

STATE OF NEW YORK

2127

2025-2026 Regular Sessions

IN ASSEMBLY

January 15, 2025

Introduced by M. of A. SHRESTHA, GALLAGHER, MAMDANI -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to establishing the Hudson Valley power authority, and providing for its powers and duties; to amend the public authorities law, in relation to the New York power authority; and to amend the not-for-profit corporation law, in relation to establishing energy observatory corporations

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Article 5 of the public authorities law is amended by
2 adding a new title 1-C to read as follows:

3 TITLE 1-C

4 HUDSON VALLEY POWER AUTHORITY

5 Section 1022. Short title.

6 1022-a. Definitions.

7 1022-b. Hudson Valley power authority.

8 1022-c. Hudson Valley power authority service area; extension of
9 service area.

10 1022-d. Powers and duties of the authority.

11 1022-e. Powers to provide and maintain generating, transmission
12 and resource recovery waste to energy facilities.

13 1022-f. Rate-setting procedures.

14 1022-g. Climate leadership and community protection act commit-
15 ment.

16 1022-h. Acquisition of property, including the exercise of the
17 power of eminent domain.

18 1022-i. Subsidiaries.

19 1022-j. Deposit and investment of moneys of the authority.

20 1022-k. Conflicts of interest.

21 1022-l. Sale of surplus power.

22 1022-m. Audit and annual reports.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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- 1022-n. Bonds, notes and other obligations of the authority.
- 1022-o. State and municipalities not liable on bonds or notes or other obligations.
- 1022-p. Agreement of the state.
- 1022-q. Exemption of the authority from taxation.
- 1022-r. Actions against the authority.
- 1022-s. Equal employment opportunity.
- 1022-t. Limitation of liability; indemnification.
- 1022-u. Public service law generally not applicable to the authority; inconsistent provisions in certain other acts superseded.
- 1022-v. Authority subject to certain provisions contained in the state finance law, the public service law, the social services law and the general municipal law.
- 1022-w. Website.
- 1022-x. Periodic review by the legislature.
- 1022-y. Hudson Valley power authority observatory.
- 1022-z. Severability.

§ 1022. Short title. This title shall be known and may be cited as the "Hudson Valley power authority act" or the HVPA act.

§ 1022-a. Definitions. As used or referred to in this title, unless a different meaning clearly appears from the context:

1. "Acquire" means, with respect to any right, title or interest in or to any property, either the act of taking by the exercise of the power of eminent domain, or the acquisition by purchase or otherwise.
2. "Act" means the Hudson Valley power authority act, being this title.
3. "Authority" means the Hudson Valley power authority established by section one thousand twenty-two-b of this title.
4. "Commission" means the public service commission.
5. "Comptroller" means the state comptroller.
6. "Utility corporation" means any private gas corporation, electric corporation, or combined gas and electric corporation, as such terms are defined in section two of the public service law, that has a portion of its service territory within the service area. This shall not include any municipality that provides gas or electric service.
7. "Federal government" means the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.
8. "Final determination" or "finally determined" means a judicial decision (a) by the highest court of competent jurisdiction, or (b) by a court of competent jurisdiction from which no appeal has been taken and the time within which to appeal has expired.
9. "Municipality" means any county, city, town, village, municipal corporation, school district or other political subdivision of the state, including any agency, authority or public corporation of the state or any of the foregoing, or any combination thereof, other than the authority.
10. "Property" means the power distribution system or systems of the authority, whether completed facilities or projects in construction, whether situated within or without the territorial limits of the service area, including the plants, works, structures, poles, lines, conduits, mains, systems, instrumentalities or parts thereof and appurtenances thereto, lands, franchises and interest in land, including lands under water and riparian rights, space rights and air rights, contract rights, substations, and distribution facilities, or any other property inci-

1 dental to and included in such system or part thereof, and any improve-
2 ments, extensions or betterments. The term "property" shall also include
3 any and all interests in real property less than full title, such as
4 easements, rights of way, uses, leases, licenses and all other incorpo-
5 real hereditaments and every estate, interest or right, legal or equita-
6 ble, including terms for years and liens thereon by way of judgments,
7 mortgages or otherwise, and also all claims for damages related to such
8 real estate.

9 11. "Revenues" means all rates, rents, fees, charges, payments and
10 other income and receipts derived by the authority from the operation of
11 the properties of the authority other than the proceeds of the sales of
12 its securities, including, but not limited to, investment proceeds and
13 proceeds of insurance, condemnation, and sales or other disposition of
14 assets, together with all federal, state or municipal aid.

15 12. "Security" means any bond, note or other obligation issued by the
16 authority.

17 13. "State" means the state of New York.

18 14. "State agency" means any board, authority, agency, department,
19 commission, public corporation, body politic or instrumentality of the
20 state.

21 15. "Trustees" means the board of trustees of the authority.

22 16. "Relevant sectors" refers to the sectors that the HVPA will need
23 expertise from in order to succeed. They include environmental justice,
24 consumer protection, indigenous nation rights, community renewable ener-
25 gy, electrification, energy efficiency, workplace issues and local
26 government.

27 § 1022-b. Hudson Valley power authority. 1. A corporation known as the
28 Hudson Valley power authority is hereby established and charged with the
29 duties and having the powers provided in this title. The authority shall
30 be a state authority, a body corporate and politic constituting a public
31 benefit corporation, a political subdivision of the state, exercising
32 governmental and public powers, perpetual in duration, capable of suing
33 and being sued and having a seal, and which shall have the powers and
34 duties enumerated in this title, together with such others as may be
35 conferred upon it by law. The authority is not created or organized, and
36 its operations shall not be conducted, for the purpose of making a
37 profit. No part of the revenues or assets of the authority shall inure
38 to the benefit of or be distributable to its trustees or officers or any
39 other private persons, except as herein provided for actual services
40 rendered.

41 2. The board of the authority shall consist of nine trustees all of
42 whom shall be residents of the service area, two of whom shall be
43 appointed by the governor (trustees one and two), one of whom the gover-
44 nor shall designate as chair, two of whom shall be appointed by the
45 temporary president of the senate after consultation with the state
46 senator or senators representing the HVPA service area (trustees three
47 and four), two of whom shall be appointed by the speaker of the assembly
48 after consultation with the state assembly member or members represent-
49 ing the HVPA service area (trustees five and six), one of whom shall be
50 the HVPA observatory governing board chair (trustee seven), one of whom
51 shall be appointed by the HVPA observatory governing board (trustee
52 eight), and one of whom shall be the business manager of the Interna-
53 tional Brotherhood of Electrical Workers 320 representing the frontline
54 workers of the HVPA (trustee nine). Appointed trustees shall have exper-
55 tise in one of the relevant sectors mentioned in section one thousand
56 twenty-two-a of this article. Trustees shall serve staggered five-year

1 terms, except during the first term of appointments upon the effective
2 date of the chapter of the laws of two thousand twenty-five that added
3 this section. Trustees three and five shall be appointed for two years,
4 trustees seven and nine shall be appointed for three years, trustees one
5 and eight shall be appointed for four years, trustees two, four, and six
6 shall be appointed for five years. This will allow for staggered
7 appointments of at least two members each year after the first year,
8 thus ensuring a degree of continuity of committee membership.

9 3. The trustees shall serve without compensation but shall be entitled
10 to reimbursement of their actual and necessary expenses incurred in the
11 performance of their official duties, as may be authorized by the trus-
12 tees, in each case upon appropriate documentation by the submitting
13 trustee. No trustee or any entity, the majority of which is owned or
14 controlled by any trustee, shall receive any additional compensation
15 from the authority or be employed by the authority in any other capacity
16 by whatever means.

17 4. Five trustees shall constitute a quorum for the transaction of
18 business, and the affirmative vote of five trustees at a meeting shall
19 be necessary to the validity of any resolution, order or determination.
20 The trustees, in by-laws or by resolution, may allow for attendance at a
21 meeting of the trustees by speaker phone or any other electronic means
22 by which all meeting participants can hear one another.

23 5. The trustees shall appoint an executive committee of not less than
24 three trustees and shall delegate such duties and responsibilities of
25 the trustees to the executive committee as it may determine from time to
26 time, except that the trustees shall not delegate to the executive
27 committee the power to authorize the issuance of securities. The trus-
28 tees may appoint such additional committees with such duties and respon-
29 sibilities as they may determine from time to time.

30 6. (a) The trustees from time to time shall hire, without regard to
31 any personnel or civil service law, rule or regulation of the state,
32 such officers and employees, including a chief executive officer and
33 such engineering, management and legal officers, and other professional
34 employees, including but not limited to accounting, planning,
35 construction, marketing, finance, appraisal, banking and trustee
36 services, transmission and distribution, energy management, information
37 technology, cyber security, power supply, human resources, procurement,
38 treasury, energy efficiency, customer service and any other area of
39 utility operations as the trustees may require for the performance of
40 their duties and shall prescribe the duties and compensation of each
41 such officer and employee. Such compensation shall be reasonable and
42 commensurate to the duties of the position of such officer or employee.

43 (b) Any such employees hired, leased, or otherwise retained by the
44 authority or any of its subsidiaries as a consequence of an acquisition
45 of all the membership interests in, or assets of, the Central Hudson Gas
46 and Electric Corporation (hereinafter, "Central Hudson"), or any author-
47 ity subsidiary shall be hired subject to, and be entitled to, all appli-
48 cable provisions of (i) any existing contract or contracts with labor
49 unions representing Central Hudson employees, and (ii) all existing
50 pension, retirement, or other benefits provided to Central Hudson
51 employees under any existing collective bargaining agreement. Such
52 employees shall not be public employees or eligible to become members of
53 the New York state employees' retirement system on the basis of compen-
54 sation payable to them by the authority.

1 7. The authority shall not hire third-party service contractors to
2 conduct utility operations unless it has obtained written consent by the
3 labor unions representing Central Hudson workers.

4 8. (a) The authority shall not make any commitment, enter into any
5 agreement nor incur any indebtedness unless prior approval has been
6 received from the New York state public authorities control board pursu-
7 ant to article one-A of this chapter.

8 (b) In addition to all of the powers of the public service commission,
9 prior to acquiring any property and commencing operations, the authority
10 shall secure an order from the commission authorizing such acquisition
11 and commencement. The commission shall have the power to deny the
12 authority's application to acquire property and commence operations. The
13 authority shall comply with any and all requests for documents, materi-
14 als, and testimony that the commission may seek. The commission shall
15 consider, including but not limited to, the following factors before
16 issuing an order: ratepayer impacts; system reliability; environmental
17 impacts; conservation of energy resources; preservation or creation of
18 economic opportunities; power efficiency and availability; public health
19 and welfare; and any other factor it deems relevant. The authority
20 granted pursuant to this paragraph shall terminate upon commencement of
21 distribution of power.

22 9. The authority and its corporate existence shall continue until
23 terminated by law, provided, however, that no such law shall take effect
24 so long as the authority shall have securities outstanding, unless
25 adequate provision has been made for the payment thereof.

26 10. In the event that the authority does not commence delivering elec-
27 tric power within ten years of the effective date of this title, the
28 authority shall cease to exist and the provisions of this title shall be
29 of no further force and effect, subject to the terms of any bonds, notes
30 or other debt obligations then outstanding.

31 § 1022-c. Hudson Valley power authority service area; extension of
32 service area. 1. The service area of the Hudson Valley power authority
33 shall embrace the service territory of Central Hudson Gas and Electric
34 as of the effective date of this title.

35 2. The service area of the Hudson Valley power authority may be
36 extended at any time to include additional territory by the trustees in
37 accordance with the following procedure, provided however, the procedure
38 does not conflict with any rule or regulation of the public service
39 commission or any other law. Whenever the trustees determine that the
40 territory included within the service area should be extended, consist-
41 ent with the provisions of this title, the trustees shall adopt a resol-
42 ution proposing the additional territory. The trustees shall fix the
43 dates, hours and places for three public hearings before such trustees
44 upon the question of such extension and cause notice thereof and of the
45 additional territory to be included within the service area to be
46 published in two newspapers of general circulation in the county not
47 less than twenty nor more than thirty days before such date. At least
48 one of such hearings shall be held within the bounds of the proposed
49 additional territory. At such time the trustees shall hear all persons,
50 taxpayers or officials who may wish to be heard and shall finally deter-
51 mine the additional territory, if any, to be included in such extension.
52 Such determination shall be made by resolution of the trustees adopted
53 by a two-thirds vote of all trustees then in office. A map of the
54 service area, as extended, shall thereupon be filed in the office of the
55 county clerk of the affected counties.

1 § 1022-d. Powers and duties of the authority. The powers conferred by
2 this title shall be exercised by the trustees, subject to the terms of
3 this title. In the exercise of those powers, either directly or through
4 its officers and employees, the trustees may do the following things,
5 among others, and the following list of powers shall not be deemed
6 complete or exclusive, or to deny the existence of other powers, whether
7 similar or different, so long as they are reasonably necessary for
8 accomplishing the purposes declared and indicated in this title:

9 1. To make and alter by-laws for the regulation of its affairs and
10 conduct of its activities, to schedule annual, regular and special meet-
11 ings of the trustees, as the conduct of the business of the authority
12 may warrant, and to adopt and amend an official seal;

13 2. To develop, acquire, construct, reconstruct, rehabilitate and
14 improve facilities for the distribution of electric and gas power or any
15 connected service;

16 3. To determine the location, type, size, construction, lease,
17 purchase, ownership, acquisition, use and operation of any facilities or
18 other structure or property, within or without the service area;

19 4. To investigate, implement and integrate, to the fullest extent
20 practicable and economically feasible, such resource conservation and
21 energy efficiency measures and equipment intended to reduce power demand
22 and usage, utilize green technologies, alternative and renewable fuels,
23 net metering, crediting mechanisms for distributed energy resources and
24 demand response programs, all as integral elements in its investments in
25 new equipment for distribution of power, and in its marketing and sale
26 of electricity and gas to consumers;

27 5. To acquire on behalf of and in the name of the authority, whether
28 by agreement with and purchase from the owner or owners, or by arbi-
29 tration, or within the service area by eminent domain, pursuant to the
30 procedures set forth in the eminent domain procedure law, or by lease,
31 the whole or any part of any existing facilities or of any other proper-
32 ty to be used in connection with power distribution by the authority as
33 set out in this title; provided, however, that the authority shall not
34 acquire real property of a municipality or a political subdivision of
35 the state unless such municipality or political subdivision shall
36 consent thereto; and provided further that the authority shall not
37 acquire by the exercise of eminent domain any facilities for distrib-
38 ution operating at a voltage in excess of twenty-two thousand volts from
39 any person, corporation or association, public or private, engaged in
40 the business of distribution and sale of electricity and gas to ultimate
41 customers unless the authority is unable to acquire by contract with the
42 owners or operators thereof, the right to use such facilities on just,
43 reasonable and non-discriminatory terms. In the exercise of the power of
44 eminent domain, as provided in this subdivision, the property being
45 acquired shall be deemed, when so determined by the authority, to be for
46 a public use;

47 6. To create or acquire one or more wholly owned subsidiaries or
48 membership interests in subsidiaries in accordance with section one
49 thousand twenty-two-i of this title to carry out all or any part of the
50 purposes of this title;

51 7. To distribute electric and gas power and any connected services
52 within the service area, to fix progressive rates and charges for the
53 furnishing or rendition of electric power or of any connected service,
54 and to collect revenues. Provided however, that prior to the first sale
55 of electric and gas power or any connected service, the authority shall
56 promulgate regulations granting to customers the protections afforded by

1 article two of the public service law and section one hundred thirty-
2 one-s of the social services law;

3 8. To maintain, operate and manage, and contract for the maintenance,
4 operation and management of properties of the authority;

5 9. To apply to the appropriate agencies and officials of the federal,
6 state and local governments for such licenses, permits or approvals for
7 its plans and projects as it may deem necessary or advisable, and upon
8 such terms and conditions as it may deem appropriate to accept, in its
9 discretion, such licenses, permits or approvals as may be tendered to it
10 by such agencies and officials;

11 10. To enter upon such lands, waters or premises as in the judgment of
12 the authority shall be necessary for the purpose of making surveys,
13 soundings, borings and examinations to accomplish any purpose authorized
14 by this title, the authority being liable only for actual damages done;

15 11. To enter into cooperative agreements with other authorities, muni-
16 icipalities, utility companies, individuals, firms or corporations, and
17 the dominion of Canada and its political subdivisions, for the intercon-
18 nection of facilities and the exchange or interchange of electric and
19 gas power or connected services, upon such terms and conditions as shall
20 be determined to be reasonable;

21 12. To execute contracts, borrow money, issue bonds, notes and other
22 obligations as provided in section one thousand twenty-two-j of this
23 title, and sell the same in such amounts and at such prices, interest
24 rates and other financial terms as may be determined by the trustees;

25 13. To enter into agreements to purchase power from the power authori-
26 ty of the state of New York, the state, any state agency, any muni-
27 city, any private entity or any other available source at such price
28 or prices as may be negotiated, including the power to enter into any
29 agreement or any negotiation for the purchase of power from the dominion
30 of Canada, or any political subdivision, public authority or private
31 corporation therein;

32 14. To make any plans, studies or investigations which it may deem
33 necessary, convenient or desirable to enable it effectually to carry out
34 the provisions of this title;

35 15. To do whatever may be necessary to give effect to the purposes of
36 this title, and in general to have and exercise all other powers neces-
37 sary or incidental to the purposes of this title;

38 16. The trustees shall hold a monthly public meeting to discuss the
39 authority's business, including but not limited to proposed rates and
40 resource plans. Special meetings may be called by the chief executive
41 officer, by a majority of trustees, observatory, or by a petition signed
42 by not less than one-tenth of all the members. Monthly and special meet-
43 ings shall be held at the authority's headquarters. At monthly and
44 special meetings, members shall be allowed to attend in person or virtu-
45 ally and be given the opportunity to present their views through oral or
46 written statements;

47 17. To develop and manage a public distributed renewable energy (PDRE)
48 program that will plan, fund, and build distributed renewable energy
49 owned by the HVPA. The PDRE program will include community energy stor-
50 age (CES). Similarly, the HVPA will ensure ratepayers that own their own
51 distributed renewable energy are fairly rewarded for sending energy back
52 to the grid;

53 18. In regards to hiring workers to operate the HVPA's distribution
54 assets, the authority shall enter into a memorandum of understanding
55 with bona fide labor organizations of jurisdiction that is actively
56 engaged in representing transitioning employees from non-renewable

1 generation facilities. Such memorandum shall contain but not be limited
2 to safety and training standards, disaster response measures, guaranteed
3 hours, staffing levels, pay rate protection, and retraining programs.
4 The employees eligible for these positions shall first be selected from
5 a pool of transitioning workers who have lost their employment or will
6 be losing their employment in the non-renewable energy sector. Such a
7 list of potential employees will be provided by affected labor organiza-
8 tions and provided to the department of labor. If positions cannot be
9 filled by transitioning employees, workers who live in disadvantaged
10 communities within the service territory should then be prioritized,
11 followed by any worker who lives in the service territory;

12 19. In order to ensure a prevailing wage is paid, whenever the author-
13 ity enters into any contract, subcontract, lease, grant, bond, covenant
14 or other agreement for or in connection with any construction, demoli-
15 tion, reconstruction, excavation, rehabilitation, repair, renovation,
16 alteration, or improvement project, such project shall be deemed to be a
17 public works project for the purposes of article eight of the labor law,
18 and all of the provisions of article eight of the labor law shall be
19 applicable to all the work involved in the construction, demolition,
20 reconstruction, excavation, rehabilitation, repair, renovation, alter-
21 ation, or improvement of such project. Funds, financial assistance, or
22 any other benefits provided pursuant to this title shall not be utilized
23 for or in connection with the construction, demolition, reconstruction,
24 excavation, rehabilitation, repair, renovation, alteration, or improve-
25 ment of any project to which the provisions of article eight of the
26 labor law are not applicable; and

27 20. (a) For the protection of consumer health, safety and/or privacy
28 needs, it shall be the right of every consumer of the Hudson Valley
29 power authority, at no penalty, fee or service charge, to require their
30 electric corporation or gas corporation to replace an existing digital
31 utility meter at such consumer's premises that is assigned to such
32 consumer's account with an analog utility meter.

33 (b) The Hudson Valley power authority may not install a digital utili-
34 ty meter on a consumer's premises that is assigned to such consumer's
35 account unless it first shall provide written notice to the consumer no
36 less than ninety days prior to the scheduled installation of such meter,
37 so that such consumer may decline permission for such installation. Such
38 notice shall provide that:

39 (i) the consumer shall have the right to decline permission for the
40 Hudson Valley power authority from installing a digital utility meter
41 with no fee, penalty or service charge;

42 (ii) the consumer may, at any point in time following the installation
43 of a digital utility meter, require the removal of such device and its
44 replacement with an analog utility meter, with no fee, penalty or
45 service charge; and

46 (iii) the Hudson Valley power authority shall comply with such consum-
47 er's instructions within thirty days of receipt.

48 (c) The Hudson Valley power authority may offer a one-time credit to
49 customers who have a digital utility meter installed on their premises.

50 § 1022-e. Powers to provide and maintain generating, transmission and
51 resource recovery waste to energy facilities. Without limiting the
52 generality of the powers conferred upon the authority by section one
53 thousand twenty-two-d of this title, the authority shall have the
54 specific power:

55 1. Subject to the provisions of subdivision one of section one thou-
56 sand twenty-two-u of this title, to acquire, construct, improve, reha-

1 bilitate, maintain and operate such generating, transmission and related
2 facilities as the authority deems necessary or desirable to maintain an
3 adequate and dependable supply of electric power within the service
4 area;

5 2. Subject to the provisions of subdivision one of section one thou-
6 sand twenty-two-u of this title, to acquire, construct, improve, reha-
7 bilitate, maintain and operate such hydroelectric or energy storage
8 projects within the state as it deems necessary or desirable to contrib-
9 ute to the adequacy, economy and reliability of the supply of electric
10 power and energy or to conserve fuel;

11 3. Subject to the provisions of subdivision one of section one thou-
12 sand twenty-two-u of this title, to determine the location, type, size,
13 construction, lease, purchase, ownership, acquisition, use and operation
14 of any generating, transmission or other related facility, provided,
15 however, that in making such determinations relating to electric power
16 facilities the authority shall give primary consideration to the
17 construction of energy efficient facilities, energy conservation, load
18 management programs, and cogeneration in the service area;

19 4. To proceed with the physical construction or completion of any
20 generating, transmission or related facility;

21 5. To apply to the appropriate agencies and officials of the federal
22 and state governments, for such licenses, permits or approval of its
23 plans or projects as it may deem necessary or advisable, and to accept
24 such licenses, permits or approvals as may be tendered to it by such
25 agencies or officials, upon such terms and conditions as it may deem
26 appropriate;

27 6. To institute suit, or to apply to any legislative body for legis-
28 lation, or to take such other action as it may deem necessary or advis-
29 able in the furtherance of the purposes of this title and for the
30 protection of its rights, if for any reason the authority shall fail to
31 secure any such license, permit or approval as it may deem necessary or
32 advisable;

33 7. To study means of maintaining the customer base in, and attracting
34 commerce and industry to the service area;

35 8. To implement programs and policies designed to provide for the
36 interconnection of: (i) (A) solar electric generating equipment owned or
37 operated by residential customers, (B) farm waste electric generating
38 equipment owned or operated by customer-generators, (C) solar electric
39 generating equipment owned or operated by non-residential customers, (D)
40 micro-combined heat and power generating equipment owned, leased or
41 operated by residential customers, (E) fuel cell electric generating
42 equipment owned, leased or operated by residential customers, and (F)
43 micro-hydroelectric generating equipment owned, leased or operated by
44 customer-generators and for net energy metering consistent with section
45 sixty-six-j of the public service law, to increase the efficiency of
46 energy end use, to shift demand from periods of high demand to periods
47 of low demand and to facilitate the development of cogeneration; and

48 (ii) wind electric generating equipment owned or operated by custom-
49 er-generators and for net energy metering consistent with section
50 sixty-six-l of the public service law;

51 9. To develop, with public participation, a comprehensive least-cost
52 plan which shall consider practical and economical use of conservation,
53 renewable resources, and cogeneration for providing service to its
54 customers;

55 10. To cooperate with and to enter into contractual arrangements with
56 private utility companies or public entities;

1 (i) with respect to the construction and operation of facilities by
2 the authority and the sale of all or part of the output therefrom;

3 (ii) with respect to the construction, completion, acquisition, owner-
4 ship and/or operation of generating facilities, fuel, docks, sidings,
5 loading or unloading equipment, storage facilities and other subsidiary
6 facilities and the disposition of the output of such generating facili-
7 ties; and

8 (iii) with respect to the construction, acquisition, ownership, opera-
9 tion and/or use of transmission facilities;

10 11. To cooperate with and to enter into contractual arrangements with
11 municipalities with respect to the construction, improvement, rehabili-
12 tation, ownership and/or operation of generating facilities;

13 12. To cooperate with and to enter into contractual arrangements with
14 the New York state energy research and development authority in
15 connection with the planning, siting, development, construction, opera-
16 tion and maintenance of generating facilities of the authority utilizing
17 new energy technologies;

18 13. Subject to the provisions of section one thousand twenty-two-k of
19 this title, to construct, maintain and operate resource recovery waste
20 to energy facilities;

21 14. All renewable energy generating projects subject to this subdivi-
22 sion shall be deemed public work and subject to and performed in accord-
23 ance with articles eight and nine of the labor law. Each contract for
24 such renewable energy generating project shall contain a provision that
25 such projects may only be undertaken pursuant to a project labor agree-
26 ment. For purposes of this section, "project labor agreement" shall
27 mean a pre-hire collective bargaining agreement between the authority,
28 or a third party on behalf of the authority, and a bona fide building
29 and construction trade labor organization establishing the labor organ-
30 ization as the collective bargaining representative for all persons who
31 will perform work on a public work project, and which provides that only
32 contractors and subcontractors who sign a pre-negotiated agreement with
33 the labor organization can perform project work. All contractors and
34 subcontractors associated with this work shall be required to utilize
35 apprenticeship agreements as defined by article twenty-three of the
36 labor law;

37 15. The authority shall include requirements in any procurement or
38 development of a renewable energy generating project, as defined in this
39 subdivision, that the components and parts shall be produced or made in
40 whole or substantial part in the United States, its territories or
41 possessions. The authority's president and chief executive officer, or
42 such chief executive officer's designee may waive the procurement and
43 development requirements set forth in this paragraph if such official
44 determines that: the requirements would not be in the public interest;
45 the requirements would result in unreasonable costs; obtaining such
46 infrastructure components and parts in the United States would increase
47 the cost of a renewable energy generating project by an unreasonable
48 amount; or such components or parts cannot be produced, made, or assem-
49 bled in the United States in sufficient and reasonably available quanti-
50 ties or of satisfactory quality. Such determination must be made on an
51 annual basis no later than December thirty-first, after providing notice
52 and an opportunity for public comment, and such determination shall be
53 made publicly available, in writing, on the authority's website with a
54 detailed explanation of the findings leading to such determination. If
55 the authority's president and chief executive officer, or designee, has
56 issued determinations for three consecutive years finding that no such

1 waiver is warranted pursuant to this paragraph, then the authority shall
2 no longer be required to provide the annual determination required by
3 this paragraph;

4 16. To enter into a memorandum of understanding for the operation and
5 maintenance of a renewable energy generating project developed pursuant
6 to this subdivision with a bona fide labor organization of jurisdiction
7 that is actively engaged in representing transitioning employees from
8 non-renewable generation facilities. Such memorandum shall be entered
9 into prior to the completion date of a renewable energy generating
10 project and shall be an ongoing material condition of authorization to
11 operate and maintain a renewable energy generating project developed
12 pursuant to this subdivision. The memorandum shall only apply to the
13 employees necessary for the maintenance and operation of such renewable
14 energy generating projects. Such memorandum shall contain but not be
15 limited to safety and training standards, disaster response measures,
16 guaranteed hours, staffing levels, pay rate protection, and retraining
17 programs. The employees eligible for these positions shall first be
18 selected from a pool of transitioning workers who have lost their
19 employment or will be losing their employment in the non-renewable ener-
20 gy generation sector. Such list of potential employees will be provided
21 by affected labor organizations and provided to the department of labor.
22 The department of labor shall update and provide such list to the
23 authority ninety days prior to purchase, acquisition, and/or
24 construction of any project under this subdivision.

25 17. For the purposes of article fifteen-A of the executive law, any
26 person entering into a contract for a project authorized pursuant to
27 this section shall be deemed a state agency as that term is defined in
28 such article and such contracts shall be deemed state contracts within
29 the meaning of that term as set forth in such article.

30 18. Nothing in this subdivision, shall be construed as exempting the
31 authority, its subsidiaries, or any renewable energy generating projects
32 undertaken pursuant to this section from the requirements of article
33 eight of the public service law respecting any renewable energy system
34 developed by the authority or an authority subsidiary after the effec-
35 tive date of this subdivision that meets the definition of "major renew-
36 able energy facility" as defined in section one hundred thirty-seven of
37 the public service law, and section 11-0535-c of the environmental
38 conservation law as it relates to an endangered and threatened species
39 mitigation bank fund.

40 § 1022-f. Rate-setting procedures. In periodically establishing and
41 revising rates, the trustees shall use the following procedures:

42 1. Notice of the proposed rates shall be published in the state regis-
43 ter with a statement of the justification and reasons supporting such
44 rates. Such notice shall include a date for a hearing in accordance
45 with subdivision two of this section.

46 2. One or more hearings shall be conducted as expeditiously as practi-
47 cable by a hearing officer to develop a full and complete record and to
48 receive public comment in the form of written and oral presentation of
49 views, data, questions, and argument related to such proposed rates. In
50 any such hearing:

51 (a) any person shall be provided an adequate opportunity by the hear-
52 ing officer to offer refutation or rebuttal of any material submitted by
53 any other person or the trustees, and

54 (b) the hearing officer, in such hearing officer's discretion, shall
55 allow a reasonable opportunity for cross examination, which, as deter-

1 mined by the hearing officer, is not dilatory, in order to develop
2 information and material relevant to any such proposed rate.

3 3. In addition to the opportunity to submit oral and written material
4 at the hearings, any written views, data, questions, and arguments
5 submitted by persons prior to, or before the close of, hearings shall be
6 made a part of the administrative record.

7 4. The HVPA shall use progressive green rates. The rates shall follow
8 set parameters for energy rates and charges based on energy usage.

9 (a) The HVPA's rates shall have increasing block rates, so that as
10 electric energy consumption increases, the marginal cost increases as
11 well.

12 (b) The first block of residential electric energy use will be priced
13 at below market rate.

14 (c) Additional blocks shall be determined in the rate-making process.

15 (d) It shall be a goal of the HVPA that all electric residential
16 customers be adequately protected from bearing an energy burden greater
17 than six percent of their household income.

18 5. After such a hearing, the trustees in coordination with the observ-
19 atory may propose revised rates, publish such proposed rates in the
20 state register, and conduct additional hearings in accordance with this
21 section.

22 6. The trustees shall, in coordination with the observatory, make a
23 final decision establishing a rate or rates based on the record which
24 shall include the hearing transcript, together with exhibits, and such
25 other materials and information as may have been submitted to, or devel-
26 oped by, the trustees. The decision shall include a full and complete
27 justification of the final rates pursuant to this section.

28 7. The final decision of the trustees shall become effective on publi-
29 cation.

30 § 1022-g. Climate leadership and community protection act commitment.

31 1. At the outset, it is critical to enshrine climate goals into the
32 enabling legislation to ensure achieving the climate leadership and
33 community protection act's goals (CLCPA). In line with the CLCPA goals,
34 the HVPA shall:

35 (a) Procure seventy percent renewable electricity by two thousand
36 thirty, and one hundred percent renewable electricity by two thousand
37 forty, provided the supply is available;

38 (b) Ensure at least thirty-five percent of the benefits of clean ener-
39 gy and energy efficiency programs go to disadvantaged communities in its
40 service territory; and

41 (c) Conduct a study within two years of its creation to create a time-
42 line for the phaseout of its gas infrastructure.

43 2. The authority shall, to the extent it is eligible, apply for elec-
44 tive pay credit programs authorized or extended by the Inflation
45 Reduction Act of 2022, as established by Internal Revenue Service (IRS)
46 Rule 89 FR 17546. Prior to filing, the authority shall ensure that it
47 has:

48 (a) properly registered with the IRS;

49 (b) met the prevailing wage and apprenticeships set forth by the
50 Inflation Reduction Act; and

51 (c) qualified for the domestic content bonus credit amounts under
52 sections forty-five, forty-five-y, forty-eight, and forty-eight-e of the
53 Internal Revenue Code.

54 § 1022-h. Acquisition of property, including the exercise of the power
55 of eminent domain. 1. The legislature hereby expressly finds and deter-
56 mines:

1 (a) The acquisition by the authority, through purchase or the exercise
2 of the power of eminent domain, of either the securities or assets of a
3 utility corporation whichever is less expensive for the ratepayers, as
4 the authority may determine will be just to the ratepayers in the
5 service area, is the most appropriate means of dealing with the emergen-
6 cy involving the economy, health and safety of the residents and the
7 industry and commerce in the service area, notwithstanding the fact that
8 such utility corporation presently may be devoted to a public use, since
9 the public use of such property by the authority is hereby deemed to be
10 superior to the public use of such property by any other person, associ-
11 ation, or corporation.

12 (b) The authority, prior to exercising its power of eminent domain to
13 acquire the stock or assets of a utility corporation, shall enter into
14 negotiations with such utility corporation for the purpose of acquiring
15 such stock or assets upon such terms as the authority, in its sole
16 discretion, determines will result in average electric rates equal to or
17 less than the projected electric rates which would result if such utili-
18 ty corporation were to continue in operation.

19 (c) The compensation paid by the authority to a utility corporation
20 shall be just to the ratepayers in the service area who must pay such
21 compensation.

22 (d) If the authority determines that it is the stock of a utility
23 corporation that should be taken, the proper measure of damages shall be
24 the fair market value thereof as evidenced by the price of such stock on
25 the exchange on which it is traded on the valuation date since there is
26 an established market for such stock that is reflective of its value. In
27 no event, however, shall consequential or severance damages be awarded
28 if control of such utility corporation shall have been taken by the
29 authority.

30 (e) If the authority determines that it is the assets of a utility
31 corporation that should be taken, fair market value would not constitute
32 just compensation to such utility corporation since there is an insuffi-
33 cient market in the usual sense for its assets to ascertain the value
34 thereof from the market. In determining the compensation payable for
35 such assets, there shall be taken into consideration the capitalization
36 of such utility corporation's expected future earnings.

37 (f) Neither consequential nor severance damages are proper if the
38 authority condemns all the assets of a utility corporation.

39 (g) Such an acquisition by the authority of the securities or assets
40 of a utility corporation serves the public purposes of assuring the
41 provision of an adequate supply of electricity in a reliable, efficient
42 and economic manner and retaining existing commerce and industry in and
43 attracting new commerce and industry to the service area, all of which
44 are matters of state-wide concern.

45 2. In furtherance of the legislative findings and determinations set
46 forth in subdivision one of this section, the authority is hereby
47 authorized and empowered to acquire, through purchase or the exercise of
48 the power of eminent domain, all or any part of the securities or assets
49 of a utility corporation, as the authority in its sole discretion may
50 determine; provided, however, that prior to proceeding with any such
51 acquisition under this title, the board of trustees shall determine, in
52 its sole discretion based upon such engineering, financial and legal
53 data, studies and opinions as it may deem appropriate, that the average
54 electric rates projected to be charged after such acquisition and for
55 such reasonable period of time as the board of trustees may determine
56 will not be higher than the electric rates projected to be charged by

1 such utility corporation during such period if such acquisition had not
2 occurred.

3 3. The authority also is authorized and empowered, in its discretion,
4 to make a tender offer or tender offers for all or any portion of the
5 securities of a utility corporation at such price or prices as the
6 authority may determine to be appropriate; provided, however that such
7 tender offer or tender offers, in the sole judgment of the authority,
8 will result in average electric rates less than the projected electric
9 rates which would result from continued operation by such utility corpo-
10 ration.

11 (a) The authority shall make such offer or offers or any adjustment
12 thereof prior to acquiring any such securities or any assets of a utili-
13 ty corporation through the exercise of the power of eminent domain. The
14 authority may pay for such securities in cash or by exchanging therefor
15 the authority's bonds or a combination thereof.

16 (b) In the case of a tender offer in which a subsidiary of the author-
17 ity acquires at least sixty-six and two-thirds percent of a utility
18 corporation's common stock, such subsidiary may merge with such utility
19 corporation and either continue in existence or dissolve, as it may
20 determine.

21 (c) The provisions of section five hundred thirteen and article
22 sixteen of the business corporation law and any other provisions of law
23 relating to procedures in a corporate takeover, including without limi-
24 tation chapter nine hundred fifteen of the laws of nineteen hundred
25 eighty-five, shall not be applicable to the actions of the authority
26 pursuant to this title.

27 (d) In determining whether acceptance of such a tender offer by the
28 authority is in the best interests of a utility corporation, the direc-
29 tors of such utility corporation shall consider not only the dollar
30 amount of such offer but the interests of employees, suppliers, ratepay-
31 ers, creditors (including holders of such utility corporation's debt
32 securities), and the economy of the service area and the state.

33 4. The authority, should it determine, in its sole discretion, to
34 acquire the stock or assets of a utility corporation by the exercise of
35 the power of eminent domain, shall not take title to nor possession of
36 such stock or assets prior to a final determination of the amount of
37 compensation to be paid for such stock or assets nor prior to a determi-
38 nation by the authority, in its sole discretion that the taking of such
39 stock or assets will result in average electric rates less than the
40 projected electric rates which would result from continued operation by
41 such utility corporation. Notwithstanding the provisions of the eminent
42 domain procedure law, the provisions of subdivisions five and six of
43 this section shall apply to the acquisition of the stock or property of
44 such utility corporation by the power of eminent domain, provided howev-
45 er, to the extent the provisions herein do not supersede or conflict
46 with the provisions of such law the provisions of such law shall apply.

47 5. Procedure for acquisition of a utility corporation stock. (a) In
48 the event the authority determines to acquire the stock of a utility
49 corporation by the exercise of the power of eminent domain, having first
50 entered into negotiations with such utility corporation for the purchase
51 of such stock, the authority need not hold any public hearing on its
52 intention to condemn such stock or on the question of the public use of
53 such action, such finding having been made by the legislature herein.
54 The authority shall commence such acquisition by serving upon such util-
55 ity corporation and filing with the county clerk of the county in which
56 the principal office of such utility corporation is located a notice

1 describing the stock being acquired, the valuation date, as determined
2 by the authority, and such additional information as the authority may
3 reasonably deem necessary to facilitate the process of condemnation and
4 payment. The notice shall state that it is a notice of pendency of an
5 acquisition proceeding and that the authority will elect whether or not
6 to pay the amount of such award when it has been finally determined. The
7 authority also shall cause a copy of such notice: (i) to be served upon
8 the stock transfer agent or agents designated by such utility corpo-
9 ration for the transfer and registration of its stock; and (ii) to be
10 published in at least five successive issues of a daily newspaper of
11 national circulation.

12 (b) Upon receipt of such notice, the stock transfer agent or agents,
13 at the expense of the authority, shall forthwith serve upon each of the
14 registered owners of such stock a copy of such notice. Service shall be
15 deemed sufficient if mailed by certified or registered mail to the
16 address of each such owner as shown on a utility corporation's stock
17 transfer books. Service of the notice upon the stock transfer agent or
18 agents and its publication shall not be jurisdictional prerequisites to
19 the validity of the taking. Failure to notify any owner of stock to be
20 taken shall not invalidate any proceedings brought hereunder or any
21 title acquired by the authority.

22 (c) Upon filing of the notice described in paragraph (a) of this
23 subdivision, the authority shall petition a special term of the supreme
24 court in the judicial district in which such utility corporation has its
25 principal office for the acquisition of the stock. Such petition shall
26 be generally in the form prescribed by the eminent domain procedure law
27 so far as consistent herewith.

28 (d) The supreme court in the district in which such utility corpo-
29 ration has its principal office shall have exclusive jurisdiction to
30 hear and determine all claims arising from the acquisition of stock by
31 the exercise of the power of eminent domain and shall hear such claims
32 without a jury and without referral to a referee or commissioners.
33 Notwithstanding the provisions of section nine hundred one of the civil
34 practice law and rules, upon motion to the court by the authority, the
35 condemnation proceeding for the acquisition of stock shall be maintained
36 as a class action, pursuant to remaining provisions of article nine of
37 the civil practice law and rules, and the owners of the stock shall be
38 deemed a defendant class on the basis of the following express legisla-
39 tive findings:

40 (i) the class of such utility corporation stock owners is so numerous
41 that joinder of all members is impracticable;

42 (ii) the issue of valuation of such utility corporation stock is
43 common to all such utility corporation stock owners and there are ques-
44 tions of law or fact common to the members of such class which predomi-
45 nate over any questions affecting only individual members;

46 (iii) the claims or defenses, if any, of any representative owner of
47 such utility corporation stock to acquisition thereof by the authority
48 are typical of the claims or defenses of the class;

49 (iv) there are representative parties who will fairly and adequately
50 protect the interests of the class; and

51 (v) the prosecution of separate actions by or against individual
52 members of the class would create a risk of inconsistent or varying
53 adjudications with respect to the issue of valuation and other issues
54 common to the class.

55 (e) The procedure for determining just compensation shall be in the
56 manner prescribed by the eminent domain procedure law, except to the

1 extent such procedure is inconsistent with the provisions of this title,
2 in which case the provisions of this title shall control.

3 (f) Upon the entry of an award finally determining just compensation
4 for the stock, the authority shall have sixty days after receipt of
5 notice of entry of such award within which to elect to proceed with the
6 taking or to abandon such acquisition as provided in subdivision nine of
7 this section. Notice of such election shall be served by the authority
8 and by the stock transfer agent in the manner described in paragraph (a)
9 of this subdivision. If the authority elects to proceed with the acqui-
10 sition, it shall deposit with the supreme court in which the condemna-
11 tion proceeding was held an amount equal to the award within one hundred
12 eighty days after receipt by the authority of notice of entry of such
13 award. Upon the making of such deposit, the authority shall notify such
14 utility corporation's stock transfer agent in writing of such deposit.
15 The sum so deposited shall be applied as provided in the eminent domain
16 procedure law. Upon making such deposit and giving such notice to the
17 stock transfer agent, title to all stock described in the notice of
18 taking shall immediately vest in the authority and the authority shall
19 have the immediate right thereto. In the event the authority elects to
20 abandon the acquisition, the provisions of subdivision nine of this
21 section shall apply.

22 (g) It shall be a condition precedent to the payment of compensation
23 for any such securities that such securities be surrendered to the
24 supreme court or to such other entity, including the issuer's stock
25 transfer agent, as the supreme court may direct.

26 6. Procedure for acquisition of a utility corporation's assets. (a) If
27 the authority shall find it necessary or convenient to acquire any real
28 or personal property of such utility corporation, other than securities,
29 whether for immediate or future use, then the authority need not deter-
30 mine that such property is required for public use, since the legisla-
31 ture already has made such determination in this title which determi-
32 nation shall be binding for all purposes. The authority need not publish
33 any notice of its intention to acquire such property or hold any public
34 hearing with respect thereto or to the public use of such action.

35 (b) When any real property of such utility corporation within this
36 state is sought to be acquired by the exercise of the power of eminent
37 domain, and after the authority shall have entered into negotiations
38 with such utility corporation for the purchase of such property, the
39 authority shall cause a survey and map to be made thereof and shall
40 cause such survey and map to be filed in its office and in the office of
41 the county clerk in which such property is located. There shall be
42 annexed to such survey and map a certificate executed by the chief engi-
43 neer of the authority, or by such other officer or employee as may be
44 designated by the board of trustees, stating that the property or inter-
45 est therein described in such survey and map is necessary for its
46 purposes.

47 (c) Upon filing such survey and map, the authority shall petition a
48 special term of the supreme court in the judicial district in which the
49 property is located for the acquisition of such property or interest
50 therein. Such petition shall describe the property being acquired, the
51 valuation date, as determined by the authority, and such additional
52 information as the authority may reasonably deem necessary to facilitate
53 the process of condemnation and payment. The petition shall state that
54 the authority will elect whether or not to pay the amount of such award
55 when it has been finally determined. In all other respects, such peti-
56 tion shall be generally in the form prescribed by the eminent domain

1 procedure law, so far as consistent herewith. Such petition, together
2 with a notice of pendency of the proceeding, shall be filed in the
3 office of the county clerk of the county in which the property is
4 located and shall be indexed and recorded as provided by law. A copy of
5 such petition, together with a notice of the presentation thereof to
6 such special term of the supreme court, shall be served upon the owners
7 of such property as provided in the eminent domain procedure law. The
8 authority may cause a duplicate original affidavit of the service there-
9 of to be recorded in the books used for recording deeds in the office of
10 the county clerk of the county in which the property described in such
11 notice is located, and the recording of such affidavit shall be prima
12 facie evidence of due service thereof.

13 (d) Subsequent proceedings shall be conducted generally in the manner
14 prescribed by the eminent domain procedure law except to the extent the
15 provisions thereof are inconsistent with the provisions of this title,
16 in which case the provisions of this title shall control.

17 (e) Notwithstanding any provision of the eminent domain procedure law
18 to the contrary, in any proceeding brought by the authority to condemn
19 real property pursuant to such law, title shall vest in the authority
20 and compensation shall be paid only upon: (i) a decision by the supreme
21 court that compensation for the real property condemned shall be deter-
22 mined solely by the income capitalization method of valuation based on
23 the actual net income as allowed by the public service commission; and
24 (ii) such supreme court's determination that the amount of such compen-
25 sation shall be based on the income capitalization method, entry of a
26 final judgment, the filing of the final decree and the conclusion of any
27 appeal or the expiration of the time to file an appeal related to the
28 condemnation proceeding. If any court shall utilize any method of
29 compensation other than the income capitalization method, or if the
30 proposed compensation is more than the rate base of the assets taken in
31 condemnation, as utilized by the public service commission in setting
32 rates and as certified by such commission, then the authority may with-
33 draw the condemnation proceeding without prejudice or costs to any
34 party.

35 (f) Should a utility corporation's property be taken by the exercise
36 of the power of eminent domain and if such utility corporation shall
37 have agreed upon the compensation to be paid therefor in settlement of
38 the proceeding, if, such utility corporation shall be entitled to
39 payment of the agreed or awarded compensation within one hundred eighty
40 days after the date of the agreement upon the amount of the compensation
41 or of the entry of the award, together with interest upon the amount of
42 such compensation from the time of acquisition thereof by the authority
43 to the date of payment of such compensation; but such interest shall
44 cease upon the service by the authority, upon the person or corporation
45 entitled thereto, of a fifteen days' notice that the authority is ready
46 and willing to pay the amount of such compensation upon the presentation
47 of proper proofs and vouchers. Such notice shall be served personally or
48 by registered mail and publication thereof shall be made at least once a
49 week for three successive weeks in a daily newspaper of general circu-
50 lation in the county in which such property or any part thereof is
51 located.

52 (g) Upon the entry of an award finally determining just compensation
53 for the property of such utility corporation, the authority shall have
54 sixty days after receipt of notice of entry of such award within which
55 to elect to proceed with the taking or to abandon such acquisition as
56 provided in subdivision nine of this section. Notice of such election

1 shall be served by the authority on the owners of such property in the
2 manner described in paragraph (c) of this subdivision. If the authority
3 elects to proceed with the acquisition, it shall deposit with the
4 supreme court in which the condemnation proceeding was held an amount
5 equal to the award within one hundred eighty days after receipt by the
6 authority of notice of entry of such award. Upon the making of such
7 deposit, the authority shall notify such utility corporation in writing
8 of such deposit. The sum so deposited shall be applied as provided in
9 the eminent domain procedure law. Upon making such deposit and giving
10 such notice to such utility corporation, title to all property described
11 in the notice of taking shall immediately vest in the authority and the
12 authority shall have the immediate right thereto. The order setting
13 forth the award, together with evidence from the clerk of the court of
14 receipt of the amount of the award, shall be filed in the office of the
15 county clerk of the county in which the property is located and shall be
16 indexed and recorded in the same manner as a notice of pendency under
17 the eminent domain procedure law. The owner or person in possession of
18 such property shall deliver possession thereof to the authority upon
19 demand, and in case possession is not delivered when demanded or demand
20 is not convenient because of absence of the owner or inability to locate
21 or determine the owner, the authority may apply to the court without
22 notice for an order requiring the sheriff to put it into possession of
23 such real property. Such an order shall be executed as if it were an
24 execution for the delivery of the possession of the property. In the
25 event the authority elects to abandon the acquisition, the provisions of
26 subdivision nine of this section shall apply.

27 7. At any time the authority and its duly authorized agents and
28 employees may, on reasonable notice and during business hours, (a) enter
29 upon any real property proposed to be acquired for the purpose of making
30 the surveys or maps mentioned in this section, or of making such other
31 surveys, inspections or examinations of real and personal property and
32 (b) inspect and make copies of the books and records of the issuer of
33 such securities, all as the authority may deem necessary or convenient
34 for the purposes of this title.

35 8. Upon the acquisition of all the outstanding shares of stock of a
36 corporate issuer representing all the voting rights and equity thereof,
37 the authority shall as soon as reasonably practicable take all steps
38 necessary to ensure that the rights and claims of all the holders of any
39 other stock and debt securities and all other creditors thereof are as
40 secure as they were immediately prior to the acquisition by the authori-
41 ty. Nothing herein shall prohibit the authority from taking any appro-
42 priate and prudent action to renegotiate and restructure such debt or
43 from purchasing the preferred stock and debt securities issued by such
44 corporation at such prices as the authority may determine. The authority
45 may also exchange its bonds for any outstanding preferred stock or debt
46 securities with the consent of the holders of such preferred stock or
47 debt securities.

48 9. If the authority determines, in its sole discretion, that the total
49 cost of acquisition will result in average electric rates in excess of
50 the projected electric rates which would result from continued operation
51 by such utility corporation, the authority shall abandon the acquisi-
52 tion. In such event, the authority shall serve notice of such abandon-
53 ment (a) in the case of a stock acquisition, by causing to be mailed by
54 certified or registered mail a copy of such notice to each former owner
55 of stock as shown on such utility corporation's stock transfer books
56 immediately prior to such acquisition at the address shown on such stock

1 transfer books and by causing to be published a copy of such notice in
2 at least five successive issues of a daily newspaper of national circu-
3 lation or (b) in the case of an asset acquisition, in the same manner as
4 provided for the service of a petition for acquisition in paragraph (c)
5 of subdivision six of this section. In addition, in the case of an
6 asset acquisition the authority shall file a copy of the notice of aban-
7 donment with the county clerk of the county in which is located any real
8 property that was taken and with the clerk of the supreme court in which
9 the proceeding was instituted.

10 § 1022-i. Subsidiaries. 1. The authority shall have the right to exer-
11 cise and perform all or part of its powers and functions through one or
12 more wholly owned subsidiaries by operating as the sole member thereof,
13 acquiring the voting shares or membership interests thereof, or by
14 resolution of the board directing any of its trustees, officers or
15 employees to organize a subsidiary pursuant to the business corporation
16 law, the not-for-profit corporation law, the limited liability company
17 law, or the transportation corporations law. Such resolution shall
18 prescribe the purpose for which such subsidiary is to be formed.

19 2. The authority may transfer to any subsidiary any moneys, property
20 (real, personal or mixed) or facilities in order to carry out the
21 purposes of this title. Each such subsidiary shall have all the privi-
22 leges, immunities, tax exemptions and other exemptions of the authority
23 to the extent the same are not inconsistent with the statute or statutes
24 pursuant to which such subsidiary was established provided, however,
25 that in any event any such subsidiary shall be entitled to exemptions
26 from the public service law and any regulation by, or the jurisdiction
27 of, the public service commission, and the state environmental quality
28 review act to the extent provided in subdivision two of section one
29 thousand twenty-two-u of this title.

30 3. When the authority acquires either directly or through a subsidiary
31 the private entity known as Central Hudson, the authority shall maintain
32 the employment of the Central Hudson employees who are subject to the
33 terms of any existing contract or contracts with any labor union, and
34 shall assume such labor contracts. Upon acquisition of Central Hudson by
35 the authority, such employees shall:

36 (a) continue to be treated as private sector employees subject to the
37 national labor relations act and exempt from the New York state public
38 employees fair employment act;

39 (b) not acquire civil service status;

40 (c) be entitled to continue to receive such salary and benefits as
41 said employees receive as provided in the existing labor union contracts
42 as of the date of the authority's acquisition of any membership interest
43 in Central Hudson;

44 (d) be entitled to all provisions of any existing contract or
45 contracts with labor unions; and

46 (e) have pension and other benefits, including retirement benefits,
47 continued in plans that are operated and administered in compliance with
48 the employee retirement income security act of 1974, as amended (herein-
49 after "ERISA"), and the internal revenue code, to the fullest extent
50 allowed by law. After acquisition of Central Hudson by the authority,
51 the authority shall have an obligation to bargain in good faith with the
52 collective bargaining representative of such employees pursuant to the
53 national labor relations act. The authority may, in its discretion,
54 utilize the services of a professional employer organization (PEO) as
55 defined in section nine hundred sixteen of the labor law to maintain the
56 employment and working conditions of the Central Hudson employees

1 consistent with the requirements of this subdivision. Notwithstanding
2 any provision of law which may or could be deemed to the contrary, such
3 acquisition of Central Hudson by or for the authority and/or authority
4 subsidiary, and the rights, obligations and undertakings of the authori-
5 ty in connection therewith as hereinabove set forth, are hereby declared
6 to be in furtherance of the authority's proprietary, marketplace func-
7 tion of providing a safer, more efficient, reliable, and economical
8 supply of electrical and gas energy within the service area, which will
9 realize savings for the ratepayers and taxpayers in the service area and
10 further protect the interests of ratepayers and the economy in the
11 service area.

12 § 1022-j. Deposit and investment of moneys of the authority. 1. All
13 moneys of the authority, from whatever source derived, except as other-
14 wise authorized or provided in this title, shall upon receipt be depos-
15 ited forthwith in a bank or banks designated by the trustees, to be
16 selected in accordance with such standards as the trustees shall set
17 forth in the by-laws or investment guidelines of the authority, which
18 standards shall take into account the creditworthiness and capital posi-
19 tion of the depository bank or banks. The moneys in such accounts may be
20 invested in obligations of the state or the United States, or guaranteed
21 by either in accordance with practices that the trustees shall set forth
22 in the by-laws or investment guidelines of the authority. The moneys in
23 such accounts shall be withdrawn on the order of such person or persons
24 as the directors shall authorize in the by-laws of the authority and
25 shall be applied to the use of the authority as the trustees shall
26 authorize in the by-laws of the authority. All deposits of such moneys
27 shall be secured in accordance with section twenty-nine hundred twenty-
28 five of this chapter. The state comptroller and such comptroller's
29 legally authorized representatives are authorized and empowered from
30 time to time to examine the accounts and books of the authority, includ-
31 ing its receipts, disbursements, contracts, leases, sinking funds,
32 investments and any other records and papers relating to its financial
33 standing; the authority shall not be required to pay a fee for any such
34 examination.

35 2. The authority shall have power to contract with holders of any of
36 its bonds or notes or other obligations, or any trustee therefor, as to
37 the custody, collection, securing, investment and payment of any moneys
38 of the authority and of any moneys held in trust or otherwise for the
39 payment of bonds or notes or other obligations, and to carry out any
40 such contract. Moneys held in trust or otherwise for the payment of
41 bonds or notes or other obligations or in any way to secure bonds or
42 notes or obligations and deposits of such moneys shall be secured in
43 full in direct obligations of the federal government the payment of
44 which is guaranteed by the United States of America. Such investments
45 shall be held on deposit only in banks having a minimum credit rating
46 and a minimum accumulated capital, as the trustees shall specify in the
47 by-laws or investment guidelines of the authority.

48 3. Subject to agreements with noteholders and bondholders or any trus-
49 tee therefor, the authority shall prescribe a uniform system of accounts
50 in accordance with generally accepted accounting principles.

51 4. The trustees shall adopt investment guidelines and standards to
52 implement the foregoing provisions of this section, which guidelines and
53 standards shall be reviewed annually by the trustees and shall be made
54 available to state and municipal officials and to the public.

55 5. The Hudson Valley power authority is a public entity and the
56 management of its financial resources shall be conducted by a bank that

1 is accountable to the public in ways that are not possible with private
2 financial institutions. Subsequent to the passage of the "New York
3 public banking act" or similar legislation to allow for the creation of
4 local public banks and the chartering of a public bank in the service
5 territory, the Hudson Valley power authority shall transfer all finan-
6 cial assets into accounts held by such an institution as soon as is
7 practicable.

8 § 1022-k. Conflicts of interest. Eligibility for appointment as a
9 trustee, officer or employee of the authority shall be subject to the
10 provisions of section twenty-eight hundred twenty-five of this chapter.
11 In addition to the requirements of such section:

12 1. If any trustee, officer or employee of the authority shall have an
13 interest, either direct or indirect, in any contract to which the
14 authority is or is to be a party, such interest shall be disclosed to
15 the authority in writing and shall be set forth in the minutes of the
16 authority. The trustee, officer or employee having such interest shall
17 not participate in any action by the authority with respect to such
18 contract.

19 2. No trustee, officer or employee of the authority shall be deemed to
20 have such an interest solely by reason of the ownership of two percent
21 or less of the securities of a corporation which is or is to be a party
22 to a contract with the authority, including without limitation the hold-
23 ing company of any banking institution in which the funds of the author-
24 ity are, or are to be deposited, or which is or is to be acting as trus-
25 tee or paying agent under any bond or note resolution, trust indenture
26 or similar instrument to which the authority is a party.

27 3. Nothing in this section shall be deemed or construed to limit the
28 right of any trustee, officer or employee of the authority to acquire an
29 interest in the securities of the authority.

30 § 1022-l. Sale of surplus power. Whenever any electric power which the
31 authority may acquire creates a surplus over the amount of electric
32 power required by the residents of the service area, the authority may
33 sell such surplus in territory outside the service area to persons, or
34 public or private corporations. In acquiring any facility or property
35 which also serves any municipality or territory outside the service
36 area, the authority, if it deems it advantageous and economical so to
37 do, may, with the consent of the trustees, serve any such municipality
38 or territory or sell electric power to persons, or public or private
39 corporations in such territory or to such municipality.

40 § 1022-m. Audit and annual reports. 1. The accounts of the authority
41 shall be subject to the supervision of the comptroller and an annual
42 audit shall be performed by an independent certified public accountant
43 selected by the trustees and shall be made available to the munici-
44 palities served by the authority and to the public.

45 2. The authority shall submit a detailed annual report pursuant to and
46 as specified in section twenty-eight hundred of this chapter, and a copy
47 of such report shall be filed with the county executives of the counties
48 within the service area, and with the mayors and supervisors of the
49 municipalities within the service area and shall be made available to
50 the municipalities served by the authority and to the public. Nothing in
51 this section shall be deemed to exempt the authority from any rule or
52 regulation, including this chapter.

53 § 1022-n. Bonds, notes and other obligations of the authority. 1. The
54 authority shall have power and is hereby authorized from time to time to
55 issue its bonds, notes or other obligations for the purpose of financing
56 any capital project authorized by this title, including but not limited

1 to, the acquisition of any real or personal property or facilities
2 deemed necessary by the authority, development and professional
3 expenses, and funding any capital or other reserve funds established in
4 connection with the authority's operations or issuances, in such princi-
5 pal amount as the trustees shall determine necessary to perform its
6 corporate duties and further its purposes as authorized in this title.
7 The maximum maturity of any such bond shall not exceed thirty years from
8 its date of issuance. The maximum maturity of any such note or other
9 obligation shall not exceed five years from its date of issuance.

10 2. Except as may be otherwise expressly provided by the authority, the
11 issuance of bonds, notes or other obligations, shall be general obli-
12 gations of the authority payable out of any moneys or revenues of the
13 authority, subject only to any agreements with the holders of particular
14 bonds, notes or other obligations pledging any particular moneys or
15 revenues.

16 3. The authority shall have power from time to time, whenever it deems
17 refunding expedient, to refund any bonds, notes or other obligations by
18 the issuance of new bonds, notes or other obligations, whether the
19 bonds, notes or other obligations to be refunded have or have not
20 matured, and may issue bonds, notes or other obligations partly to
21 refund bonds, notes or other obligations then outstanding and partly for
22 any other purpose described in this section. Refunding bonds, notes or
23 other obligations may be exchanged for the bonds, notes or other obli-
24 gations to be refunded, with such cash adjustments as may be agreed, or
25 may be sold with the proceeds applied to the purchase or payment of the
26 bonds to be refunded.

27 4. Bonds may be issued either in a series with multiple discrete matu-
28 rity dates or as term bonds with a single maturity date. The bonds,
29 notes or other obligations shall be authorized by resolution of the
30 trustees and shall bear such date or dates, mature at such time or
31 times, bear interest at such rate or rates, payable annually or semi-an-
32 nually, be in such denominations, be in such form, carry such registra-
33 tion privileges, be executed in such manner, be payable in lawful money
34 of the United States of America at such place or places, and be subject
35 to such terms of redemption, as such resolution or resolutions may
36 provide. In the event that term bonds, notes or other obligations are
37 issued, the resolution authorizing the same may make such provisions for
38 the establishment and management of adequate sinking funds for the
39 payment thereof, as the authority may deem necessary.

40 5. The bonds, notes or other obligations of the authority may be sold
41 at public or private sale for such price or prices as the authority
42 shall determine. For a private sale of its securities, the authority
43 shall obtain the written approval of the terms of such sale from the
44 comptroller if such sale is to a party other than the comptroller, or
45 from the director of the budget where such sale is to the comptroller,
46 in either case prior to closing the issuance transaction.

47 6. Any resolution authorizing any issuance of bonds, notes or other
48 obligations may contain provisions, which shall be a part of the
49 contract between the authority and the holders of the issued securities,
50 as to:

51 (a) pledging all or any part of the revenues of the authority or its
52 projects or any revenue producing contract or contracts made by the
53 authority with any individual, partnership, limited liability company,
54 corporation or association to secure the payment of the bonds, notes or
55 other obligations, subject to such agreements with holders of securities
56 of the authority;

1 (b) pledging, assigning or creating a lien on all or any part of
2 assets of the authority, including mortgages and obligations security
3 mortgages, to secure the payment of the bonds, subject to such agree-
4 ments with holders of securities of the authority;

5 (c) the setting aside of reserves or sinking funds, and the regulation
6 and disposition thereof;

7 (d) establishment of special funds for deposit of moneys received from
8 the proceeds of the issuance of securities as the trustees shall deter-
9 mine, consistent with the authorizing resolution and the provisions of
10 this title;

11 (e) limitations on the purpose to which the proceeds of sale of any
12 issuance of bonds, notes or other obligations then or thereafter to be
13 issued may be applied and pledging such proceeds to secure the payment
14 of the bonds, notes or other obligations;

15 (f) limitations of the issuance of additional bonds, notes or other
16 obligations; the terms upon which additional bonds, notes or other obli-
17 gations may be issued and secured; and the refunding of outstanding
18 bonds, notes or other obligations;

19 (g) the procedure, if any, by which the terms of any contract with
20 bondholders may be amended or abrogated, the amount of bonds the holders
21 of which must consent thereto, and the manner in which such consent may
22 be given;

23 (h) providing for the appointment and powers of a trustee for holders
24 of securities, and the rights, powers and duties of such trustee as the
25 directors may determine;

26 (i) limitations on the amount of moneys derived from a project to be
27 expended for operating, administrative or other expenses of the authori-
28 ty;

29 (j) defining the acts or omissions to act which shall constitute a
30 default in the duties of the authority to holders of its obligations and
31 providing the rights and remedies of such holders in the event of a
32 default, provided, however, that such rights and remedies shall not be
33 inconsistent with the laws of the state and any other provisions of this
34 title; and provided, further, however, that nothing contained in this
35 title shall be deemed to restrict the right of the state or of any muni-
36 cipality to amend, modify or otherwise alter statutes, local laws, ordi-
37 nanances, resolutions or agreements imposing or relating to taxes or fees
38 or appropriations relating thereto; and there shall not be included in
39 any resolution or contract or agreement with the holders of the bonds,
40 notes or other obligations authorized by this title any provision which
41 provides that a default shall occur as a result of the state or of a
42 municipality exercising its right to amend, modify or otherwise alter
43 laws, ordinances, resolutions or agreements imposing or relating to
44 taxes or fees or appropriations relating thereto; and

45 (k) any other provisions not inconsistent with those enumerated in
46 this subdivision and necessary to effect its issuances of bonds, notes
47 or other obligations and the rights of the holders of its securities, or
48 otherwise in furtherance of its corporate purposes.

49 7. Notwithstanding any other provision of this title, any such resol-
50 ution or resolutions shall contain a covenant by the authority that it
51 will at all times maintain rates, fees or charges sufficient to pay, and
52 that any contracts entered into by the authority for the sale or
53 distribution of power shall contain rates, fees or charges sufficient to
54 pay the costs of operation and maintenance of the project, the principal
55 of and interest on any obligations issued pursuant to such resolution as
56 the same severally become due and payable, and to maintain any debt

1 service coverage ratios and any reserves required by the terms of such
2 resolution or resolutions. Provided however, that increases in total
3 electric delivery rates, fees, and charges shall not exceed the prevail-
4 ing electric delivery rates, fees and charges trend in the service area.
5 The prevailing electric delivery rates, fees and charges trend in the
6 service area shall mean the average annual increase in the total rates,
7 fees, and charges paid by former customers of the utility corporation
8 that served such customers.

9 8. It is the intent of this title that any pledge of revenues or other
10 moneys or of a revenue producing contract or contracts made by the
11 authority shall be valid and binding from the time when the pledge is
12 made; that the revenues or other moneys or proceeds of any contract or
13 contracts so pledged and thereafter received by the authority shall
14 immediately be subject to the lien of such pledge without any physical
15 delivery thereof or further act; and that the lien of any such pledge
16 shall be valid and binding as against all parties having claims of any
17 kind in tort, contract or otherwise against the authority irrespective
18 of whether such parties have notice thereof. Neither the resolution nor
19 any other instrument by which a pledge is created need be recorded.

20 9. Neither the trustees of the authority nor any person executing the
21 bonds, notes or other obligations shall be liable personally on the
22 bonds, notes or other obligations or be subject to any personal liabil-
23 ity or accountability by reason of the issuance thereof.

24 10. The authority shall have the power out of any funds available
25 therefor to purchase bonds, notes or other obligations. The authority
26 may hold, pledge, cancel or resell such bonds, notes or other obli-
27 gations, subject to and in accordance with agreements with bondholders.

28 11. Any bonds, notes or other obligations issued by the authority are
29 hereby made securities in which all public officers and bodies of this
30 state and all municipalities and municipal subdivisions, all insurance
31 companies and associations and other persons carrying on an insurance
32 business, all banks, bankers, trust companies, savings banks and savings
33 associations, including savings and loan associations, building and loan
34 associations, investment companies and other persons carrying on a bank-
35 ing business, and all other persons whatsoever who are authorized to
36 invest in bonds, notes or other obligations of the state, may properly
37 and legally invest funds including capital in their control or belonging
38 to them; subject to the provisions of any other general or special law
39 to the contrary.

40 12. The authority is authorized to obtain from any department or agen-
41 cy of the United States of America or the state or any nongovernmental
42 insurer or financial institution any insurance, guaranty or other credit
43 support device, to the extent available, as to, or for the payment or
44 repayment of interest or principal, or both, or any part thereof, on any
45 bonds, notes or other obligations issued by the authority and to enter
46 into any agreement or contract with respect to any such insurance or
47 guaranty, except to the extent that the same would in any way impair or
48 interfere with the ability of the authority to perform and fulfill the
49 terms of any agreement made with the holders of outstanding bonds, notes
50 or other obligations of the authority.

51 13. In addition to the powers conferred in this section upon the
52 authority to secure its bonds, notes or other obligations, the authority
53 shall have the power in connection with the issuance of bonds, notes or
54 other obligations to enter into such agreements as the authority may
55 deem necessary, convenient or desirable concerning the use or disposi-
56 tion of its revenues or other moneys or property, and for the acquisi-

1 tion, alteration or disposition of its property, real and personal,
2 including the mortgaging of any of its properties and the entrusting,
3 pledging or creation of any other security interest in any such reven-
4 ues, moneys or properties and the doing of any act, including refraining
5 from doing any act, which the authority would have the right to do in
6 the absence of such agreements. The authority shall have the power to
7 enter into amendments of any such agreements within the powers granted
8 to the authority by this title and to perform such agreements. The
9 provisions of any such agreements may be made a part of the contract
10 with the holders of bonds, notes or other obligations of the authority.

11 14. All bonds, notes and other obligations issued by the authority
12 under the provisions of this title are hereby declared to have all the
13 qualities and incidents of negotiable instruments under the applicable
14 laws of the state.

15 § 1022-o. State and municipalities not liable on bonds or notes or
16 other obligations. The securities of the authority shall not be a debt
17 of the state or of any municipality, and neither the state nor any muni-
18 cipality shall be liable thereon. The authority shall not have the power
19 to pledge or restrict the credit, the revenues or the taxing power of
20 the state or of any municipality, and neither the credit, the revenues
21 nor the taxing power of the state or of any municipality shall be or
22 shall be deemed to be pledged to the payment of any securities of the
23 authority. Each evidence of indebtedness of the authority, including the
24 securities of the authority, shall contain a clear and explicit state-
25 ment of the provisions of this section. Nothing in this title shall be
26 deemed to obligate the state or any municipality to make any payments or
27 impose any taxes to satisfy the debt service obligations of the authori-
28 ty.

29 § 1022-p. Agreement of the state. The state does hereby pledge to and
30 agree with the holders of any bonds, notes or other obligations issued
31 by the authority under this title, that the state will not limit or
32 alter the rights hereby vested in the authority to establish and collect
33 the revenues and other charges referred to in this title and to fulfill
34 the terms of any agreements made with or for the benefit of the holders
35 of the securities, or in any way impair the rights and remedies of the
36 bondholders until such securities are fully met and discharged. The
37 authority is authorized to include this pledge of the state in all
38 agreements by the authority with the holders of its securities. Nothing
39 contained in this title shall be deemed to restrict any right of the
40 state or municipality to amend, modify, repeal or otherwise alter stat-
41 utes imposing or relating to taxes or fees, or appropriations relating
42 thereto. The authority shall not include within any resolution, contract
43 or agreement with holders of the bonds, notes or other obligations
44 issued under this article any provision which provides that a default
45 occurs as a result of the state or of a municipality exercising its
46 right to amend, modify, repeal or otherwise alter any statute imposing
47 or relating to taxes, fees, or appropriations relating thereto.

48 § 1022-q. Exemption of the authority from taxation. 1. It is hereby
49 found and declared that the operation of the authority is primarily for
50 the benefit of the people of the participating municipalities, counties
51 and the state, for the improvement of their health, welfare and prosper-
52 ity, and is a public purpose, and the authority shall be regarded as
53 performing an essential governmental function in carrying out the
54 provisions of this title.

55 2. The authority shall be required to pay no taxes nor assessments
56 upon any of the property acquired or controlled by it or upon its activ-

1 ities in the operation and maintenance thereof or upon income derived
2 therefrom, provided that nothing herein shall prevent the authority from
3 entering into agreements to make payments in lieu of taxes.

4 3. The authority shall make payments in lieu of taxes to municip-
5 alities and school districts equal to the taxes and assessments which
6 would have been received from year to year by such jurisdiction.

7 4. The authority shall also make payments in lieu of taxes for those
8 taxes which would otherwise be imposed upon a utility corporation pursu-
9 ant to: (a) section one hundred eighty-six-a and former section one
10 hundred eighty-six of the tax law as such sections were in effect on
11 December thirty-first, nineteen hundred ninety-nine; (b) any taxes
12 imposed by a city within the authority's service area pursuant to the
13 authorization granted by section twenty-b of the general city law; and
14 (c) any taxes imposed by a village within the authority's service area
15 pursuant to authorization granted by section 5-530 of the village law.

16 5. Notwithstanding the exemption in subdivision two of this section,
17 the authority shall also be subject to the assessments imposed pursuant
18 to section eighteen-a of the public service law.

19 6. The securities issued by the authority, and the income therefrom
20 shall, at all times, be free from taxation, except for estate and gift
21 taxes.

22 7. Nothing in this title shall relieve the authority from its obli-
23 gations to register for sales tax purposes, collect state or local sales
24 and compensating use taxes imposed by or pursuant to the authority of
25 articles twenty-eight and twenty-nine of the tax law, and otherwise
26 comply with those articles on its sale of property or services.

27 § 1022-r. Actions against the authority. 1. Any action, suit or
28 proceeding to which the authority may be a party in which any question
29 arises as to the validity of this title or the valuation of stock or
30 assets acquired by the authority by the exercise of the power of eminent
31 domain shall be preferred over all other civil causes in all courts of
32 the state, except election matters, and shall be heard and determined in
33 preference to all other civil business pending therein, except election
34 matters, irrespective of position on the calendar. The same preference
35 shall be granted upon application of counsel to the authority in any
36 action or proceeding questioning the validity of this title or the valu-
37 ation of stock or assets acquired by the authority by the exercise of
38 the power of eminent domain in which such counsel may be allowed to
39 intervene. The venue of any such action or proceeding shall be laid in
40 the supreme court pursuant to article five of the civil practice law and
41 rules.

42 2. In the event any party shall appeal an award of compensation for
43 the taking by the authority of stock or assets, such party shall post a
44 bond in such amount, if any, as the supreme court shall deem appropriate
45 to adequately protect the interests of the other party under all circum-
46 stances.

47 3. An action against the authority founded on tort shall be commenced
48 in compliance with all the requirements of section fifty-e of the gener-
49 al municipal law, except that an action against the authority for wrong-
50 ful death shall be commenced in accordance with the provisions of title
51 eleven of article nine of this chapter.

52 § 1022-s. Equal employment opportunity. All contracts entered into by
53 the authority pursuant to this title of whatever nature and all docu-
54 ments soliciting bids or proposals therefor shall contain or make refer-
55 ence to the following provision:

1 The contractor shall not discriminate against employees or applicants
2 for employment because of race, creed, color, national origin, sex, age,
3 disability or marital status, and will undertake or continue existing
4 programs of affirmative action to ensure that minority group persons and
5 women are afforded equal opportunity without discrimination. Such
6 programs shall include, but not be limited to, recruitment, employment,
7 job assignment, promotion, upgrading, demotion, transfer, layoff, termi-
8 nation, rates of pay or other forms of compensation, and selection for
9 training and retraining, including apprenticeship and on-the-job train-
10 ing.

11 The HVPA shall diligently follow article fifteen-A of the executive
12 law to promote contracting with minority- and women-owned business
13 enterprises (MWBE).

14 § 1022-t. Limitation of liability; indemnification. 1. The trustees,
15 officers and employees of the authority, while acting within the scope
16 of their authority as trustees, officers or employees, shall not be
17 subject to any personal or civil liability resulting from the exercise,
18 carrying out or advocacy of any of the authority's purposes or power
19 unless the conduct of the trustees, officers or employees is finally
20 determined by a court of competent jurisdiction to constitute inten-
21 tional wrongdoing or recklessness.

22 2. The provisions of section eighteen of the public officers law shall
23 apply to trustees, officers and employees of the authority in connection
24 with any and all claims, demands, suits, actions or proceedings which
25 may be made or brought against any of them arising out of any determi-
26 nations made or actions taken or omitted to be taken in compliance with
27 any actions taken pursuant to the powers of this title.

28 3. As used in this section, the terms "trustee", "officer" and
29 "employee" shall include a former trustee, officer or employee and such
30 trustee's, officer's or employee's estate or judicially appointed
31 personal representative.

32 4. Nothing in this section shall limit the obligations of a "trustee",
33 "officer", or "employee" of the authority or of a subsidiary of the
34 authority as a "person required to collect tax", as such term is defined
35 in article twenty-eight of the tax law, if such trustee, officer or
36 employee is, or was, under a duty to act for the authority or subsid-
37 iary, or both, as the case may be, in complying with any requirement of
38 article twenty-eight or related provision of article twenty-nine of the
39 tax law.

40 § 1022-u. Public service law generally not applicable to the authori-
41 ty; inconsistent provisions in certain other acts superseded. 1. The
42 rates, services and practices relating to the electricity generated by
43 facilities owned or operated by the authority shall not be subject to
44 the provisions of the public service law or to regulation by, or the
45 jurisdiction of, the public service commission or the office of renewa-
46 ble energy siting, except to the extent that:

47 (a) the commission has promulgated regulations to contribute to
48 achieving the statewide greenhouse gas emissions limits established in
49 article seventy-five of the environmental conservation law;

50 (b) article seven of the public service law applies to the siting and
51 operation of a major utility transmission facility as defined therein;
52 and

53 (c) section eighteen-a of the public service law provides for assess-
54 ment for certain costs, property or operations.

55 2. The issuance by the authority of its obligations to acquire securi-
56 ties or assets of a utility shall be deemed not to be "state action"

1 within the meaning of the state environmental quality review act, and
2 such act shall not be applicable in any respect to such acquisition or
3 any action of the authority to effect such acquisition.

4 3. In the event that an audit indicates a finding of fraud, abuse, or
5 mismanagement by a former service provider of the authority, and upon a
6 finding by the public service commission that reasonable cause exists
7 for the basis of such indication, the commission may order that any
8 recommendations contained in the audit be implemented. The public
9 service commission may also provide in their order, the date in which
10 any recommendation must be fully implemented. Failure to comply with any
11 such order can result in the imposition of a civil penalty by the public
12 service commission against the former service provider or revocation of
13 the former service provider's authority to operate within the state.

14 § 1022-v. Authority subject to certain provisions contained in the
15 state finance law, the public service law, the social services law and
16 the general municipal law. All contracts of the authority shall be
17 subject to the provisions of the state finance law relating to contracts
18 made by the state. The authority shall also establish rules and regu-
19 lations with respect to providing to its residential gas and electric
20 utility customers those rights and protections provided in article two
21 and sections one hundred seventeen and one hundred eighteen of the
22 public service law and section one hundred thirty-one-s of the social
23 services law. The authority shall conform to any safety standards
24 regarding manual lockable disconnect switches for solar electric gener-
25 ating equipment established by the public service commission pursuant to
26 subparagraph (ii) of paragraph (a) of subdivision five and subparagraph
27 (ii) of paragraph (a) of subdivision five-a of section sixty-six-j of
28 the public service law. The authority shall let contracts for
29 construction or purchase of supplies, materials, or equipment pursuant
30 to section one hundred three and paragraph (e) of subdivision four of
31 section one hundred twenty-w of the general municipal law.

32 § 1022-w. Website. The authority shall make accessible to the public,
33 via its official or shared internet website, documentation pertaining to
34 its mission, current activities, most recent annual financial reports,
35 current year budget and its most recent independent audit report unless
36 such information is covered by subdivision two of section eighty-seven
37 of the public officers law.

38 § 1022-x. Periodic review by the legislature. Beginning two years
39 after the effective date of this section, and not more than every ten
40 years thereafter, the legislature of the state of New York shall conduct
41 a comprehensive review, of the structure, activities and operations of
42 the authority, and the authority shall provide such records, reports and
43 testimony as the legislature may request to assist in the conduct of
44 this review.

45 § 1022-y. Hudson Valley power authority observatory. 1. A not-for-pro-
46 fit corporation known as the Hudson Valley power authority observatory
47 shall be established under section one thousand four hundred thirteen of
48 the not-for-profit corporation law by the inaugural statutory members
49 and charged with the duties and having the powers provided in this
50 title. The observatory shall be a special not-for-profit corporation as,
51 a political subdivision of the state, exercising governmental and public
52 powers, perpetual in duration, capable of suing and being sued and
53 having a seal, and which shall have the powers and duties enumerated in
54 this title, together with such others as may be conferred upon it by
55 law.

1 2. The purpose of the observatory is to operate as a quasi-governmental
2 civil society organization to help the authority achieve its goals
3 by engaging in community participation, transparency, and local benefit
4 sharing. The observatory's primary functions are to monitor the utility,
5 conduct research, and support local projects.

6 3. The governing board of the authority shall consist of fifteen
7 members all of whom shall be residents of the service area, eight of
8 whom shall be determined by statute and seven of whom shall be appointed
9 by the statutory members. Of the statutory members, four will be elected
10 to four year terms in the same election cycle as the governor as
11 prescribed in the election law (members one, two, three, and four). The
12 board of elections shall create four observatory election districts,
13 such that each district has approximately the same number of people who
14 live in the service territory. The board of elections may call a special
15 election after the bill is signed into law to select the first four
16 statutory members. The board of elections shall alter the observatory
17 election districts after each federal decennial census to maintain the
18 principal that each district has approximately the same number of people
19 who live in the service territory. Two statutory members will be labor
20 member representatives selected by the IBEW Local 320 (members five and
21 six). Two statutory members will be from one or more academic insti-
22 tutions that are partners to the observatory (members seven and eight).
23 The statutory members will appoint the seven appointed members (members
24 nine through fifteen). Appointed members shall have expertise in one of
25 the relevant sectors mentioned in section one thousand twenty-two-a of
26 the this title. Members five through fifteen shall serve staggered
27 four-year terms, except during the first term of appointments upon the
28 effective date of the chapter of the laws of two thousand twenty-five
29 that added this section. Members five, eight, and eleven shall be
30 appointed for two years, members six, nine, twelve, and fourteen shall
31 be appointed for three years, and members seven, ten, thirteen, and
32 fifteen shall be appointed for four years. This will allow for staggered
33 appointments to ensure a degree of continuity of committee membership.

34 4. The members shall serve with compensation and shall be entitled to
35 reimbursement of their actual and necessary expenses incurred in the
36 performance of their official duties, as may be authorized by the
37 members, in each case upon appropriate documentation by the submitting
38 member. The level of compensation will be the value of two course
39 releases, and the members will set the cash equivalent of a course
40 release for non-academic members on an annual basis. No member or any
41 entity, the majority of which is owned or controlled by any member,
42 shall receive any additional compensation from the authority or be
43 employed by the authority in any other capacity by whatever means.

44 5. Eight members shall constitute a quorum for the transaction of
45 business, and the affirmative vote of eight members at a meeting shall
46 be necessary to the validity of any resolution, order or determination.
47 The members, in by-laws or by resolution, may allow for attendance at a
48 meeting of the governing board by speaker phone or any other electronic
49 means by which all meeting participants can hear one another.

50 6. The members shall appoint an executive committee of not less than
51 five members and shall delegate such duties and responsibilities of the
52 members to the executive committee as it may determine from time to
53 time. In addition to the executive committee, there will be a monitor-
54 ing council, research council, and local projects council. The monitor-
55 ing council shall study the utility as a traditional independent watch-
56 dog and deliver comments or make recommendations to the Hudson Valley

1 power authority's board of trustees. The research council shall review
2 the authority's operations in terms of reliability, affordability,
3 climate resilience, and environmental justice. The local projects coun-
4 cil shall support communities in their own efforts to create or imple-
5 ment energy projects and partnerships independent of the authority. Each
6 year, the authority will transfer a portion of its revenue into communi-
7 ty-controlled trust funds. The local projects council will run a parti-
8 cipatory budgeting process to democratically decide on community benefit
9 projects the fund can be spent towards. Local elected officials will
10 play a critical role in helping shape the process. The members may
11 appoint such additional committees with such duties and responsibilities
12 as they may determine from time to time.

13 7. The members from time to time shall hire, without regard to any
14 personnel or civil service law, rule or regulation of the state, such
15 officers and employees, including an executive director and such engi-
16 neering, management and legal officers, and other professional employ-
17 ees, including but not limited to accounting, planning, construction,
18 marketing, finance, appraisal, banking and trustee services, trans-
19 mission and distribution, energy management, information technology,
20 cyber security, power supply, human resources, procurement, treasury,
21 energy efficiency, customer service and any other area of utility oper-
22 ations, as the members may require for the performance of their duties
23 and shall prescribe the duties and compensation of each such officer and
24 employee. Such compensation shall be reasonable and commensurate to the
25 duties of the position of such officer or employee.

26 8. The observatory and its non-profit existence shall continue until
27 terminated by law once incorporated.

28 9. In the event that the Hudson Valley power authority does not
29 commence delivering electric power within ten years of the effective
30 date of this title, the observatory shall cease to exist and the
31 provisions of this title shall be of no further force and effect.

32 § 1022-z. Severability. The provisions of this title are severable,
33 and if any clause, sentence, paragraph, section or part of this title,
34 or the application thereof to any person or circumstance, shall be
35 adjudged by any court of competent jurisdiction to be invalid or unen-
36 forceable, such judgment shall not affect, impair or invalidate the
37 remainder of this title or the application of such provision to any
38 other person or circumstance, but shall be confined in its operation to
39 the clause, sentence, paragraph, section or part thereof or person or
40 circumstance directly involved in the controversy in which such judgment
41 shall have been rendered.

42 § 2. Subdivision 1 of section 51 of the public authorities law is
43 amended by adding a new paragraph o to read as follows:

44 o. Hudson Valley Power Authority

45 § 3. Subdivision 6 of section 1005 of the public authorities law, as
46 amended by chapter 294 of the laws of 1968, the opening paragraph as
47 amended by section 18 of part CC of chapter 60 of the laws of 2011,
48 paragraph d as amended, paragraph e as added and paragraph f as relet-
49 tered by chapter 369 of the laws of 1974, is amended to read as follows:

50 6. To develop, maintain, manage and operate its projects other than
51 the Niagara and Saint Lawrence hydroelectric projects so as (i) to
52 provide an adequate supply of energy for optimum utilization of its
53 hydroelectric projects, (ii) to attract and expand high load factor
54 industry, (iii) to ~~provide for the additional needs of its municipal~~
55 ~~electric and rural electric cooperative customers~~ operate for the bene-
56 fit of the general public and, in disposing of electric energy generated

1 at these facilities, to give preference at all times to municipalities,
2 other political subdivisions of the state, and cooperatives, (iv) to
3 provide a supply of power and energy for use in the recharge New York
4 power program as recharge New York market power, and (v) to assist in
5 maintaining an adequate, dependable electric power supply for the state.

6 An application by any municipality, other political subdivision of the
7 state, or cooperative for an allocation of electric energy shall not be
8 denied, or another application competing or in conflict therewith be
9 granted, to any private corporation, company, agency, or person, on the
10 ground that any proposed bond or other security issue of any such public
11 body or cooperative, the sale of which is necessary to enable such
12 prospective purchaser to enter into the public business of selling and
13 distributing the electric energy proposed to be purchased, has not been
14 authorized or marketed, until after a reasonable time, to be determined
15 by the administrator, has been afforded such public body or cooperative
16 to have such bond or other security issue authorized or marketed.

17 It is declared to be the policy of the legislature, as expressed in
18 this chapter, to preserve the said preferential status of municipi-
19 palities, other political subdivisions of the state, and cooperatives
20 herein referred to, and to give to the people of the state within
21 economic transmission distance of the authority's facilities reasonable
22 opportunity and time to hold any election or elections or take any
23 action necessary to create such political subdivisions of the state and
24 cooperatives as the laws of the state authorize and permit, and to
25 afford such political subdivisions of the state or cooperatives reason-
26 able time and opportunity to take any action necessary to authorize the
27 issuance of bonds or to arrange other financing necessary to construct
28 or acquire necessary and desirable electric distribution facilities, and
29 in all other respects legally to become qualified purchasers and
30 distributors of electric energy available under this chapter.

31 Contracts for the sale, transmission and distribution of power and
32 energy generated by such projects shall provide for the effectuation of
33 the policy set forth in this title relating to such projects and shall
34 provide:

35 a. Payment of all operating and maintenance expenses of the projects.

36 b. Interest on and amortization and reserve charges sufficient within
37 fifty years of the date of issuance to retire the bonds of the authority
38 issued for the projects.

39 c. For the cancellation and termination of any such contract upon
40 violation of the terms thereof by the purchasing, transmitting or
41 distributing public agency or company, or any subsidiary thereof.

42 d. That the rates, services and practices of the purchasing, transmit-
43 ting and/or distributing public agencies and rural electric cooperatives
44 in respect to the power and energy from such projects shall be governed
45 by the provisions and principles established in the contract, and not by
46 regulations of the public service commission or by general principles of
47 public service law regulating rates, services and practices and that in
48 the event any such public agencies or cooperatives which purchase power
49 from the authority shall sell any such power for resale, such sale for
50 resale shall be made at rates no higher than those at which the power
51 was purchased from the authority.

52 e. In the case of a contract with an electric corporation entered into
53 on or after May first, nineteen hundred seventy-four (i) for assurances
54 by the electric corporation of prompt and timely payment of all bills
55 rendered by the authority and that failure to make such prompt and time-
56 ly payment shall be grounds for immediate termination of the contract,

1 and (ii) that in the event the contract is so terminated, the electric
2 company will wheel to such purchasers as the authority may direct the
3 power and energy that would have been sold to the electric company had
4 the contract not been terminated.

5 f. Grant reasonable rate discounts to municipalities, other political
6 subdivisions of the state, and cooperatives in a manner not inconsistent
7 with the provisions and policy of this title.

8 g. In order to foster a close relationship between public power enti-
9 ties, specifically between the Hudson Valley power authority and the New
10 York power authority, the latter is tasked with building, owning, and
11 operating new transmission for the former under certain circumstances.
12 Specifically, if the Hudson Valley power authority requests that new
13 transmission be built by the New York power authority because it would
14 be cheaper or more efficient than building it itself, the New York power
15 authority shall not deny any reasonable request.

16 h. Such other terms not inconsistent with the provisions and policy of
17 this title as the authority may deem advisable.

18 § 4. The not-for-profit corporation law is amended by adding a new
19 section 1413 to read as follows:

20 § 1413. Energy observatory corporations.

21 (a) Definitions. An energy observatory corporation is a corporation
22 formed under or by a general or special law for studying and enabling
23 effective community governance of power authorities.

24 (b) Type of corporation. An energy observation corporation is a non-
25 charitable corporation under this chapter.

26 (c) Corporate name. An energy observatory corporation shall be called
27 the name of the authority it monitors and studies with "observatory"
28 appended to it at the end. No other corporation shall have the same
29 name.

30 (d) Governing board. An energy observatory corporation shall be
31 managed by its governing board. The number of members shall not be less
32 than five and shall not be greater than twenty. The members should have
33 a diversity of experience from the following relevant sectors: environ-
34 mental justice, consumer protection, indigenous nation rights, community
35 renewable energy, electrification, energy efficiency, workplace issues,
36 and local government.

37 (e) Funding of the observatory corporation:

38 (1) An observatory corporation shall be funded through a monthly fee
39 of each ratepayer served by the authority. The observatory shall be set
40 up with a one-time donation of not less than five hundred thousand
41 dollars from the authority.

42 (2) An observatory corporation shall not issue bonds, stocks, or other
43 security interests or incur a debt to a bank or other financial institu-
44 tion of any duration.

45 (3) An observatory corporation shall only place cash reserves or
46 surplus in a checking or savings account at a depository institution.

47 (f) Restrictions on the formation of corporations. There shall be but
48 one energy observation corporation per authority.

49 (g) Staff. An energy observatory corporation shall employ an executive
50 director, staff, and such other agents and employees, permanent or
51 temporary, as it may require, and may determine the qualifications and
52 fix the compensation and benefits of such persons.

53 (h) Public assemblies. The board and executive director shall hold
54 semi-annual assemblies to ensure public participation, transparency and
55 accountability.

1 § 5. This act shall take effect on the one hundred eightieth day after
2 it shall have become a law. Effective immediately, the addition, amend-
3 ment and/or repeal of any rule or regulation necessary for the implemen-
4 tation of this act on its effective date are authorized to be made and
5 completed on or before such effective date.