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Governor Andrew M. Cuomo Launches ‘New York Open for Business’ Marketing Initiative

“The ‘New York Open for Business’ campaign will get the message out to companies throughout the world that New York is a premier place for businesses to invest and grow.”
NYPA Background

- Largest state public power organization in the U.S.
- Public authority of the State of New York
- Owns and operates 17 power plants
- Operates more than 1,400 circuit-miles of the state’s transmission system
- Uses no tax revenues or state credit
- One of New York State’s valuable partners in economic development
RNY Program Description

- RNY is Governor Cuomo’s new statewide economic development electric power program
- 910 Megawatts (MW)
  - 50% NYPA hydropower
  - 50% market power procured by NYPA
- Competitive application process
- Long-term contracts of up to seven years
RNY Program Description (continued)

- At least 350 MW for businesses and not-for-profits in NYSEG, National Grid and RG&E service territories

- At least 200 MW for attracting or creating new businesses or encouraging the expansion of existing businesses statewide

- Up to 100 MW for small businesses and not-for-profit corporations statewide
Regional Economic Development Councils

- Regional Councils are developing strategic plans for their regions by mid-November.

- They will have an opportunity to provide input on RNY applications to determine consistency with the strategies and priorities for their respective regions.
Economic Development Power Allocation Board (EDPAB)

- Reviews applications and makes allocation recommendations to the NYPA Board of Trustees

- Four-member board established by law in 1987
  - Two appointees of the Governor
  - One appointee of the Majority Leader of the Senate
  - One appointee of the Speaker of the Assembly
NYPA

- Authorized by Governor Cuomo to administer RNY program including contracts
- Assists EDPAB in the application process
- NYPA Trustees review EDPAB recommendations prior to making final allocation decisions
- Monitors program compliance
- Provides ongoing RNY customer support
Who is Eligible?

- **Businesses:**
  - Businesses utilizing a minimum peak electric demand in excess of 400 kW

- **Small Businesses:**
  - Businesses utilizing a minimum peak electric demand equal to or less than 400 kW

- **Not-for-Profit Corporations:**
  - A corporation defined in Section 102 of the state’s Not-For-Profit Corporation Law, subdivision five of paragraph(a)
Existing NYPAPA Customers

- Current NYPAPA Hydro and Energy Cost Savings Benefit (ECSB) customers may apply for RNY if they are in substantial compliance with their existing contractual commitments.

- For Expansion, Preservation and Replacement Power customers, consideration will only be given to load not currently served by these programs.
Existing NYPRA Customers (continued)

- Power for Jobs (PFJ) and Energy Cost Savings Benefit (ECSB) customers must submit an application to be considered for an RNY allocation.
  - PFJ and ECSB contracts expire on June 30, 2012.

- PFJ and ECSB customers who do not receive an RNY allocation may be eligible to receive a transitional electricity discount.
RNY Program is Not Available to:

- Retail businesses
- Sports venues
- Gaming or entertainment-related establishments
- Places of overnight accommodations
Evaluation Criteria

- Evaluation criteria established by state law:
  - Significance of the cost of electricity to applicant’s total cost of doing business & the impact an RNY allocation will have on the applicant’s operating costs
  - New capital investment resulting from an RNY allocation in NYS
  - Type and cost of buildings, equipment and facilities to be constructed, enlarged or installed
  - Extent to which an RNY allocation would be consistent with existing regional economic development strategies and priorities
Evaluation Criteria
(additional considerations)

• Applicant’s payroll, salaries, benefits and number of jobs at the facility receiving RNY allocation
• Number of jobs created or retained within New York State
• Applicant’s risk of closure, curtailing facilities or operations, relocating out-of-state, or losing jobs in the state
• Significance of applicant’s facility to the local economy
• Extent of applicant’s investment in energy efficiency measures
Evaluation Criteria
(additional considerations)

• Whether applicant receives a NYPA hydropower allocation or benefits supported by the sale of NYPA hydropower

• The extent to which an RNY allocation will result in an advantage relative to the applicant’s competitors within the state

• If applicant is a not-for-profit, the significance of the critical service or substantial benefits being provided to the local community where the facility is located
Application Process

- Applications available online starting September 27th through the NYS Consolidated Funding Application (CFA):
  - CFA is a single application for multiple funding sources from the state
  - The CFA will serve as a more efficient and effective tool to streamline and expedite the state’s efforts to generate sustainable economic growth and employment opportunities across the state.
  - To access the CFA, and any related materials, please visit http://nyworks.ny.gov
Application Process (continued)

- **Timeline**
  - **September 27th** - Online application is available
  - **November 30th** - Deadline for completed applications
  - **Mid-December** - Regional Economic Development Councils review applications
  - **January** - EDPAB expected to make recommendations for allocations for NYPA Trustee action
Application Prep

- You Will Need:
  - 12 months of electric bills (August 2010 – July 2011) for each “electric” account at the facility
  - Current employment data and future hiring plans
  - Capital investment (dollar amount and physical description)
    - 2012 investments
    - 5-year investment plan
  - Future expansion plans (if applicable)
Contract Process
(for approved allocations)

- Direct sale arrangement
  - NYPA and applicant enter into a contract for RNY allocation
  - Customers will have a one-time option prior to executing contract to purchase:
    - A fully blended product – 50% NYPA hydropower and 50% market power procured by NYPA
    OR
    - Hydropower portion only – 50% NYPA hydropower and 50% customer-arranged market power purchases
  - Commitments for employment, capital investment, and energy audits will be incorporated
Contract Process
(Market Power Procurement)

- NYPA will first need to know:
  - where the loads exist and
  - which customers will be purchasing the fully blended product

- NYPA is currently evaluating contract strategies
Contract Process
(for approved allocations)

- Billing
  - NYPA will invoice customers for the **supply** of power and energy as well as associated New York Independent System Operator (NYISO) costs
  - Investor-owned utilities (IOUs) will invoice customers for the **delivery** of the power and energy
Delivery of RNY Power

- IOU delivery rate, services and practices fall under the Public Service Commission (PSC) jurisdiction
- The PSC is considering discounted delivery rates for RNY
- Delivery discounts cannot yet be determined because the PSC just closed a 45-day public comment period
- The PSC will issue an order in September directing IOUs to begin developing rates
- IOUs to file rate tariffs by the end of 2011 – delivery discount may vary by utility
RNY Contact Information

- Consolidated Funding Application (CFA): [http://nyworks.ny.gov](http://nyworks.ny.gov)
- Hotline: 888-JOBSNYS
  888-562-7697
- Website: [www.nypa.gov/rechargeny](http://www.nypa.gov/rechargeny)
- Email Address: Recharge.NewYork@nypa.gov
- Fax Number: 914-681-6255