



KATHY HOCHUL  
Governor

## **Northern NY Power Proceeds Allocation Board**

PATRICK J. KELLY  
Chairman

### **Northern New York Power Proceeds Allocation Board**

#### **Proposed Meeting Agenda**

**October 8, 2025 – 4:00 P.M.**

**New York Power Authority Downtown Massena Office  
Mercantile Building  
2 Water Street, Massena, NY 13662**

**Members: Chair Patrick Kelly, Stacey Brekke, Robert McNeil, Robert Smith**

1. Adoption of October 8, 2025 Proposed Meeting Agenda
  2. Adoption of August 13, 2025 Meeting Minutes
  3. Fund Update
  4. Award of Fund Benefits from the Northern New York Economic Development Fund – Round 15
  5. Adoption of 2026 NNYPPAB Meeting Schedule
- Other Business
6. Next Meeting



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# Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

## MINUTES OF THE NORTHERN NEW YORK POWER PROCEEDS ALLOCATION BOARD MEETING

August 13, 2025

### Table of Contents

<u>Subject</u>	<u>Page No.</u>
Introduction .....	2
1. Adoption of August 13, 2025, Proposed Meeting Agenda .....	2
2. Adoption of the October 2, 2024 Meeting Minutes .....	2
3. Fund Update .....	2
4. Award of Fund Benefits from the Northern New York Economic Development Fund – Round 14 .....	3
5. Adoption of 2025 NNYPAB Meeting Schedule .....	4
Other Business .....	4
6. Next Meeting .....	4
Adjournment .....	4



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## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

Minutes of the Northern New York Power Proceeds Allocation Board (NNYPPAB) meeting held on August 13, 2025, via videoconference at approximately 4:00 p.m.

**Members present were:**

Patrick Kelly – Chair  
Stacey Brekke  
Robert McNeil  
Robert Smith

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Also in attendance were:

Chad Gholizadeh	General Counsel
Felisa Hochheiser	Deputy Corporate Secretary
Patricia Wilson	Senior Program Manager, Economic Development
Alana Appenzeller	Director, Economic Development and Key Account Management
Michele Stockwell	Associate, Corporate Secretary
Fiona Khan	Senior Assistant Corporate Secretary
Kayla Scholz	Travel Administrator

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Chair Patrick Kelly presided over the meeting. Deputy Corporate Secretary Felisa Hochheiser kept the Minutes.

## **Introduction**

Chairman Patrick Kelly welcomed members of the Board and the staff of the New York Power Authority ("NYPA"). He stated that this meeting of the Board had been duly noticed as required by the Open Meetings law. The meeting was called to order at 4:00 p.m.

### **1. Adoption of August 13, 2025, Proposed Meeting Agenda**

On motion made by member Brekke and seconded by member McNeil, the agenda for the meeting was adopted with no amendments. (4-0)

## **Conflicts of Interest**

Chairman Kelly stated that the members had been polled prior to the meeting regarding possible conflicts of interest with the entity previously provided for their review. The members declared no conflicts of interest.

*Chairman Kelly noted that the applicant under agenda item 4 has an application pending with the Industrial Development Agency (IDA) for project benefits while also seeking assistance from the New York Power Proceeds Allocation Board. Chairman Kelly recused himself from voting on this item.*

### **2. Adoption of the October 2, 2024, Meeting Minutes**

On motion made by member Brekke and seconded by member McNeil, the Minutes of the meeting held on October 2, 2024, were unanimously approved. (4-0)

### **3. Fund Update**

Patricia Wilson, Senior Program Manager Economic Development, presented the June 2025 Northern New York Economic Development Fund Update report, to date:

Total deposits made to the fund are \$10,617,571 plus \$735,073 interest earned, bringing total funds deposited to \$11,352,644.

Disbursements made to Grantees total \$1,419,417, bringing the Current Fund Balance to \$9,933,227.

As defined by the NNY Power Proceeds Allocation Act, a 15% minimum of Fund Benefits is dedicated to Energy-Related Projects. Less prior awards of \$557,422 there is currently \$1,035,214 available for Energy-Related Projects Only.

The Allocation Board has awarded \$4,059,417 to the projects listed on page 2 of the Fund Report, leaving Total Fund Benefits Available to be awarded by the Allocation Board of \$7,293,227.

The recommendation before the Allocation Board for consideration today is for a standard project in the amount of \$1,500,000.

Chairman Kelly stated that this is an informational item and does not require any action by the Board.

#### **4. Award of Fund Benefits from the Northern New York Economic Development Fund – Round 14**

Patricia Wilson, Senior Program Manager Economic Development, presented the Award of Fund Benefits noting that this is the 14<sup>th</sup> round of allocations being brought before the board for consideration.

##### **➤ Project Allocation Recommendation - Vecino Group New York, LLC**

The staff recommends an award of \$1.5 million from the Northern New York Economic Development Fund to Vecino Group New York LLC.

As part of their more than \$30 million Midtown Plaza Redevelopment in Canton, Vecino Group New York will spend \$7.5 million to develop the first floor as an Innovation Center to equip emerging entrepreneurs with end-to-end support to launch and grow new ventures successfully in St. Lawrence County.

This project fulfills one of four signature initiatives identified in McKinsey & Company's 2015 Economic Development Blueprint for St. Lawrence County, suggesting such an entrepreneurial accelerator generates economic and job growth through the formation and expansion of small businesses. Establishing an Entrepreneurial Accelerator to help St. Lawrence County entrepreneurs launch and scale-up businesses is also listed in the Action Items of St. Lawrence County's Comprehensive Economic Development Strategy.

Vecino Group New York is a privately held LLC formed in July 2013 with extensive experience in multi-use, community development projects across the U.S. with deep ties to New York State, including projects in Potsdam, Elmira, Ithaca, Saratoga Springs, Troy and Utica.

Ms. Wilson noted that given that this project is integrated within a larger, mixed-use development, where not all land and buildings are utilized for eligible Proceeds purposes, the allocation of fund benefits would reimburse the applicant for a portion of those costs specifically associated with the Innovation Center, related to: machinery and equipment, furniture and fixtures, soft costs, working capital.

Aspects of this project that present a strong case for the recommendation of an award of Fund Benefits include:

- Diversify the regional economy by equipping emerging entrepreneurs to launch businesses successfully and enabling existing firms to expand.
- Enhances both resident and visitor experiences by replacing a dilapidated plaza in the core of Canton with a modern, mixed-use, multi-level structure supporting entrepreneurs and small business growth.
- Offers support and skills development for students to explore entrepreneurial roles, as a path toward retaining graduates and reversing "brain-drain."
- The Innovation Center will serve as a year-round draw for entrepreneurs, investors, students, and corporate partners – supporting area restaurants, retail, and lodging.
- Vecino Group New York has a proven track record with an extensive portfolio of successful, purpose-driven economic development projects.
- The project advances the North Country Regional Economic Development Council's strategic objectives to cultivate a culture that nurtures and attracts entrepreneurs; and

creates livable, attractive, and connected communities where people want to live, work, visit, and invest.

*On motion made by member Smith and seconded by member McNeil, the following resolution was unanimously adopted with the exception of Chair Kelly who abstained. (3-0-1).*

### **RESOLUTION**

NOW, THEREFORE BE IT RESOLVED, that the Northern New York Power Proceeds Allocation Board ("Board") hereby recommends that the Power Authority of the State of New York ("NYPA") make awards of Fund Benefits to the applicant recommended in the attached memorandum and the attachments thereto, for the reasons set forth in the attached memorandum and any attachments thereto; provided, however, that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, the recommendation for such application shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that such legal approvals and/or requirements necessary for the project(s) to proceed have been satisfied, and (ii) such recommendations shall be subject to further Board review in the event that such approvals and/or legal requirements are not satisfied; and be it further

RESOLVED, that Staff is authorized, on behalf of the Board, to transmit the Board's decision and recommendations to NYPA, subject to the qualifications stated above regarding legal approvals and/or requirements, and to do any and all things, and take any and all actions, to effectuate the Board's decision and the foregoing resolution.

### **5. Adoption of 2025 NNYPAB Meeting Schedule**

On motion made by member McNeil and seconded by member Smith adopted the 2025 NNYPAB Meeting Schedule. (4-0)

### **Other Business**

### **6. Next Meeting**

The next meeting of the Northern New York Power Proceeds Allocation Board is scheduled for Wednesday, October 8, 2025.

### **Adjournment**

On a motion made by member Brekke and seconded by member Smith, the meeting was adjourned at approximately 4:10 p.m. (4-0)

*Felisa Hochheiser*

Felisa Hochheiser  
Deputy Corporate Secretary

# Northern New York Economic Development Fund Update<sup>1</sup>

August-25

The Fund		
<i>this</i>	Total Deposits to the Fund to Date:	\$10,974,341
<i>plus</i>	Total Interest Earned on Deposits to Date:	\$787,420
=	<b>Total Funds Deposited:</b>	<b>\$11,761,761</b>
Expenditures		
<i>this</i>	<b>Total Funds Deposited:</b>	<b>\$11,761,761</b>
	Total Administrative Expenses Withdrawn:	\$0
	Disbursements to Grantees:	<u>(\$1,419,417)</u>
<i>plus</i>	<b>Total Expenditures:</b>	<b>(\$1,419,417)</b>
=	<b>Current Fund Balance:</b>	<b>\$10,342,344</b>
Awards		
<i>this</i>	<b>Total Funds Deposited:</b>	<b>\$11,761,761</b>
	Standard Projects:	\$4,671,995
	Energy Related Projects <sup>2</sup> :	<u>\$557,422</u>
<i>minus</i>	<b>Total Fund Benefits Awarded<sup>3</sup>:</b>	<b>\$5,229,417</b>
=	<b>Total Fund Benefits Available to be awarded by the NNYPAB<sup>4</sup>:</b>	<b>\$6,532,344</b>
Energy-Related Projects		
<i>this</i>	Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects:	\$1,646,151
<i>minus</i>	Total Awards (5%) Made for Energy-Related Projects to Date (not including today):	\$557,422
=	<b>Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only:</b>	<b>\$1,088,729</b>
Today's Recommendations		
<i>this</i>	Standard Projects:	\$500,000
<i>plus</i>	Energy-Related Projects or Project Components:	\$500,000
=	<b>1 Total Recommendations Before the NNYPAB Today:</b>	<b>\$1,000,000</b>
St. Lawrence County Economic Development Power ("SLCEDP")		
	<b>Total Estimated Unallocated SLCEDP Available (MW)<sup>5</sup>:</b>	<b>10</b>

<sup>1</sup> The "Fund", known as the "Northern New York Economic Development Fund", is created and administered by the New York Power Authority ("NYPA"). It is funded with the aggregate excess of revenues ("Net Earnings") received by NYPA from the sale of unallocated St. Lawrence County Economic Development Power ("SLCEDP") produced at NYPA's St. Lawrence-FDR Power Project that is sold in the wholesale energy market over what revenues would have been received had such Power been sold on a firm basis to the Town of Massena Electric Department for Economic Development Purposes.

<sup>2</sup> As defined by the Northern New York Power Proceeds Allocation Act, a minimum of 15% of Fund Benefits shall be dedicated to "energy-related projects, programs and services". In accordance with EDL § 197-a(7), "energy-related projects, programs and services" means: (1) energy efficiency projects and services; (2) clean energy technology projects and services; (3) high performance and sustainable building programs and services; and (4) the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.

<sup>3</sup> Funds awarded to applicants to the Fund who are recommended for an award by the NNYPAB and approved by the NYPA Trustees are known as "Fund Benefits." Disbursement of Fund Benefits is subject to satisfaction of certain terms and conditions.

<sup>4</sup> Total Fund Benefits Available to Be Awarded is calculated as Total Funds Deposited minus the sum of Total Fund Benefits Awarded and Total Administrative Expenses Withdrawn.

<sup>5</sup> Unutilized St. Lawrence County Economic Development Power ("SLCEDP") consists of an estimate of unallocated hydropower. For the first five years following the effective date, the amount of SLCEDP used to generate excess earnings shall be the lesser of 20 MW or the amount of SLCEDP that has not been allocated. Beginning five years from the effective date, the amount of SLCEDP used to generate excess earnings shall be the lesser of 10 MW or the amount of SLCEDP that has not been allocated.

## NNYEDF Awards<sup>6</sup>

NNYPPAB	
Recommendation Date (Multiple Items)	

County	 Company	Sum of NNYPPAB Approved \$\$
☐ St. Lawrence	Canexsys	\$200,000
	Clarkson University	\$60,000
	North Country Children's Museum	\$170,000
	AmTech Yarns, Inc.	\$370,000
	SLC Chamber of Commerce	\$220,305
	Criscitello & Criscitello LP	\$95,000
	Structural Wood Corporation	\$169,112
	St. Lawrence Power and Equipment Museum	\$25,000
	In-Law Brewing Company LLC	\$51,000
	Woodcrest RNG, LLC	\$300,000
	Atlantic Testing Laboratories, Limited	\$220,000
	Natural Insulation Products America, Inc.	\$1,209,000
	Massena Arts and Theater Association, Inc.	\$640,000
	Vecino Group New York, LLC	\$1,500,000
<b>St. Lawrence Total</b>		<b>\$5,229,417</b>
<b>Grand Total</b>		<b>\$5,229,417</b>

<sup>6</sup>The companies in this list are the applicants to the Fund whose proposed projects were (i) recommended for an award of Fund Benefits by the NNYPPAB.

\* The "Energy Projects (\$)" amount represents the estimated portion of each award that the NNYPPAB considers to be an "energy-related project" as defined by the Northern New York Power Proceeds Allocation Act and in accordance with EDL § 189-a(6) (see footnote 2 above for more detail).





KATHY HOCHUL  
Governor

## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

**Date:** October 8, 2025

**To:** Northern New York Power Proceeds Allocation Board

**From:** Sr. Economic Development Manager, North Country

**Subject:** Award of Fund Benefits from the Northern New York Economic Development Fund – Round 15

### SUMMARY

The Northern New York Power Proceeds Allocation Board (“Allocation Board” or “Board”) is requested to recommend to the Board of Trustees of the Power Authority of the State of New York (“NYPA” or “Authority”) that fund benefits (“Fund Benefits”) be awarded to Empire State Mines, LLC (“Empire State Mines” or “Applicant”). The applicant’s project and the recommended award amount are described below and in Exhibits “A” and “A-1”.

### BACKGROUND

#### 1. The Northern New York Power Proceeds Allocation Act

The Northern New York Power Proceeds Allocation Act (the “Act”) became law on December 29, 2014. The Act added provisions to the Economic Development Law (“EDL”) and the Public Authorities Law under the Power Authority Act, the enabling statute of the New York Power Authority (“NYPA”) (collectively, the “Statutes”).

The Act creates a program, administered by NYPA and the Board, to support economic development in Northern New York (the “Program”). Under the Program, financial assistance known as “fund benefits” (“Fund Benefits”) may be awarded to “eligible applicants” for “eligible projects” based on criteria set forth in the Statutes.

The Act defines an “eligible applicant” as a private business, including a not-for-profit corporation that is a private business. “Eligible projects” are defined as “economic development projects” that are or would be physically located within St. Lawrence County, that will support the growth of business in St. Lawrence County and thereby lead to the creation or maintenance of jobs and tax revenues for state and local governments. Examples of “eligible projects” include: capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism, and marketing and advertising efforts for St. Lawrence County tourism and business; and energy-related projects.

Eligible projects do not include, and Fund Benefits may not be used for: public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind;

expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the Board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

## 2. The Northern New York Economic Development Fund

NYPA and the Town of Massena Electric Department (“Massena”) are parties to a contract that provides for NYPA’s sale of up to 20 megawatts (“MW”) of hydropower known as “St. Lawrence County Economic Development Power” (“SLCEDP”) to the Town. As detailed in the Statutes, NYPA is authorized to sell a portion of unallocated SLCEDP into the market to generate revenue for the Program. The Statutes provide that NYPA will deposit proceeds from such sales into the Fund no less than quarterly.

At least 15 percent of the Fund is dedicated to eligible projects that are “energy-related projects, programs and services,” defined as “energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.”

Monies from the Fund – Fund Benefits – are awarded in the form of grants, and in most cases, Fund Benefits are disbursed as reimbursement for expenses incurred by an awardee. Allocations of Fund Benefits may only be made on the basis of monies that have been deposited in the Fund. No award may encumber funds or net earnings that have been received but that have not been deposited in the Fund.

## 3. Northern New York Power Proceeds Allocation Board

Under the Act, the Allocation Board’s primary responsibilities regarding applications for Fund Benefits under the Program are (i) to administer the application process, (ii) to make determinations relating to eligibility, and (iii) where an applicant and project are eligible, to evaluate applications against the criteria in the Statutes, and make a recommendation to the NYPA Board of Trustees on whether an applicant should be awarded fund benefits. The Allocation Board applies criteria that are applicable to Expansion Power, Replacement Power and Preference Power allocations, and for revitalization of industry, as provided for in Public Authorities Law § 1005.

Additionally, the Board is authorized to consider the extent to which an award of Fund Benefits aligns with the strategies and priorities of the North Country Regional Economic Development Council, which covers the region where an eligible project may be proposed.

At its meeting on January 25, 2017, the Board, in accordance with the Act, adopted by-laws, operating procedures, application guidelines, and an application form. A copy of the relevant criteria (collectively, “Program Criteria”), adapted from the Board’s “Procedures for the Review of Applications for Fund Benefits,” is attached as Exhibit “B” to this memorandum.

The Board also defined “retail business” to mean “A business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.”

Finally, the Board designated NYPA's Economic Development Manager, North Country, to Act on behalf of the Board related to administrative matters.

#### 4. Application Process

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A webpage has been created and is hosted on [WWW.NYPA.GOV/NNYPPAB](http://WWW.NYPA.GOV/NNYPPAB) with application instructions, a link to the approved application form, and other program details including a contact phone number and email address staffed by NYPA. A rolling application process is used, and the Allocation Board meets regularly to consider applications for Fund Benefits.

### DISCUSSION AND RECOMMENDATIONS

The Allocation Board has before it one application, which has been made available for review. Staff analyzed the application and now provides the following recommendations.

As detailed in Exhibit "A-1", Empire State Mines, LLC seeks Fund Benefits to establish a micronization and purification facility at its Gouverneur location to process 20-50 kg/hour of natural flake graphite – advancing the first fully integrated U.S. graphite production since 1956. A micronization and purification facility in St. Lawrence County will strengthen U.S. critical mineral supply chains and national security, leverage local infrastructure, and create high-quality jobs. While this facility will employ four new employees initially, the applicant states that the facility, once fully scaled, is projected to employ 55 additional FTEs and will support the retention of 135 existing employees. New York will also become the first state in 70 years to produce natural flake graphite, which the U.S. government classifies as a critical mineral for the country's clean energy future. The applicant anticipates investing approximately \$5.6M in the project. Because this project is energy related, NYPA may allocate the energy-related portion of the Fund for associated projects, programs and services.

Based on its review and consideration of the Program Criteria, Staff recommends that the Allocation Board recommend to the NYPA Trustees that the Applicant receive an award of Fund Benefits in the amount of, and for the purposes indicated in Exhibits "A" and "A-1".

To the extent that applications propose projects that must receive approval and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before the project may proceed, Staff recommends that any affirmative recommendation by the Board for such projects not be forwarded to the NYPA Board of Trustees for action until after the Board receives appropriate notification that all such approvals and requirements have been satisfied. Such recommendations should also be made subject to further consideration by the Board in the event that such approvals and/or legal requirements are not satisfied.

### PROJECT STATUS

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by NYPA. Upon a showing of good cause, NYPA has discretion to adopt the Allocation Board's recommendations or to award Fund Benefits in different amounts or on different terms than those recommended by the Board. In addition, NYPA is authorized to include in any award contract ("Award Contract") such terms and conditions as it deems appropriate.

Given the preliminary stage of the project identified in Exhibit "A-1", Staff is not in a position to recommend specific definitive terms and conditions for inclusion in any Board recommendation. However, Exhibit "A-1" outlines general considerations relating to disbursement of Fund Benefits for NYPA's review. Should the Board recommend approval of an award, and the Trustees approve an award, NYPA Staff, in consultation with Board Staff, will negotiate final terms and conditions after receiving more detailed information concerning the project.

### RECOMMENDATION

Based on the foregoing discussion and information, Staff recommends that the Allocation Board recommend to the NYPA Board of Trustees to award Fund Benefits to Empire State Mines in the amount and for the purposes proposed in Exhibits "A" and "A-1" and to utilize for the award funds from the 15% of the fund proceeds that are dedicated to energy projects.

For the reasons stated above, Staff further recommends adoption of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

## **RESOLUTION**

NOW, THEREFORE BE IT RESOLVED, that the Northern New York Power Proceeds Allocation Board ("Board") hereby recommends that the Power Authority of the State of New York ("NYPA") make awards of Fund Benefits to the applicant identified in the attached memorandum and the attachments thereto, for the reasons set forth therein and to utilize for the award funds from the 15% of the fund proceeds that are dedicated to energy projects; provided, however, that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, the recommendation for such application shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that such legal approvals and/or requirements necessary for the project(s) to proceed have been satisfied, and (ii) such recommendations shall be subject to further Board review in the event that such approvals and/or legal requirements are not satisfied; and be it further

RESOLVED, that Staff is authorized, on behalf of the Board, to transmit the Board's decision and recommendations to NYPA, subject to the qualifications stated above regarding legal approvals and/or requirements, and to do any and all things, and take any and all actions, to effectuate the Board's decision and the foregoing resolution.

									<b>Exhibit "A"</b>	
									<b>October 8, 2025</b>	
<b>Applications for Proceeds and Fund Recommendations</b>										
<b>Line</b>	<b>Business</b>	<b>City</b>	<b>County</b>	<b>Region</b>	<b>Project Description</b>	<b>Project Type</b>	<b>Recommended Award Amount</b>	<b>Total Project Cost</b>	<b>Jobs Retained</b>	<b>Jobs Created</b>
1	Empire State Mines, LLC	Gouverneur	SLC	North Country	purification facility to process natural flake graphite	Other: R&D, Clean Energy	\$1,000,000	#####	-	-
						<b>Total:</b>	<b>\$1,000,000</b>	<b>#####</b>	-	-
							<b>Total Jobs Created &amp; Retained:</b>			-



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## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

### Northern New York Economic Development Fund Recommendation Memo

#### EXHIBIT A-1

Applicant Name:	Empire State Mines, LLC	REDC Region:	North Country
Project Type:	R&D, Clean Energy	County:	St. Lawrence
Industry:	Other Metal Ore Mining	Locality:	Gouverneur
Amount Requested:	\$1,000,000	Start Date:	12/09/2025
		Finish Date:	12/31/2026
<b>RECOMMENDED OFFER</b>			
Recommended Total Award:	\$1,000,000		
Total Project Cost:	\$5,593,200		
% of Project Cost Recommended:	18%		
<b>PROJECT BUDGET (Proposed by Applicant)</b>			
<b>Use of funds</b>	<b>Amount</b>	<b>Source of Funds</b>	<b>Amount</b>
Machinery & Equipment	\$3,670,900	NNYEDF	\$1,000,000
Soft costs, working capital, FEED, Testwork, Engineering, Consultant Fees	\$1,922,300	Equity & cash flow from operations	4,593,200
<b>Total:</b>	<b>\$5,593,200</b>	<b>Total:</b>	<b>\$5,593,200</b>
<b>REGIONAL IMPACT MEASUREMENTS</b>			
Job Commitments:	The application was submitted under the "Other" funding track for Clean Energy and Research and Development, which does not require job-related commitments.		
Average Salary of Jobs:	n/a		
Indirect Jobs Created	n/a		
Other Impact	n/a		

<b>PROJECT DESCRIPTION (Adapted from Application)</b>		
<p>Empire State Mines in Gouverneur will establish a micronization and purification facility to process 20-50 kg/hour of natural flake graphite – advancing the first fully integrated U.S. graphite production since 1956 and thereby promoting national security and supply chain resilience.</p> <p>While the micronization and purification facility will require the hiring of 4 new employees initially, it forms the basis of a larger commercial scale facility – projected to employ 55 additional FTEs when fully scaled. It will have a substantial positive impact on local tax revenues, and New York State will become the first in the country to host the production of natural flake graphite – a critical mineral for the defense, aerospace, and clean energy industries.</p> <p>Graphite is by far the largest component in lithium-ion batteries, with the U.S. currently importing 100% of its natural graphite requirements. This project aims to solve the supply chain resilience issue and onshore production of inputs essential for energy storage.</p> <p>The Kilbourne Graphite Project at Empire State Mines has significant resource expansion potential to meet the demands of U.S. natural flake graphite over a long-term period. Their facility is a major step toward restoring U.S. industrial graphite capability and delivering a fully Made in America natural graphite product.</p>		
<b>OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED</b>		
None		
<b>PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED</b>		
<b>TYPE</b>	<b>AMOUNT</b>	<b>STATUS</b>
None		
<b>BASIS FOR RECOMMENDATION</b>		
<p>Aspects of this project that support a recommendation in favor of a Fund Benefits award:</p> <ul style="list-style-type: none"> <li>• Advances Empire State Mines in Gouverneur as the first fully integrated producer of U.S. Graphite since 1956.</li> <li>• Graphite is classified by the U.S. government as a critical mineral for the country’s defense, aerospace, and clean energy industries.</li> <li>• A micronization and purification facility in St. Lawrence County will strengthen U.S. critical mineral supply chains, leverage local infrastructure, and create high-quality jobs.</li> <li>• While this facility will employ 4 new employees initially, it forms the basis of a larger commercial-scale facility – employing 55 additional FTEs and support the retention of 135 current employees.</li> <li>• Empire State Mine’s Kilbourne Graphite Project offers significant scalability, positioning the facility to be able to meet a majority of projected U.S. graphite demand in these key sectors.</li> <li>• Advances the North Country Regional Economic Development Council’s Tradeable Sector strategic objective: Support, grow, and diversify the North Country’s major industries to serve domestic and global markets.</li> </ul>		
<b>ANTICIPATED DISBURSEMENT TERMS</b>		
<p>The allocation of Fund Benefits will reimburse the applicant for a portion of costs related to the purchase of machinery and equipment, and soft costs (working capital, FEED, testwork, engineering, consulting fees) to establish a micronization and purification facility at their Gouverneur location.</p> <p>It is anticipated that funds will be disbursed in arrears in a manner proportionate to the total for eligible expenses. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of \$5,593,200.</p>		





KATHY HOCHUL  
Governor

## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

### **"EXHIBIT B"**

#### **Criteria adapted from the "Board Procedures, and Board Policies Relating to the Review of Applications for Fund Benefits", adopted by the Northern New York Power Proceeds Allocation Board**

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the North Country Regional Economic Development Council ("NCREDC"). Such strategies and priorities include the following:
  - Energize our communities by building on growth in the aerospace, transit equipment, defense, biotech, energy, and manufacturing industries
  - Leverage our gateway to Canada, the nation's largest trading partner, to lead the State in global investment
  - Attract and nurture entrepreneurs through innovation to catalyze the highest per capita rate of small business start-ups and expansions in the state
  - Invest in community development infrastructure that expands opportunities and capacity
  - Innovate effective rural healthcare and education delivery networks
  - Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study
  - Activate tourism as a driver to diversify our economies by creating demand to accelerate private investment
  - Invest in agriculture as we help feed the region and the world
  - Create the greenest energy economy in the state
2. Whether the eligible project would occur in the absence of an award of Fund Benefits.
3. The extent to which an award of Fund Benefits will result in new capital investment in the State by the eligible applicant and the extent of such investment.
4. Other assistance the eligible applicant may receive to support the eligible project.
5. The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the eligible applicant were to receive an award of Fund Benefits.
6. The eligible applicant's payroll, salaries, benefits and number of jobs at the eligible project for which an award of Fund Benefits is requested.
7. Where applicable, the number of jobs that will be created or retained within St. Lawrence County and any other parts of the State in relation to the requested award of Fund Benefits, and the extent to which the eligible applicant will agree to commit to creating or retaining such jobs as a condition to receiving an award of Fund Benefits.
8. Whether the eligible applicant is at risk of closing or curtailing facilities or operations in St. Lawrence County and other parts of the State, relocating facilities or operations out of St. Lawrence County and other parts of the State, or losing a significant number of jobs in



KATHY HOCHUL  
Governor

## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

### **“EXHIBIT B”**

St. Lawrence County and other parts of the State, in the absence of an award of Fund Benefits.<sup>1</sup>

9. The significance of the eligible project that would receive an award of Fund Benefits to the economy of the area in which such eligible project is located.

For new, expanded and/or rehabilitated facilities, the extent to which the eligible applicant will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving an award of Fund Benefits.<sup>2</sup>

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<sup>1</sup> Job creation and retention are key indicators of economic activity. However, the Allocation Board recognizes that certain investments may increase productivity and revitalize areas without immediately increasing permanent employment. Therefore, job creation/retention commitments will be emphasized primarily in the Business Investment Track. While job creation and retention may not be a significant factor for other Tracks, demonstration of economic development benefits to the Region will generally be considered favorably when assessing applications under all Tracks.

<sup>2</sup> As provided for in Economic development Law § 197-c(4), many of the criteria are adapted from criteria used in determining eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law (“PAL”) § 1005(13). Certain criteria identified in PAL § 1005(13) are relevant to power allocations under these programs and do not have any logical application to the allocation of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits.



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Governor

## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

**Date:** October 8, 2025

**To:** Northern New York Power Proceeds Allocation Board

**From:** Vice President & Corporate Secretary

**Subject:** 2026 Proposed Meeting Schedule of Northern New York Power Proceeds Allocation Board

**The following schedule of meetings for the year 2026 is recommended:**

<b><u>Date</u></b>	<b><u>Time</u></b>	<b><u>Location</u></b>
February 4, 2026	4:00 p.m.	NYPA Downtown Massena Office
April 1, 2026	4:00 p.m.	NYPA Downtown Massena Office
June 3, 2026	4:00 p.m.	NYPA Downtown Massena Office
August 12, 2026	4:00 p.m.	NYPA Downtown Massena Office
October 7, 2026	4:00 p.m.	NYPA Downtown Massena Office

I recommend the approval of the proposed schedule by adoption of a resolution in the form of the attached draft resolution.

Karen Delince  
Vice President & Corporate Secretary

## **RESOLUTION**

RESOLVED, That the schedule of Northern New York Power Proceeds Allocation Board Meetings for the year 2026, as set forth in the foregoing memorandum of the Vice President & Corporate Secretary, be, and hereby is, approved.



KATHY HOCHUL  
Governor

## Northern NY Power Proceeds Allocation Board

PATRICK J. KELLY  
Chairman

October 8, 2025

### **Next Meeting**

The next regular meeting of the Northern New York Power Proceeds Allocation Board is to be held on Wednesday, February 4, 2026.