefits

SAMPLE SUCCESSES ▶

PRIORITY HIGHLIGHTS



ENHANCED CAPABILITIES & CREATIVE PARTNERSHIPS	TRANSMISSION & GENERATION	CUSTOMER & STATE DECARBONIZATION	CANALS	RENEWABLES (EO22)
<p>Successfully forged new, innovative collaborations with the state, businesses, and suppliers, leveraging expanded executive authority and priority transmission capabilities to drive transformative projects across renewable energy and infrastructure</p>	<ul style="list-style-type: none"> • Several developments e.g. Smart Path and Central East Energy Connect • At least 21TWh Generation p/a • 2.9x growth in Transmission asset base expected • 150 miles of Transmission in service since 2020 	<ul style="list-style-type: none"> • Extensive Charging Network underway, >1,000 charging ports • 64.3 MW distributed solar installed at cust. sites (Dec-24) • 22.4 MW storage installed • 9.6 TBTU conserved in state facilities. 11 TBTU by end of '25 • Grew number of customers 16% from 2020 to 2025 	<p>Held annual On the Canals series of free, accessible outdoor recreational and cultural activities. Hosted the Empire State Trail, which draws millions of visitors annually.</p>	<p>NYPA has successfully built a 3+ GW renewable pipeline. Building on expanded development authority, NYPA will support State Agencies achieve 100% renewables by 2030 by directly enabling at least 500 MWs</p>

SAMPLE SUCCESSES ▶

PILLAR HIGHLIGHTS



INNOVATIVE SOLUTIONS	DEI TRAINING & SUPPLIER DIVERSITY	P-TECH INTERNSHIPS & SCHOLARSHIPS	TALENT DEVELOPMENT	FINANCIAL POSITION	INTEGRATED REPORT
<ul style="list-style-type: none"> • AGILE Lab preparing for refreshed commercialization of cutting-edge testing and simulation capabilities that de-risk emerging technologies and accelerate clean energy integration. • Developed Asset Management expertise and leveraging for innovation. 	<ul style="list-style-type: none"> • Enterprise-wide DEI leaders' trainings: LEAD BLUE (cultural competence and change management skills) and DRIVE BLUE (mitigate unconscious bias) • Integrating DEI into operations • Increased our supply diversity programs and # diverse suppliers 	<ul style="list-style-type: none"> • Offering paid internships in STEM fields through the P-TECH program and issued Future Energy Leaders Scholarship. • Hosted 82 interns since the program began in 2021. • Delivering on commitment to diversify the clean energy workforce / pipeline. 	<ul style="list-style-type: none"> • Investing in our people through a portfolio of talent programs: <ul style="list-style-type: none"> ○ Mentoring ○ Leadership development ○ MBA programs ○ Manager development training ○ Team-building events 	<p>NYPA's recent successful bond issuance (\$400m+), coupled with recent credit rating upgrades from Moody's and KBRA (AA+), underscores NYPA's strong financial position and its ability to serve VISION2030 commitments</p>	<p>Issued Integrated Reports for 2022 and 2023 which brings together sustainability and financial information to provide a comprehensive view of our performance and accomplishments</p>

Analyzing Risks – Collaboration with Enterprise Risk and Futureproofing VISION2030

*As we renewed VISION2030, planning has been lockstep with NYPA’s enterprise risk identification process
Risk vs Opportunity trade-offs have been managed through the refreshed Pillars and Priorities and associated tactics, reflecting our overall ability to be adaptive and responsive as an organization*

OVERALL ASSESSMENT

NYPA’s 2024 year-end risk assessments illustrate a well-managed risk profile that reflects our commitment to resiliency

MEDIUM-LEVEL RISKS

Commodity Market Price Volatility, Critical Infrastructure, Hydro Generation Forecast, Sustained Margin Reduction

CANAL SPECIFIC RISKS

Destructive Events, Financial Capacity, Critical Infrastructure.



LOW-LEVEL RISKS

Workforce Health & Safety, Cyber Security, Destructive Events, Disruptive Innovation, Regulatory /Legislative Environment, Customer Energy Choices

EMERGING RISKS

Local Opposition to New Development, Unclear Market Development for Renewables, AI Energy Demands, Evolving Polices Nuclear Resurgence

NOTE: Cross section of priority risks from Enterprise Risk Assessment

Critical Uncertainties at the VISION2030 Midpoint

The change in federal administration adds volatility to a rapidly changing energy sector. There are several moving targets and new opportunities. Below is a cross-section of strategic areas of significance that we are monitoring and aiming to leverage NYPA's core competencies for the benefit of NYS and NYPA's customers.

MARKET ECONOMICS

Rising uncertainty in market dynamics make long-term planning and investment increasingly complex. Supply chain disruptions and interest rate hikes **drive up costs**, while commodity price swings, changing clean tech investment patterns, and capital constraints add **financial volatility**

NUCLEAR ENERGY

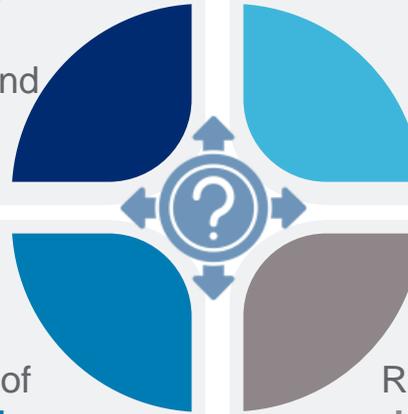
With nuclear policy shifts on the horizon, NYPA has an opportunity to determine whether and how it will **participate in next-generation nuclear technologies**, small modular reactors (SMRs), or nuclear asset management

GRID OF FUTURE

NYS PSC proceeding found NY has 8 GW of grid flexibility potential by 2040, and **3 GW by 2030** (11% of NYISO's summer Peak). NYPA opportunity to potentially leverage **demand-side management** customer solutions to capitalize on the potential

TRANSMISSION & WIND VIABILITY

Regulatory uncertainty, **rising capital costs**, and **developer withdrawals** threaten offshore wind and associated transmission projects like Five Boro Energy Connect (8 GW to NYC by 2033). Determining the best path to advance Long Island's transmission needs remains a priority



VISION2030 Midpoint Assessment “Adjusting the Sails in response to the changing tide”

The original VISION2030 was built on expectations of stable costs, permitting reforms, seamless grid expansion, and reimagination of canal system usage. In our 2025-2030 renewed plan, some areas require realignment, and/or reshaping of the strategic trajectory while in other domains we are entering an acceleration phase.



NYPA's **vision and mission remain unchanged**, validating our strategic direction while **tactical adjustments ensure resilience against evolving market conditions**. Priorities have been streamlined for impact and the foundational pillars strengthened for future needs.



NYPA is **managing critical moving targets at the VISION2030 midpoint** including; advancing transmission development to support grid resilience and renewable interconnection despite offshore wind uncertainty, leveraging the Grid of the Future proceeding and New York's flexibility market potential, ensuring the longevity of NYPA's hydroelectric assets, and defining NYPA's role in nuclear energy policy. Across all areas we aim to leverage NYPA's core competencies for the benefit of our customers and the state.



Overall strategic progress remains **on track** despite challenging market conditions including grid congestion, supply chain disruptions, high interest rates that have **slowed NYS renewable deployment** (53% vs. 70% target).



An accelerated customer solutions evolution, and focus on innovation, positions NYPA as trusted decarbonization advisor, responding to an industrial need for **sophisticated partnerships beyond transactional relationships**.



Critical capability advancements in AI integration, renewables development, and flexible generation directly address market gaps and **position NYPA for leadership in a high-renewable grid penetration future**.



Evolving the **Canals** vision with continued **improvements to public safety and the user experience** while **maintaining assets in a state of good repair**, and establishing partnerships in support of community revitalization and funding to meet the longer-term needs of the Canals.



2025-2030 implementation emphasizes **execution acceleration, stakeholder & community engagement enhancement, and capability scale-up** to overcome identified barriers to NYS CLCPA goals and achieving NYPA's vision to enable thriving, resilient New York State powered by clean energy.

VISION2030 Renewed: Strategic Adjustments to Pillars and Priorities

Sharpened Focus on Accelerated Execution – Stakeholder and data-driven adjustments ensuring NYPA optimizes capabilities to achieve Vision 2030

Strategic Priorities Streamlined for Impact



Unified Clean Energy Approach: Consolidated "Preserve Hydropower" and "Decarbonize SNGP", and added NYPA Renewables into a single "Drive Clean Energy Transformation" priority to reflect an integrated renewable portfolio management approach responsive to energy transition economics and complexity



Transmission Development: Building on success, an enhanced focus on stakeholder engagement and permitting to address 90+ GW interconnection queue challenges. The renewed focus facilitates \$200 - 400M of annual investment



Customer Solutions: Elevated trusted advisor role with sophisticated, market ready offerings to overcome industrial decarbonization barriers. Renewed focus on integrated solutions in reaction to costs slowing customer decarbonization efforts



Canal System: Prioritizing safe and secure investments based on an increased understanding of asset risk, utilizing strong Asset Management capabilities while continuing to improve the user experience

Foundational Pillars Strengthened for Future Needs



People and Values: Built on strong foundational values in DEI and expanded to include an integrated talent development approach to build critical capabilities and safety-first culture



Communities: New pillar reflective of NYPA's broadening community engagement as its portfolio of assets expand and commitment to delivering a just transition through a community-centric approach to energy literacy, clean energy workforce development and supplier diversity.



Innovation: Evolved from digital platforms to AI-powered solutions and building an innovation ecosystem to accelerate grid modernization and the scaling of next generation customer decarbonization technologies



Sustainability: Transformed from ESG compliance and reporting to the integration of sustainability (including climate adaptation) into our operations for enhanced business value



Resilience: Strengthened from traditional event-based response to include enhanced horizon scanning and assessment of emerging strategic trends to mitigate evolving and increasingly interconnected impacts

VISION2030 Renewed: Priorities, Pillars, Measures and Goals

Strategic Priorities - Streamlined for Impact and Strengthened for Future Needs

VISION: A thriving, resilient New York State powered by clean energy

MISSION: Lead the transition to a carbon-free, economically vibrant NY through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean & reliable electricity

PRIORITIES



CLEAN ENERGY



Drive the energy transformation through emissions-free generation

- Increase emissions-free gen
- Zero emissions peakers by 2030 (balance of fleet by 2035)
- 21 TWh carbon free elec. p/a
- 450 MW storage by 2030

TRANSMISSION



Be the leading transmission developer, owner and operator for NYS

- Facilitate \$200 - 400M of annual investment in state transmission infrastructure
- Maintain reliable operation of NYPA's transmission network

CUSTOMERS



Enable customers to achieve their decarbonization goals

- Support 40% customer GHG Reduction by 2030
- Supply customers with 70% renewable energy by 2030

CANALS



Revitalize the New York State Canal System

- Reduce system downtime /improve system resilience
- Improve public safety
- Enhance consistency of trailway and system signage
- Increase trail and usage

PILLARS



PEOPLE & VALUES



Uplift our PEOPLE and live our VALUES

- Bring our values to life through the creation of an inclusive, diverse, equitable and safety-first culture
- Empower individuals through exposure and experiences that enhance critical skills and drive career growth
- Ensure a robust and diverse talent pipeline

COMMUNITIES



Support the diverse needs of where we operate and impact

- Be a trusted adviser and partner
- Advance clean energy and workforce dev. in DAC
- Enable diverse and local suppliers to participate
- Provide pathways to energy careers in historically underserved communities

INNOVATION



Build an ecosystem that accelerates decarbonization

- Foster a culture of innovation to capture value creation opportunities
- Drive growth and accelerate decarbonization
- Drive performance and resilience through the adoption of innovative technologies and business practices

SUSTAINABILITY



Integrate SUSTAINABILITY into how we operate to drive value

- Reduce GHG emissions and adapt to the impacts of climate change
- Promote a circular economy approach
- Preserve and enhance ecosystems and biodiversity
- Work with stakeholders to achieve shared goals

RESILIENCE



Strengthen our RESILIENCE for long-term viability

- Recognize and respond to trends and changes in our operating environment
- Act on resilience needs and priorities across all levels
- Address interconnected scenarios
- Ensure capacity to swiftly recover from disruptions

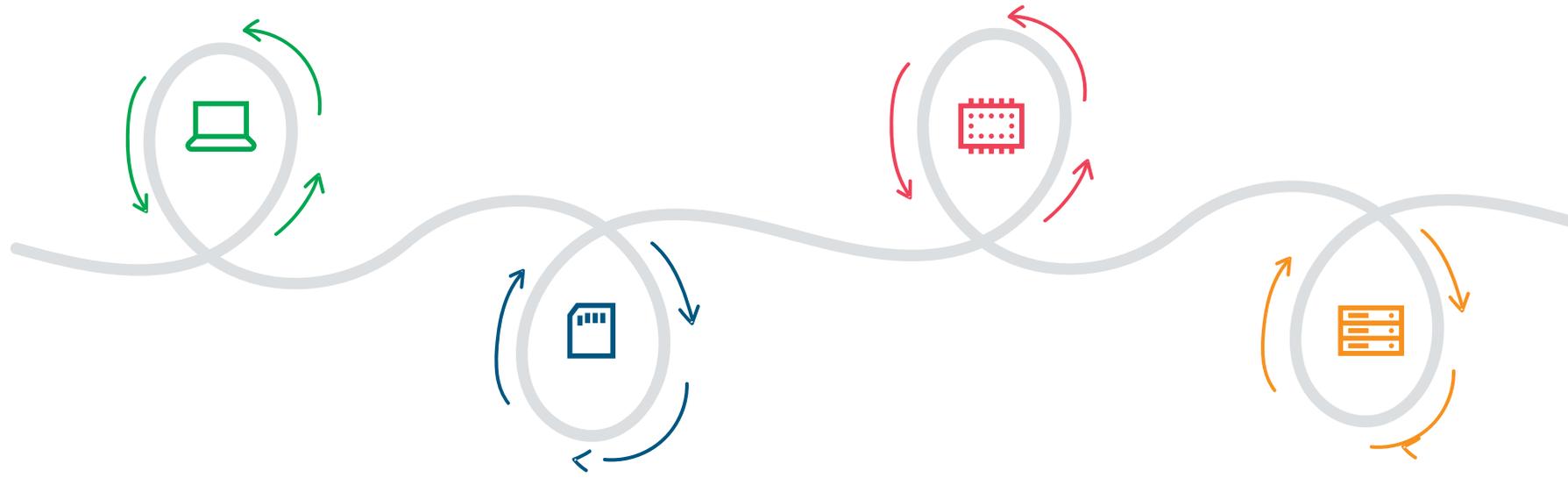
Governance and Implementation Framework: Ensuring Vision2030 Delivery

Structured accountability, performance management, and adaptable execution mechanisms working in concert to achieve our strategic objectives in a changing environment.



VISION2030 Renewed – Suggested Trustee Governance and Cadence

Providing Trustees with both high-level strategic insights and actionable performance metrics to enable effective governance of VISION2030 Renewed throughout execution



Biannual synthesis

Biannual synthesis into trustee-level insights of strategic priority and pillar progress report

Enterprise Risk Alignment

Align with the semi-annual and quarterly risk process to ensure adaptiveness on emerging challenges, mitigation strategies, and resource reallocation

Strategic initiative deep-dives

Strategic initiative deep-dives on rotating priorities to provide comprehensive understanding of implementation challenges and opportunities

Year-end accomplishments

Year-end accomplishments (Q4) and forward planning with comprehensive performance review against targets and strategic adjustments for upcoming year



**NY Power
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Corporation**

VISION 2030

RENEWED

A Strategic Plan to Deliver A Cleaner, More Affordable Future



NY Power
Authority

Canal
Corporation

VISION2030 Strategic Core

Together, the vision, mission and values provide a strategic framework to align decision making, actions and culture.

VISION

A thriving, resilient New York State powered by clean energy

MISSION

NYPA

Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions and the responsible supply of affordable, clean and reliable electricity.

Canals

Operate and maintain a premier waterway and trail system that honors the historic legacy of the Erie Canal and offers unique recreational and tourism opportunities, while also promoting sustainable economic development throughout the canal corridor.

VALUES



We work for the greater good and a stronger, sustainable New York.



We hold ourselves to the highest standards of integrity, safety and excellence.



We are resilient and use our ingenuity to make big things happen.



We draw strength from our diversity—everyone contributes, everyone belongs.



We work as one team, putting our trust and confidence in each other.

A Message From the **Board of Trustees**

On behalf of our Board of Trustees, I am pleased to unveil VISION2030 Renewed, a refreshed roadmap that will guide the New York Power Authority (NYPA) and the New York State Canal Corporation into the future.

Since the inception of our VISION2030 strategic plan in December 2020, the energy landscape has evolved with breathtaking speed, demanding that we remain agile, proactive and visionary in our approach.

VISION2030 set ambitious goals to transform New York’s energy system into one that is more resilient, sustainable, and equitable. But as we’ve navigated the past few years, it has become clear that to continue leading, we must adjust our course to reflect the lessons we’ve learned and the opportunities that have emerged.

VISION2030 Renewed is not just a continuation; it’s an evolution—a bolder, more focused commitment to the future we are building together.

This involved a deep, thoughtful examination of our Strategic Priorities and Foundational Pillars. We took stock of our progress, identified new challenges and embraced the ever-growing potential that lies ahead.

This recalibration brings several key enhancements:

- **Accelerating New York State’s renewable energy ambitions:** As the state continues to push for more wind, solar, and battery storage projects, we are aligning our strategy to support this massive shift toward clean energy, ensuring that we are at the forefront of this transformation.
- **A continued emphasis on transmission:** We are intensifying efforts to modernize our assets, making them more resilient and capable of integrating new, clean energy sources into the grid.
- **Deepening partnerships with our customers:** We are more committed than ever to working closely with our customers, helping them decarbonize and achieve their own sustainability goals. Our success is intertwined with theirs.
- **Invigorating the New York State Canal System:** From infrastructure resilience through the Earthen Embankment Integrity Program to innovative programs like Iconic Lighting and Fall Fishing, we are investing heavily in transforming our Canal System into a more vibrant, sustainable resource for all New Yorkers.

VISION2030 Renewed is more than adapting to change—it’s about leading it. For nearly a century, NYPA has been at the forefront of delivering results for New York State, and now, more than ever, we are poised to carry its clean energy goals forward.

With this refreshed strategy, we have the game plan we need to achieve the next wave of significant accomplishments...ones that will be grounded in innovation, resilience and an unwavering commitment to a clean energy future.

John R. Koelmel

Chairman, NYPA Trustee since 2012

Cecily L. Morris
NYPA Trustee since 2023

Lewis M. Warren, Jr.
NYPA Trustee since 2023

Michael J. Cusick
NYPA Trustee since 2023

Dennis G. Trainor
NYPA Trustee since 2017

Laurie Wheelock
NYPA Trustee since 2023

Bethaida González
NYPA Trustee since 2021

A Message From the **President** and **CEO**



VISION2030 Renewed is NYPA and Canals' multipronged commitment to driving New York State's clean energy future. This updated strategic plan is not just a reflection of where we have been, but a clear directive on how we will continue to lead in the years ahead, leveraging both our historical strengths and our newly expanded capabilities.

NYPA is uniquely positioned to make substantial contributions to New York's energy landscape. Generating over 20 percent of the state's electricity—with more than 80 percent of that coming from clean, renewable hydropower—we are a cornerstone of New York's energy system. Additionally, owning and operating one-third of the state's transmission lines gives us the ability to directly influence and shape the integration of renewable resources into the grid.

These strengths are coupled with NYPA's expanded authority, a significant addition to our toolkit that didn't exist when the original VISION2030 was issued four years ago.

With the expanded authority granted to us by New York State lawmakers in the 2023-24 Enacted State Budget, we are now poised to take our impact even further. We can now develop and own renewable energy projects, including wind, solar and battery storage, either independently or with third parties.

But our charge goes beyond just building new infrastructure; it's about ensuring that these advancements benefit all New Yorkers. Through the Renewable Energy Access and Community Help program, we will work with the Public Service Commission to deliver renewable energy bill credits to low-income communities, ensuring that the transition to clean energy is equitable.

Our workforce has been a driving force behind our success, and VISION2030 Renewed places a strong emphasis on continuing to build on that foundation. With the authorization to invest up to \$25 million annually in workforce training, we are ensuring that people have the skills necessary to obtain clean energy jobs.

As we look ahead, one of the most significant commitments we've made is to cease fossil fuel generation at our small natural gas power plants by 2030, contingent upon reliability and environmental conditions. Each decision will be made with careful consideration, guided by public input, to ensure that we continue to provide reliable energy while advancing our environmental goals.

Furthermore, our role in leading the Decarbonization Leadership Program highlights our dedication to reducing emissions across some of the state's largest facilities. This initiative underscores our broader commitment to decarbonization, across the state as a whole.

NYPA has long been synonymous with energy innovation. We have consistently adapted to meet the needs of New York's citizens and our customers. VISION2030 Renewed is the latest chapter in our legacy.

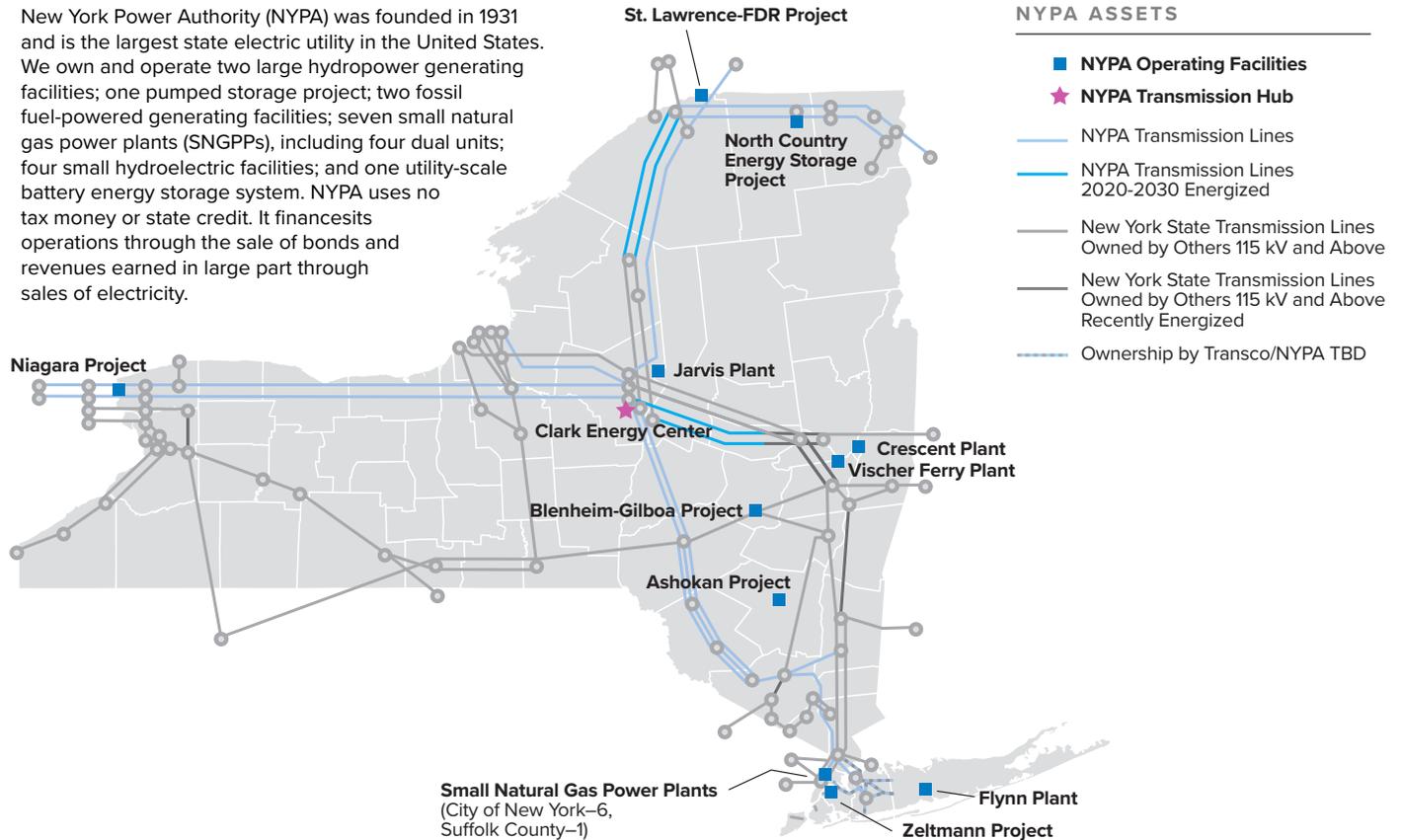
Our task is clear: To continue delivering for the people of New York by harnessing our unique strengths, driving innovation and ensuring that the benefits of our work are shared by all. As we implement VISION2030 Renewed, we will do so with the same determination and commitment that has defined NYPA's history—ensuring a cleaner, brighter future for generations to come.

Justin E. Driscoll

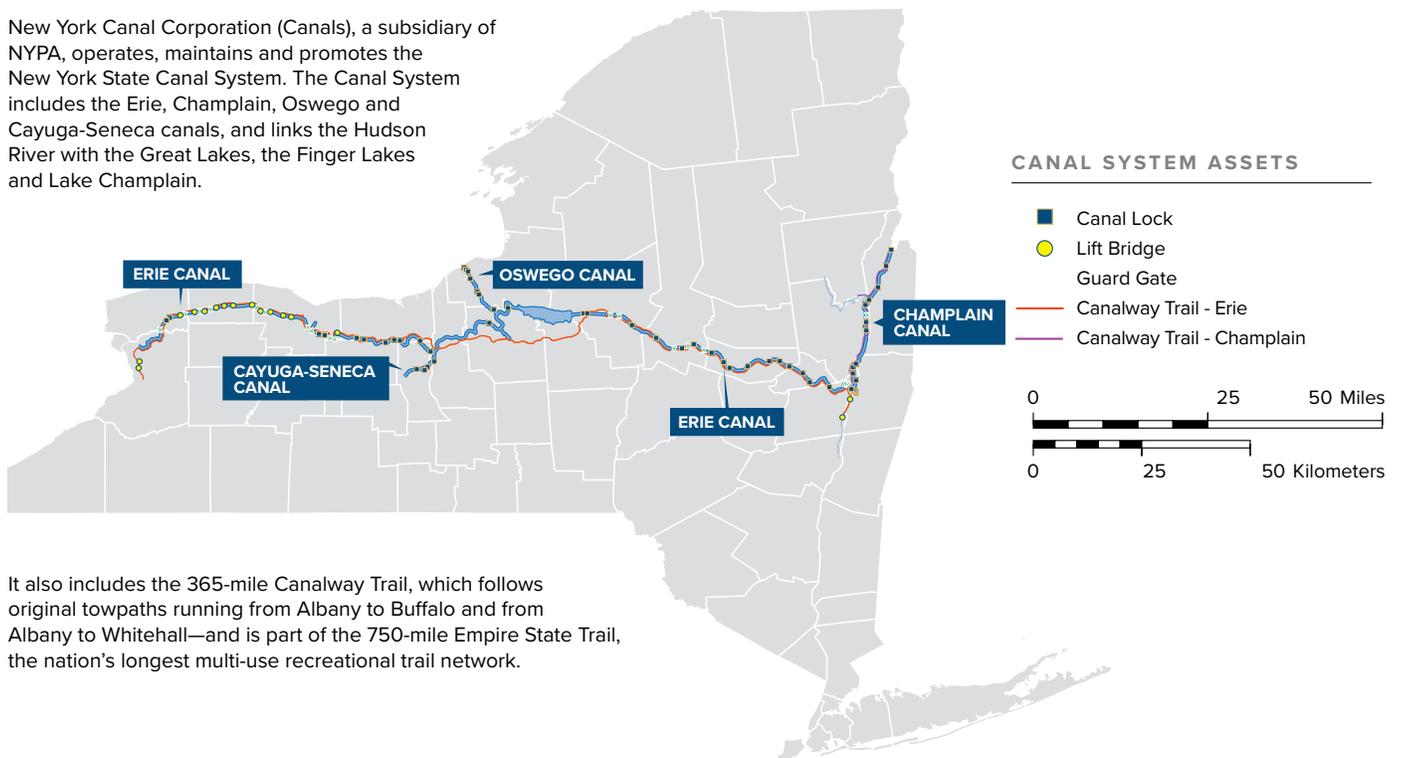
President & Chief Executive Officer

About NYPA & Canals

New York Power Authority (NYPA) was founded in 1931 and is the largest state electric utility in the United States. We own and operate two large hydropower generating facilities; one pumped storage project; two fossil fuel-powered generating facilities; seven small natural gas power plants (SNGPPs), including four dual units; four small hydroelectric facilities; and one utility-scale battery energy storage system. NYPA uses no tax money or state credit. It finances its operations through the sale of bonds and revenues earned in large part through sales of electricity.



New York Canal Corporation (Canals), a subsidiary of NYPA, operates, maintains and promotes the New York State Canal System. The Canal System includes the Erie, Champlain, Oswego and Cayuga-Seneca canals, and links the Hudson River with the Great Lakes, the Finger Lakes and Lake Champlain.



It also includes the 365-mile Canalway Trail, which follows original towpaths running from Albany to Buffalo and from Albany to Whitehall—and is part of the 750-mile Empire State Trail, the nation's longest multi-use recreational trail network.

NYPA and Canals provide clean, renewable energy and economic opportunity for New York State.

NYPA

17 generation facilities

More than **1,550** circuit-miles of transmission lines

6,000

megawatts (MW) approximately total installed capacity

80%

of total installed capacity from hydropower and pumped storage facilities

More than **1,300** customers

- Large and small businesses
- Not-for-profit organizations
- Municipal Electric and Rural Electric Cooperatives
- Government entities

CANALS

524 miles of Canal waterways

165 miles of the Empire State Trail

57 locks **16** lift bridges

More than **150** miles of recreational trails

NYPA & CANALS

More than **100,000** acres of owned or managed land and water

Our Impact



22%

We generate 22% of total energy in New York State and we provide 36% of the carbon-free energy generated in New York State.



1/3rd

We own and operate over one-third of the state's high-voltage transmission lines.



2nd

NYPA earned second place for utilities in the American Public Power Association's Safety Award of Excellence for safe operating practices in 2021, and consistently earns the top Diamond designation (2022 – 2024).



450,000

jobs created through our economic development program.



200+

communities have a trail to walk, jog and bike via the Canaway Trail.



4+ million

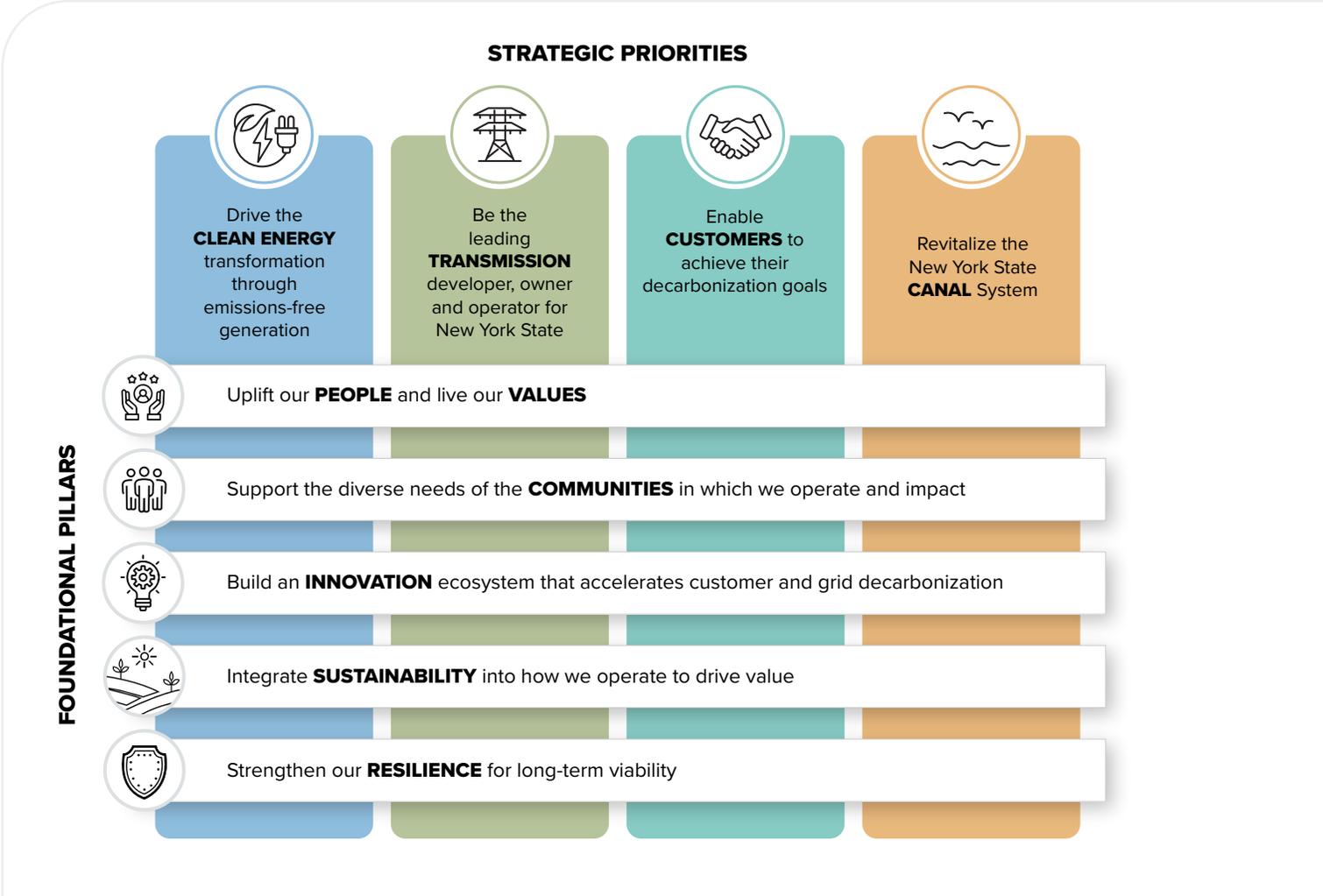
visitors utilize the Canals waterways and trails for tourism, recreation and education each year.

Delivering a Renewed **VISION2030**

VISION2030 Renewed, our updated and refreshed strategic plan, represents a proactive approach to strategically acknowledge and address achievements and challenges to ensure we maintain progress towards our goals. The renewed plan revisits our strategic priorities and foundational pillars, incorporating the knowledge, experience and industry changes since 2020. NYPA remains committed to maintaining its' strong credit rating and financial stability, ensuring responsible stewardship as we execute our strategic vision.

Strategic Priorities are key areas of focus that NYPA will prioritize to help New York State address the challenges of the energy transition and support the revitalization of the Canals. The priorities serve as a guide for decision-making and resource allocation to ensure long-term objectives are attained. Each priority is supported by our Foundational Pillars, which provide the necessary resources, skills and organizational culture to achieve our long-term goals.

Foundational Pillars are the enabling elements that underpin our priorities. They serve as the fundamental building blocks that enable NYPA and Canals to structure their efforts towards the achievement of each priority. The pillars are all interconnected, each one not only enables the strategic priorities but also mutually reinforces each other. This ensures a cohesive and coordinated approach towards achieving the desired outcomes.





Drive the **CLEAN ENERGY** transformation through emissions-free generation

By virtue of its unique position, NYPA can advance decarbonization in support of the state's electricity goal to be 100% emissions-free by 2040.

NYPA aims to build a sustainable and low-carbon energy future while maintaining the reliability of the electric system and the safety of our workforce, through:

- **Expanding our Portfolio of Emissions-Free Resources:** NYPA has a strong track record of executing complex energy infrastructure projects. Leveraging this expertise, NYPA is now set to invest in the planning, design and operation of utility-scale energy projects, including solar, wind and battery storage technologies. This strategic expansion¹ was approved by the New York State 2023-24 Enacted Budget to help meet the objectives set forth in the Climate Act.
- **Enhancing the Value of Hydropower:** Hydropower supports a cleaner, more resilient grid by providing a flexible resource that balances the fluctuations of other renewable energy sources and adjusts to the daily and seasonal changes in supply and demand. By investing in optimizing the operations of this flexible resource, NYPA can better serve its customers and maintain fair system costs.
- **Decarbonizing our Natural Gas Plants:** NYPA is committed to the state's targets to reduce New York's reliance on fossil fuel generation and promote a just transition while maintaining grid reliability.

Measures and Targets:

Deploy additional emissions-free generation

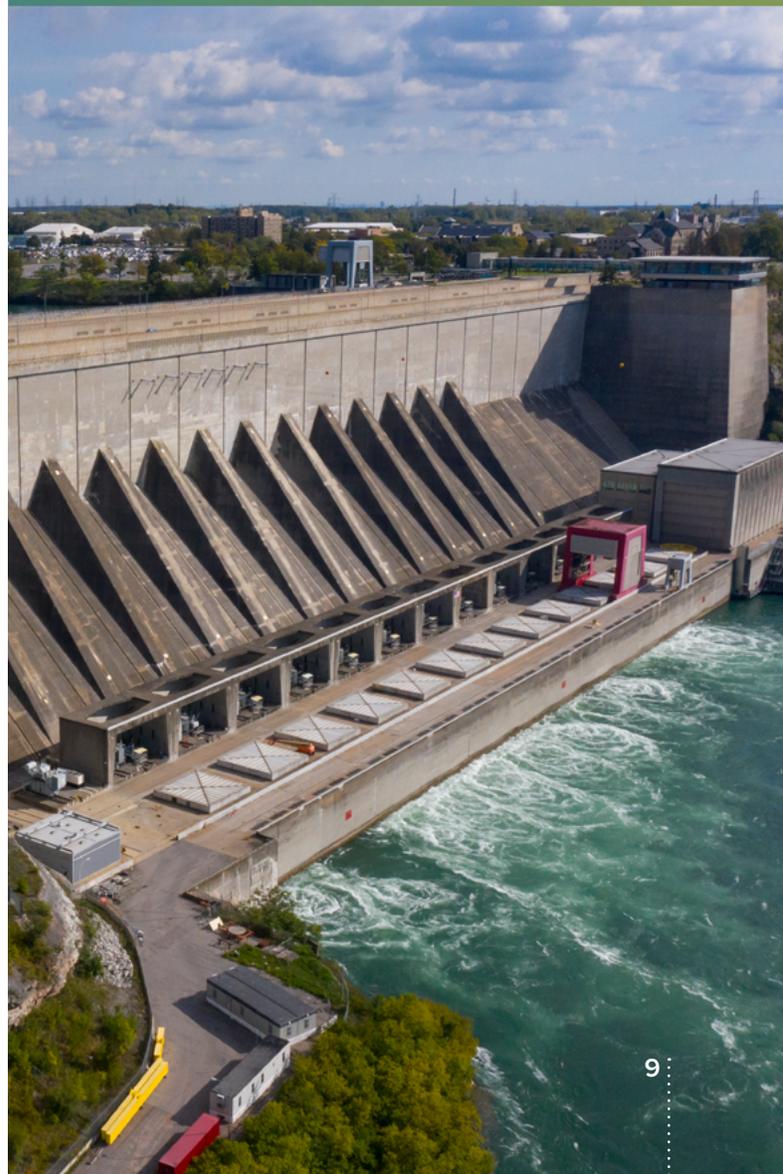
Maintain hydropower's contribution to the grid by generating at least 21 TWh of electricity annually

Reduce emissions from generation to zero by 2035 and by 2030 from our small natural gas power plants in New York City and Long Island, provided certain safety and reliability conditions are met

Enable 450 MW of storage projects by 2030

VISION2030 Accomplishments:

- Generated 21+ TWh of hydropower annually, while providing capacity and ancillary services.
- Implemented modernization upgrades through the Next-Generation Niagara program.²
- Initiated a Reliability Centered Maintenance program to optimize cost, risk, and performance of assets, building on our ISO 55001 asset management certification.
- Deployed 143,000+ data points and 787 digital twins using NYPA's Integrated Smart Operations Center to enable early detection of equipment failures.





Be the leading **TRANSMISSION** developer, owner and operator for New York State

A well-planned large expansion of the transmission grid is critically needed in New York State to relieve congestion, integrate renewables and prepare for load growth.

NYPA serves New Yorkers by bringing clean, reliable energy to where it is needed most. NYPA brings expertise in development, operations and maintenance needed to effectively invest in, develop and operate an advanced, reliable transmission system.

NYPA will strategically prioritize and invest in transmission projects that provide maximum benefit to the people of New York. Our approach to transmission projects will be to streamline processes, reduce transmission losses, lower customer costs and reduce dependency on fossil-fuel power generation, while maintaining reliable operations of our transmission assets.

NYPA's transmission strategy will be realized by:

- **Accelerating the state's most critical transmission projects** by facilitating \$200-\$400 million of annual investment.
- **Concentrating our transmission portfolio** on projects that balance system planning, returns and wider state objectives.
- **Becoming the strategic partner of choice** and building NYPA's transmission brand and capabilities.

Measures and Targets:

Facilitate \$200-\$400 million of annual investment

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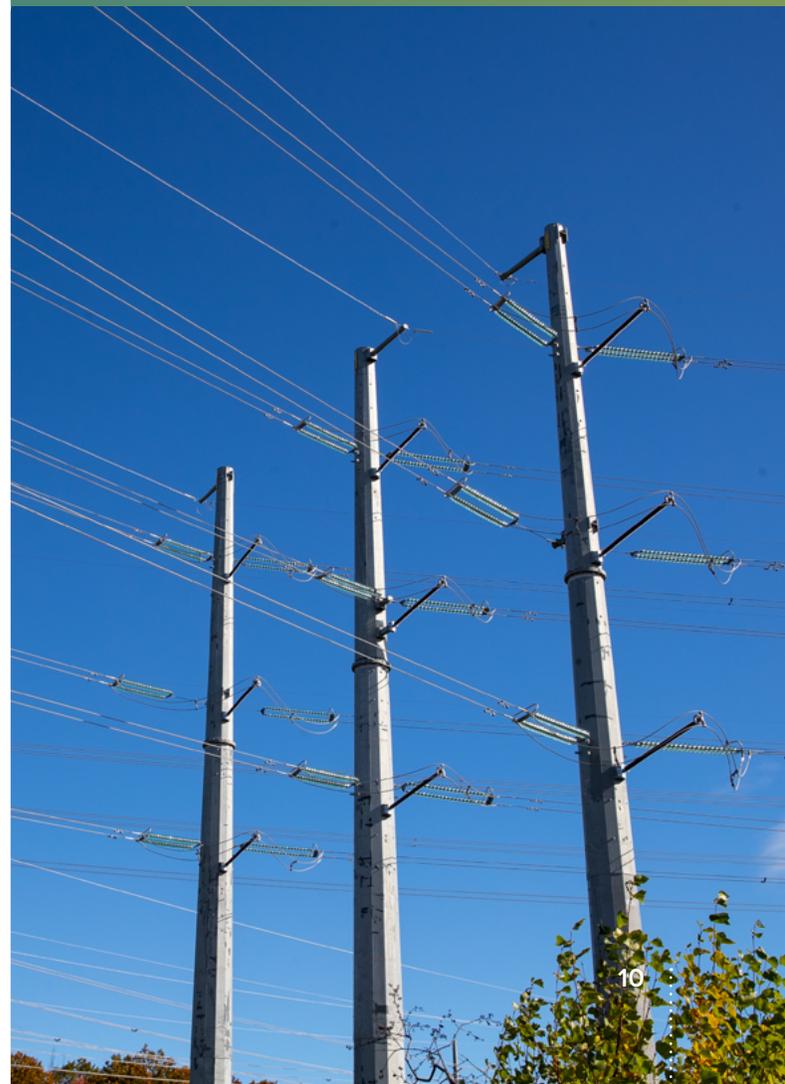
Achieve top quartile operations and maintenance (O&M) efficiency in transmission

.....

Maintain reliable operation of NYPA's transmission network

VISION2030 Accomplishments:

- **Transmission Life Extension and Modernization:** approximately \$541 million spent through 2023.
- **Propel NY Energy** aims to develop an innovative 90-mile electric transmission solution from Long Island and Westchester County.
- **Smart Path** rebuilds and strengthens the 86-mile Moses-Adirondack transmission line.
- **Smart Path Connect** is modernizing and strengthening approximately 100 miles of transmission in the North Country and the Mohawk Valley.
- **Central East Energy Connect:** NYPA is rebuilding a 93-mile section of transmission lines from the Mohawk Valley to the Capital Region.





Enable **CUSTOMERS** to achieve their decarbonization goals

Our customers are resolute on the critical importance of decarbonization in mitigating climate change, safeguarding the environment, enhancing public health, adhering to regulatory requirements and fostering a sustainable future. As the energy landscape becomes more complex, consumers pursue solutions that are reliable, affordable, clean and convenient.

NYPA serves as a trusted energy advisor and implementor for the state and our customers, employing innovative strategies to facilitate informed decision-making and contribute to the collective endeavor of reducing carbon emissions and fostering a sustainable future. This is accomplished through the provision of valuable insights, allocation of resources, deployment of cutting-edge technology, offering policy insights and facilitating collaboration opportunities. Our strategic plan encompasses the following key initiatives:

- **Clean, Resilient and Economic Electricity:** Enhance customer programs with clean energy choices and foster economic development.
- **Decarbonization Leadership:** Deliver comprehensive decarbonization support, insights and innovative energy solutions to help customers and communities advance high impact decarbonization opportunities.
- **Customer Centricity:** Cultivate a mindset that consistently delivers a unified, personalized and responsive customer experience and firmly positions NYPA as our customers' go-to trusted advisor.

Measures and Targets:

Support **40%** customer GHG Reduction by **2030**

Support customers as they seek to achieve **70%** renewable energy by **2030**

VISION2030 Accomplishments:

- **1+ million** metric tons of GHG avoided through the implementation of energy-efficiency work at customer facilities.
- **450,000+** jobs and **\$54 billion** in capital investment commitments through our economic development programs.
- **500,000+** streetlights converted through our Smart Street Lighting NY program.
- **170 Evolve NY** chargers have been installed at **43 sites** over the past four years. **Thirty-eight** additional sites are in development.
- **62+ MW** of enabled solar installed in partnership with our customers.





Revitalize the New York State CANAL System

The Canal Corporation prides itself on being a steward of the waterways. The Canals represent vibrant hubs of activity that attract visitors and residents, driving economic development across the state.

Through our “Reimagine the Canals” effort, we’ve made significant progress against our five goals: resilience, regeneration, restoration, reuse and retrofit. As we prepare to celebrate the Bicentennial of the Erie Canal in 2025 and evolve into our next period in history, “Revitalizing the Canals,” we are committed to advancing environmental conservation, resilience and economic growth.

As the state celebrates the Erie Canal bicentennial³, NYPA and Canals seek to preserve the heritage of the canal system and maintain it as a source of economic opportunities for the next century of operation. This includes prioritizing safety, incorporating sustainable practices and promoting innovation. To do this, we plan to focus on:

- **Operate, Maintain, and Improve Canal Infrastructure:** Build and sustain a canal infrastructure for the future, prioritizing employee and public safety, sustainability and innovation. Through this, we can continue to demonstrate value and civic benefits for the state.
- **Secure Resources and Funding for Canals:** Source new capital to meet long- and short-term objectives for ongoing asset upgrades, environmental stewardship, resilience efforts and recreational opportunities.
- **Enhance User Experience and Foster Connection, Enjoyment and Respect for Our Resources:** Provide accessible opportunities, encourage sustainable practices, promote environmental education, and foster collaboration and partnerships.

Measures and Targets:

Reduce system downtime/improve system resilience

.....

Improve public safety

.....

Enhance consistency of trailway and system signage

.....

Increase trail and Canal usage

VISION2030 Accomplishments:

- Invested **\$140 million** in Reimagine the Canals to date, including the award-winning Iconic Lighting and Fall Fishing Programs.
- Received historic **\$50 million** capital investment from New York State⁴.
- Launched the Earthen Embankment Integrity Program to implement innovative repair strategies for preserving the Canal System’s embankments, beginning with a groundbreaking project in the Town of Royalton in 2023.





Uplift our PEOPLE and live our VALUES

The success of NYPA and Canals lies in the success of our people. We wholeheartedly embrace and celebrate the distinct qualities that make our employees unique, ensuring equal access to opportunities, and fostering an inclusive environment where everyone feels valued and appreciated.

NYPA and Canals have made strategic investments in internal skills and workforce development, improved access to information, and optimized core business processes through the original Resource Alignment pillar, and focused on inclusivity through the original Diversity, Equity and Inclusion pillar, serving as the fundamental groundwork for attaining our ambitious future People and Values goals.

NYPA is looking to position ourselves for long-term success, adaptability and growth in a dynamic and competitive landscape through the following key areas:

- Capability development refers to collaborative and innovative strategies designed to **enhance the skills, competencies and abilities of current and future employees, and the overall performance of the organization.**
- Organizational capacity refers to the **utilization of resources, processes and collective efforts to**

achieve organizational objectives. It encompasses elements such as collaborative decision-making, strategic prioritization, aligned resource allocation and adaptable organizational design.

- Engagement refers to the level of an employee’s commitment and connection to their organization. It measures the extent to which employees **feel passionate about their jobs, are committed to the organization and put discretionary effort into their work.**

Goals:

Empower individuals through exposure and experiences that enhance critical skills and drive career growth

Establish a robust and diverse talent pipeline to support organizational performance and resilience

Bring our values to life through the creation of an inclusive, diverse, equitable and safety-first culture

VISION2030 Accomplishments:

- NYPA proudly operates internal workforce development programs which focus on embedding growth and development, such as mentoring opportunities and opt-in curriculum workshops for all employees, and career acceleration platforms for female executives, employees of color, new managers and other leaders. Signature programs include MANAGE Blue, for new people managers, and LEAD Blue, tailored to prepare top talent for future leadership roles.
- Restructured our job framework and career paths to reduce barriers to entry and allow employees to drive their development and broaden experiences.
- Embedded Diversity, Equity, and Inclusion principles holistically – spanning from how performance reviews are conducted, to the application process for development programs, to the content within those programs.





Support the diverse needs of the **COMMUNITIES** in which we operate and impact

NYPA has a long history of being a good neighbor. Each community is unique, with its own set of challenges, opportunities and priorities. It is our responsibility to listen, understand and foster a just transition.

Through our original Diversity, Equity and Inclusion pillar, NYPA has made investments in communities through supplier diversity programs and resources, environmental justice initiatives and workforce development opportunities. The Communities pillar expands this view into all of the neighborhoods in which we operate, live and engage, in support of the state’s commitment to ensuring disadvantaged communities benefit from the clean energy transition.

We will focus our efforts on the following areas:

- Promote **environmental justice** and the just treatment and meaningful involvement of all people in the energy transition, to ensure equitable access to a clean and healthy environment.
- Support clean energy **workforce development** and bring new resources into disadvantaged communities. This will be supported by up to \$25 million annually,

authorized in the 2023-24 Enacted State Budget, for workforce development in the renewable energy sector⁵.

- Build and attract a pipeline of **diverse suppliers** through procurement activities that are influenced by our educational and outreach initiatives.

Goals:

Be a trusted adviser and partner in the energy transition across New York State

Advance clean energy projects and workforce development in disadvantaged communities

Enable diverse and local suppliers to participate in the transformative clean energy transition

Provide pathways to energy careers in historically underserved and other impacted communities

VISION2030 Accomplishments:

- 2023 marked the 40th anniversary of NYPAs Supplier Diversity program⁶, with \$1.8+ billion spent to date on diverse and small businesses. In 2023, 204 direct contracts were awarded and \$136 million was spent with MWBEs and SDVBs.
- Since 2021, 125 students have participated in an annual paid internship program as part of NYPAs Environmental Justice P-TECH program, designed to ensure that students from disadvantaged communities are equipped with tools to participate in the clean energy workforce.
- Awarded \$50,000 as part of The Future Energy Leaders college scholarships commitment to diversify the clean energy workforce pipeline.
- Committed \$11.6 million to support clean energy industry workforce development initiatives, in partnership with the New York State Department of Labor Office of Just Energy Transition.⁷
- Established the REACH program, to be funded by a portion of revenues from new renewable energy generation projects, which will provide electricity bill credits to low- and moderate-income New Yorkers.





Build an INNOVATION ecosystem that accelerates customer and grid decarbonization

It is a unique time in our organization and industry. The challenges are big, audacious and everywhere. The ability to innovate is essential for our organization to thrive, adapt and maintain long-term viability.

Innovation focuses on creating an environment that accelerates the implementation of groundbreaking processes and solutions to address complex challenges and achieve business objectives. To do this, we will:

- **Foster a mindset that encourages creativity, forward-thinking and new ideas** throughout NYPA and Canals. Through partnerships with our customers, the state and the energy industry, we will enable and scale solutions to fulfill customer needs.
- Continue to **develop core digital infrastructure**, incorporating new technologies in an efficient and value-focused manner, enabling improved performance across NYPA, Canals, our customers and New York State.

- **Leverage emerging technologies** such as Artificial Intelligence, Unmanned Aircraft Systems and next-generation platforms that enable NYPA to become a leading utility of the future.

Goals:

Foster a culture of innovation to capture value-creation opportunities

Drive growth and accelerate the deployment of decarbonization solutions

Drive performance and resilience through the adoption of innovative technologies and business practices

VISION2030 Accomplishments:

- Opened the first-of-its-kind electric grid and power systems laboratory, the advanced Grid Innovation Laboratory for Energy (AGILE)⁸, which enables real-time testing, modeling and validation of technologies, grid improvements, and transmission-related products and services.
- NYPA partnered with SUNY Purchase College to install a 0.5MWh thermal storage-based co-generation station⁹, which produces electricity and recaptures the waste energy to create heat for a campus building, providing almost 50% of the electricity and nearly 100% of the heat.
- We are upgrading to new technologies in our Canals operations, including the installation of a new 3-Axis Computer Numerical Control (CNC) machine and a new robotic welder, which enables a safer process for work on metal materials.
- NYPA has successfully integrated AI into its operations. Building on a robust foundation in governance and data quality, AI has become an essential tool for asset management, performance improvement, and operational efficiency. Generative AI is utilized by staff for research, report creation, and productivity enhancement, while Computer Vision AI is employed to develop asset diagnostic tools. The team is actively exploring AI applications for optimizing hydro resources, conducting power system analysis and accelerating the delivery of decarbonization solutions.





Integrate SUSTAINABILITY into how we operate to drive value

NYPA and Canals strive to deliver a best-in-class sustainability strategy that balances environmental, social and economic priorities as we work to create value.



NYPA has prioritized four areas based on potential impact. These focus areas are interconnected and interdependent, and intentionally intersect with other priority and pillar goals.

- Reduce direct and indirect greenhouse gas emissions across the value chain and adapt to the physical, operational and transitional impacts of climate change
- Integrate sustainability criteria in vendor and product selection processes, make efficient use of resources and increase materials reuse and recycling
- Preserve and restore habitat, including wetlands, forests and meadows, and implement nature-based

solutions for climate mitigation, adaptation and resilience

- Drive value for our internal and external stakeholders by
 - Promoting an inclusive culture for employees
 - Partnering with customers to help them achieve their sustainability goals
 - Collaborating with communities and sharing opportunities and benefits
 - Engaging with suppliers to advance sustainability practices and prioritizing local and diverse suppliers
 - Increasing transparency through ESG reporting to communicate shared value and build trust

Commitments:

Reduce GHG emissions and adapt to the impacts of climate change

Promote a circular economy approach to resource management

Preserve and enhance ecosystems and biodiversity

Work with stakeholders to achieve shared goals and promote a just transition

VISION2030 Accomplishments:

- Issued Sustainability Reports for 2020 and 2021, and NYPA's first Integrated Reports for 2022 and 2023 to provide a more comprehensive view of our value.
- Expanded our greenhouse gas inventory for Scopes 1, 2 and 3 to gain a detailed view of emissions sources .
- Conducted climate vulnerability assessment for all NYPA facilities to inform climate adaptation planning.





Strengthen our RESILIENCE for long-term viability

Resilience at NYPA is defined as our ability to remain viable in the face of disruptions and agile in response to evolving trends. This includes our ability to respond or adapt to climate change, cyber and physical attacks, regulatory changes, supply chain disruptions and more, ensuring sustained success and growth. Resilience is not just a concept, but a commitment that permeates our operations and decision-making.

The following focus areas will enable NYPA and Canals to further strengthen our resilience and improve long-term viability:

- Position the organization to proactively mitigate new risks and emerging trends by identifying, assessing, correlating and prioritizing resilience challenges, opportunities and needs through cross-functional horizon scanning and collaboration.
- Equip personnel to mitigate threats and address long-term trends to bolster our viability by applying resilience knowledge, concepts and strategies in daily operations, processes and decision-making.
- Leverage capability planning and analysis to align and mature response processes to remain agile to more complex, cross-functional and impactful disruptions.
- Position the organization to successfully recover from disruptions by retaining strong bench strength

and muscle memory through operational exercises designed to stress test our people, process and technology.

Through these concerted efforts, NYPA continues to lead by example in building a resilient organization that is prepared to meet the challenges of today and the future to remain viable.

Goals:

Recognize and respond to trends and changes in our operating environment

Consider and act on resilience needs and priorities across all levels, to improve our resilience posture

Confirm response processes address interconnected scenarios and are adaptable to an uncertain future

Ensure the organization has the capacity and capability to swiftly and effectively recover from disruptions

VISION2030 Accomplishments:

- In response to an evolving operating landscape, we continued to grow our recovery capabilities with the digitalization of our Business Continuity and Information Technology Disaster Recovery plans. This action ensures personnel have real-time access to plans, our plans remain aligned across stakeholders, and leadership has real-time access of our recovery posture for informed decision-making.
- NYPA maintains an ISO-55001 certification, demonstrating our continued commitment to Asset Management excellence to optimize cost, risk and performance.
- The COVID-19 pandemic tested the agility and robustness of organizations worldwide. Through rapid adaptation and the implementation of comprehensive safety and operational measures, NYPA ensured both the health of its workforce and the continuity of its services.¹⁰



Strategy on a Page

VISION >

A thriving, resilient New York State powered by clean energy

MISSION >

NYPA

Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions and the responsible supply of affordable, clean and reliable electricity.

Canals

Operate and maintain a premier waterway and trail system that honors the historic legacy of the Erie Canal and offers unique recreational and tourism opportunities, while also promoting sustainable economic development throughout the canal corridor.

VALUES >



STRATEGIC PRIORITIES



Drive the **CLEAN ENERGY** transformation through emissions-free generation



Be the leading **TRANSMISSION** developer, owner and operator for New York State



Enable **CUSTOMERS** to achieve their decarbonization goals



Revitalize the New York State **CANAL** System

FOUNDATIONAL PILLARS



Uplift our **PEOPLE** and live our **VALUES**



Support the diverse needs of the **COMMUNITIES** in which we operate and impact



Build an **INNOVATION** ecosystem that accelerates customer and grid decarbonization



Integrate **SUSTAINABILITY** into how we operate to drive value



Strengthen our **RESILIENCE** for long-term viability



For More Information

Number	Endnote Description
1	https://www.nypa.gov/renewables
2	20230307-Niagara Upgrade (nypa.gov)
3	Governor Hochul Announces Erie Canal Bicentennial Commission to Commemorate 200th Anniversary of the Original Waterway's Completion and Continued Impact on New York Empire State Development (ny.gov)
4	Governor Hochul Announces Historic \$50 Million Investment in the New York State Canal System (nypa.gov)
5	20230503-legislation (nypa.gov)
6	Supplier-Diversity (nypa.gov)
7	https://www.nypa.gov/news/press-releases/2024/20240521-clean-energy
8	https://www.nypa.gov/innovation/digital-utility/agile-lab
9	https://www.nypa.gov/innovation/digital-utility/agile-lab
10	https://www.nypa.gov/news/press-releases/2020/20201215-it



**NY Power
Authority**

**Canal
Corporation**

www.nypa.gov



Chief Risk & Resiliency Officer's Report

Alexis Harley

Senior Vice President, Chief Risk & Resiliency Officer

March 25, 2025

March Risk Spotlight: Regulatory / Legislative Environment

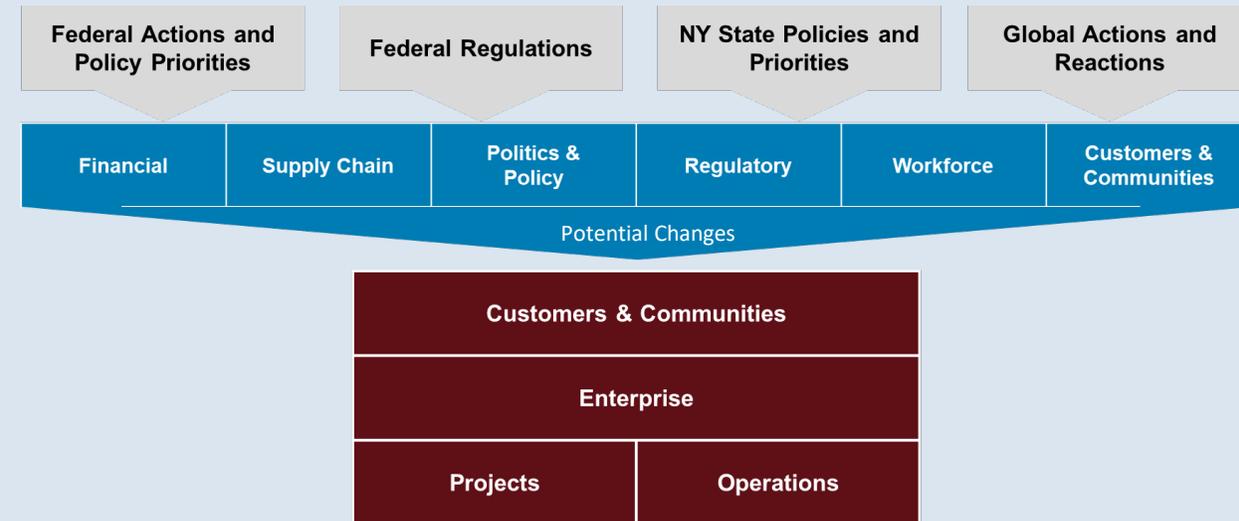
Federal Transition

The Federal transition **introduces complex uncertainties**

Proactive assessment and planning is underway:

- Identification and continuous monitoring of Presidential actions and other federal developments
- Established internal *Federal Transition Working Group*
- Conducted scenario workshops with outside consultant
- Prioritized challenges and opportunities; mapping to Enterprise Risks

Ongoing analysis and quantification of impacts required to **determine short-term operational and long-term strategic affects and actions**





Canal Revitalization: Director's Report

Brian U. Stratton

Director, NYS Canal Corporation

March 25, 2025

Erie Canal Bicentennial Commission

Gov. Hochul Established July 12, 2024



William J. Hochul Jr.
Commission Co-Chair

First Gentleman,
New York State



Brian U. Stratton
Commission Co-Chair

Director,
NYS Canal Corporation



Walter T. Mosely
**Appointed
Commissioner**

Secretary of State,
New York State



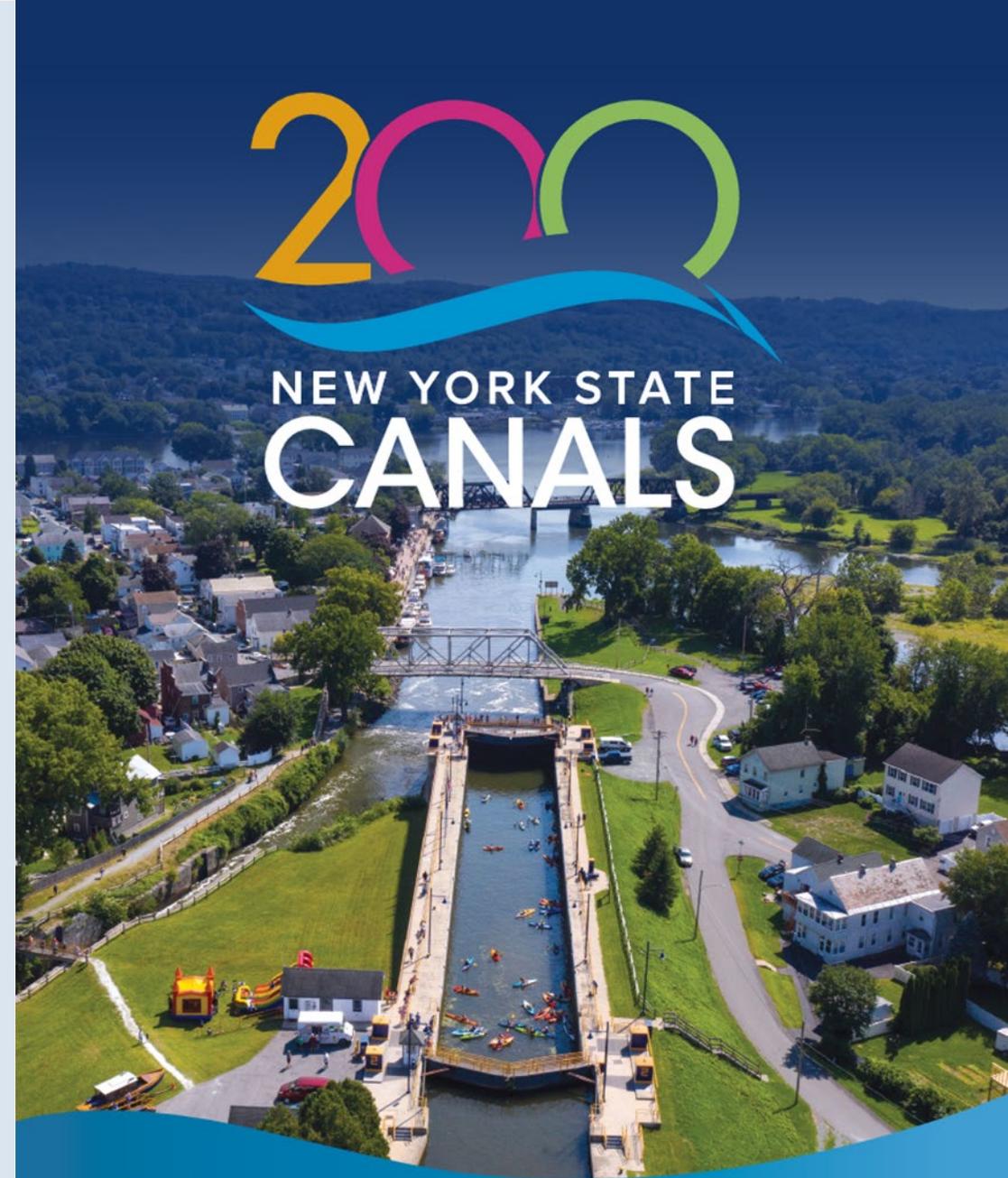
Hope Knight
**Appointed
Commissioner**

President and CEO,
Empire State Development



Randy Simons
**Appointed
Commissioner**

Commissioner Pro Tem,
Office of Parks, Recreation,
and Historic Preservation



2000

NEW YORK STATE CANALS



ERIE CANAL BICENTENNIAL COMMISSION



Erie Canal Bicentennial Commission

Summary of Discussions

Canal Corporation Commissioned Work:

- **Albany Symphony Orchestra** concert series
- **WMHT/PBS** bicentennial documentary project

Maximizing Community Events & Commemorations:

- New York Lottery Partnership
- NYS Commission on African American History
- Bicentennial flotilla
- Culminating event in NYC on October 26
- 400+ community events; Interactive calendar





RESET

Search:

Enter keywords

Filter By Dates:

Date Period

Select a date period

Date Range

Select a date range

February 2025

SUN	MON	TUE	WED	THU	FRI	SAT
26	27	28	29	30	31	1

VIEW: GRID LIST

SORT: EVENT DATE NEAR ME

SHOW MAP PRINT SHARE

FEB 04

FEBRUARY 15 Canalway Challenge

- Erie Canalway National Heritage Corridor, Waterford
- All Day
- Recurring until February 28

FEB 07

XC Ski at Schoharie Crossing

- Schoharie Crossing State Historic Site, Fort Hunter
- 09:00am - 11:00am

FEB 11

'The Erie Canal: A Story of Building the Impossible' Webinar

- New York Adventure Club Online, Albany
- 08:00pm - 10:00pm

Interactive Bicentennial Events Calendar

www.eriecanalway.org/events

2025

World Canals Conference

- **Call for Presentations:**
60 submissions from 11 countries
- **Public Events & Tours**
Sunday, Sept. 21 at Canalside
- **Tours:** Pre- and post-show
- **Field sessions** with guides
- **Promotional toolkit** available
- **Visit** wcc2025buffalo.com

**WORLD
CANALS
CONFERENCE
2025
NY
USA
BUFFALO
SEPTEMBER 21-25**





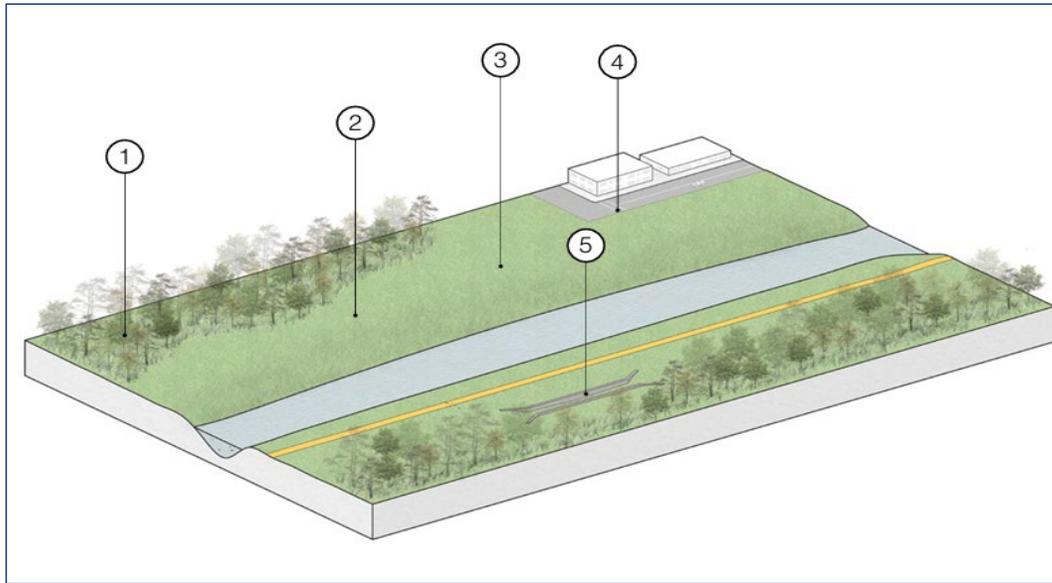
Canal Revitalization: Public Access

Rebecca Hughes

Deputy Executive Director

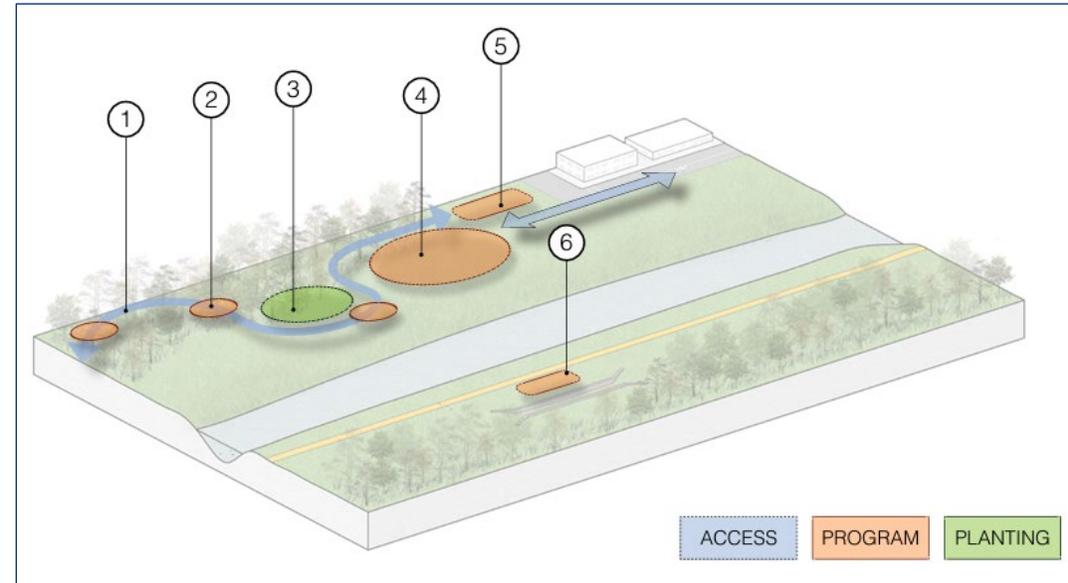
March 25, 2025

Turning Challenges into Opportunities: Designing Amenity Standards



Existing Condition:

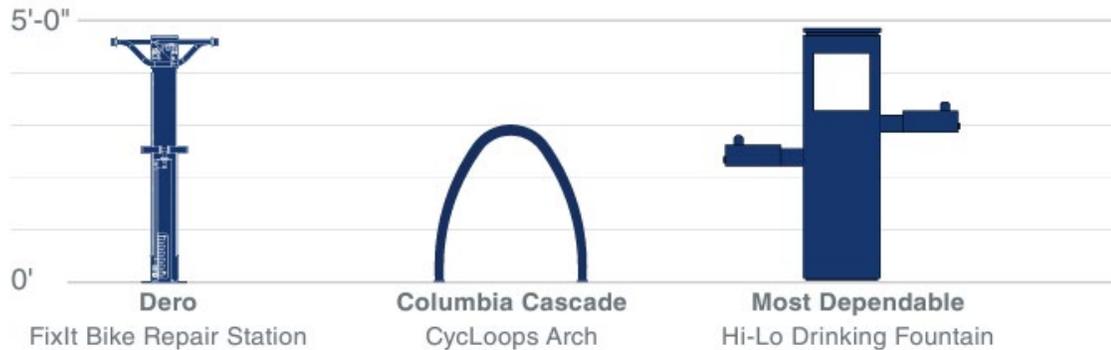
1. Invasive species and overgrowth
2. Unidentified programming/undefined use of space
3. Unnecessary mowing
4. Lack of community connection
5. Historic infrastructure lacks context
6. Public access to restricted or unsafe areas



Future Condition:

1. Woodland management and reforestation
2. Trail and site-based recreation design
3. Pollinator planting
4. Community connection gathering areas along water
5. Parking and pedestrian access
6. Historic sensitivities and SHPO compliance

Creating a Kit of Parts



Site Pieces Monoline Backed Bench



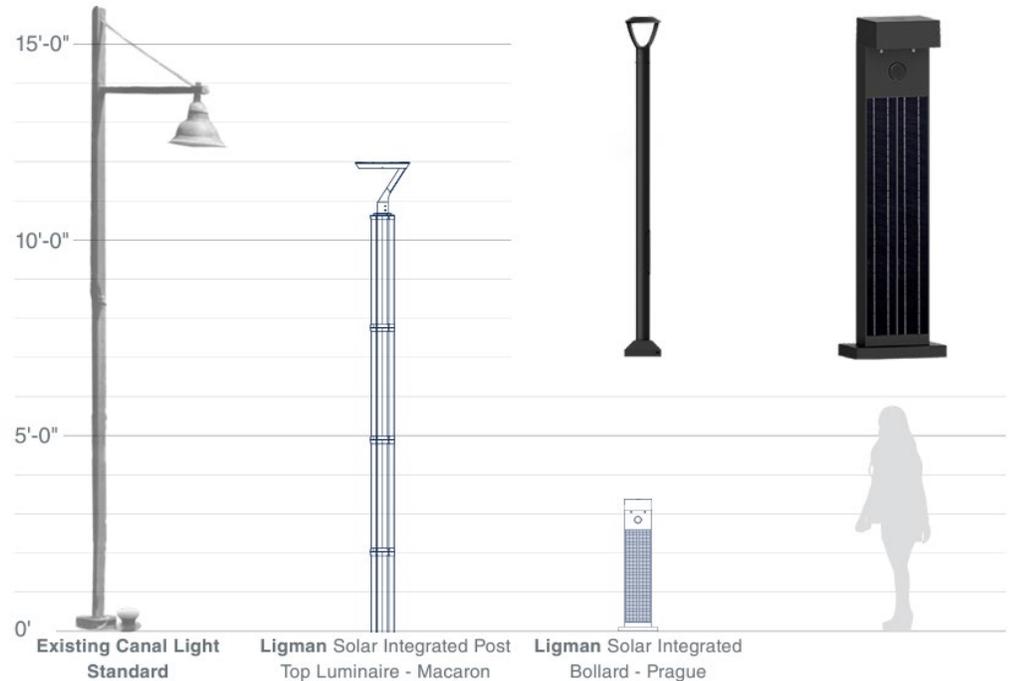
Stone Block (with or without Monoline bench topper)



Site Pieces Monoline Community Table (ADA shown)



Site Pieces Monoline Modular Bench



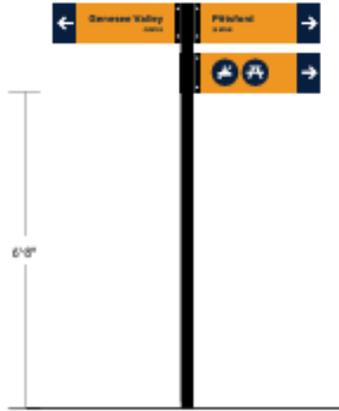
Standardizing Brand and Wayfinding Signage



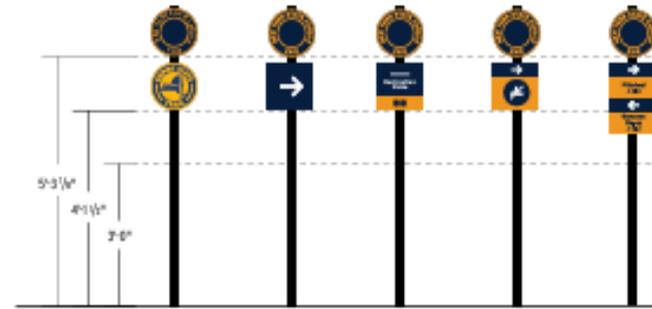
1 SIGN TYPE D3 - SITE AREA ID
3/8" = 1'-0"



2 SIGN TYPE D4 - AMENITY/ACTIVITY ID
3/8" = 1'-0"



3 SIGN TYPE D1 - DIRECTIONAL
3/8" = 1'-0"



4 SIGN TYPE D2a - TRAILBLAZERS
3/8" = 1'-0"



5 SIGN TYPE M1 - INFORMATION/OSK MAP (TWO-PANEL)
3/8" = 1'-0"



6 SIGN TYPE M3 - INFORMATION/OSK MAP (SINGLE-PANEL)
3/8" = 1'-0"



7 SIGN TYPE M2 - CANAL/TRAIL DIAGRAM
3/8" = 1'-0"

Refreshing Brand Identifiers

Celebrating the Contemporary Use of the Canal & Trail

- **Strategic Process:** A two-year initiative with involvement across departments and groups at Canals and NYPA.
- **Rooted in History:** The new identifier honors the former look while signaling a new era for recreation and use.
- **Gradual Installation:** Signage and items will replace as needed.

Canal Site
Identifier

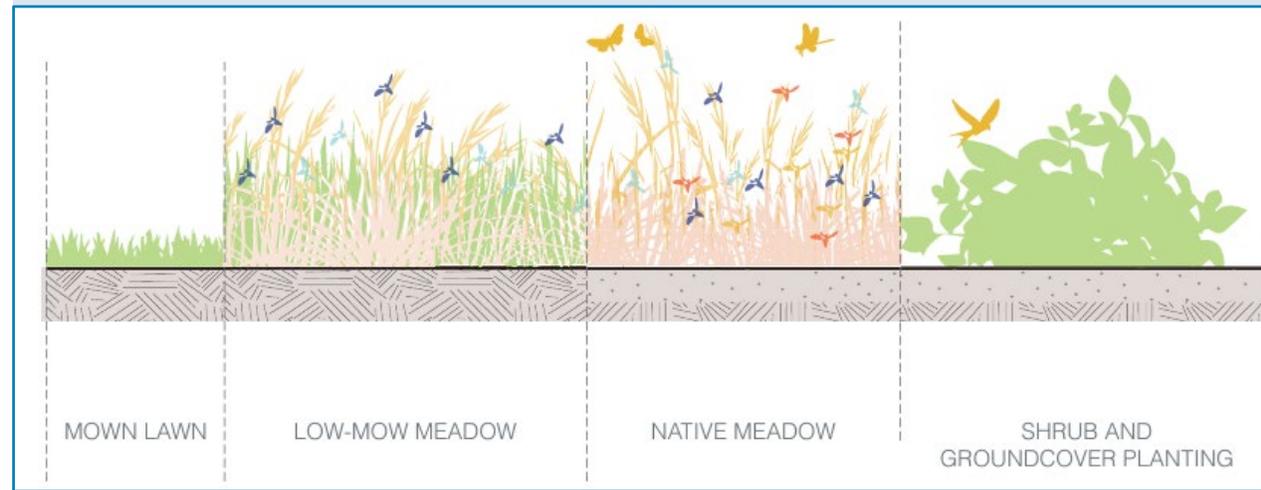
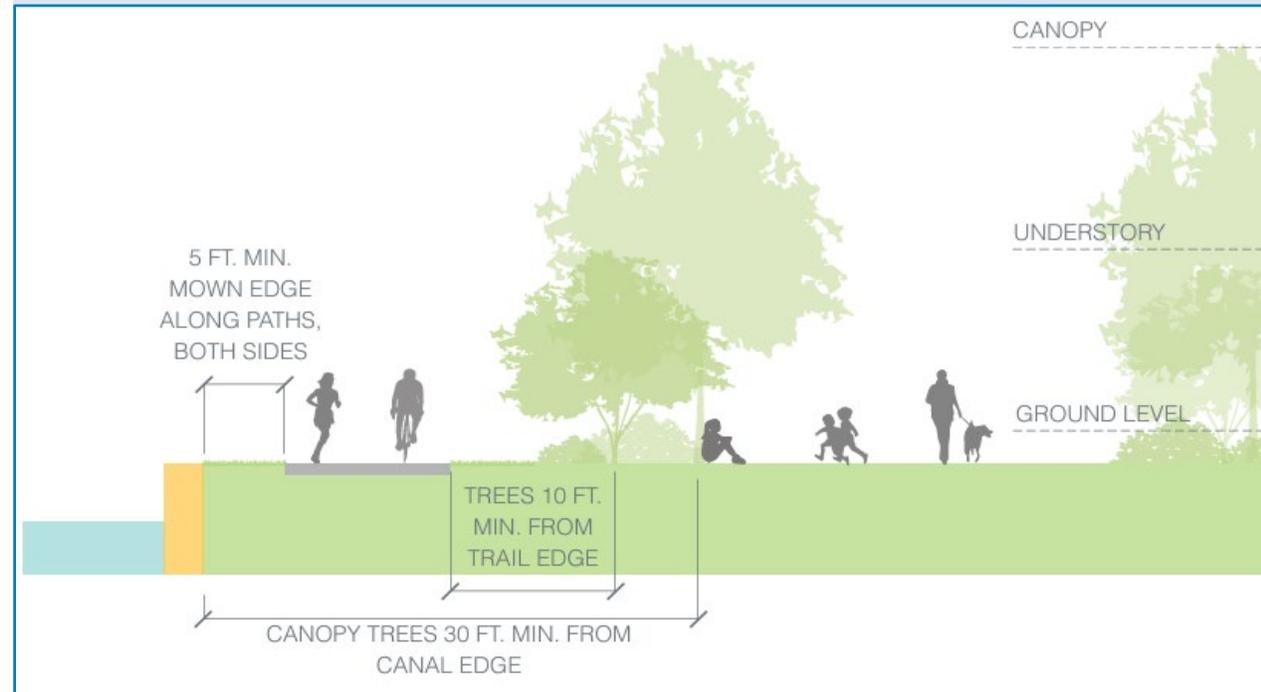
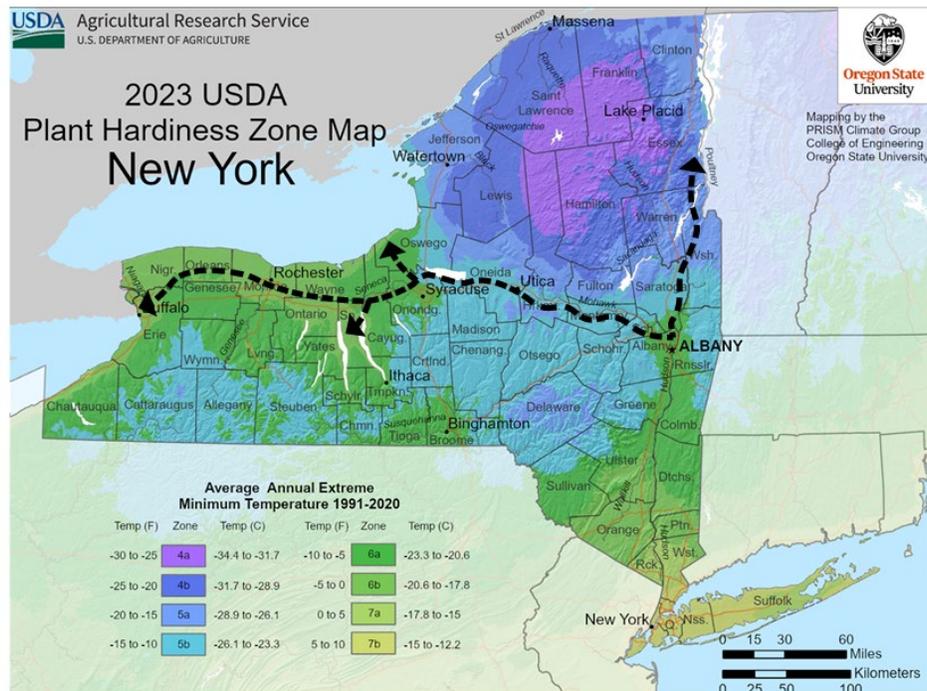


Canalway Trail
Identifier



Advantages of Standardized Planting

- Improves ecologies
- Reduces maintenance
- Considers operational needs





Canal Revitalization: Operations

Dave Mellen

Regional Manager & SVP Canals

March 25, 2025

Canals Winter Work Program

- Leveraging non-navigation season for critical work
- **Pump-outs** are symbolic and our heaviest lift
- **Other maintenance work** continues across the state





Building Resilience Through Winter Work

This season, crews are working on critical pump-outs at **C-8, E-5, E-2, E-14, E-17** in the east and **O-5, E-28A, CS-1, E-32/33** and **E-34/25** in the west.

Challenges

- **Lock O-5:** Overcoming limited access and weather challenges
- **Lock C-8 and Increased Concrete Removal:** More than anticipated at Champlain Canal after pump-out completion



Leveraging Technology to Advance Operations

- Improving inspection quality & efficiency
- Communicating water management data

NYPA | Lower Mohawk Basin (60 min)

Period 08-08-2024 from 22:00 to 23:00



2025 Navigation Season

- **Extended Navigation Season:** May 16 to Nov. 3
- **Open Daily** 8 a.m. - 6 p.m.
- **Free** for recreational vessels
- **Opening Day Event:** Lock E-2 Waterford; Trustees welcome
- **Supporting standard daily operations** alongside commemorative events
- **Maturing our workforce** makes it all possible



Investing in Fleet Modernization

- **Four (4) new vessels** approved
- **Anticipated delivery** of *Thomas X. Grasso* and *Rome* this season
- **Naming Committee** recommending 'Rome' as name of new vessel





Date: March 25, 2025

To: NEW YORK POWER AUTHORITY TRUSTEES AND NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Vessel Naming in Honor of the City of Rome

SUMMARY

The New York Power Authority Board of Trustees and the Canal Corporation Board of Directors are requested to approve the naming of a Canal Corporation vessel in honor of the City of Rome. It is proposed that a tug currently being manufactured by Blount Boats and expected to be delivered in Fall of 2025, be named 'Rome' in honor of the historic Canal City.

BACKGROUND

On July 27th, 2023, the New York Power Authority Board of Trustees approved a five-year value contract for the fabrication of four vessels, with the option for two additional years, in the amount of \$35 million, to Blount Builders Incorporated of Warren, Rhode Island. The Canal Corporation utilizes tugboats to support operations that support and maintain navigation along the canals such as buoy replacement and retrieval, movement of spoils, transport of dredge pipe and equipment. In 2017, based on U.S. Coast Guard requirements and third-party assessments, the need to replace these aging vessels was identified and six of ten tugs were removed from service.

In 2020, Blount successfully fabricated and delivered a replacement tugboat for the western Niagara region, the Breaker Two, which has been in service successfully. Their facilities have the capability of fabricating two tugs simultaneously, and that will support delivery and testing of the first vessel, the Thomas X. Grasso, in the Spring of 2025, the next vessel in the Fall of 2025 and the other two by the end of 2027. To maintain the delivery schedule of the second vessel, we must provide Blount Boats with our selected name in March 2025.

The City of Rome has long been an important location to the history and for the operation of the Erie Canal. It sits at the peak elevation of 420 feet and is where, in 1817, canal construction began. Soon after, in 1819, the first 15 miles of the canal from Rome to Utica opened. Laborers and land surveyors moved bidirectionally, both east and west from Rome to construct the original Erie. In 2024, the Canal Corporation celebrated the opening of our new maintenance facility in Rome and the City will be the home port of the new vessel.

DISCUSSION

As per Canal Corporation Policy #CP-2018-01, the prerogative and privilege of naming and dedicating assets is vested with the Canal Corporation's Board of Directors. To preserve the integrity of Canals' named assets, this dedication is reserved for: individuals who have a demonstrable record of contributions to Canals, New York State, the state's canal system or the community in which the asset is located; geographic locations within the designated Canal Corridor and/or with an historic or intrinsic connection to the Canal; phrases or words expressive of the spirit of the Canal. The City of Rome meets the required criteria, having such historical significance to the State of New York and the Erie Canal.

As provided by the policy, a Naming Committee was formed at the direction of Canal Corporation Director, Brian U. Stratton. The Committee consists of Bethaida González, Trustee, New York Power Authority; Dave Mellen, Regional Manager for Canals, New York Power Authority; and Rebecca Hughes, Deputy Executive Director for Canals, New York Power Authority. The Committee provided a report to Director Stratton which proposed naming the vessel the 'Rome'. The report outlines the significant place the City of Rome holds in the history of New York State's Canal corridor and beyond. In recognition, the Committee has recommended to the Canal Corporation Director that the new tug be named the 'Rome'.

RECOMMENDATION

It is requested that the Board of Trustees recommend that the Canal Corporation tug be named the 'Rome'.

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

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, that the Trustees and Canal Corporation Board of Directors dedicate a newly fabricated tug vessel 'Rome' in recognition of the historical significance of the City of Rome; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.



**NY Power
Authority** | **Canal
Corporation**

March 25, 2025

Risk and Resiliency Committee Report (Chair Morris)

[ORAL PRESENTATION]



Date: March 25, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES AND NEW YORK STATE
CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Finance Committee Recommendations for Approvals

SUMMARY

The Finance Committee met on March 18, 2025, and adopted the resolutions set forth below. The Board of Trustees are requested to acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee.

BACKGROUND

- i. After discussion and consideration, the Finance Committee adopted on March 18, 2025, the following resolutions:

- 1. Release of Funds in Support of the New York State Canal Corporation for Q2 2025**

“RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of up to \$27.0 million in the funding to the Canal Corporation to support operations of the Canal Corporation in Q2 2025, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the “General Bond Resolution”), that the amount of up to \$27.0 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 General Bond Resolution of that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further”

2. Release of Funds in Support of the Western New York Power Proceeds Allocation Act

“RESOLVED, that the Finance Committee hereby recommends that the Board of Trustees authorize the release of \$31,500,000 million from the Operating Fund to the Western New York Economic Development Fund (“WNYEDF”), to the extent such amount of net earnings is generated for the period from January 1, 2025 through December 31, 2025, as authorized by Chapter 58 of the Laws of 2012 and as discussed in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purpose specified in Section 503.2 of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented (the “General Bond Resolution”) and that the amount of \$31,500,000 million to be released to the WNYEDF for the purposes authorized by Chapter 58 of the Laws of 2012 described in the foregoing resolution is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution and that such release is deemed feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the NYPA Board of Trustees affirm that as a condition to making the releases specified in the foregoing resolutions, on the day of such payment, either the Executive Vice President & Chief Financial Officer or the 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 Bond Resolution; and be it further”

3. Voluntary Contribution of Funds to State Energy Programs

“RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of funds from the Operating Fund to the State’s general fund in the amount of \$5 million as authorized by Section 19 of Part XX of Chapter 56 of the Laws of 2024 as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented (the “General Bond Resolution”) and that the amount of \$5 million to be released to the State’s general fund described in the foregoing memorandum is not needed for any of the purposes specified in Section 503.1(a)-(c) of the Authority’s General Bond Resolution and that such release is deemed feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing resolution, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the 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 Bond Resolution; and be it further”

4. Workforce Development Funding – Authorization to Release Funds

“RESOLVED, that the Finance Committee recommends that the Authority’s Board of Trustees approve the release of up to \$25 million of funding to support the Authority’s Workforce Development initiatives, and be it further

RESOLVED, that the Finance Committee recommends that the Authority’s Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the “General Bond Resolution”), that the aggregate amount of \$25 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 General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the Authority’s Board of Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further”

5. Project Luminare (NextGen ERP – HCM Portion) - Contract Award

“RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, authorize the award of the following four contracts for the final portion of the Project:

- 7-year Software contract in the amount of \$3,155,671 to Ivalua, Inc.,
- 7-year Software contract in the amount of \$7,027,963 to Workday, Inc.,
- 3-year Services contract in the amount of \$15,374,874 to Deloitte Consulting LLP,
- 3-year Services contract in the amount of \$13,121,807 to Gartner, Inc.;

and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority’s use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of the Project; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority’s official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further”

6. Service Providers for Energy Efficiency Program Request for Additional Contract Funding

“RESOLVED, that the Finance Committee recommends that the Trustees approve,

pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures the additional funding of \$800 million for the following (19) Service Providers for Energy Efficiency Program: AECOM USA Inc, Arcadis of NY, Barile Gallagher & Associates, Bette & Cring Inc, CDM Constructors Inc, Dynamic US Inc, The Fulcrum Group, Guth DeConzo Consulting Engineers PC, Imperia Engineering Partners LLC, John W Danforth Co, Labella Associates DPC, LIRO Engineers Inc, Macan Deve Engineers DPC, Noresco LLC, Pres Services LLC, Ramboll Americas Integrated Solutions Inc, Stark Tech Operating Company LLC, Wendel Energy Services LLC, and Willdan Energy Solutions; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further"

7. Astoria Property Acquisition Authorization to Enter into a Contract for Purchase

"RESOLVED, that the Finance Committee recommends that the Board of Trustees, pursuant to the Authority's Capital Planning and Budgeting Procedures, approve authorized funds for capital expenditures in the amount up to \$210 million for the purchase of a 15.7± acre land parcel, adjacent to NYPA's existing property in Astoria, as recommended in the foregoing memorandum of the President and Chief Executive Officer; and be it further;

RESOLVED, that the Authority will use Operating and/or Capital Funds, which may include proceeds of debt issuances, to finance the costs of this Property acquisition; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further"

8. St. Lawrence/FDR Power Project Relicensing – Capital Expenditure Authorization – Request to Increase Authorized Spending Limit for Compliance with New License and Implementation of Settlement Agreements

RESOLVED, that the Finance Committee recommends that the Trustees approve a 10-Year Review settlement agreement with local communities and an increase in capital expenditures of \$51.7 million establishing a total authorized amount of \$234 million to facilitate and accomplish implementation of, and compliance with, the new License issued by the Federal Energy Regulatory Commission for the St. Lawrence-FDR Power Project, as well as the settlement agreements associated therewith."

9. Workforce Development – Grant Funding Request

“RESOLVED, that the Finance Committee recommends that the Authority’s Board of Trustees approve funding of Workforce Development initiatives for an aggregate total of \$3.95 million for the Workforce Development initiative;

Training Provider:	Funding Allocation:
Bronx Economic Development Corporation	\$200,000
Laborers’ International Union of North America	\$1.33 million
New York State Labor Management Committee	\$1.05 million
Osborne Association	\$755,000
Willdan Clean Energy Academy	\$615,000

and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the “General Bond Resolution”), that the aggregate amount of \$3.95M 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 General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further”

10. Financial Advisory Services – Contract Award

“RESOLVED, that the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of eleven (11) contracts for Financial Advisory Services, each for a term of five (5) years, to: Baker Tilly Advisory Group, LP of Madison, Wisconsin; CohnReznick LLP of Parsippany, New Jersey; CRA International, Inc. Of Boston, Massachusetts; Credit Agricole Corporate and Investment Bank of New York, New York; Ernst & Young U.S. LLP of Secaucus, New Jersey; FTI Consulting, Inc. of Bowie, Maryland; Goldman Sachs & Co. LLC of New York, New York; Guidehouse, Inc. of McLean, Virginia; J.P. Morgan Securities LLC of Brooklyn, New York; Jones Lange LaSalle Americas, Inc. of Chicago, Illinois; and PFM Financial Advisors LLC of Philadelphia, Pennsylvania in the

aggregate amount of \$17 million; and be it further

RESOLVED, that the Finance Committee recommends that the Authority approve the use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made as described in the foregoing report of the President and Chief Executive Officer; and be it further"

RECOMMENDATION

Each of the Officers of the Authority responsible for the items submitted to the Finance Committee at its meeting on March 18, 2025, recommends that the Board of Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee set forth above

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, that the Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee on March 18, 2025, and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee as set forth in the foregoing report of the President and Chief Executive Officer.

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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 each of the foregoing resolutions, subject to the approval of the form thereof by the Executive Vice President and General Counsel.



Date: March 25, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES AND NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Governance Committee Recommendations for Approvals

SUMMARY

The Governance Committee (the "Committee") met on March 18, 2025 and considered and adopted the following resolutions, which are now before the New York Power Authority Board of Trustees ("Board of Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") for adoption.

i. ITEMS FOR ADOPTION:

1. Procurement and Related Reports for New York Power Authority and Canal Corporation (January-December 2024)

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law and the Procurement and Related Reports for New York Power Authority and Canal Corporation, as amended, be, and hereby are, approved; and be it further

Procurement and Related Reports
NYPA Procurement Contracts Summary
Disposal of Personal Property
Supplier Diversity Program (SDP)
Inventory Statistics
Fossil Fuels Activity
Corporate Finance Activity
Transfer of Interest in Personal Property to Canal Corporation
Canal Corporation Procurement Contracts Summary
Canal Corporation Disposal of Personal Property

RESOLVED, That the Procurement and Related Reports, and hereby are, reviewed and approved; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.



2. Annual Report of Procurement Contracts, and Annual Review of Open Procurement Service Contracts

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law and the Authority's and Canal's Procurement Guidelines, the Annual Report of Procurement Contracts, and the Guidelines for the use, awarding, monitoring and reporting of Procurement Contracts, as amended, be, and hereby are, approved; and be it further

RESOLVED, That the open service contracts exceeding one year be, and hereby are, reviewed and approved; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

3. Annual Review and Approval of Guidelines and Procedures for the Disposal and Acquisition of Real Property, and Annual Reports for the Disposal and Acquisition of Real Property

RESOLVED, That the Governance Committee recommends approval of the Authority's 2025 Real Property Disposal Guidelines, 2025 Real Property Acquisition Guidelines, 2024 Annual Report of the Disposal of Real Property in excess of \$15,000, 2024 Annual Report of the Acquisition of Real Property in excess of \$15,000 and 2024 Report of Acquisition and Disposal of Real Property to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

RESOLVED, That the Governance Committee recommends approval of the Canal Corporation's 2025 Canal Real Property Disposal Guidelines, 2025 Canal Real Property Acquisition Guidelines, 2024 Annual Report of the Disposal of Canal Real Property in excess of \$15,000, 2024 Annual Report of the Acquisition of Canal Real Property in excess of \$15,000 and 2024 Report of Acquisition and Disposal of Real Property to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.



4. Annual Review and Approval of Certain Policies for New York Power Authority and Canal Corporation

RESOLVED, That the Governance Committee recommends that the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors adopt the below listed policies pursuant to Section 2824 of the Public Authorities Law, Section 2 of Article II of the Authority’s and the Canal Corporation’s By-laws and Section (C)(1) of the Authority’s and Canal Corporation Charters:

AND BE IT FURTHER RESOLVED That the Governance Committee recommends that the Authority’s Trustees and the Canal Corporation’s Board of Directors authorize the President and Chief Executive Officer to modify the foregoing policies, as necessary, except in the event that any powers, duties or obligations of the Trustees and Board of Directors would be affected by such modification; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

NYPA Policy Name	Policy Number	Revision Date
NYPA’s Workplace Violence Policy	CP 1-8	10/1/2024
Equal Employment Opportunity Anti Harassment Anti Discrimination Policy	CP 1-14	3/25/2024
Gender-Based Violence and the Workplace Policy	CP 1-16	7/30/2024
Screen and Pre-Employment Bargaining Unit Positions at Operating Facilities	EP 1-4	2/25/2025
Separation from Service	EP 1.6	11/21/2023
Transfer or Re-Employment in Public Service	EP 1.9	1/27/2025
Foreign National Sponsorship Policy	EP 1.13	12/21/2023
Management Non-Exempt and Facility- Based Exempt Overtime	EP 2.4	12/12/2024
Management Exempt Emergency Crisis Response Compensation	EP 2.5	6/3/2024
Management Employee Categories and Eligibility for Benefits	EP 3.1	1/13/2025
Family and Medical Leave Act (FMLA)	EP 3.3	7/2/2024
Employee Assistance Program	EP 3.5	1/31/2025
Tuition Reimbursement	EP 3.6	02/21/2024
Relocation Benefits for New and Transferred Employees	EP 3.8	01/14/2025
Management Time Away from Work	EP 3.12	02/25/2025
Performance Improvement	EP 4.2	05/9/2024
Fitness for Duty	EP 4.5	5/29/2024
Attendance and Flexible Hours	EP 4.6	3/3/2025
No Smoking Policy	EP 4.7	10/31/2024
Employee Resource Group Policy	HR-ERG-BUP-001	04/23/2024



Code of Conduct		
Anti-Retaliation Policy	CP 1-7	9/25/2021
Canal Policy Name	Policy Number	Revision Date
2025 Seasonal and Occasional PEF Transportation Construction Inspector (TCI) Rates	ASB-2025-002	1/21/2025
Rehired Retiree Eligibility for Accruals/Holiday Pay	ASB-2024-018	
Driver License Requirements and Verification Procedure	ASB-2024-023	12/1/2024
Assignment and Use of Canal Corporation Vehicles	CADM-POL-001	6/2/2022
Reasonable Accommodation in Public Programs and Services for People with Disabilities	CADM-POL-004	9/5/2023
Reasonable Accommodation of Religious Observances or Practices	CADM-POL-005	9/5/2023
Reasonable Accommodation of Disabilities Pregnancies and Domestic Violence	CADM-POL-006	9/5/2023
Nursing Related Rights Policy	CADM-POL-007	10/17/2023
Attendance Rules	CCP-2022-001	10/7/2022
MC Handbook	CCP-2025-001	02/2025
Succession Planning	CGP-2023-002	12/15/2023
Gender Based Violence in the Workplace	CGP-2022-004	12/7/2022
Positive Workplace Policy	CGP-2022-003	2/15/2023
Salary Administration Manual		10/2024
Social Leave for Holiday Luncheons 2024		10/28/2024
Social Leave for Holiday Luncheons 2024 HQ Employees		11/26.2924

5. 2024 New York Power Authority and Canal Corporation Annual Board Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget office

RESOLVED, Pursuant to Sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7) of the Public Authorities Law and Guidance of the Authorities Budge Office, the Authority and Canal Board is required to annually submit a summary of the Board Evaluation to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the Authorities Budget Office, within 90 days after the end of its fiscal year; and be it further

RESOLVED, That the Governance Committee recommends the adoption of the 2024 Annual Board Evaluation Summary to the Authority’s Board of Trustees and the Canal Corporation’s Board of Directors as required by Section C (2) of the Governance Committee Charter.

RESOLVED, That pursuant to Sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7) of the Public Authorities Law and Guidance of the Authorities Budget Office, the 2024 Annual Board Evaluation Summary is hereby adopted and the Corporate Secretary is hereby authorized to submit to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget the adopted 2024 summary; and be it further



RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

6. Annual Review and Approval of Guidelines for the Investment of Funds and 2024 Annual Report on Investment of Authority Funds

RESOLVED, That the Committee recommends that the Trustees adopt the Annual Report on Investments of the Authority Funds and adopt the Guidelines for the Investment of Funds to support the continued growth of and strengthen the fiduciary controls over the internal investment portfolio, and approve the debt service and operating reserve levels (\$175 million and \$104 million, respectively) as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

7. Strategic Plan and Mission Statement

RESOLVED, That the Governance Committee recommends that the Authority's Trustees approve the 2025 Mission Statement and Strategic Plan at their March 25, 2025 meeting, as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

Justin E. Driscoll
President and Chief Executive Officer



Date: March 25, 2025
To: NEW YORK POWER AUTHORITY TRUSTEES
From: PRESIDENT & CHIEF EXECUTIVE OFFICER
Subject: Audit Committee Recommendations for Approvals

SUMMARY

The Audit Committee (the “Committee”) met on March 25, 2025 and considered and recommended the following resolutions which are now before The New York Power Authority Trustees (“Board of Trustees”) and Canal Corporation (“Board of Directors”) for adoption.

i. ITEMS FOR ADOPTION

1. New York Power Authority and Canal Corporation 2025 Internal Audit Plan and Strategy

RESOLVED, that the New York Power Authority Board of Trustees and the Canal Corporation Board of Director’s approve the New York Power Authority and Canal Corporation 2025 Internal Audit Plan as presented to, described, and discussed during the Audit Committee meeting held on March 25, 2025.

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

2. 2024 Financial Reports Pursuant to Section 2800 of the Public Authorities Law and Regulations of the Office of the State Comptroller

RESOLVED, That pursuant to Section 2800 of the Public Authorities Law, the Audit Committee hereby recommends that the Authority’s financial reports are adopted and the Corporate Secretary be, and hereby is, authorized to submit to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget Office the attached financial report for the year ending 2024 in accordance with the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that pursuant to 2 NYCRR Part 203, the Audit Committee hereby recommends that the Authority’s report of actual vs. budgeted results for the year 2024 is approved in accordance with the foregoing report of the President and Chief Executive Officer, and the Corporate Secretary is authorized to post the report on the Authority’s website; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

3. New York Power Authority and Canal Corporation Audit Committee Charter

RESOLVED, That the Committee recommends that the attached Authority's and Canal Corporation Audit Committee Charter be approved by the NYPA Board of Trustees and New York State Canal Corporation Board of Directors; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

4. New York Power Authority Internal Audit Charter

RESOLVED, That the Committee recommends that the attached Internal Audit Charter be approved by the Trustees; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

Justin E. Driscoll
President and Chief Executive Officer

Date: March 25, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Expansion Power Allocations and Hydropower Allocation Modification

SUMMARY

The New York Power Authority Board of Trustees (“Board of Trustees”) is requested to:

- (a) approve an allocation of 700 kilowatts (“kW”) of Expansion Power (“EP”) to Big Heart Pet Brands, Inc. (“Big Heart”) for a term of ten years to support the company’s proposed expansion at 243 Urban Street, Buffalo, New York (Erie County);
- (b) approve an allocation of 4,500 kilowatts (“kW”) of EP to Rosina Food Products, Inc. (“Rosina”) for a term of ten years to support the company’s proposed expansions at 3100 Clinton Street and 75 Empire Drive, West Seneca, New York (Erie County);
- (c) authorize a public hearing, in accordance with Public Authorities Law (“PAL”) § 1009, on a proposed form of contract (“Proposed Contract”) with Big Heart and Rosina that would, along with Authority Service Tariff No. WNY-2 (“ST WNY-2”), apply to the sale of EP to these companies; and
- (d) approve modifications to existing EP allocations to Yahoo Holdings Inc. (“Yahoo”) and associated job and capital investment commitments.

These matters are discussed in more detail below and in Exhibits “A” and “B” (background on the proposed new EP allocations). Copies of the proposed contracts for Big Heart and Rosina and ST WNY-2 are attached as Exhibits “A-1” and “B-1”.

BACKGROUND

Under PAL §1005(13), the New York Power Authority (“Authority”) may contract to allocate 250 megawatts (“MW”) of firm hydroelectric power as EP and up to 445 MW of Replacement Power (“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 is 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 receive allocations of Authority hydropower. Discussions routinely occur with National Grid, New York State Electric & Gas, Empire State Development, Invest Buffalo Niagara, the Niagara County Center for Economic Development, and the Erie County Industrial Development Agency (collectively, the “Economic Development Entities”) to coordinate other economic development incentives that may help bring economic development to New York State. Staff confers with the Economic Development Entities to help maximize the value of hydropower to improve the economy of Western New York and the State of New York. Each organization has expressed support for today’s recommended EP allocations.

At this time, 63,503 kW of unallocated EP and 51,437 kW of unallocated RP are available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

Big Heart

Big Heart is a manufacturer and distributor of pet food products which have been produced at its Buffalo site since 1957. The company currently has 283 employees at its Buffalo plant.

In 2015, the J.M Smucker Company acquired Big Heart and its portfolio of brands including Milk-Bone, Meow Mix, Pup-Peroni, Canine Carry Outs, and Milo’s Kitchen. Big Heart has a significant presence in the pet food market in the United States with its products available in numerous retail outlets including grocery stores, pet specialty stores, and online platforms.

Big Heart is proposing to relocate its Soft & Chewy dog treat brand to a larger space within its facility and add processing equipment to support a new production line. The project would subsequently convert current Soft & Chewy processing equipment to support the production of dog biscuits. The expansion is anticipated to significantly expand the Soft & Chewy product line while adding approximately 20,000 tons of additional dog biscuit capacity.

The company’s expansion project would involve a capital investment expenditure of at least \$52.66 million. This includes facility construction costs, the installation of four new silos for storage, and construction of an on-site meat storage freezer.

Big Heart is planning to begin the initial phases of the project in 2025 with additional phases targeted for completion in 2027. The company would commit to the creation of 17 new, permanent, full-time jobs at its Buffalo facility over the term of the allocation. Average annual compensation/benefits for the new jobs are estimated to be \$104,500 per job.

The company applied for a 1,003 kW allocation of hydropower in connection with the expansion project. Staff recommends an EP allocation in the amount of 700 kW for a term of ten years. ST WNY-2 would apply to the sale of the allocation.

The site of the proposed expansion is located within a disadvantaged community. Accordingly, the company’s application for hydropower has been considered under NYPA’s Diversity, Equity, and Inclusion Evaluation and Incentive Plan approved by the Board of Trustees on December 7, 2021.

The job creation ratio for the proposed allocation of 700 kW is 24 new jobs per MW. This ratio is below the historic average of 63 new jobs per MW, based on allocations previously awarded. The total investment of at least \$52.66 million would result in a capital investment ratio of \$75.2 million per MW. This ratio is above the historic average of \$20.3 million per MW.

The Economic Development Entities have expressed support for an allocation of EP to Big Heart.

Rosina

Founded in 1963, Rosina manufactures a wide variety of Italian-style frozen food products including meatballs, sausage, pasta, eggplant, and pizza toppings. The company is a current NYPA hydropower customer and has been awarded 3,200 kW of EP to date to support its two West Seneca manufacturing plants.

Rosina is proposing a two-phased expansion project at its West Seneca facilities which currently hosts 425 employees. Phase I would include a 32,000 square-foot expansion of its frozen meatball production plant at 3100 Clinton Street ("Protein Project"). Phase II would include a 30,000 square-foot expansion of its tortellini and ravioli manufacturing site at 75 Empire Drive ("Pasta Project").

Each plant is currently operating at full capacity. It is anticipated that both projects would significantly increase production volume while reducing the present need for utilizing out-of-state co-manufacturing vendors.

The Protein Project would require equipment purchases including grinders, mixers, meatball formers, ovens, freezers, and packaging equipment. The Pasta Project would require expenditures including mixers, extruders, tortellini and ravioli formers, blanchers, freezers, and packaging and boxing machines.

The company's expansion projects would involve a capital investment expenditure of at least \$50 million. This includes facility construction costs (a capital investment expenditure of approximately \$35 million) and new machinery and equipment purchases (a capital investment expenditure of approximately \$15 million).

Rosina is planning to begin the initial phases of the project in 2025 with additional phases targeted for completion in 2026. The company would commit to the creation of 95 new, permanent, full-time jobs at its West Seneca facilities over the term of the allocation. Average annual compensation/benefits for the new jobs are estimated to be \$100,000 per job.

Rosina was previously approved for a 200 kW EP allocation, which is currently being utilized at 75 Empire Drive. It also receives a 3,000 kW EP allocation and a portion of this award is being utilized at 3100 Clinton Street.

The company applied for a 7,000 kW allocation of hydropower in connection with the expansion project. Staff recommends an EP allocation in the amount of 4,500 kW for a term of ten years. ST WNY-2 would apply to the sale of the allocation, and the allocation would be available for use at either Rosina facility.

The job creation ratio for the proposed allocation of 4,500 kW is 21 new jobs per MW. This ratio is below the historic average of 63 new jobs per MW, based on allocations previously awarded. The total investment of at least \$50 million would result in a capital investment ratio of \$11.1 million per MW. This ratio is below the historic average of \$20.3 million per MW.

The Economic Development Entities have expressed support for an additional allocation of EP to Rosina.

EP Allocations – Contract Information

The following is a summary of some of the matters addressed in the proposed contracts with Big Heart, Rosina, and ST WNY-2:

- Base rates for demand and energy, an annual adjustment factor, and a minimum monthly charge which helps the Authority cover fixed costs of serving a customer even when the customer does not utilize the allocation in a billing period.

- Direct billing of all production charges (i.e., demand and energy) as well as all New York Independent System Operator, Inc. charges, taxes and any other required assessments.
- The provision of substitute energy in the event of hydropower curtailments caused by adverse water conditions that impact power project operations.
- Basic requirements for customer metering.
- Early outreach to the customer concerning allocation extension initiatives by the Authority.
- Requirements for energy audits at the facility receiving the allocation. The customer would have the option to satisfy the audit requirement through either a traditional physical audit, or a virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable savings for customers who select it.
- Periodic communications to customer about energy-related projects, programs and services offered by the Authority.
- Compliance provisions that allow the Authority to reduce a customer's allocation for a failure to meet supplemental commitments, with an opportunity for the customer to present a proposed plan with actionable milestones to cure deficiencies.
- The collection of a Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge to allow the Authority to recover costs it incurs relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the customer's load.

Staff intends to discuss the form of the Proposed Contract with Big Heart and Rosina, and anticipates reaching agreement on a contract substantially like the forms attached as Exhibits "A-1" and "B-1". Accordingly, the Board of Trustees is requested to authorize a public hearing, pursuant to PAL §1009, on the forms of the Proposed Contract with Big Heart and Rosina attached as Exhibit "A-1" and Exhibit "B-1". The forms of the Proposed Contract are consistent with recently approved contracts for the sale of EP and RP.

As required by PAL §1009, when the Authority believes it has reached agreement with its prospective co-party on a contract for the sale of EP or RP, it will transmit the proposed form of the contract to the Governor and other elected officials, and hold a public hearing on the contract. At least 30-days' notice of the hearing must be given by publication once in each week during such period in each of six selected newspapers. Following the public hearing, the form of the contract may be modified, if advisable. Staff will report to the Board of Trustees on the public hearing and the Proposed Contract at a later time and make any additional recommendations regarding the Proposed Contract as are appropriate.

Upon approval of the final Proposed Contract by the Authority, the Authority must "report" the Proposed Contract, along with its recommendations and the public hearing records, to the Governor and other elected officials. Upon approval by the Governor, the Authority is authorized to execute the final contracts.

Yahoo

Yahoo was previously awarded two EP allocations in support of its facilities in Lockport, New York (Niagara County), one at Enterprise Drive and the other at Crown Drive. These awards include 15,000 kW of EP to support the Enterprise Drive site, and 6,000 kW of EP to support the Crown Drive site.

The 6,000 kW EP allocation awarded for the Crown Drive facility is currently served under ST WNY-2 and has a termination date of December 31, 2028. The 15,000 kW EP allocation for the Enterprise Drive facility is served under ST WNY-1 and is scheduled to expire on March 31, 2025.

In connection with a global digital transformation, Yahoo has asked for a change to its existing allocations and related terms and commitments. Based on discussions with Yahoo, its allocation profile would change as follows: The total amount of the two EP allocations would be reduced from 21,000 kW to 14,000 kW and would be made available for use at either site as needed by Yahoo. The revised modification would be served under ST WNY-2 and expire on December 31, 2028. Yahoo would be subject to an annual capital investment commitment of at least \$120,000, and a retained job commitment of 100 jobs, which would cover both Lockport facilities. Yahoo would have a right to request an extension of the revised allocation and other changes beyond December 31, 2028 similar to other Western New York hydropower customers served under ST WNY-2. We expect that the new business terms will be addressed through a modification to the Crown Drive contract.

Staff is recommending that the Trustees approve the modifications for Yahoo as described above. Allowing the revised allocation to be used at either facility would give Yahoo additional flexibility to meet its business needs and the extension through December 31, 2028 would provide certainty on the availability of the hydropower through this date. The modification would allow NYPA to recover 7,000 kW of EP that Yahoo does not currently need and simplify contract administration.

FISCAL INFORMATION

The actions recommended herein are not expected to have a significant negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions requests that the Board of Trustees:

- 1) approve an allocation of 700 kW of EP to Big Heart as described herein and in Exhibit "A" for a term of ten years;
- 2) approve an allocation of 4,500 kW of EP to Rosina as described herein and in Exhibit "B" for a term of ten years;
- 3) authorize a public hearing, in accordance with PAL § 1009, on the Proposed Contracts with Big Heart and Rosina attached as Exhibit "A-1" and Exhibit "B-1"; and
- 4) approve the recommended modifications to existing EP allocations to Yahoo and associated job and capital investment commitments.

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That an allocation of 700 kilowatts (“kW”) of Expansion Power (“EP”) to Big Heart Pet Brands, Inc. (“Big Heart”) for a term of ten years to support the company’s proposed expansion at 243 Urban Street, Buffalo, New York, as detailed in the foregoing memorandum of the President and Chief Executive Officer (“Memorandum”), be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That an allocation of 4,500 kW of EP to Rosina Food Products, Inc. (“Rosina”) for a term of ten years to support the company’s proposed expansions at 3100 Clinton Street and 75 Empire Drive, West Seneca, New York as detailed in the foregoing Memorandum, be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That the Board of Trustees hereby authorize a public hearing pursuant to Public Authorities Law (“PAL”) §1009 on the terms of the proposed form of the direct sale contracts with Big Heart and Rosina for the sale of the EP allocations (the “Contracts”); and be it further;

RESOLVED, That modifications to (1) existing EP allocations made to Yahoo Holdings Inc., resulting in a total combined EP allocation of 14,000 kW to be served under Service Tariff No. WNY-2 through December 31, 2028 for use at both Lockport facilities, and (2) associated job and capital investment commitments, as detailed in the foregoing Memorandum, be and hereby are approved; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, 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.

APPLICATION SUMMARY
Expansion Power ("EP")

Company:	Big Heart Pet Brands, Inc. ("Big Heart")
Location:	Buffalo, NY
County:	Erie County
IOU:	National Grid
Business Activity:	Big Heart is a manufacturer and distributor of various pet food products which have been produced at the company's Buffalo site since 1957. In 2015, The J.M. Smucker Company acquired Big Heart and its portfolio of brands including Milk-Bone, Meow Mix, Pup-Peroni, Canine Carry Outs, and Milo's Kitchen.
Project Description:	Big Heart is proposing a two-phased expansion project that would relocate and add a Soft & Chewy dog treat production line which is anticipated to increase overall plant capacity by 20%. The second project phase would modify Soft & Chewy manufacturing equipment to accommodate the production of dog biscuits.
Existing Allocation(s):	N/A
Power Request:	1,003 kW of EP
Power Recommended:	700 kW of EP
Job Commitment:	
Base:	283
New:	At least 17 jobs
New Jobs/Power Ratio:	24 jobs/MW
New Jobs - Avg. Wage and Benefits:	\$104,500
Capital Investment:	At least \$52.66 million
Capital Investment/MW:	\$75.2 million/MW
Other ED Incentives:	The company is pursuing incentives from Empire State Development and the Erie County Industrial Development Agency.
Summary:	<p>Big Heart is proposing to relocate its Soft and Chewy dog treat brand to a larger space within its facility and add processing equipment to support a new production line. A later phase would convert existing Soft and Chewy production equipment to facilitate the production of dog biscuits.</p> <p>The second phase of the project is anticipated to add approximately 20,000 tons of additional biscuit capacity and include a nearly 900 square-foot facility expansion to support a new meat storage freezer.</p> <p>An allocation of low-cost hydropower could incentivize Big Heart to consider additional expansion opportunities in Buffalo moving forward.</p>

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Big Heart Pet Brands, Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Big Heart Pet Brands, Inc. (“Customer”) with offices and principal place of business at 243 Urban Street, Buffalo, New York 14211. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I

DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II **ELECTRIC SERVICE**

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV **SUPPLEMENTAL COMMITMENTS**

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII **NOTICES**

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Big Heart Pet Brands, Inc.
243 Urban Street
Buffalo, NY, 14211
Email: meredith.mullet@jmsmucker.com
Facsimile:
Attention: Meredith Mullet

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

BIG HEART PET BRANDS, INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Big Heart Pet Brands, Inc.				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
EP	700 kW	243 Urban Street Buffalo, NY, 14211	March 25, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
**SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS**

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 300 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$52,660,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Facility construction costs and establishing an on-site meat storage freezer	\$10,210,000
New machinery & equipment purchases	\$42,450,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$52,660,000</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than March 25, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
 6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
- b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
- c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand (\$/kW)	Energy (\$/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor (“AAF”), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.
- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.
- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.
3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
4. With regard to LFS methodology calculations:
 - a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
 - b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.
 - c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:
 - i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
 - ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
 - d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year (“Index Value for the Measuring Year”) will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1”). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (“ $\pm 5\%$ Collar”). Amounts outside the $\pm 5\%$ Collar shall be referred to as the “Excess.”

Index 1, “BLS Industrial Power Price” (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (“BLS”) electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, “EIA Average Industrial Power Price” (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT (“Selected States”) as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration (“EIA”); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, “BLS Industrial Commodities Price Less Fuel” (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
 - a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year’s AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24

Measuring Year -1 (2011)

CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23

Ratio of MY/MY-1 **1.00**

• Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year <u>(2013)</u>	Measuring Year -1 <u>(2012)</u>
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

APPLICATION SUMMARY
Expansion Power (“EP”)

Company:	Rosina Food Products, Inc. (“Rosina”)
Location:	West Seneca, NY
County:	Erie County
IOU:	New York State Electric & Gas
Business Activity:	Established in 1963, Rosina specializes in the production of Italian-style frozen food products including pre-cooked meatballs, sausage, pasta, eggplant, and pizza toppings.
Project Description:	Rosina is proposing expansion projects at two facilities. Phase I would include a 32,000 square-foot expansion of its frozen meatball production plant (“Protein Project”). Phase II would include a 30,000 square-foot expansion of its tortellini and ravioli manufacturing site (“Pasta Project”).
Existing Allocation(s):	3,200 kW of EP
Power Request:	7,000 kW of EP
Power Recommended:	4,500 kW of EP
Job Commitment:	
Base:	425
New:	At least 95 jobs
New Jobs/Power Ratio:	21 jobs/MW
New Jobs - Avg. Wage and Benefits:	\$100,000
Capital Investment:	At least \$50 million
Capital Investment/MW:	\$11.1 million/MW
Other ED Incentives:	The company is pursuing incentives from the Erie County Industrial Development Agency.
Summary:	<p>Rosina is proposing expansion projects at two of its manufacturing plants. The Protein Project, located at 3100 Clinton Street, would include a 32,000 square-foot expansion to increase the capacity of cooked meatball production. The Pasta Project, located at 75 Empire Drive, would include a 30,000 square-foot expansion to increase tortellini and ravioli production.</p> <p>Each plant is currently operating at full capacity. It is anticipated that both projects would significantly increase production volume while reducing the present need for utilizing out-of-state co-manufacturing vendors.</p> <p>An allocation of low-cost hydropower, along with other state support offered for this project, could incentivize Rosina to consider additional expansion opportunities at its West Seneca facilities moving forward.</p>

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Rosina Food Products, Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Rosina Food Products, Inc. (“Customer”) with offices and principal place of business at 3100 Clinton Street, West Seneca, NY 14224. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I

DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II **ELECTRIC SERVICE**

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV **SUPPLEMENTAL COMMITMENTS**

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII **NOTICES**

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Rosina Food Products, Inc.
3100 Clinton Street
West Seneca, NY 14224
Email: enaber@rosina.com
Facsimile:
Attention: Eric Naber

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

ROSINA FOOD PRODUCTS, INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Rosina Food Products, Inc.				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
EP	4,500 kW	3100 Clinton St. West Seneca, NY 14224 75 Empire Dr. West Seneca, NY 14224	March 25, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
**SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS**

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 520 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$50,000,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Facility Construction Costs	\$35,000,000
New Machinery & Equipment Purchases	\$15,000,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$50,000,000</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than March 25, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
 6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
- b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
- c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF:** This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP:** Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand (\$/kW)	Energy (\$/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor (“AAF”), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.
- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.
- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.
3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
4. With regard to LFS methodology calculations:
 - a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
 - b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.
 - c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:
 - i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
 - ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
 - d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year (“Index Value for the Measuring Year”) will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1”). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (“ $\pm 5\%$ Collar”). Amounts outside the $\pm 5\%$ Collar shall be referred to as the “Excess.”

Index 1, “BLS Industrial Power Price” (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (“BLS”) electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, “EIA Average Industrial Power Price” (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT (“Selected States”) as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration (“EIA”); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, “BLS Industrial Commodities Price Less Fuel” (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
 - a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year’s AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24

Measuring Year -1 (2011)

CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23

Ratio of MY/MY-1 **1.00**

• Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year <u>(2013)</u>	Measuring Year -1 <u>(2012)</u>
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12



Date: March 25, 2025
To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
From: PRESIDENT & CHIEF EXECUTIVE OFFICER
Subject: Municipal and Rural Electric Cooperative Industrial Economic Development Program - Allocation to the Village of Marathon

SUMMARY

The New York Power Authority Board of Trustees (“Trustees”) is requested to approve an allocation of 350 kilowatts (“kW”) of hydropower under the Municipal and Rural Electric Cooperative Industrial Economic Development Program (“IEDP”) to the Village of Marathon.

BACKGROUND

The 1991 amendment to the power sales agreement between the New York Power Authority (“Authority”) and each of the Municipal and Rural Electric Cooperative Systems set aside a block of 54 megawatts (“MW”) from the 752 MW of firm Niagara Project hydropower allocated to the systems for economic development in the systems’ service territories. The total allocation was increased to 768.4 MW as a result of additional firm power (both firm and firm peaking) resulting from the Niagara Project life extension and modernization upgrade that was completed in the early 2000s.

Power from this block can be allocated to individual systems to meet the increased electric load resulting from eligible new or expanding businesses in their service area. Recommended allocations under the IEDP are made using guidelines that were approved by the Trustees on September 23, 2008.

As of June 2024, approximately 21.2 MW have been allocated. The most recent allocation was awarded by the Trustees to the Village of Bergen in July 2024. The Village of Marathon has submitted an application for power under the program for consideration by the Trustees.

DISCUSSION

The application by the Village of Marathon to the Authority is on behalf of Square Deal Machining, Inc, an existing Municipal and Rural Electric Cooperative Industrial Economic Development Program customer in the Village of Marathon. (“Square Deal”). Square Deal, which started as a small machine shop in Marathon and has since expanded into a 300,000 square foot facility, offers comprehensive metal fabrication, machining and welding services. The company would install four robotic weld cells, six hand weld cell areas, overhead cranes, shipping racks, fork trucks and customized material.

Square Deal is proposing to construct a 30,000 square foot addition to their current Marathon facility. The estimated monthly peak demand at the expanded facility would be 1,000 kW. The new site would be staffed by 165 existing employees and would create 24 new jobs over the next three years. All jobs would be full-time positions.

NYPA staff recommends that the Trustees approve an allocation of 350 kW of Municipal and Rural Electric Cooperative Industrial Economic Development Program power to the Village of Marathon on behalf of Square Deal. The IEDP Guidelines require that a minimum of 25 jobs per MW of allocated hydropower be attained. The jobs per MW ratio for this allocation exceeds these guidelines.

FISCAL INFORMATION

The total amount of capital investment for this project is approximately \$6.5 million over three years. This includes the construction of a 30,000 square foot addition to their current facility and new machinery and equipment.

The actions recommended herein will not have a negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions recommends that the Trustees approve the allocation of 350 kW under the Municipal and Rural Electric Cooperative Industrial Economic Development Program to the Village of Marathon in accordance with this memorandum.

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Trustees hereby approve the allocation of 350 kW of hydropower to the Village of Marathon under the Municipal and Rural Electric Cooperative Industrial Economic Development Program as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions or such official's designee, hereby is authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocation and/or project, including without limitation progress milestones and provisions for the expiration of the allocation in the event that such milestones are not met; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.



Date: March 25, 2025
To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
From: PRESIDENT & CHIEF EXECUTIVE OFFICER
Subject: Preservation Power Allocation Modification

SUMMARY

The New York Power Authority Board of Trustees (“Board of Trustees”) is requested to:

1. approve a reduction to a Preservation Power (“PP”) allocation previously awarded to Potsdam Specialty Paper, Inc. (“PSPI”) for use at its facility located at 547A Sissonville Road, Potsdam, New York, St. Lawrence County, from 400 kilowatts (“kW”) to 320 kW, due to changed business circumstances related to an expansion project;
2. extend the term of the modified PP allocation from 7 years to up to 10 years to align with recently-approved PP allocations providing for a term of up to 10 years;
3. approve a reduction to PSPI’s job creation commitment associated with the expansion project from 22 jobs to 5 jobs; and
4. approve an increase in PSPI’s job retention commitment from 67 jobs to 77 jobs to reflect PSPI’s current employment levels.

BACKGROUND

Under PAL §1005(13)(a), the New York Power Authority (“NYPA” or “Authority”) may contract to allocate 490 megawatts (“MW”) of PP to businesses in Franklin, Jefferson and St. Lawrence counties, and applies the same allocation criteria that pertain to the allocations of Replacement Power and Expansion Power.

Each application for an allocation of PP is 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.

DISCUSSION

The Authority awarded PSPI a 400 kW PP allocation on January 31, 2017, to support an expansion project that would add a paper and film coating production line to improve efficiencies and accommodate increased capacity. At that time, PSPI agreed to retain 67 employees and create 22 new jobs. The company has also committed to a capital investment commitment of \$2 million in connection with the expansion project.

PSPI recently advised Authority staff that it was unable to secure a large new customer that would have required a significant amount of coated paper products, and therefore it had to reduce its new job commitment

related to the expansion project from 22 to 5 new positions. It also advised the Authority that its baseline employment level had increased from 67 to 77 jobs.

Due to these changed circumstances, staff requests that the Board of Trustees take the following actions:

1. approve a reduction in PSPI's PP allocation from 400 kW to 320 kW, to reflect its reduced job creation commitment;
2. extend the term of the modified PP allocation from 7 years to up to 10 years to align with recently-approved PP allocations providing for a term of up to 10 years;
3. approve a reduction to PSPI's job creation commitment associated with the expansion project from 22 jobs to 5 jobs; and
4. approve an increase in PSPI's job retention commitment from 67 jobs to 77 jobs to reflect PSPI's current employment levels.

PSPI's capital investment commitment of \$2 million in connection with the expansion project would not change.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions requests that the Board of Trustees:

1. approve a reduction in PSPI's PP allocation from 400 kW to 320 kW, to reflect its reduced job creation commitment;
2. extend the term of the modified PP allocation from 7 years to up to 10 years to align with recently-approved PP allocations providing for a term of up to 10 years;
3. approve a reduction to PSPI's job creation commitment associated with the expansion project from 22 jobs to 5 jobs; and
4. approve an increase in PSPI's job retention commitment from 67 jobs to 77 jobs to reflect PSPI's current employment levels.

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Preservation Power (“PP”) allocation previously awarded to Potsdam Specialty Paper, Inc. (“PSPI”) for use at its facility located at 547A Sissonville Road, Potsdam, New York, St. Lawrence County, is reduced from 400 kilowatts (“kW”) to 320 kW, the term of PSPI’s modified PP allocation is extended from 7 years to up to 10 years, PSPI’s job creation commitment associated with its expansion project is reduced from 22 jobs to 5 jobs, and PSPI’s job retention commitment is increased from 67 jobs to 77 jobs, for the reasons detailed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority and 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. |



Date: March 25, 2025
To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
From: PRESIDENT & CHIEF EXECUTIVE OFFICER
Subject: Recharge New York Power – New, Extended and Modified Allocations

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to approve the following:

- (a) The extension of the 17 allocations of Recharge New York ("RNY") Power awarded to the businesses and not-for-profit entities listed in Exhibit "A" as described below for a term of seven years, to commence on the expiration of each such allocation, or in the Authority's discretion, on a date to be agreed upon by the Authority and the customer for a term not to exceed seven years (collectively, the "Extended Term"), subject to the following conditions: A customer whose allocation would be extended would have to agree to provide supplemental commitments for, among other things, jobs and capital investments, as it has in its current RNY Power agreement(s) with the Authority (collectively, "Current RNY Power Agreement") for the length of any Extended Term, through the incorporation of such supplemental commitments in the proposed final contract that is executed by the parties. With respect to capital investments, the vast majority of RNY Power customers (i.e., those who do not have project/expansion capital investment commitments) would be expected to meet a minimum capital investment commitment;
- (b) 15 modifications related to the previously approved RNY Power allocations, extensions, and/or related supplemental commitments for the customers listed in Exhibit "B";
- (c) Three new allocation awards of RNY Power available for "retention" purposes to the businesses listed in Exhibit "C" in the amounts indicated therein;
- (d) Three new allocation awards of RNY Power available for "expansion" purposes to the businesses listed in Exhibit "D" in the amounts indicated therein; and
- (e) Five new allocation awards of RNY Power available for eligible small businesses and/or not-for-profit corporations to the entities listed in Exhibit "E" in the amounts indicated therein.

The sale of any extended or new allocation as proposed herein would be governed by the form of the RNY Power contract that was approved by the Trustees on March 26, 2019, and existing Authority Service Tariff RNY-1.

All the above actions have been recommended by the Economic Development Power Allocation Board ("EDPAB") at its March 25, 2025 meeting.

BACKGROUND

On April 14, 2011, the RNY Power Program was signed into law as part of Chapter 60 (Part CC) of the Laws of 2011. The RNY Power Program is codified primarily in Economic Development Law (“EDL”) § 188-a and Public Authorities Law § 1005(13-a) (the “RNY Statutes”). The program makes available 910 megawatts (“MW”) of “RNY Power,” 50% of which will be provided by certain Authority hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to seven years in exchange for job and capital investment commitments. RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction.

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

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid, and Rochester Gas and Electric utility companies; and at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide. In July 2021, legislation was enacted increasing the dedicated amount of RNY Power from 100 MW to no more than 150 MW for eligible not-for-profit corporations and eligible small businesses statewide.

“Eligible applicant” is defined by statute to mean an eligible business, eligible small business, or eligible not-for-profit corporation; however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations.

RNY Power allocation awards are comprised of 50% hydropower and 50% Authority-procured market power. Prior to entering into a contract with an eligible applicant for the sale of RNY power, and prior to the provision of electric service relating to the RNY power allocation, the Authority shall offer each eligible applicant the option to decline to purchase the RNY market power component of such allocation. If an eligible applicant declines to purchase the RNY market power component, the Authority has no responsibility for supplying such market power to the eligible applicant.

Under applicable law, applications for RNY Power are first considered by EDPAB. EDPAB is authorized to recommend applicants to the Authority’s Trustees that it believes should receive an award of RNY Power based on applicable statutory criteria and other pertinent considerations. The criteria provided for in the RNY Statutes are summarized in Exhibit “H” to this memorandum. An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award.

In arriving at recommendations for EDPAB’s consideration, Staff, among other things, attempted to maximize the economic benefits of low-cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.

Unless otherwise noted in Exhibits “C”, “D”, and “E” (recommendations for new RNY Power allocations), new business applicants with relatively high scores were recommended for allocations of retention

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

RNY Power allocation extensions have been awarded by the Trustees on twenty-two prior occasions spanning from October 2018 through December 2024. These recommendations pertain to existing RNY Power customers receiving an Extended Term of seven years.

RNY Power allocations pertaining to new applicants have been awarded by the Trustees on forty-two prior occasions spanning from April 2012 through December 2024. Currently, approximately 40 MW of RNY Power is unallocated. This figure reflects Trustee actions taken on RNY Power applications prior to any actions the Trustees take today. If today's recommendations are approved by the Trustees, it is anticipated that approximately 34 MW of RNY Power would remain unallocated.

EDPAB, at its meeting held on March 25, 2025, recommended that:

- (a) the Trustees approve extensions for the 17 RNY Power allocations that are listed in Exhibit "A" for a term of seven years;
- (b) the Trustees approve the modifications related to the 15 RNY Power allocations, extensions, and/or supplemental commitments listed in Exhibit "B" for the reasons discussed in Exhibit B; and
- (c) each of the applicants identified in Exhibits "C", "D", and "E" be awarded an RNY Power allocation in the amount indicated for a term of seven years.¹

Applications for new RNY Power allocations have been considered, where applicable, under NYPA's Green Jobs Evaluation Incentive Plan and the Diversity, Equity, and Inclusion ("DEI") Evaluation and Incentive Plan. These plans were approved by the Trustees on December 9, 2020 and December 7, 2021, respectively.

Consistent with the RNY Statutes, EDPAB recommended that the contracts for the sale of extended and new allocations contain:

- (1) provisions for effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain commitments, relating to such things as employment levels, power utilization, capital investments, and/or energy efficiency measures;
- (2) requirements for an agreement by the recipient of an allocation to undertake at its own expense an energy audit of its facilities at which the allocation is consumed, which may be modified by the Authority on a showing of good cause by the recipient, and that the recipient provide the Authority with a copy of any such audit or a report describing the results of such audit;
- (3) a requirement for an agreement by the recipient of an allocation to make its facilities available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform; and

¹ EDPAB determined that the applicants listed in Exhibit "F" are ineligible to receive an RNY Power allocation for the reasons discussed in Exhibit "F". EDPAB also authorized terminating the application review process for the applicants listed in Exhibit "G" for the reasons discussed in Exhibit "G". No action is required by the Trustees on these matters.

- (4) a requirement that if the actual metered load at the facility where the allocation is utilized is less than the allocation, such allocation will be reduced accordingly.

The sale of RNY Power allocations that are awarded by the Trustees today would be governed by the form of RNY Power contract that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1. The terms and conditions in the RNY Power contract form are consistent with the terms and conditions recommended by EDPAB as described above. |

DISCUSSION

1. Extension of Existing RNY Power Allocations

For the current round of recommendations, Authority Staff has reviewed applications from 17 RNY Power customers listed in Exhibit "A" who are seeking extensions, and a copy of each application has been made available to EDPAB. Staff's review has consisted of a review on a customer-specific basis of such issues as the amount of each allocation that would be extended, the supplemental commitments that these customers have made under their Current RNY Power Agreement and are prepared to make as consideration for an extension, and the customer's compliance status under its Current RNY Power Agreement, including its compliance with supplemental commitments for jobs and capital investments.

In summary, the businesses listed in Exhibit "A" which are located in the State where indicated, bring valuable benefits to the State. In total, the allocations listed in Exhibit "A" are supporting the retention of nearly 10,400 jobs and more than \$555 million in capital investments throughout New York State. The Authority will require customers to commit to the same or substantially similar supplemental commitments for jobs and capital investments that are summarized in Exhibit "A" for the Extended Term.

Based on the foregoing discussion and EDPAB's recommendations, Staff recommends that the Trustees extend the allocations listed in Exhibit "A" as described above and in Exhibit "A" subject to the following conditions:

- (a) The sale of any allocation extended as proposed herein will be governed by the RNY Power contract form that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1.
- (b) To receive an extension of its allocation, the customer must agree, for the Extended Term, to provide the supplemental commitments for jobs and capital investments that are the same or substantially similar to those that are summarized generally in Exhibit "A" (subject to adjustments described above), through the incorporation of such supplemental commitments in the final contract that is executed by the parties. With respect to capital investments, RNY Power customers who do not have current project/expansion capital investment commitments would be expected to meet a minimum capital investment commitment which may be satisfied through capital expenditures made over a five-year period.
- (c) Unless otherwise noted in Exhibit "A", each customer is in compliance with its contractual obligations to the Authority under its Current RNY Power Agreement.

Staff believes that an extension of each allocation listed in Exhibit "A" is appropriate and is consistent with the applicable statutory criteria listed in Exhibit "H". In addition, the terms and conditions in the RNY Power contract form approved by the Trustees on March 26, 2019 are consistent with the terms and conditions recommended by EDPAB.

2. Modifications to Existing Allocations, Extensions, and/or Related Supplemental Commitments

At its meeting held on March 25, 2025, EDPAB recommended that the Trustees approve modifications relating to 15 previously-approved RNY Power allocations, extensions, and/or related supplemental commitments listed in Exhibit “B” for the reasons presented below. If approved, these modifications would be implemented through the customers’ respective power contracts.

- i. Three modifications are related to extension applicants being recommended for additional RNY Power as indicated in Exhibit “B”, Section 1. Staff has reviewed each of these applications, and a copy of each application has been made available to EDPAB. In each case, the applicants have experienced load growth and are able to commit to additional jobs. In the case of NYU Langone Hospitals (“NYULH”), it was determined that a combined campus approach would be appropriate for the customer moving forward. This configuration would provide the customer with more flexibility with respect to combined job and capital spending commitments across its various sites. In addition, the proposed modification for NYULH would incorporate additional sites into the extension contract, to support the organization’s acquisition of additional hospitals, such that the customer may elect to receive RNY Power at facilities that are not currently enrolled in the program.
- ii. Five modifications are related to combining previously-approved extension allocations with current extension recommendations, or combining current extension recommendations together, as listed in Exhibit “B”, Section 2. Staff has reviewed each of these applications, and a copy of each application has been made available to EDPAB. It was determined that a combined allocation approach would be appropriate for each of these customers moving forward. The proposed modifications would result in a more streamlined process administratively, thereby reducing the need for multiple customer allocations with separate contract terms.
- iii. One modification is related to a job commitment adjustment for a previously-approved extension allocation to 365 Data Centers NY One LLC (“365 Data”) as indicated in Exhibit “B”, Section 3. In recent discussions with the customer, it was determined that 365 Data inadvertently provided an extension-related job commitment of 4 jobs while the correct amount should have been 3 jobs. For this reason, the proposed modification would adjust the company’s job retention commitment to 3 jobs. The modification would not result in any changes to 365 Data’s current allocation amount or extension-related capital investment commitment.
- iv. Six modifications are related to combining previously-approved extension allocations as indicated in Exhibit “B”, Section 4. These customers were approved for multiple extension allocations at different points in time to accommodate each individual award. As a result, these companies currently receive separate extension-related awards. It was determined that a combined allocation approach would be appropriate for each of these customers moving forward. The proposed modifications would result in a more streamlined process administratively, thereby reducing the need for multiple customer allocations with separate contract terms. In each case, the proposed modifications would not result in any changes to the company’s total RNY awarded amount or corresponding supplemental commitments.

Staff has reviewed these requests and is recommending that the Trustees accept EDPAB’s recommendations and approve each of the modifications described above.

3. Retention-Based RNY Power Allocations

The Trustees are asked to address three applications submitted via the CFA process for RNY Power retention-based allocations. Unless otherwise indicated in Exhibit “C”, these applications seek an RNY Power allocation for job retention purposes only.

Consistent with the evaluation process as described above, EDPAB recommended, at its March 25, 2025 meeting, that RNY Power retention allocations be awarded to the businesses listed in Exhibit “C.” Each business has committed to retain jobs in New York State and to make capital investments at their facilities in the amounts listed in Exhibit “C” in exchange for the recommended RNY Power allocations.

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the businesses listed in Exhibit “C” in the amounts and terms indicated therein.

4. Expansion-Based RNY Power Allocations

The Trustees are asked to address three applications requesting RNY Power allocations for expansion purposes. Allocations for this purpose would be sourced from the 200 MW block of RNY Power dedicated by statute for “for-profit” businesses that propose to expand existing businesses or create new business in the State. Unless otherwise indicated in Exhibit “D”, these applications seek an RNY Power allocation to support expansion of an existing business or a new business/facility. EDPAB recommended, at its March 25, 2025 meeting, that RNY Power expansion-based allocations be made to the businesses listed in Exhibit “D.” Each such allocation would be for a term of seven years unless otherwise indicated.

Applications for the expansion-based RNY Power were scored based on the statutory criteria with a focus on each applicants’ specific project to expand or create their new facility or business (e.g., the expansion project’s cost, associated job creation, and new electric load due to the expansion).

Unless otherwise noted in Exhibit “D,” the proposed amounts of the expansion-based allocations listed in Exhibit “D” are largely intended to provide approximately 70% of each expansion project’s estimated new electric load. Because these projects have estimated new load amounts, and to ensure that an applicant’s overestimation of the amount needed will not cause that applicant to receive a higher percentage of RNY Power for their new loads, the allocations in Exhibit “D” are recommended based on an “up to” amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same 70% ratio of RNY Power allocation to the requested load as stated in Exhibit “D.”

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the businesses listed in Exhibit “D” in the amounts indicated therein.

5. Small Business and/or Not-for-Profit-Based RNY Power Allocations

The Trustees are asked to address applications for eligible small businesses and/or not-for-profit corporations resulting in five RNY Power allocation recommendations for retention and expansion purposes.

Consistent with the evaluation process described above, EDPAB recommended, at its March 25, 2025 meeting, that RNY Power allocations be awarded to the small businesses and/or not-for-profit applicants listed in Exhibit “E.” These applicants have committed to retain or create jobs in New York State and make capital investments to the extent indicated in Exhibit “E” in exchange for the recommended RNY Power allocations as described in Exhibit “E.” The RNY Power allocations identified in Exhibit “E” are recommended for a term of seven years unless otherwise indicated.

Staff recommends that the Trustees accept EDPAB's recommendations and award RNY Power allocations to each of the not-for-profit entities and/or small businesses listed in Exhibit "E" in the amounts indicated therein.

6. Ineligible Applicants

At its meeting on March 25, 2025, EDPAB determined that the three applicants listed in Exhibit "F" are ineligible to receive an RNY Power allocation for the reasons discussed in Exhibit "F". No action by the Trustees is required on this matter.

7. Termination of Application/Review Process

At its meeting on March 25, 2025, EDPAB authorized the termination of the application review process for the three applicants listed in Exhibit "G" for the reasons listed in Exhibit "G". No action by the Trustees is required on this matter. In the past, some applicants in these circumstances have refiled if able to advance a more complete RNY Power application.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions requests that the Board of Trustees accept the recommendations of EDPAB and:

- (1) Authorize the extension of each of the existing 17 allocations of RNY Power in the manner described above for the customers listed in Exhibit "A" for a term of seven years to commence on the expiration of the allocation, or commencing on a date to be agreed upon by the parties for a term not to exceed seven years, subject to the conditions described above;
- (2) Approve the 15 modifications related to the RNY Power allocations, extensions, and/or related supplemental commitments described in Exhibit "B" for the reasons discussed above and in Exhibit "B";
- (3) Award new allocations of RNY Power for retention purposes to the three businesses listed in Exhibit "C" in the amounts indicated therein;
- (4) Award the new allocations of RNY Power for expansion purposes to the three businesses listed in Exhibit "D" in the amounts indicated therein; and
- (5) Award the five new allocations of RNY Power to the small business and/or not-for-profit applicants identified in Exhibit "E" for retention and/or expansion purposes in the amounts indicated therein.

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Trustees hereby accept the recommendations of the Economic Development Power Allocation Board (“EDPAB”) and approve the extension of each of the existing 17 Recharge New York (“RNY”) Power allocations previously awarded in the manner described in the accompanying memorandum of the President and Chief Executive Officer (“Memorandum”) for a term of seven years, to commence on (1) the expiration of the term of the allocation, or (2) in the Authority’s discretion, commencing on a date to be agreed upon by the Authority and the customer for a term not to exceed seven years (collectively, the “Extended Term”), subject to the following conditions:

- (a) the sale of the allocations as extended hereunder shall be made pursuant to the contract form approved by the Board of Trustees on March 26, 2019, and Authority Service Tariff RNY-1; and
- (b) in order to receive an extension of its allocation, the customer agrees to provide the supplemental commitments for jobs, capital investment and power utilization that are the same or determined by the Authority to be substantially similar to the recommendations (subject to adjustments described above) for the Extended Term, through the incorporation of such supplemental commitments in the final contract that is executed by the parties, and RNY Power customers who do not have an ongoing project/expansion capital investment commitment shall meet a minimum capital investment commitment which may be satisfied through capital expenditures made over a five-year period; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the 15 modifications/adjustments to the RNY Power allocations, extensions, and/or related supplemental commitments described in the Memorandum for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the three new RNY Power allocations for retention purposes for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the three new RNY Power allocations for expansion purposes for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the five RNY Power allocations for retention and/or expansion purposes to the small businesses and/or not-for-profit applicants for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions or such official's designee, hereby is authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocations and/or projects, including without limitation progress milestones and provisions for the expiration of any allocation in the event that such milestones are not met; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.]

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment (\$)		Contract Term (Years)
1	Syracuse Label Co., Inc.	North Syracuse	Onondaga	Central New York	NGRID	Manufacturer of custom-made labels	266	266	88	\$750,000	(1)	7
2	Westrock - Southern Container, LLC	Camillus	Onondaga	Central New York	NGRID	Manufacturer of corrugated sheets & boxes	630	630	130	\$10,000,000		7
	Central New York Region Sub-totals:						896	896	218	\$10,750,000		
3	American Rock Salt Company LLC	Mount Morris	Livingston	Finger Lakes	RGE	Distributor of rock salt products	2,650	2,650	300	\$40,000,000	(1)	7
4	Chapin Manufacturing, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Manufacturer of air compressed sprayers	1,016	1,016	193	\$400,000	(1)	7
5	Quality Vision International Inc.	Rochester	Monroe	Finger Lakes	RGE	Manufacturer of measurement devices	326	326	260	\$2,000,000		7
	Finger Lakes Region Sub-totals:						3,992	3,992	753	\$42,400,000		
6	Curtiss-Wright Flow Control Corporation	Farmingdale	Suffolk	Long Island	LIPA	Manufacturer of valves & safety systems	460	460	422	\$10,000,000		7
7	DiCarlo Distributors, Inc.	Holtsville	Suffolk	Long Island	LIPA	Wholesale food distributor	100	100	220	\$1,000,000		7
8	MVS Mailers, Inc.	Hauppauge	Suffolk	Long Island	LIPA	Full-service direct mail solutions	36	36	25	\$250,000		7
9	Nassau Candy Distributors, Inc.	Hicksville	Nassau	Long Island	LIPA	Manufacturer of confectionery products	616	616	751	\$5,000,000		7
10	NYU Langone Hospitals	Multiple Cities	Nassau & Suffolk	Long Island	LIPA	Hospitals & healthcare services	2,402	3,080	6,461	\$440,828,995	(2)	7
11	Peconic Landing at Southold, Inc.	Greenport	Suffolk	Long Island	LIPA	Retirement & assisted-living community	126	200	200	\$9,300,000	(2)	7
12	Topiderm Inc.	Amityville	Suffolk	Long Island	LIPA	Manufacturer of pharmaceutical products	126	150	350	\$3,000,000	(2)	7
	Long Island Region Sub-totals:						3,866	4,642	8,429	\$469,378,995		
13	Advanced Coating Technologies, LLC	Middletown	Orange	Mid-Hudson	ONR	Manufacturer of aircraft engines	2,100	2,100	195	\$1,000,000		7
	Mid-Hudson Region Sub-totals:						2,100	2,100	195	\$1,000,000		

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment (\$)		Contract Term (Years)
14	Pratt Paper (NY), Inc.	Staten Island	Richmond	New York City	CONED	Manufacturer of corrugated packaging solutions	10,000	10,000	270	\$15,000,000		7
	New York City Region Sub-totals:						10,000	10,000	270	\$15,000,000		
15	Potters Industries, LLC	Potsdam	St. Lawrence	North Country	NGRID	Manufacturer of engineered glass materials	280	280	31	\$700,000		7
	North Country Region Sub-totals:						280	280	31	\$700,000		
16	Protective Industries, Inc.	Buffalo	Erie	Western New York	NGRID	Manufacturer of plastic caps & plugs	366	366	299	\$1,000,000		7
17	Upstate Niagara Cooperative, Inc.	West Seneca	Erie	Western New York	NYSEG	Production of dairy products	398	398	195	\$15,000,000	(1)	7
	Western New York Region Sub-totals:						764	764	494	\$16,000,000		

Totals

21,898	22,674	10,390	\$555,228,995
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- (1) The customer's extension recommendation includes a modification to combine multiple allocations into one RNY Power allocation extension.
- (2) The customer's extension recommendation includes a modification to accommodate an increased RNY Power award as a result of load growth and additional job commitments.



Date: March 25, 2025
To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
From: PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Transfer of RNY Power Allocations

SUMMARY

The Trustees are requested to approve the transfers of the following power allocations awarded by the New York Power Authority (“Authority”):

1. Transfer of a 90 kilowatt (“kW”) allocation and a 130 kW Recharge New York allocation of (“RNY”) Power awarded to Nova Bus (US) Inc. (“Nova Bus”), for use at its facilities at 252 Banker Road, Plattsburgh, NY 12901, and 260 Banker Road, Plattsburgh, NY 12901, to Micro Bird USA LLC (“Micro Bird”), to address organizational changes.
2. Transfer of a pending 100 kW RNY Power allocation awarded to 230 Hill Road LLC (“230 Hill ”), for use at its 90 Brentwood Drive, Wappingers Falls, NY 12590, New York facility, to Reserve Snacks Inc. (“Reserve”), to address organizational changes.
3. Transfer of a pending 120 kW and 200 kW RNY Power allocations awarded to Howlett Farms Feed, LLC (“Howlett LLC”), for use at its 2773 Pratt Road, Batavia, NY 14020, New York facility, to Howlett Farms, Inc. (“Howlett Inc.”), to address organizational changes.
4. Transfer of a 150 kW RNY Power allocation awarded to Mindshift Technologies, Inc. (“Mindshift”), for use at its 500 Commack Rd., Commack, NY 11725, New York facility, to Ricoh USA, Inc. (“RicoH”) to address organizational changes.

Transfers of RNY Power are subject to review and approval of the Economic Development Power Allocation Board (“EDPAB”). At its March 25, 2025, meeting, EDPAB approved the transfers of these RNY Power allocations.

DISCUSSION

The following discussion describes the facts relating to the recommended transfers.

1) Nova Bus (US) Inc.

Nova Bus was awarded a 90 kW allocation and a 130 kW allocation of RNY Power for use at its facilities located in Plattsburgh, NY. These facilities manufacture buses.



On December 16, 2024, Nova Bus's sold its facility to Valiant Real Estate USA Inc. for Micro Bird's use. Micro Bird plans no changes to the business that Nova Bus conducted at the facilities located in New York.

Nova Bus and Micro Bird request that the 90 kW and 130 kW RNY Power allocations be transferred from Nova Bus to Micro Bird. Micro Bird has indicated that it will honor all the terms and commitments made by Nova Bus under the Agreements for the Sale of Recharge New York and Energy with the Authority covering the allocations.

2) 230 Hill Road LLC

230 Hill was awarded a 100 kW RNY Power allocation for use at its facility in Wappingers Falls, NY. 230 Hill purchased the site for the purpose of facilitating the business operations of Reserve, a related company. Reserve manufactures specialty popcorn chips called "popped snacks."

230 Hill now seeks to transfer the pending 100 kW RNY Power allocation to Reserve to support Reserve's operations. Reserve has indicated to NYPA that it will honor all the terms and commitments approved by the Board regarding the award of the allocation to 230 Hill. If this transfer is approved, the Authority will enter into a power sale agreement with Reserve.

3) Howlett Farms Feed, LLC

Howlett LLC was awarded a 120 kW and 200 kW RNY Power allocations for use at its facility located in Batavia, NY. The facility recently installed a grain dryer as part of a grant that was recently awarded to Howlett Inc. Howlett LLC produces and stores grain, and Howlett Inc. plans no changes to the business that Howlett LLC conducted at the facility located in New York.

Howlett LLC and Howlett Inc. request that the pending 120 kW and 200 kW Power allocations be transferred from Howlett LLC to Howlett Inc. Howlett Inc. has indicated that it will honor all of the commitments associated with the RNY Power allocations.

4) Mindshift Technologies, Inc.

Mindshift was awarded a 150 kW RNY Power allocation for use at its facility located in Commack, NY. This facility manages IT and network infrastructure for businesses.

On April 1, 2021, Ricoh merged into and survived Mindshift. Ricoh plans no changes to the business that Mindshift conducted at the facility in New York.

Ricoh requests that the 150 kW RNY Power allocation be transferred from Mindshift to Ricoh. Ricoh has indicated that it will honor all of the commitments associated with the RNY Power allocation.

The Trustees have previously approved transfers of Authority power allocations in similar circumstances.



RECOMMENDATION

Staff recommends that the Trustees approve the transfers discussed above, subject to the following conditions: (1) there be no material reductions in the base employment level or capital investment commitment associated with the allocations that would be transferred; and (2) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfers.

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

Justin E. Driscoll
President and Chief Executive Officer



RESOLUTION

RESOLVED, That the transfer of a 90 kilowatt (“kW”) allocation and a 130 kW allocation of Recharge New York Power (“RNY”) awarded to Nova Bus (US) Inc., for use at its facilities at 252 Banker Road, Plattsburgh, NY 12901, and 260 Banker Road, Plattsburgh, NY 12901, to Micro Bird USA LLC, as described in the foregoing memorandum of the President and Chief Executive Officer (“Memorandum”) be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the New York Power Authority (“Authority”) in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a pending 100 kW RNY Power allocation awarded to 230 Hill Road LLC, for use at its 90 Brentwood Drive, Wappingers Falls, NY 12590, New York facility, to Reserve Snacks Inc., as described in the foregoing Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a pending 120 kW and 200 kW RNY Power allocations awarded to Howlett Farms Feed, LLC, for use at its 2773 Pratt Road, Batavia, NY 14020, New York facility, to Howlett Farms, Inc., to address organizational changes, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are

required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 150 kW RNY Power allocation awarded to Mindshift Technologies, Inc., for use at its 500 Commack Rd., Commack, NY 11725, New York facility, to Ricoh USA, Inc., to address organizational changes, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the Chair and the President and Chief Executive 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.



Date: March 25, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES AND NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions and/or Additional Funding

SUMMARY

The New York Power Authority Trustees ("Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") are requested to approve, as applicable, the award and funding of the multiyear procurement (services) contracts in support of projects and programs for the Authority's and Canal Corporation's Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the basis 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 the 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 and Canal Corporation's Guidelines for Procurement Contracts require Authority Trustee and Canal Board approval for procurement contracts involving services to be rendered for a period more than one year.

The Authority's and Canal Corporation's Expenditure Authorization Procedures ("EAPs") require Trustee and Board approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts more than \$10 million, as well as personal services contracts more than \$10 million if low bidder or best value, or \$1 million if sole-source, single-source, or other non-competitive awards.

The Authority's and Canal Corporation's EAPs also require Trustee and Board 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.

DISCUSSION

Awards

The Trustees and Board are requested to approve the award and funding of the multiyear procurement (services) contracts, as applicable, where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, these contracts contain provisions allowing the Authority and Canal Corporation to terminate the services for the Authority's and Canal Corporation'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. Except as noted, these contract awards do not obligate the Authority and Canal Corporation 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 are 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 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. Trustee and Board approval is required, as applicable, 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 and Canal Corporation to terminate the services at the Authority's and Canal Corporation convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

Extension of the contracts identified 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 and Canal Corporation 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 and Canal Corporation needs to continue until a permanent system is put in place.

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

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

Operations - Central Support Services

The proposed non-personal services contract with the below vendor would provide Background Screening Services. This award is a five-year term for an amount of \$3,000,000. The Authority is required to comply with specific personnel screening/training standards as established by the North American Electric Reliability Corporation (NERC) security standards for Critical Infrastructure Protection (CIP) to provide a cyber security framework for the identification and protection of the Bulk Power System. To that end, the Authority requires the services of such investigative agencies who can, in a timely and cost-effective manner, meet all requirements. The Request for Proposals Q24-7601BB was advertised in the New York State procurement newsletter and on the Authority's website as an SDVOB set-aside opportunity. Six entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified and meets the bid requirements.

Vendor Name	Status
TruView BSI, LLC	SDVOB

Operations – Central Support Services

The proposed non-personal services contract with the below vendor would provide WPO Elevator Maintenance. This award is a three-year term for an amount of \$360,000. The Authority owns and operates the Clarence D. Rappleyea Building located at 123 Main Street, White Plains, New York. The building is a seventeen-story, 420,000 square feet, Class A structure which contains six (6) elevators that provide transport to employees and service personnel on a daily basis. The Authority needs services to maintain both the elevator mechanics and the elevator call management system to ensure proper functioning, safety, and code compliance. The vendor below holds a contract with the Office of General Services (OGS) which supports the needed services with competitive rates. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified and meets the bid requirements.

Vendor Name	Status
Otis Elevator Company	

Operations – Central Support Services

The proposed personal services contract with the below vendor would provide Continuous Emissions Monitoring Systems (CEMS). This award is a five-year term for an amount of \$2,000,000. The Authority's Southeastern New York (SENY) Region consists of nine facilities which contain fourteen combustion turbine generators that have Title V Operating Permits which require Continuous Emission Monitoring Systems. The Authority has a need for a service provider to maintain the equipment used to monitor the emissions during operation for accurate and continuous operation, as required by federal and state regulations. The Request for Proposals Q24-7595CC was advertised in the New York State procurement newsletter and on the Authority's website. Nine entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified and meets the bid requirements.

Vendor Name	Status
Cemtek Systems Inc	

Operations - Transmission

The proposed non-personal services contract with the below vendor would provide Right of Way Vegetation Inventory Services. This award is a four-year term for an amount of \$1,500,000. The Authority requires annual inventories of vegetation and other features of portions of its transmission rights of way (ROW). This vegetation inventory is a compliment to the Authority's vegetation maintenance program along 1400 miles of high voltage transmission lines over the course of a four-year cycle. This vegetation inventory work will consist of pre-processing, kick-off meeting, vegetation survey, milkweed survey, pollinator scorecard survey, post processing, all being delivered into the Authority's GIS platform. The Request for Proposals Q24-7589EE was advertised in the New York State procurement newsletter and on the Authority's website. Sixteen entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified and meets the bid requirements.

Vendor Name	Status
Arbormetrics Solutions LLC	

Operations - Power Generation & Waterways

The proposed non-personal services contract with the below vendor would provide Eel Ladder Operation and Maintenance Services. This award is a five-year term for an amount of \$1,400,000. On October

23, 2003, the Authority was issued a new 50-year license by the Federal Energy Regulatory Commission to operate the St. Lawrence – FDR Power Project on the St. Lawrence River in Massena, NY. Pursuant to license Articles 404 and 405 and a Settlement Agreement with the U.S. Fish and Wildlife Service, the Authority is required to construct, operate, and maintain an eel ladder for upstream passage of American eel at the Robert Moses Power Dam. The Request for Proposals S24-20210778LH was advertised in the New York State procurement newsletter and on the Authority's website. Eight entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified and meets the bid requirements.

Vendor Name	Status
AECOM USA Inc	

Authority and Canal Contract Awards in Support of Business Units/Departments and Facilities:

Human Resources - Human Resources

The proposed non-personal services contract with the below vendor would provide Drug Testing Services. This award is a five-year term for an amount of \$650,000. The Authority and Canals Corporation have a need for a third-party supplier to administer a drug and alcohol testing program enterprise wide. The program will require onsite quarterly random testing, reasonable suspicion response testing, management of the Federal Motor Carrier Administration Clearinghouse, and maintaining The Authority and Canal's compliance with multiple federal regulations and guidelines. The Request for Proposals Q24-7607BB was advertised in the New York State procurement newsletter and on the Authority's website. Eleven entities were invited to, or expressed interest in, the Ariba event. Four proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified and meets the bid requirements.

Vendor Name	Status
Anderson Medical PC dba Emergency One	MBE

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

None

Authority Extensions and/or Additional Funding Requests:

Operations – Central Support Services

At the meeting on May 19, 2020, Trustees approved a personal services contract with the vendor listed below in the amount of \$300,000 for NYPA Aircraft Pilot Training. The Authority owns and operates a Beechcraft (Textron) King Air 360 used to transport employees throughout the Authority's sites in a timely and cost-effective manner. The Authority's pilots are required, per insurance requirements, to receive annual training to maintain proficiency with the operation of the aircraft. The aircraft includes numerous state-of-the-art functions including an auto-throttle function which is utilized on every flight and requires simulator training. Flight Safety is the only supplier that offers simulator training of this real-time/hands-on functionality for pilots. The current agreement with Flight Safety International, which expires on March 31, 2025, provides the Authority's pilots with the required training classes. Staff requests Trustee approval for the extension of the contract below for March 31, 2028. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Flight Safety International Inc	4500320145	

Operations – Transmission

At the meeting on March 26, 2019, Trustees approved non-personal services contracts with the vendors listed below in the aggregate amount of \$7,500,000 for Underground Utilities Emergency Response Service. The Authority’s underground transmission facilities and assets require a specialized level of expertise to repair in the event of a failure and the services provided under these contracts are for emergency repair and restoration support as well as “on call” requirements of the Authority’s emergency response services provided to other utilities across New York State. This request for additional time and funding will provide continued support until these services can be rebid. Staff requests Trustee Approval for the extensions of the contracts below through April 14, 2027 and additional funding in the amount of \$1,000,000.

Vendor Name	PO/VC	Status
gopower inc	4600003638	
Haugland Energy Group LLC	4600003633	
Underground Systems, Inc.	4600003634	

Authority and Canal Extensions and/or Additional Funding Requests:

None

Canal Extensions and/or Additional Funding Requests:

None

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2025 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 – Central Support Services; the Senior Vice President – Transmission; the Senior Vice President – Power Generation and Waterways; the Senior Vice President – Human Resources; the Senior Vice President – Strategic Supply Management; Vice President - Engineering and Chief Engineer; the Vice President – Environmental, Health and Safety; the Vice President – Strategic Operations; Regional Manager and Senior Vice President, St. Lawrence; Interim Regional Manager and Senior Vice President, Clark; the Assistant General Counsel – Contracts, Licensing & Environmental; requests that the Trustees and Board of Directors approve the award of multiyear procurement (services) and other contracts to the companies and the extension and/or funding of the procurement (services) contracts 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.

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and 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

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.



Date: March 25, 2025
To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
From: PRESIDENT & CHIEF EXECUTIVE OFFICER
Subject: Artpark Occupancy Agreement – Town of Lewiston, County of Niagara

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to authorize a 32-year and 4-month extension of an occupancy agreement ("Occupancy Agreement") with the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP") for management and maintenance for public recreational use of approximately 170 acres of land owned by, or under the jurisdiction of, the Authority and located in the Town and Village of Lewiston, County of Niagara, known as the Earl W. Brydges Artpark ("Artpark").

BACKGROUND

Artpark is on land acquired in support of the construction of the Niagara Power Project and has been operated and maintained by OPRHP since 1974. The current Occupancy Agreement, which expires on April 30 2025, granted OPRHP a 25-year license to use and manage "for New York State Park purposes" approximately 140 acres of land, as well as all structures, facilities and recreational trails constructed by or on behalf of OPRHP, while reserving certain rights to the Authority, including the right to retain control over any and all structures, facilities and improvements on the premises used by Authority for its purposes.

DISCUSSION

The proposed license extension is for an additional 32 years and 4 months, commencing May 1, 2025 and expiring on August 31, 2057, which coincides with the duration of Authority's current FERC license for the Niagara Power Project. The area to be licensed includes 30 additional acres for a total of 170 acres now to be under OPRHP's operational jurisdiction. This addition reflects the actual use and current operations by OPRHP. Since the Occupancy Agreement's inception, OPRHP has undertaken several projects to improve public recreational opportunities, and the new Occupancy Agreement will ensure continued enjoyment of these activities to Artpark patrons and the Town and Village residents of Lewiston. There are no other material changes to the current Occupancy Agreement.

FISCAL INFORMATION

There will be no financial impact on the Authority.

RECOMMENDATION

The Regional Manager Western New York and Assistant General Counsel – Real Estate request that the Board of Trustees approve the extension of an Occupancy Agreement between the Authority and the New York State Office of Parks, Recreation and Historic Preservation granting OPRHP a further 32-year and 4-month license to operate and maintain 170 acres of land, known as the Artpark, until August 31, 2057.

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to enter into an extension of an Occupancy Agreement with New York State Office of Parks, Recreation and Historic Preservation for the operation and maintenance of Artpark, on substantially the terms set forth herein, subject to approval of documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, 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 Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.



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

January 28, 2025

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Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held at the New York Power Authority's White Plains office at approximately 8:30a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Dennis T. Trainor
Bethaida González
Laurie Wheelock
Lewis M. Warren, Jr.
Cecily Morris
Michael Cusick

Justin Driscoll	President and Chief Executive Officer
Lori Alesio	Executive Vice President and General Counsel
Adam Barsky	Executive Vice President and Chief Financial Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Daniella Piper	Executive Vice President and Chief of Innovation Officer
Alexis Harley	Senior Vice President and Chief Risk & Resiliency Officer
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President – Chief Information & Technology Officer
Karina Saslow	Senior Vice President – Human Resources
Maribel Cruz-Brown	Senior Vice President – Clean Energy Solutions
John Canale	Senior Vice President – Strategic Supply Management
Salman Ali	Senior Vice President – Internal Audit
John Canale	Senior Vice President – Strategic Supply Management
Charles Imohiosen	Senior Vice President – Communications & External Affairs
Carley Hume	Senior Vice President – Public and Regulatory Affairs
David Mellen	Regional Manager and Senior Vice President – Canals
Justine Heilner	Capital Planning Manager RTC – Canals
Karen Delince	Vice President and Corporate Secretary
Victor Costanza	Vice President and Chief Information Security Officer
Kayla Mainsah	Vice President – Environmental Justice
Vennela Yadhati	Vice President – Renewable Project Development
Joshua Cortes	Deputy Chief of Staff – Executive Office
Christopher Vitale	Director Projects – Business Services
Eric Bowers	VP Economic Development & Key Account Management
Pooja Nayyar	Senior Director Organizational & Talent Development
Ignacio Bullrich	Director, Internal Audit
Nishita Mody	Director, Internal Audit
Sandra Bleckman	Workforce Development Project Director, Legal Affairs
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Senior Assistant Corporate Secretary

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

Introduction

Chair John Koelmel welcomed the Trustees/Directors and NYPA and Canal 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 January 28, 2025 Proposed Meeting Agenda

On motion made by Trustee Dennis Trainor and seconded by Trustee Laurie Wheelock, the members adopted the meeting Agenda, as amended.

Conflicts of Interest

Chair Koelmel and members Trainor, González, Wheelock, Morris, Warren, and Cusick declared no conflicts of interest based on the list of entities previously provided for their review.

2. MOTION TO CONDUCT AN EXECUTIVE SESSION

On motion made by member Bethaida González and seconded by member Dennis Trainor, the members held an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105f of the Public Officers Law.

3. MOTION TO RESUME MEETING IN OPEN SESSION

On a motion made by member Laurie Wheelock and seconded by member Bethaida González, the meeting resumed in Open Session.

4. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report

President Justin Driscoll provided highlights of the report to the members. He said that the Governor's budget proposal includes a \$25 million appropriation for the Canal Corporation. In addition, as indicated in the trade press and other media, there is a proposal related to NYPA enabling state agencies to procure renewable energy from its Renewables projects. He also stated that NYPA is seeking customers for its renewables business and state agencies are exploring ways to meet their EO22 requirements for renewable energy exclusively by 2030. Therefore, with the availability of NYPA's renewables project, the Authority has a dedicated customer base for some of its Renewables projects.

NYPA in 2025 Look Ahead:

Transmission Overhaul

- Bringing Emissions-Free Power Downstate

NYPA is focused on its transmission work which is critical to the energy transition, and the build-out of additional transmission assets, in order to move renewable projects around the state. To this end, the Authority submitted applications to the New York Independent System Operator (“NYISO”) in response to its solicitation for proposals for the Five Boro Energy Connect project for new transmission infrastructure to power New York City.

- Upgrading Transmission in and Around NYC

The Propel New York project, undergrounding high voltage 345kV transmission on Long Island, will make the Long Island grid more resilient given the tendency for storm impacts. This project will bolster parts of the transmission network in New York City, Long Island, and Westchester County.

- Expanding Transmission Network in the North Country

NYPA is in the process of completing the Smart Path Connect Project, a priority transmission project in the North Country designed to unbottle renewable generation, mostly wind. The project is approximately 80% complete.

This project, which will be an addition to the upstate grid, was awarded to NYPA by the Department of State (“DPS”); it will be done in partnership with National Grid. NYPA is expecting to energize the project in 2025.

Deepening Relationships with Customers

- Reaching 1,000 Charging Ports in 2025

A key component of NYPA’s work is deepening relationships with its customers as it relates to Clean Energy Technologies, Behind the Meter, HVAC and energy efficiency. Presently, this includes Electric Vehicles (“EV”) charging, LED Lighting, potential virtual power plants, solar and storage. During 2025, the Authority looks forward to reaching 1,000 charge ports in the state.

There are two components to NYPA’s charging effort, the Evolve Network designed to plug in heavily travelled corridors around the state and the other designed to put charging stations at locations where utilities do not have the business case for installing them. NYPA is therefore leading the way, as a governmental entity, in installing charging stations where other utilities did not see the justification because there were not enough EVs in that area. This effort is continuing and NYPA expects to reach 400 fast-chargers installation around the state.

The Authority will be utilizing money from the Federal Government to build out the evolve chargers’ installations. The Federal Government will be partnering with NYPA in terms of financing and subsidies for the charging stations.

NYPA is also working on customer-cited EV charging projects. To this end, the Authority will be signing a contract with New York City for “On-Street” EV charging.

The Authority will continue with its efforts in terms of advancing and enabling EV charging around the state.

- Economic Development Impact Across the State

NYPA is in the process of working with its Preference Power customers on contract extensions for more fixed pricing in the future. The Authority is also negotiating with Alcoa on a longer-term contract in order to provide stability and also commitment to the North Country.

- Decarbonization Work at Military Facilities

The Authority is pursuing a new customer base and signed a Memorandum of Understanding (“MOU”) with the Pentagon to provide Clean Energy services for the military bases in New York State. They are authorized customers under New York statute; however, the Authority has not done any projects with them. The Authority is currently in discussions with personnel from Fort Drum, West Point, and Fort Hamilton regarding on-site, clean energy solutions as the military looks to decarbonize its operations, as well as to provide resiliency for some of their critical bases.

Planning New York State’s Infrastructure of Tomorrow:

NYPA Renewables Projects

NYPA is approaching the completion of the initial Strategic Plan and Offering to set up the infrastructure for the Renewables business. The Authority will identify potential projects, establish governance and the financing capability through the creation of a subsidiary. The members will be requested to approve funding for the business.

The public comment period on the Draft Plan that was socialized in October is at a conclusion and the staff will be requesting the members’ approval of the Plan.

Finalization of VISION2030 Renewed

The Authority is at the midpoint of its VISION2030 Strategy which was launched in 2020. The organization is in an ever-changing, evolving industry and it has changed over the last five years; therefore, it is appropriate for the Authority to assess its position. This will be one of the Authority’s principal focus for 2025 and, at a future meeting, the members will be requested to approve the proposed VISION2030 Renewed Strategic Plan, after which it will be launched throughout the year.

The Erie Canal Turns 200 Years in 2025

In September, celebration of the 200-year anniversary of the canals will culminate with the 2025 World Canals Conference in Buffalo, New York. In October, there will be a celebration in New York City and Governor Clinton’s 1825 inaugural cross-state journey along the Erie Canal, “Wedding of the Waters” ceremony, bringing the water from Lake Erie to New York harbor, will be reenacted.

Pursuing Innovation

Last year, the Authority launched an innovation function led by Daniella Piper, Chief Innovation Officer. The Authority, along with the Research & Development department, plans to continue to lean-in and excel in the area of innovation, taking advantage of new technologies and also participating in the development and piloting of new technologies.

Partnerships with Municipal Customers

The Authority is partnering with Jamestown, one of its largest municipal customers, on a project to create a hydrogen product for use in their operations. The project will include hydrogen blending in gas power plants, as previously done in Brentwood.

Rechargeable Zinc Alkaline Pilot Project

The Authority continues to look for alternatives in the battery storage area. Zinc alkaline battery storage is one of the potential innovative solutions as opposed to the traditional lithium-ion batteries. The Authority is looking to pilot battery installations in Oneonta and Westchester counties in furtherance of its Climate Leadership and Community Protection Act (“CLCPA”) goals.

The Research & Development team will be working on longer-duration storage opportunities and technologies.

Developing a Grid Artificial Intelligence (“AI”) Foundational Model

AI continues to, and will play, a critical role as the Authority goes forward with this technology, developing “use cases” for its deployment. The Authority will also be creating and developing Grid AI foundational models in partnership with vendors to be selected. This will help the Authority deploy AI to improve power grid operations in the future.

Connecting with Communities and Addressing their Energy Needs:

Fostering New Career Opportunities

The Authority continues to promote its Environmental Justice activities, which have expanded over the years, with potential career opportunities for young people to attract them to the energy industry and be a part of the clean energy workforce of the future.

Launching New Public Education Campaign

The Authority is continuing to work on educational opportunities and community energy projects such as the Hydroponic Labs, rooftop gardens, and other types of community energy projects to help residents in communities understand how energy works.

New Community Energy Projects in 2025

The Authority is driving a refreshed public education campaign for students and adults about electricity basics, energy technology, and the clean energy transition across the state.

Striving Towards Deactivation of NYPA’s Small Natural Gas Power Plants

The Board’s approval will be requested for the initial plan to decarbonize the Authority’s Peaker Plants. The Authority is working closely with New York Independent System Operator (“NYISO”) and Con Edison on sequencing the retirement of the plants consistent with the reliability needs identified by NYISO. The Authority has also been discussing Term Sheets related to some of the sites.

In addition, a Request for Information (“RFI”) has been issued for the Williamsburg site seeking ideas for that location. This, however, will be dependent on reports from NYISO and Con Edison. The plan is based on the 2023 Budget Legislation and is due in May.

The Law requires that generating electricity with fossil fuel at small natural gas power plants be offline by the end of 2030 unless they are needed for reliability or other emergency power needs. The Authority is currently working on battery storage technologies with vendors who will be assisting with consideration of ideas to retire the plants and replace them with energy battery storage.

2025 Renewable Strategic Plan

President Driscoll said that the members will be requested to approve the Renewable Strategic Plan which the Authority was tasked with developing by Legislation. With the Board’s approval, the Authority will be able to begin work on project development. He continued that in May 2023, NYPA received authority, and began discussions on how to establish the internal capabilities and framework in order to deliver on this new charge. The Authority also commenced the 2023 Conferral Process and met with more than fifty (50) external stakeholders to receive their input and comments. The Authority subsequently develop the Draft 2025 Renewable Strategic Plan which was socialized in October 2024.

The Authority also engaged in a search for projects and partners and issued a Request for Information (“RFI”); more than 100 responses were received. A Request for Proposals (“RFP”) was then issued, and more than eighty (80) partners have been approved for future projects.

NYPA recently created a subsidiary which was authorized by Statute and funded with an initial \$100 million to create the financial framework. In October 2024, the Authority filed its draft plan and commenced the Public Hearing process. Twelve public hearings, including one virtual, were held around the state; the requirement is to hold three public hearings. The Authority heard from more than one hundred people during the public hearing sessions and received more than 5,000 written comments. This was designed to inform the finalization of the Plan which is now before the members for approval.

Over the last year, Vennela Yadhati, Vice President of Renewable Project Development, and team have been seeking potential project opportunities and undertaking due diligence around opportunities for NYPA to either develop projects or with partners. Following significant due diligence, the Plan before the members for approval includes 37 projects that have been identified as opportunities for NYPA. The Renewables work is one of the four components to the new authority.

Workforce Development

Workforce Development is ongoing, and the Authority granted more than \$20 million for projects related to this initiative. The Authority is also reaching out to, and supporting new communities, and communities it has worked with in the past, in furtherance of this initiative.

REACH Program

The Authority was successful in petitioning the Public Service Commission (“PSC”) to establish the regulatory framework around how the Renewable Energy Access and Community Help (“REACH”) Bill Credits will be funneled through local utility bills to the ultimate benefit of residents.

PEAKER

As it relates to the Peaker units, the development of Term Sheets is underway regarding the sequencing of the retirement of those units.

President Driscoll stated that the Authority is not the exclusive solution to filling the gap in achieving the state’s climate goals. The Authority plays a critical role and is doing this among others such as New York State Energy Research and Development Authority (“NYSERDA”) which recently issued more than two gigawatts of new, renewable projects in response to a recent solicitation. The Champlain Hudson Power Express is designed to bring 1000 megawatts of power from Canada into New York City. In addition, a recent announcement indicated that the State exceeded its Community Solar goal of 6 gigawatts, early. Also included in the solutions are the work that the Authority traditionally does such as Behind-the-Meter with solar and storage for customers; two offshore wind projects currently in development; and more than 2000 MWs of offshore wind projects that are currently in progress on Long Island.

President Driscoll ended that the Authority is working towards achieving its five-year (2030) and 15-year (2040) goals for an entirely clean energy grid. The Authority’s initial Draft Strategic Plan includes the first tranche of projects that are designed to meet these goals.

President Driscoll then invited Vennela Yadhati, Vice President of Renewable Project Development, to provide a report on the Authority’s Renewable Strategic Plan.

2025 Renewable Strategic Plan

Ms. Yadhati provided the following report on NYPA’s Renewable Strategic Plan:

October 2024

The Draft Renewable Strategic Plan was published in October 2024. The Plan included the requirements of the Expanded Authority and sets forth a schedule of public hearings seeking feedback from stakeholders and the public.

The Plan highlighted the initial tranche of projects, financial capacity and how the Authority intended to implement it. The Plan also included details on the operational and commercialization models and the REACH program. It further highlighted the due diligence process on the first tranche of projects and also before those projects can become a part of NYPA's Renewables portfolio.

NYPA's personnel supporting the renewables energy development include Finance, Legal Affairs, Environmental Justice and External Affairs.

January 2025

NYPA updated the Executive Summary of the Strategic Plan to further explain the current state of the energy industry and renewables market as it relates to the development of new projects. It includes details of comments, written and oral, from the public hearing process. NYPA also highlighted its intention for future opportunities for projects, including an additional 3 GW of potential projects.

NYPA will be introducing new projects and plans to update its Strategic Plan in accordance with legislative requirements. Therefore, another public hearing and 30-day public comment period for the organization to introduce the new projects has been scheduled. Based on the number of projects generated from the additional pipeline, the Authority will issue an updated Strategic Plan.

The Authority is undertaking due diligence on the first tranche of projects and continues to identify new opportunities to add to the updated Strategic Plan. Critical items in the final Plan include a section on identifying partners and the vetting process.

An RFI was issued so that the industry could understand the value in collaborating with NYPA on the projects. An RFQ was subsequently issued taking into consideration the partners' experience, financial strength and how it aligns with NYPA's financial capability and capacity, and if there were complementary positions where both parties could bring value to the proposal.

NYPA reviewed the flexibility in partnering with an organization and how those structures could be established. NYPA also reviewed the legal and regulatory compliance and requirements including the Public Authorities Law, and the Expanded Authority the organization received through the new legislation.

The process was outlined identifying partners and projects. Before projects were included in the Draft Strategic Plan, the team went through a process of "fatal flaw due diligence" taking into consideration strategic alignment, including how it would benefit the communities, community engagement or the host community's benefits plan, and if it aligns with the Authority's Plan.

The economic, technical, operational, legal and regulatory aspects of the projects are considered in addition to how NYPA would integrate the projects within its portfolio. The projects are then included in the Authority's Strategic Plan. After the public hearing process, the Authority goes through a full due diligence process, including strategic alignment, technical and economic considerations, legal and regulatory compliance, and operational risks. The Authority is currently in the due diligence process after which it will move forward with the commercial aspects of structuring the projects.

The other elements include early-stage development projects, NYPA's self-developed Green Field projects, and timeframes to mature projects. There are several projects in different stages of development, and the due diligence process will be customized depending on the project's standing and status. This has been included in the Strategic Plan in addition to how the organization will be engaging with the public and providing information about the projects.

Based on feedback from the public, additional details were added to the information on the projects. The project map and the list of projects were also updated. There are currently 37 projects in the Strategic Plan. The governance process as it relates to the Board's approval of the Strategic Plan was also outlined.

The members were then requested to approve the initial Renewables Strategic Plan.

On motion made by member Dennis Trainor and seconded by member Laurie Wheelock, the Authority's initial Renewables Strategic Plan was unanimously approved.

b. Utility Operations

i. Chief Operating Officer's Report

Mr. Joseph Kessler, Executive Vice President and Chief Operating Officer, provided highlights of the report to the members as follows:

TRANSMISSION

Key transmission projects include:

- Sprain Brook Reactor 2N2 – Equipment Successfully Replaced
- RMNPP Autotransformer AT5 – Equipment Successfully Replaced
- Refurbished Autotransformer 1A which failed in December 2022 – Equipment returned to CEC
- STAMP Substation – Project restarted
- 40 projects are part of the new NYISO 2024 interconnection cluster connecting to the NYPA Grid, amounting to more than 12,000 renewable MWs.

This tranche of projects represents a cluster of Connection Agreements.

GENERATION

- The team will continue to support the NYPA Renewables, delivering projects and obligations related to maintenance of the projects.
- A new 40-year Operating License has been issued for the Gregory B. Jarvis Power Project after several years of meetings with the Federal Energy Regulation Commission ("FERC").

This is a small 9-MW hydro plant located on the Hinckley Reservoir and supports Canals, Mohawk Valley Water Authority and generation.

As it relates to the ice boom due to the wind in Western New York, the team is using drones to assess any damage.

CUSTOMER SOLUTIONS

- A new Customer Solutions public-facing website has been launched. The site will focus on information guidance as well as products and services. This initiative was based on demand from customers and has a 37% open rate. Approximately 486 customers have viewed the site.
- Communication continues regarding the Preference Power Customers' rate change plan. Public Forums in this regard are ongoing. Also, contract negotiations sessions are being held with major customers and segments.

- The Authority is collaborating with customers on implementing charging stations. The Authority received an “Authorization to Proceed” and, in collaboration with the Department of Transportation and the Department of Citywide Administrative Services, will be installing 600 Level 2 Chargers at 150 sites. This represents a commitment of approximately \$31 million.

CANAL CORPORATION

- An announcement will be made to extend the navigation season to commemorate the canals’ bicentennial celebrations.
- Completion and approval of the Canal Recreationway Commission 2050 Plan is underway.
- Contracts have been awarded to 4 consultants to support federal and state grant identification, acquisition and compliance.
- Eight (8) Canals Consolidated Funding Application (“CFA”) grants totaling \$1M have been made to support capital projects in the canal communities.

Operations 2025 Look Ahead

Clean Energy

- Transition Plan for the Small Natural Gas Power Plants; and
- Renewables Development

Transmission

- The team is reviewing an Operating Model to support the interconnections and the equipment associated with maintenance and crews to attend to the transmission assets.
- Transmission Operator (“TOP”) Registration with Northeast Power Coordinating Council, Inc. (“NPCC”) – This is a North American Electric Reliability Corporation (“NERC”) designation for transmission operators. NYPA, as a transmission owner, has delegated this authority to other entities in support of some of its transmission operations.
- Interconnections – the Authority will continue to review its systems’ interconnections.

Customers

Customer Centricity

The Authority will continue with its customer outreach efforts based on learnings, such as power quality issues, from some of its key customers. The Authority will support these organizations as a trusted advisor for solutions.

Record-High Capital Budget for Customers

The Authority achieved a record high capital budget for the Canal Corporation. The Authority also delivered the highest Capital Expenditure history for customers, including more than \$390 for the Evolve initiative. In addition, the Authority had a record number of Authorizations to Proceed (“ATP”) and Customer Project Commitments (“CPCs”) for approximately \$804 million for the pipeline of the Authority’s projects.

Canal System

Plans are underway for:

- World Canals Conference; and
- Canals Recreation Way Plan

Enhancing Safety Culture:

Safety Culture Survey

- A Safety Culture Survey was conducted with represented employees and management. The survey findings will be utilized to identify areas for improvement and track progress over time.

Engaging with Workforce

- Management will continue to engage the workforce as it relates to safety, utilizing safety culture to continue collaboration with the representative workforce to review the results of the survey.

Contractor Safety Summit

- A Contractor Safety Summit will be conducted to emphasize the importance of safety on job sites. The Authority wants to make sure that its contractors and representatives that support its customers are aware of the Authority's philosophy on safety.

Safety Speakers

- The Authority will continue to use motivational speakers to share their stories in an interactive manner.

Ergonomics

- The Authority will continue with the implementation of ergonomics programs across all regions to promote safe and healthy work environments; and
- Continue to conduct assessments, provide ergonomic equipment, and offer training to prevent injuries and enhance comfort.

Wildfire Preparedness

Risk Assessment and Planning

- NYPA is taking an aggressive, proactive approach to make sure that it has plans in place as it relates to the critical loads it serves.
- NYPA will maintain strong working relationships with its partners such as the Large Public Power Council ("LPPC"), New York Independent System Operator ("NYISO"), and the Department of Homeland Security and Emergency Services.

Vegetation Management

- NYPA has an award-winning Integrated Vegetation Management Program, not only for Dam embankment maintenance, but also for Right-of-Way maintenance. NYPA will also make sure that its zones are kept clear.

Monitoring and Detection

- NYPA has 24X7 real-time monitoring of the weather from multiple sources such as Federal, State and the Private Sector.
- EPA's "AirNow" Application has been installed on all phones so that employees can be notified whether to evacuate the building.

Collaboration and partnerships

- The Authority is partnering on the Electric Power Research Institute's ("EPRI") Wildfire Smoke Hazards Research Project for a better understanding of the makeup of wildfire smoke, and to improve ways to protect workers and provide early detection and air quality with mobile air monitoring.

The staff is making sure that the organization stays on the cutting edge for maintaining the Authority's assets and that they have a clear understanding of the impact the organization may encounter as a result of critical events.

1. Canals Recreationway Plan 2050

Mr. Joseph Kessler, Executive Vice President and Chief Operating Officer, provided background information on the Canal Recreation Commission ("CRC") to the members. He said that the Canal Recreation Commission was established in 1992 when the canal system was transferred from the New York State Department of Transportation to New York State Thruway.

In 1995, the Commission published its Recreation Way Plan establishing a bold vision to transform the industry shipping channel into a thriving place for New Yorkers to enjoy. The more than 300-mile canalway trail, established under the Plan, was a precursor to the Empire State trail. In honor of the Bi-Centennial Anniversary and the opening of the Erie Canal, the Commission updated the Plan, looking ahead to 2050, contemplating the future of the canal as its past is commemorated.

This plan is distinct from the VISION2030 Strategic Plan which is the Authority's near-term business strategy. The Recreation Way Plan is a long-term vision which an ecosystem of stakeholders can embrace and champion.

Mr. Kessler then invited Justine Heilner, Capital Planning Manager and Landscape Architect, who co-led the update of the Plan, to provide a report to the members.

Ms. Heilner said that the 2050 Recreation Way Plan project is a collaboration between NYPA, Canals and the CRC. It was also facilitated by a team led by the Landscape and Planning Agency, a world-renowned planning and design firm that has experience with public outreach planning for complex landscape recreation and urban spaces. They have also been involved in an ongoing planning effort for the Highline Canal Conservancy in Colorado.

She continued that the plan is rooted in contributions from more than 500 stakeholders who were challenged to think about what the New York State Canal system would look like in the next quarter century.

The ultimate vision for the Plan is building on the trail and the canal system. For the future, this will be defined not only by the waterway and trail system, but also open public spaces that add value for visitors and communities along the trail. Over the last 30 years, with climate change, there has been a different understanding of the value and use of Parks and Recreation spaces. This Plan is an evolution of the original Plan to address contemporary needs and functions including ecological services, public health and economic impacts and culture that canals bring to the state of New York.

After meeting with stakeholders, both internal and external, the team developed a set of Guiding Principles, and a report structured around those guiding principles. From those principles, there are a series of strategies and actions that the canal community (NYPA and Canals) and other communities (state and federal partners, and others) can pursue. The report also includes case studies and precedents.

Guiding Principles

- **Care for the System's Expansive Infrastructure**
This involves caring for the Canal System's expansive infrastructure of locks, dams, canal and terminal walls in addition to the green infrastructure. Canal Corporation is the steward of the trailways and open spaces on either side of the canal and the manmade waterway that flows through. This principle is aligned with the long-range capital planning, including staffing and care of the physical infrastructure and trails.
- **Convene Local Residents and Visitors**
The system needs to serve people in the vicinity of the waterway and those visiting from across the world. This is a local resource and a tourist destination. The near-term role for the Canal Corporation would be developing signage, wayfinding, and standardized amenities for a recognizable presence. Canal Corporation will also be working with the National Heritage Corridor on an Amenities Gap survey which will help the organization know where the investment makes the most sense.
- **Connect Upstate New York to the World**
This principle is related to establishing the system as a global landmark and introducing the world to New York's rich landscape and history. The world Canal Conference in Buffalo is the next stage in accomplishing this principle.
- **Commemorate**
The 200th Anniversary commemorating history and culture in all its forms is an important part of the canal and cultural identity. It also reflects all the different stories, perspectives, and experiences that are part of the development of the canal system over the last 200 years. The Canal Corporation will continue to champion more voices for more inclusive and representative stories and making information about the canals accessible to a wider range of people.
- **Catalyze Revitalization of Canal Communities**
It is important to the communities that the waterway is a defining feature of their communities. This principle is about defining that feature and supporting communities as they invest in the waterfronts.
- **Champion Quality-of-Life and Inclusivity for all Users**
Over the last few years there has been work on accessibility on the canals for all users. The organization will continue to look at ways that all New Yorkers and other visitors can benefit from the beauty and amenities of the system.
- **Cultivate Upstate's Eco-regions and Natural Systems**
This principle focuses on strengthening and supporting the landscapes and habitats through which the canal passes.

The next quarter of the century will focus on being ready to respond to rapidly changing climate events and mitigating negative environmental impacts. The canals have an important role to play and can do this while also enhancing the value of the canal system as an open space that supports diverse ecosystems.

Next Steps

Working with the Canal Recreationway Commission, the Canal Corporation will publish its plan this Spring and will promote it through its website, social media, and a series of interactive presentations leading up to the Bicentennial Celebrations and the 2025 World Canal Conference.

President Driscoll said that he wanted to recognize, Yves Noel, Senior Vice President and Chief Strategy Officer, who will be leaving the Authority. He said that, on behalf of the Executive Management Committee, he wanted to recognize Yves not only for his work on the original VISION2030 Strategic Plan, but also the refreshed edition of the Plan. He thanked Yves for his contributions to NYPA and the Canal Corporation and wished him all the best in his new endeavors.

c. Financial Operations

i. Chief Financial Officer's Report

2024 Preliminary Year-End Results

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the members. He said that the Authority is operating ahead of its budget target, meeting all its metrics and generating the funds necessary to continue funding all its initiatives. He added that the Authority is currently going through the Audit process with the external Auditors, and a report on the results of the final Audit will be provided to the members in March.

In addition, the members will be requested to approve release of the voluntary contribution to the State in the amount of \$5M. This year's budget will bring the authorization down from \$20M to \$10M. The Authority also has an agreement with the state to phase out the voluntary contribution.

2025 Business Services Goals

The main drive of Financial Operations is to support and execute on the Authority's strategy. They are tasked with finding innovative and creative ways to leverage funds to meet the Authority's goals.

Tactical Financial Planning Framework to Support the NYPA's Strategy:

- Prepay Entity Created – A local Development Corporation was created which will be the issuer of prepaid bonds to enable the Authority's customers who have Power Purchase Agreements ("PPAs") for solar get 10% savings on their PPA price.

This effort will ensure the building of Renewables.

- FERC 205 Filing – The Federal Energy Regulatory Commission Filings for the Authority's regulatory activities are completed.
- Hydro Rate Change – the Authority's rates have not been adjusted in more than ten years. The Authority is working with its external stakeholders, and this process should be concluded by mid-year.
- Create off Balance Sheet structures for transmission projects and syndicate a portion of the Authority's positions while earning fees for service, e.g. the Propel Project.

This will help the Authority to do more financing than if it were constrained by its own Balance Sheet.

- To support efforts to utilize the Hudson Transmission Project ("HTP") to source renewables and reposition assets, the Authority is currently going through the process to identify long-term suppliers of renewable energy to come into the HTP Line. The line goes from New York (49th Street) through New Jersey, and the PGM market. This will be a long-term supply of renewables into New York City to meet some of the city's needs.
- NYPA continues its Supplier Diversity efforts with more outreach events to increase the Spend.

Business Digital Readiness

- The members will be requested to approve a phase of Project Luminare NextGen Enterprise Resource Planning (“ERP”) System), the system which will replace the Authority’s current SAP system with a new version of SAP.
- The Authority will be undertaking innovative digital transformations such as Procore for project construction management as well as SAP Analytics Cloud to leverage the system for financial forecasting.

Corporate Insurance and Business Controls

Captive Insurance is the subsidiary to lower the Authority’s insurance costs. The Authority will utilize the leverage of Captive Insurance as a risk mitigation vehicle for upcoming renewable projects to reduce costs and provide coverage that may not otherwise be available through the insurance markets. It will also provide cost savings by reducing the need for commercial insurance.

Expanded Authority

As it relates to the Expanded Authority, the Authority plans to:

- Support the financing and execution of the Renewables Strategic Plan.
- Operationalize the New York Renewable Energy Development Holdings Corporation, a subsidiary of the renewable corporation; and
- Assist in the Renewable Power initiative for state agencies in accordance with the Governor’s State of the State Address.

The Authority will also be meeting with the Office of General Services (“OGS”) to work on PPAs to make available 500 MW of renewable energy.

d. Risk and Resiliency

i. Chief Risk and Resiliency Officer’s Report

Ms. Alexis Harley, Senior Vice President and Chief Risk and Resiliency Officer, provided highlights of the report to the members. She said that she would be providing a summary of Risk and Resiliency’s updated Risk Appetite which was developed with the assistance of Tom Spencer, Vice President of Operational Risk.

Ms. Alexis said that Risk Appetite is the number of risks that the organization is willing to accept in order to be able to deliver on its strategy and objectives. Setting risk appetite is a component of the mature risk management process which the Authority is maintaining when it assesses its Enterprise risks and compares them to risk appetite levels.

The Authority’s original Risk Appetite statements were first developed approximately two years ago. With the Expanded Authority and the work to refresh and renew the Authority’s strategy, it is also time to reassess the risk appetite levels and consider if any adjustments are necessary.

Risk and Resiliency also recognize that NYPA and Canals have different business models; therefore, one Risk Appetite Statement would not suffice. To this end, the team developed a separate Risk Appetite Statement for Canal Corporation.

NYPA Risk Appetite Thresholds

The Risk Appetite Threshold is a summary of the risk appetite levels for NYPA. Through a review process, the team reaffirmed that most of the levels would remain the same.

The Risk Appetite Category includes the following risks: Financial and Capital Availability; Operations; Cyber, Data and Physical Security; Supply Chain; Joint Venture and Partnership; New Venture and Strategic Initiative; Safety (Workforce and Public); Legal, Regulatory and Compliance; ESG and DEI; Extreme Weather; and Talent Management and Labor Relations.

Canals Risk Appetite Thresholds

There were no shifts or adjustments in the Risk Appetite Categories for Canal Corporation. While most of the Risk Appetite Categories are the same or similar to NYPA's, there are some that vary due to the nature of operations of the canals versus the electric utility.

Examples of the Three primary Risk Appetite Category:

- 1) Finance and Capital Availability Risks which have a higher Risk Appetite. The team is exploring additional funding options for Canals. This is consistent with discussions that are reflective that Canals is at a different level than NYPA.
- 2) Joint Ventures and Partnership and New Venture and Strategic Initiative Risks which have a lower risk appetite compared to NYPA. This is reflective of the high prioritization given to critical infrastructure as a leading consideration even as the Authority looks to balance and focus efforts on the revitalization of the canals for the longer-term.
- 3) Limits of controllability to fully prevent accidents during the ordinary course of recreational usage of the canals. This is in contrast to NYPA's electrical facilities which are specifically designed to restrict access.

Most of the other categories are the same or similar with no material differences.

e. Finance Committee Report

The Chair of the Finance Committee reported that the Committee met on January 21, 2025, adopted minutes, received one (1) staff report, and adopted seven (7) items which are now before the Trustees for adoption:

- i. Recommend that the Trustees authorize the award of the following two contracts for the finance portion of the Project Luminare (ERP):
 1. A 7-year Software contract in the amount of **\$22.2 million** to SAP Public Services, and
 2. A 3-year Services contract in the amount of **\$31.4 million** to Deloitte Consulting LLP
- ii. Recommend that the Trustees approve the award of a six-year engineering, procurement, and construction services contract to Elecnor Hawkeye LLC located in Hauppauge, New York, for the Stewart Avenue – Uniondale Hub Substation Upgrade Project in the amount of **\$155 million** to implement the Project
- iii. Recommend that the Trustees approve a second release for capital expenditures in the amount of **\$100 million**, for a total release to date of \$150 million, for the Propel NY Energy Project
- iv. Recommend that the Trustees approve a grant fund in the amount of **\$400 thousand** to Energy Storage And Microgrid Training And Certification program as part of the Workforce Training Initiative

- v. Recommend that the Trustees approve a three-year Employer of Record Services Contract Award to 4 vendors in the amount of **\$12 million**
- vi. Recommend that the Trustees authorize capital expenditures of **\$7.4 million** for compliance, implementation and settlement activities associated with the new license for the Gregory B. Jarvis Power Project
- vii. Recommend that the Trustees approve a Value Contract to be awarded to Lewis Tree Service, Inc. located in West Henrietta, New York for five years in the aggregate amount of **\$15 million**

On motion made by member Dennis Trainor and seconded by member Laurie Wheelock, the following resolutions, as recommended by the President and Chief Executive Officer, were unanimously adopted.

- i. Finance Committee Recommendations for Approval:

1. Project Luminate (NextGen ERP – Finance Portion) – Contract Award

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, authorize the award of the following two contracts for the finance portion of the Project:

- o 7-year Software contract in the amount of \$22,158,333 to SAP Public Services
- o 3-year Services contract in the amount of \$31,389,564 to Deloitte Consulting LLP

and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of the Project; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

2. Stewart Ave-Uniondale Hub (Formerly East Garden City Substation Upgrade) – Contract Award

RESOLVED, that the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a six-year

engineering, Procurement, and construction services contract to Elecnor Hawkeye LLC located in Hauppauge, New York in the amount of \$155 million to implement the aforementioned Project; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

3. Propel NY Energy Project Capital Expenditure Authorization Request

RESOLVED, That the Finance Committee recommends that the Board of Trustees, pursuant to the Authority's Capital Planning and Budgeting Procedures, approve an additional release of authorized funds for capital expenditures in the amount of \$100 million (in addition to the previously approved release of \$50 million) for a total released amount to date of \$150 million, and confirms the limit of the total authorized amount of up to \$500 million for the Propel NY Project, as recommended in, the report of the President and Chief Executive Officer; and be it further;

RESOLVED, That the Finance Committee recommends that the Authority use Capital Funds, which may include proceeds of debt issuances, to finance the costs of this Project; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the projects described in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

4. Workforce Development Funding – Request for Additional Funding

RESOLVED, that the Finance Committee recommends that the Authority's Board of Trustees approve funding of Workforce Development initiative for a total of \$400,000 for the Energy Storage And Microgrid Training And Certification Workforce Training initiative; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the "General Bond Resolution"), that the aggregate amount of \$400,000 in funding as described in the report of the President and Chief Executive Officer is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

5. Employer of Record Services – Contract Award

RESOLVED, that the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a three-year contract for Employer of Record Services to each of the awardees identified below with a cumulative value in the amount of \$12 million:

- o ALLSOURCEPPS, Inc.
- o Eclaro International, Inc.
- o Forum Personnel Inc. d/b/a The Forum Group
- o Trigyn Technologies, Inc.

and be it further

RESOLVED, that the funds for these contracts are captured in the Authority's 2025 Budget and 2025-2028 Financial Plan; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

6. Acceptance of the New Operating License for the Gregory B. Jarvis Power Project and Capital Expenditure Authorization Request for License Compliance and Implementation of Settlement Agreement

RESOLVED, that the Finance Committee recommends that the Trustees approve capital expenditures of \$7.4 million for implementation of, and compliance with, the new license issued by the Federal Energy Regulatory Commission for the Gregory B. Jarvis Power Project (FERC Project No. 3211), as well as the settlement agreement associated therewith; and be it further”

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

7. Right-of-Way Vegetation Management Recommendation for Award

RESOLVED, that the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a five-year contract for Right of Way Vegetation Management to Lewis Tree Service, Inc. of West Henrietta, New York in the amount of \$15 million; and be it further

RESOLVED, that the Finance Committee recommends that the Authority approve the use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority’s official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made as described in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

f. Risk and Resiliency Committee Report

Chair Koelmel stated that this report has been deferred to the next meeting of the Board.

5. CONSENT AGENDA:

On motion made by Member Cecily Morris and seconded by Member Dennis Trainor, the following resolutions, as recommended by the President and Chief Executive Officer, were unanimously adopted.

a. Finance

i. Adjustment to Westchester County Governmental Customer Cost of Service and Rates – Notice of Adoption

RESOLVED, that the Vice President – Economic Development & Key Account Management, or his designee, be, and hereby is, authorized to implement, and to issue written notice to the affected Customers of this final action by the Trustees, a 10% adjustment of the Cost of Service and associated rates applicable to the Westchester County Governmental Customers as set forth in the report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the Secretary of State for publication in the New York State Register and to submit such other notice as may be required by statute or regulation concerning the Cost of Service and rates adjustment; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

b. Customer Solutions

i. Transfer of RNY Power Allocations

RESOLVED, That the transfer of 96 kilowatt (“kW”) and 150 kW Recharge New York Power allocations awarded to Food Authority Inc., for use at its facility located at 430 Wireless Blvd., Hauppauge, NY 11788, to its new facility located at 235 Pinelawn Road, Melville, NY 11747, as described in the report of the President and Chief Executive Officer be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the report, and (2) such terms and conditions as are required by the New York Power Authority (“Authority”) in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the Chair, the President and Chief Executive 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. **ReCharge New York Power Program Tariff Amendment – Notice of Proposed Rulemaking**

RESOLVED, that the Senior Vice President – Customer Solutions, or their designee, be, and hereby is, authorized to issue written notice to the affected Customers of this proposed action by the New York Power Authority Trustees for the amendment to the Recharge New York Power Program Tariff RNY-1 issued in 2012, as set forth in the report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the Secretary of State for publication in the *New York State Register* and to submit such other notice as may be required by statute or regulation concerning the proposed amendment to the Recharge New York Power Program Tariff RNY-1 issued in 2012; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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.

c. **Procurement (Services) Contracts**

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

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the 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 and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and 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

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and 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. Governance Matters

i. Approval of the Minutes:

1. Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on December 10, 2024

On motion made and seconded, the Minutes of the Joint Meeting held on December 10, 2024 were unanimously adopted.

6. NEXT MEETING

The next meeting of the New York Power Authority's Trustees and the Canal Corporation's Board of Directors will be held on Tuesday, March 25, 2025, unless otherwise designated by the Chairman with the concurrence of the members.

Closing

On motion made by member Dennis Trainor and seconded by member Bethaida González, the meeting was adjourned at approximately 11:37 a.m.

Karen Delince

Karen Delince
Corporate Secretary



March 25, 2025

Next Meeting

The next meeting of the New York Power Authority's Trustees and the Canal Corporation's Board of Directors will be held on Tuesday, May 20, 2025, unless otherwise designated by the Chairman with the concurrence of the members.