



Robert P. Astorino
County Executive

Public Utility Service Agency
Thomas M. Geiger, Chair

14788

October 20, 2010

To: Honorable Members of the Board of Acquisition and Contract

From: Thomas M. Geiger, Chair
County of Westchester Public Utility Service Agency

RE: Resolution authorizing the County of Westchester, through the County of Westchester Public Utility Service Agency, to enter into Three (3) Agreements with BASF Corporation for the sale of lower cost Municipal Distribution Agency power, two of the Agreements from June 1, 2008 through May 31, 2013 and one Agreement from July 1, 2010 through June 30, 2015

The County of Westchester Public Utility Service Agency (“COWPUSA”), pursuant to the purposes and provisions of Chapter 875 of the Laws of Westchester County, entered into an agreement with the Power Authority of the State of New York (“NYPA”) for the purchase of lower cost economic development power. Such power is distributed to eligible businesses in Westchester through the Consolidated Edison Company of New York, Inc.’s (“Con Edison”) transmission and distribution system in accordance with a separate agreement between the County and Con Edison. This power is used to stimulate employment and economic growth in the County.

Pursuant to the above referenced agreements, COWPUSA obtains Municipal Distribution Agency (“MDA”) power from NYPA and provides such power through Con Edison’s distribution system in accordance with NYPA’s Service Tariff No. 35.

Due to uncertainty as to the structure and funding of all of the Economic Development Programs, including the MDA program, the State Legislature has over the last few years authorized the continuation of these programs on a year by year basis and NYPA has extended the allocation of power on such a basis. Accordingly, new contracts were not issued. Due to anticipated changes in the program(s) it is imperative that COWPUSA and the MDA customers enter into contracts so that there is no “gap” in the periods covered by the contracts.

Ciba-Geigy Corporation ("CIBA") had previously been granted an allocation of MDA power for a facility located in Tarrytown, New York. That facility was acquired by BASF Corporation ("BASF"). NYPA authorized BASF to continue to receive the allocation of MDA power that was previously allocated to CIBA. In addition, Engelhard Corporation ("Engelhard") was provided two allocations for MDA power for facilities in Peekskill, New York. BASF also acquired those facilities and NYPA authorized BASF to continue to receive those allocations of MDA power.

The proposed agreements will serve a public purpose as they will foster employment and economic growth in Westchester. The high cost of electricity in the Con Edison service territory is a concern to businesses and factors into their decision to remain in or relocate to Westchester County. The goals and objectives of the proposed agreement are in the best interests of the County as the provision of MDA power will provide lower cost electricity thereby encouraging these businesses to remain in Westchester and continue to provide employment opportunities, thereby contributing to the economic health of the County. In terms of fiscal responsibility, the Department of Finance, on behalf of COWPUSA, will timely bill this customer and monitor its payments to make sure that they are received in a timely manner.

The goals and objectives of the proposed agreements will be tracked and monitored by COWPUSA.

COWPUSA's Commissioners, at a duly constituted meeting, voted to enter into the above captioned agreements, subject to the approval of your Honorable Board. Accordingly, it is respectfully requested that your Honorable Board approve the attached resolution to authorize the County, through COWPUSA, to enter into the proposed agreements with BASF Corporation, 100 Campus Drive, Florham Park, New Jersey 07932 for the sale of up to 3,200 kW of Municipal Distribution Agency economic development power for its facility at 540 White Plains Road, Tarrytown, New York 10591 for a term from July 1, 2010 through June 30, 2015; for the sale of up to 1,015 kW of Municipal Distribution Agency economic development power for its facility at 1057 Lower South State Street, Peekskill, New York 10566 for a term from June 1 2008 through May 31, 2013; and for the sale of up to 1,000 kW of Municipal Distribution Agency economic development power for its facility at 1050 Lower South State Street, Peekskill, New York 10566 for a term from June 1, 2008 through May 31, 2013

Accordingly, your favorable action on the annexed Resolution is most respectfully urged and recommended.

TMG/SMG:me

RESOLUTION

Upon a communication from the Chair of the County of Westchester Public Utility Service Agency, be it hereby

RESOLVED, that the County of Westchester is authorized to enter into and execute an agreement providing for the sale of up to 3200 kW of Municipal Distribution Agency economic development power through the County of Westchester Public Utility Service Agency to BASF Corporation, 540 White Plains Road, Tarrytown, New York 10591, for a term from July 1, 2010 through June 30, 2015 and; be it further

RESOLVED, that the County of Westchester is authorized to enter into and execute an agreement providing for the sale of up to 1015 kW of Municipal Distribution Agency economic development power through the County of Westchester Public Utility Service Agency to BASF Corporation, 1057 Lower South State Street, Peekskill, New York 10566, for a term from June 1, 2008 through May 31, 2013 and; be it further

RESOLVED, that the County of Westchester is authorized to enter into and execute an agreement providing for the sale of up to 1000 kW of Municipal Distribution Agency economic development power through the County of Westchester Public Utility Service Agency to BASF Corporation, 1050 Lower South State Street, Peekskill, New York 10566, for a term from June 1, 2008 through May 31, 2013 and; be it further

RESOLVED, that such power will be provided in accordance with the applicable service tariff as approved by the New York State Public Service Commission and in accordance with the applicable tariff adopted by the Power Authority of the State of New York and; be it further

RESOLVED, that the Westchester County Executive or his duly authorized designee is hereby authorized and empowered to execute any and all documents necessary or appropriate to effectuate the purpose hereof.

Account to be Charged/Credited

		Major Program, Program & Phase	Object/ Sub Object	Trust Account	
Fund	Dept	Or Unit			Dollars

Budget Funding Year(s) _____
(must match resolution)

Start Date 7/01/10 End Date 6/30/15
 Start Date 6/01/08 End Date 5/31/13
 Start Date 6/01/08 End Date 5/31/13

Funding Source

Tax Dollars _____

State Aid _____

_____ (must match resolution)

Federal Aid _____

Other Revenue _____