

# STATE OF NEW YORK

2127--A

2025-2026 Regular Sessions

## IN ASSEMBLY

January 15, 2025

Introduced by M. of A. SHRESTHA, GALLAGHER, MAMDANI, REYES, BURDICK, EACHUS, SHIMSKY, LEVENBERG, SIMON -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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-b-1. Trustees.

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

11 1022-d. Powers and duties of the authority.

12 1022-e. Powers to provide and maintain generating, transmission  
13 and related facilities.

14 1022-f. Rate-setting procedures.

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

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

19 1022-i. Subsidiaries.

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

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- 1 1022-j. Deposit and investment of moneys of the authority.
- 2 1022-k. Conflicts of interest.
- 3 1022-l. Sale of surplus power.
- 4 1022-m. Audit and annual reports.
- 5 1022-n. Bonds, notes and other obligations of the authority.
- 6 1022-o. State and municipalities not liable on bonds or notes or
- 7 other obligations.
- 8 1022-p. Agreement of the state.
- 9 1022-q. Exemption of the authority from taxation.
- 10 1022-r. Actions against the authority.
- 11 1022-s. Equal employment opportunity.
- 12 1022-t. Limitation of liability; indemnification.
- 13 1022-u. Public service law generally not applicable to the
- 14 authority; inconsistent provisions in certain other
- 15 acts superseded.
- 16 1022-v. Authority subject to certain provisions contained in the
- 17 state finance law, the public service law, the social
- 18 services law and the general municipal law.
- 19 1022-w. Website.
- 20 1022-x. Periodic review by the legislature.
- 21 1022-y. Hudson Valley power authority observatory.
- 22 1022-z. Severability.

23 § 1022. Short title. This title shall be known and may be cited as the  
 24 "Hudson Valley power authority act" or the HVPA act.

25 § 1022-a. Definitions. As used or referred to in this title, unless a  
 26 different meaning clearly appears from the context:

27 1. "Acquire" means, with respect to any right, title or interest in or  
 28 to any property, either the act of taking by the exercise of the power  
 29 of eminent domain, or the acquisition by purchase or otherwise.

30 2. "Act" means the Hudson Valley power authority act, being this  
 31 title.

32 3. "Authority" means the Hudson Valley power authority established by  
 33 section one thousand twenty-two-b of this title.

34 4. "Commission" means the public service commission.

35 5. "Comptroller" means the state comptroller.

36 6. "Utility corporation" means any private gas corporation, electric  
 37 corporation, or combined gas and electric corporation, as such terms are  
 38 defined in section two of the public service law, that has a portion of  
 39 its service territory within the service area. This shall not include  
 40 any municipality that provides gas or electric service.

41 7. "Federal government" means the United States of America and any  
 42 agency or instrumentality, corporate or otherwise, of the United States  
 43 of America.

44 8. "Final determination" or "finally determined" means a judicial  
 45 decision (a) by the highest court of competent jurisdiction, or (b) by a  
 46 court of competent jurisdiction from which no appeal has been taken and  
 47 the time within which to appeal has expired.

48 9. "Municipality" means any county, city, town, village, municipal  
 49 corporation, school district or other political subdivision of the  
 50 state, including any agency, authority or public corporation of the  
 51 state or any of the foregoing, or any combination thereof, other than  
 52 the authority.

53 10. "Property" means the power distribution system or systems of the  
 54 authority, whether completed facilities or projects in construction,  
 55 whether situated within or without the territorial limits of the service  
 56 area, including the plants, works, structures, poles, lines, conduits,

1 mains, systems, instrumentalities or parts thereof and appurtenances  
2 thereto, lands, franchises and interest in land, including lands under  
3 water and riparian rights, space rights and air rights, contract rights,  
4 substations, and distribution facilities, or any other property inci-  
5 dental to and included in such system or part thereof, and any improve-  
6 ments, extensions or betterments. The term "property" shall also include  
7 any and all interests in real property less than full title, such as  
8 easements, rights of way, uses, leases, licenses and all other incorpo-  
9 real hereditaments and every estate, interest or right, legal or equita-  
10 ble, including terms for years and liens thereon by way of judgments,  
11 mortgages or otherwise, and also all claims for damages related to such  
12 real estate.

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

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

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

22 14. "State agency" means any board, authority, agency, department,  
23 commission, public corporation, body politic or instrumentality of the  
24 state.

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

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

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

45 2. (a) The trustees from time to time shall hire, without regard to  
46 any personnel or civil service law, rule or regulation of the state,  
47 such officers and employees, including a chief executive officer and  
48 such engineering, management and legal officers, and other professional  
49 employees, including but not limited to accounting, planning,  
50 construction, marketing, finance, appraisal, banking and trustee  
51 services, transmission and distribution, energy management, information  
52 technology, cyber security, power supply, human resources, procurement,  
53 treasury, energy efficiency, customer service and any other area of  
54 utility operations as the trustees may require for the performance of  
55 their duties and shall prescribe the duties and compensation of each

1 such officer and employee. Such compensation shall be reasonable and  
2 commensurate to the duties of the position of such officer or employee.

3 (b) Any such employees hired, leased, or otherwise retained by the  
4 authority or any of its subsidiaries as a consequence of an acquisition  
5 of all the membership interests in, or assets of, the Central Hudson Gas  
6 and Electric Corporation (hereinafter, "Central Hudson"), or any author-  
7 ity subsidiary shall be hired subject to, and be entitled to, all appli-  
8 cable provisions of (i) any existing contract or contracts with labor  
9 unions representing Central Hudson employees, and (ii) all existing  
10 pension, retirement, or other benefits provided to Central Hudson  
11 employees under any existing collective bargaining agreement. Such  
12 employees shall not be public employees or eligible to become members of  
13 the New York state employees' retirement system on the basis of compen-  
14 sation payable to them by the authority.

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

18 4. In addition to all of the powers of the public service commission,  
19 prior to acquiring any property and commencing operations, the authority  
20 shall secure an order from the commission authorizing such acquisition  
21 and commencement. The commission shall have the power to deny the  
22 authority's application to acquire property and commence operations. The  
23 authority shall comply with any and all requests for documents, materi-  
24 als, and testimony that the commission may seek. The commission shall  
25 consider, including but not limited to, the following factors before  
26 issuing an order: ratepayer impacts; and system reliability. The  
27 authority granted pursuant to this paragraph shall terminate upon  
28 commencement of distribution of power.

29 5. The authority and its corporate existence shall continue until  
30 terminated by law, provided, however, that no such law shall take effect  
31 so long as the authority shall have securities outstanding, unless  
32 adequate provision has been made for the payment thereof.

33 6. In the event that the authority does not commence delivering elec-  
34 tric power within ten years of the effective date of this title, the  
35 authority shall cease to exist and the provisions of this title shall be  
36 of no further force and effect, subject to the terms of any bonds, notes  
37 or other debt obligations then outstanding.

38 § 1022-b-1. Trustees. 1. The board of the authority shall consist of  
39 nine trustees all of whom shall be residents of the service area, two of  
40 whom shall be appointed by the governor (trustees one and two), one of  
41 whom the governor shall designate as chair, two of whom shall be  
42 appointed by the temporary president of the senate after consultation  
43 with the state senator or senators representing the HVPA service area  
44 (trustees three and four), two of whom shall be appointed by the speaker  
45 of the assembly after consultation with the state assembly member or  
46 members representing the HVPA service area (trustees five and six), one  
47 of whom shall be the HVPA observatory governing board chair (trustee  
48 seven), one of whom shall be appointed by the HVPA observatory governing  
49 board (trustee eight), and one of whom shall be the business manager of  
50 the International Brotherhood of Electrical Workers 320 representing the  
51 frontline workers of the HVPA (trustee nine). Appointed trustees shall  
52 have expertise in one of the relevant sectors mentioned in section one  
53 thousand twenty-two-a of this article. Trustees shall serve staggered  
54 five-year terms, except during the first term of appointments upon the  
55 effective date of this title. Trustees three and five shall be  
56 appointed for two years, trustees seven and nine shall be appointed for

1 three years, trustees one and eight shall be appointed for four years,  
2 trustees two, four, and six shall be appointed for five years. This will  
3 allow for staggered appointments of at least two members each year after  
4 the first year, thus ensuring a degree of continuity of committee  
5 membership.

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

14 3. A majority of the appointed voting trustees shall constitute a  
15 quorum for the transaction of business, and the affirmative vote of a  
16 majority of trustees at a meeting shall be necessary to the validity of  
17 any resolution, order or determination. The trustees, in by-laws or by  
18 resolution, may allow for attendance at a meeting of the trustees by  
19 speaker phone or any other electronic means by which all meeting partic-  
20 ipants can hear one another.

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

28 § 1022-c. Hudson Valley power authority service area; extension of  
29 service area. 1. The service area of the Hudson Valley power authority  
30 shall embrace the service territory of Central Hudson Gas and Electric  
31 as of the effective date of this title.

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

53 § 1022-d. Powers and duties of the authority. The powers conferred by  
54 this title shall be exercised by the trustees, subject to the terms of  
55 this title. In the exercise of those powers, either directly or through  
56 its officers and employees, the trustees may do the following things,

1 among others, and the following list of powers shall not be deemed  
2 complete or exclusive, or to deny the existence of other powers, whether  
3 similar or different, so long as they are reasonably necessary for  
4 accomplishing the purposes declared and indicated in this title:

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

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

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

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

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

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

47 7. To distribute electric and gas power and any connected services  
48 within the service area, to fix progressive rates and charges for the  
49 furnishing or rendition of electric and gas power or of any connected  
50 service, and to collect revenues. Provided however, that prior to the  
51 first sale of electric and gas power or any connected service, the  
52 authority shall promulgate regulations granting to customers the  
53 protections afforded by article two of the public service law and  
54 section one hundred thirty-one-s of the social services law;

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

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

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

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

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

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

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

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

34 16. The trustees shall hold a monthly public meeting to discuss the  
35 authority's business, including but not limited to proposed rates and  
36 resource plans. Special meetings may be called by the chief executive  
37 officer, by a majority of trustees, observatory, or by a petition signed  
38 by not less than one-tenth of all of the primary account holders.  
39 Monthly and special meetings shall be held at the authority's headquar-  
40 ters. At monthly and special meetings, members shall be allowed to  
41 attend in person or virtually and be given the opportunity to present  
42 their views through oral or written statements;

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

49 18. In regards to hiring workers to operate the HVPA's distribution  
50 assets, the authority shall enter into a memorandum of understanding  
51 with bona fide labor organizations of jurisdiction that is actively  
52 engaged in representing transitioning employees from non-renewable  
53 generation facilities. Such memorandum shall contain but not be limited  
54 to safety and training standards, disaster response measures, guaranteed  
55 hours, staffing levels, pay rate protection, and retraining programs.  
56 The employees eligible for these positions shall first be selected from

1 a pool of transitioning workers who have lost their employment or will  
2 be losing their employment in the non-renewable energy sector. Such a  
3 list of potential employees will be provided by affected labor organiza-  
4 tions and provided to the department of labor. If positions cannot be  
5 filled by transitioning employees, workers who live in disadvantaged  
6 communities within the service territory should then be prioritized,  
7 followed by any worker who lives in the service territory;

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

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

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

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

38 (ii) the consumer may, at any point in time following the installation  
39 of a digital utility meter, request the removal of such device and its  
40 replacement with an analog utility meter; and

41 (iii) the Hudson Valley power authority shall respond to such consum-  
42 er's instructions within thirty days of receipt. The Hudson Valley power  
43 authority may charge such consumer the at-cost price for this service.

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

46 § 1022-e. Powers to provide and maintain generating, transmission and  
47 related facilities. Without limiting the generality of the powers  
48 conferred upon the authority by section one thousand twenty-two-d of  
49 this title, the authority shall have the specific power:

50 1. Subject to the provisions of subdivision one of section one thou-  
51 sand twenty-two-u of this title, to acquire, construct, improve, reha-  
52 ilitate, maintain and operate such generating, transmission and related  
53 facilities as the authority deems necessary or desirable to maintain an  
54 adequate and dependable supply of electric and gas power within the  
55 service area;

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

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

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

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

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

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

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

45 8. To develop, with public participation, a comprehensive least-cost  
46 plan which shall consider practical and economical use of conservation,  
47 renewable resources, and cogeneration for providing service to its  
48 customers;

49 9. To cooperate with and to enter into contractual arrangements with  
50 private utility companies or public entities:

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

53 (ii) with respect to the construction, completion, acquisition, owner-  
54 ship and/or operation of generating facilities, fuel, docks, sidings,  
55 loading or unloading equipment, storage facilities and other subsidiary

1 facilities and the disposition of the output of such generating facili-  
2 ties; and

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

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

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

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

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

52 14. To enter into a memorandum of understanding for the operation and  
53 maintenance of a renewable energy generating project developed pursuant  
54 to this subdivision with a bona fide labor organization of jurisdiction  
55 that is actively engaged in representing transitioning employees from  
56 non-renewable generation facilities. Such memorandum shall be entered

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

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

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

32 § 1022-f. Rate-setting procedures. In periodically establishing and  
33 revising rates, the trustees shall use the following procedures:

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

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

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

46 (b) the hearing officer, in such hearing officer's discretion, shall  
47 allow a reasonable opportunity for cross examination, which, as deter-  
48 mined by the hearing officer, is not dilatory, in order to develop  
49 information and material relevant to any such proposed rate.

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

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

1 (a) The HVPA's rates shall have increasing block rates, so that as  
2 electric energy and gas consumption increases, the marginal cost  
3 increases as well.

4 (b) The first block of residential electric energy and gas use will be  
5 priced at below market rate, as determined by the HVPA.

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

7 5. After such a hearing, the trustees in coordination with the observ-  
8 atory may propose revised rates, publish such proposed rates in the  
9 state register, and conduct additional hearings in accordance with this  
10 section.

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

17 7. The final decision of the trustees shall become effective on publi-  
18 cation.

19 § 1022-g. Climate leadership and community protection act commitment.

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

24 (a) Procure seventy percent renewable electricity by two thousand  
25 thirty, and one hundred percent renewable electricity by two thousand  
26 forty, provided the supply is available at reasonable rates;

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

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

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

37 (a) properly registered with the IRS;

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

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

43 § 1022-h. Acquisition of property, including the exercise of the power  
44 of eminent domain. 1. The legislature hereby expressly finds and deter-  
45 mines:

46 (a) The acquisition by the authority, through purchase or the exercise  
47 of the power of eminent domain, of either the securities or assets of a  
48 utility corporation whichever is less expensive for the ratepayers, as  
49 the authority may determine will be just to the ratepayers in the  
50 service area, is the most appropriate means of dealing with the emergen-  
51 cy involving the economy, health and safety of the residents and the  
52 industry and commerce in the service area, notwithstanding the fact that  
53 such utility corporation presently may be devoted to a public use, since  
54 the public use of such property by the authority is hereby deemed to be  
55 superior to the public use of such property by any other person, associ-  
56 ation, or corporation.

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

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

11 (d) If the authority determines that it is the stock of a utility  
12 corporation that should be taken, the proper measure of damages shall be  
13 the fair market value thereof as evidenced by the price of such stock on  
14 the exchange on which it is traded on the valuation date since there is  
15 an established market for such stock that is reflective of its value. In  
16 no event, however, shall consequential or severance damages be awarded  
17 if control of such utility corporation shall have been taken by the  
18 authority.

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

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

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

34 2. In furtherance of the legislative findings and determinations set  
35 forth in subdivision one of this section, the authority is hereby  
36 authorized and empowered to acquire, through purchase or the exercise of  
37 the power of eminent domain, all or any part of the securities or assets  
38 of a utility corporation, as the authority in its sole discretion may  
39 determine; provided, however, that prior to proceeding with any such  
40 acquisition under this title, the board of trustees shall determine, in  
41 its sole discretion based upon such engineering, financial and legal  
42 data, studies and opinions as it may deem appropriate, that the average  
43 electric rates projected to be charged after such acquisition and for  
44 such reasonable period of time as the board of trustees may determine  
45 will not be higher than the electric rates projected to be charged by  
46 such utility corporation during such period if such acquisition had not  
47 occurred.

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

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

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

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

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

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

37 5. Procedure for acquisition of a utility corporation stock. (a) In  
38 the event the authority determines to acquire the stock of a utility  
39 corporation by the exercise of the power of eminent domain, having first  
40 entered into negotiations with such utility corporation for the purchase  
41 of such stock, the authority need not hold any public hearing on its  
42 intention to condemn such stock or on the question of the public use of  
43 such action, such finding having been made by the legislature herein.  
44 The authority shall commence such acquisition by serving upon such util-  
45 ity corporation and filing with the county clerk of the county in which  
46 the principal office of such utility corporation is located a notice  
47 describing the stock being acquired, the valuation date, as determined  
48 by the authority, and such additional information as the authority may  
49 reasonably deem necessary to facilitate the process of condemnation and  
50 payment. The notice shall state that it is a notice of pendency of an  
51 acquisition proceeding and that the authority will elect whether or not  
52 to pay the amount of such award when it has been finally determined. The  
53 authority also shall cause a copy of such notice: (i) to be served upon  
54 the stock transfer agent or agents designated by such utility corpo-  
55 ration for the transfer and registration of its stock; and (ii) to be

1 published in at least five successive issues of a daily newspaper of  
2 national circulation.

3 (b) Upon receipt of such notice, the stock transfer agent or agents,  
4 at the expense of the authority, shall forthwith serve upon each of the  
5 registered owners of such stock a copy of such notice. Service shall be  
6 deemed sufficient if mailed by certified or registered mail to the  
7 address of each such owner as shown on a utility corporation's stock  
8 transfer books. Service of the notice upon the stock transfer agent or  
9 agents and its publication shall not be jurisdictional prerequisites to  
10 the validity of the taking. Failure to notify any owner of stock to be  
11 taken shall not invalidate any proceedings brought hereunder or any  
12 title acquired by the authority.

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

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

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

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

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

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

42 (v) the prosecution of separate actions by or against individual  
43 members of the class would create a risk of inconsistent or varying  
44 adjudications with respect to the issue of valuation and other issues  
45 common to the class.

46 (e) The procedure for determining just compensation shall be in the  
47 manner prescribed by the eminent domain procedure law, except to the  
48 extent such procedure is inconsistent with the provisions of this title,  
49 in which case the provisions of this title shall control.

50 (f) Upon the entry of an award finally determining just compensation  
51 for the stock, the authority shall have sixty days after receipt of  
52 notice of entry of such award within which to elect to proceed with the  
53 taking or to abandon such acquisition as provided in subdivision nine of  
54 this section. Notice of such election shall be served by the authority  
55 and by the stock transfer agent in the manner described in paragraph (a)  
56 of this subdivision. If the authority elects to proceed with the acqui-

1 sition, it shall deposit with the supreme court in which the condemna-  
2 tion proceeding was held an amount equal to the award within one hundred  
3 eighty days after receipt by the authority of notice of entry of such  
4 award. Upon the making of such deposit, the authority shall notify such  
5 utility corporation's stock transfer agent in writing of such deposit.  
6 The sum so deposited shall be applied as provided in the eminent domain  
7 procedure law. Upon making such deposit and giving such notice to the  
8 stock transfer agent, title to all stock described in the notice of  
9 taking shall immediately vest in the authority and the authority shall  
10 have the immediate right thereto. In the event the authority elects to  
11 abandon the acquisition, the provisions of subdivision nine of this  
12 section shall apply.

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

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

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

38 (c) Upon filing such survey and map, the authority shall petition a  
39 special term of the supreme court in the judicial district in which the  
40 property is located for the acquisition of such property or interest  
41 therein. Such petition shall describe the property being acquired, the  
42 valuation date, as determined by the authority, and such additional  
43 information as the authority may reasonably deem necessary to facilitate  
44 the process of condemnation and payment. The petition shall state that  
45 the authority will elect whether or not to pay the amount of such award  
46 when it has been finally determined. In all other respects, such peti-  
47 tion shall be generally in the form prescribed by the eminent domain  
48 procedure law, so far as consistent herewith. Such petition, together  
49 with a notice of pendency of the proceeding, shall be filed in the  
50 office of the county clerk of the county in which the property is  
51 located and shall be indexed and recorded as provided by law. A copy of  
52 such petition, together with a notice of the presentation thereof to  
53 such special term of the supreme court, shall be served upon the owners  
54 of such property as provided in the eminent domain procedure law. The  
55 authority may cause a duplicate original affidavit of the service there-  
56 of to be recorded in the books used for recording deeds in the office of

1 the county clerk of the county in which the property described in such  
2 notice is located, and the recording of such affidavit shall be prima  
3 facie evidence of due service thereof.

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

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

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

43 (g) Upon the entry of an award finally determining just compensation  
44 for the property of such utility corporation, the authority shall have  
45 sixty days after receipt of notice of entry of such award within which  
46 to elect to proceed with the taking or to abandon such acquisition as  
47 provided in subdivision nine of this section. Notice of such election  
48 shall be served by the authority on the owners of such property in the  
49 manner described in paragraph (c) of this subdivision. If the authority  
50 elects to proceed with the acquisition, it shall deposit with the  
51 supreme court in which the condemnation proceeding was held an amount  
52 equal to the award within one hundred eighty days after receipt by the  
53 authority of notice of entry of such award. Upon the making of such  
54 deposit, the authority shall notify such utility corporation in writing  
55 of such deposit. The sum so deposited shall be applied as provided in  
56 the eminent domain procedure law. Upon making such deposit and giving

1 such notice to such utility corporation, title to all property described  
2 in the notice of taking shall immediately vest in the authority and the  
3 authority shall have the immediate right thereto. The order setting  
4 forth the award, together with evidence from the clerk of the court of  
5 receipt of the amount of the award, shall be filed in the office of the  
6 county clerk of the county in which the property is located and shall be  
7 indexed and recorded in the same manner as a notice of pendency under  
8 the eminent domain procedure law. The owner or person in possession of  
9 such property shall deliver possession thereof to the authority upon  
10 demand, and in case possession is not delivered when demanded or demand  
11 is not convenient because of absence of the owner or inability to locate  
12 or determine the owner, the authority may apply to the court without  
13 notice for an order requiring the sheriff to put it into possession of  
14 such real property. Such an order shall be executed as if it were an  
15 execution for the delivery of the possession of the property. In the  
16 event the authority elects to abandon the acquisition, the provisions of  
17 subdivision nine of this section shall apply.

18 7. At any time the authority and its duly authorized agents and  
19 employees may, on reasonable notice and during business hours, (a) enter  
20 upon any real property proposed to be acquired for the purpose of making  
21 the surveys or maps mentioned in this section, or of making such other  
22 surveys, inspections or examinations of real and personal property and  
23 (b) inspect and make copies of the books and records of the issuer of  
24 such securities, all as the authority may deem necessary or convenient  
25 for the purposes of this title.

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

39 9. If the authority determines, in its sole discretion, that the total  
40 cost of acquisition will result in average electric rates in excess of  
41 the projected electric rates which would result from continued operation  
42 by such utility corporation, the authority shall abandon the acquisi-  
43 tion. In such event, the authority shall serve notice of such abandon-  
44 ment (a) in the case of a stock acquisition, by causing to be mailed by  
45 certified or registered mail a copy of such notice to each former owner  
46 of stock as shown on such utility corporation's stock transfer books  
47 immediately prior to such acquisition at the address shown on such stock  
48 transfer books and by causing to be published a copy of such notice in  
49 at least five successive issues of a daily newspaper of national circu-  
50 lation or (b) in the case of an asset acquisition, in the same manner as  
51 provided for the service of a petition for acquisition in paragraph (c)  
52 of subdivision six of this section. In addition, in the case of an  
53 asset acquisition the authority shall file a copy of the notice of aban-  
54 donment with the county clerk of the county in which is located any real  
55 property that was taken and with the clerk of the supreme court in which  
56 the proceeding was instituted.

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

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

21 3. When the authority acquires either directly or through a subsidiary  
22 the private entity known as Central Hudson, the authority shall maintain  
23 the employment of the Central Hudson employees who are subject to the  
24 terms of any existing contract or contracts with any labor union, and  
25 shall assume such labor contracts. Upon acquisition of Central Hudson by  
26 the authority, such employees shall:

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

30 (b) not acquire civil service status;

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

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

37 (e) have pension and other benefits, including retirement benefits,  
38 continued in plans that are operated and administered in compliance with  
39 the employee retirement income security act of 1974, as amended (herein-  
40 after "ERISA"), and the internal revenue code, to the fullest extent  
41 allowed by law. After acquisition of Central Hudson by the authority,  
42 the authority shall have an obligation to bargain in good faith with the  
43 collective bargaining representative of such employees pursuant to the  
44 national labor relations act. The authority may, in its discretion,  
45 utilize the services of a professional employer organization (PEO) as  
46 defined in section nine hundred sixteen of the labor law to maintain the  
47 employment and working conditions of the Central Hudson employees  
48 consistent with the requirements of this subdivision. Notwithstanding  
49 any provision of law which may or could be deemed to the contrary, such  
50 acquisition of Central Hudson by or for the authority and/or authority  
51 subsidiary, and the rights, obligations and undertakings of the authori-  
52 ty in connection therewith as hereinabove set forth, are hereby declared  
53 to be in furtherance of the authority's proprietary, marketplace func-  
54 tion of providing a safer, more efficient, reliable, and economical  
55 supply of electrical and gas energy within the service area, which will  
56 realize savings for the ratepayers and taxpayers in the service area and

1 further protect the interests of ratepayers and the economy in the  
2 service area.

3 § 1022-j. Deposit and investment of moneys of the authority. 1. All  
4 moneys of the authority, from whatever source derived, except as other-  
5 wise authorized or provided in this title, shall upon receipt be depos-  
6 ited forthwith in a bank or banks designated by the trustees, to be  
7 selected in accordance with such standards as the trustees shall set  
8 forth in the by-laws or investment guidelines of the authority, which  
9 standards shall take into account the creditworthiness and capital posi-  
10 tion of the depository bank or banks. The moneys in such accounts may be  
11 invested in obligations of the state or the United States, or guaranteed  
12 by either in accordance with practices that the trustees shall set forth  
13 in the by-laws or investment guidelines of the authority. The moneys in  
14 such accounts shall be withdrawn on the order of such person or persons  
15 as the directors shall authorize in the by-laws of the authority and  
16 shall be applied to the use of the authority as the trustees shall  
17 authorize in the by-laws of the authority. All deposits of such moneys  
18 shall be secured in accordance with section twenty-nine hundred twenty-  
19 five of this chapter. The state comptroller and such comptroller's  
20 legally authorized representatives are authorized and empowered from  
21 time to time to examine the accounts and books of the authority, includ-  
22 ing its receipts, disbursements, contracts, leases, sinking funds,  
23 investments and any other records and papers relating to its financial  
24 standing; the authority shall not be required to pay a fee for any such  
25 examination.

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

39 3. Subject to agreements with noteholders and bondholders or any trustee  
40 therefor, the authority shall prescribe a uniform system of accounts  
41 in accordance with generally accepted accounting principles.

42 4. The trustees shall adopt investment guidelines and standards to  
43 implement the foregoing provisions of this section, which guidelines and  
44 standards shall be reviewed annually by the trustees and shall be made  
45 available to state and municipal officials and to the public.

46 5. The Hudson Valley power authority is a public entity and the  
47 management of its financial resources shall be conducted by a bank that  
48 is accountable to the public in ways that are not possible with private  
49 financial institutions. Subsequent to the passage of the "New York  
50 public banking act" or similar legislation to allow for the creation of  
51 local public banks and the chartering of a public bank in the service  
52 territory, the Hudson Valley power authority shall transfer all finan-  
53 cial assets into accounts held by such an institution as soon as is  
54 practicable.

55 § 1022-k. Conflicts of interest. Eligibility for appointment as a  
56 trustee, officer or employee of the authority shall be subject to the

1 provisions of section twenty-eight hundred twenty-five of this chapter.  
2 In addition to the requirements of such section:

3 1. If any trustee, officer or employee of the authority shall have an  
4 interest, either direct or indirect, in any contract to which the  
5 authority is or is to be a party, such interest shall be disclosed to  
6 the authority in writing and shall be set forth in the minutes of the  
7 authority. The trustee, officer or employee having such interest shall  
8 not participate in any action by the authority with respect to such  
9 contract.

10 2. No trustee, officer or employee of the authority shall be deemed to  
11 have such an interest solely by reason of the ownership of two percent  
12 or less of the securities of a corporation which is or is to be a party  
13 to a contract with the authority, including without limitation the hold-  
14 ing company of any banking institution in which the funds of the author-  
15 ity are, or are to be deposited, or which is or is to be acting as trustee  
16 or paying agent under any bond or note resolution, trust indenture  
17 or similar instrument to which the authority is a party.

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

21 § 1022-l. Sale of surplus power. Whenever any electric power which the  
22 authority may acquire creates a surplus over the amount of electric  
23 power required by the residents of the service area, the authority may  
24 sell such surplus in territory outside the service area to persons, or  
25 public or private corporations. In acquiring any facility or property  
26 which also serves any municipality or territory outside the service  
27 area, the authority, if it deems it advantageous and economical so to  
28 do, may, with the consent of the trustees, serve any such municipality  
29 or territory or sell electric power to persons, or public or private  
30 corporations in such territory or to such municipality.

31 § 1022-m. Audit and annual reports. 1. The accounts of the authority  
32 shall be subject to the supervision of the comptroller and an annual  
33 audit shall be performed by an independent certified public accountant  
34 selected by the trustees and shall be made available to the municipi-  
35 palities served by the authority and to the public.

36 2. The authority shall submit a detailed annual report pursuant to and  
37 as specified in section twenty-eight hundred of this chapter, and a copy  
38 of such report shall be filed with the county executives of the counties  
39 within the service area, and with the mayors and supervisors of the  
40 municipalities within the service area and shall be made available to  
41 the municipalities served by the authority and to the public. Nothing in  
42 this section shall be deemed to exempt the authority from any rule or  
43 regulation, including this chapter.

44 § 1022-n. Bonds, notes and other obligations of the authority. 1. The  
45 authority shall have power and is hereby authorized from time to time to  
46 issue its bonds, notes or other obligations for the purpose of financing  
47 any capital project authorized by this title, including but not limited  
48 to, the acquisition of any real or personal property or facilities  
49 deemed necessary by the authority, development and professional  
50 expenses, and funding any capital or other reserve funds established in  
51 connection with the authority's operations or issuances, in such princi-  
52 pal amount as the trustees shall determine necessary to perform its  
53 corporate duties and further its purposes as authorized in this title.  
54 The maximum maturity of any such bond shall not exceed thirty years from  
55 its date of issuance. The maximum maturity of any such note or other  
56 obligation shall not exceed five years from its date of issuance.

1 2. Except as may be otherwise expressly provided by the authority, the  
2 issuance of bonds, notes or other obligations, shall be general obli-  
3 gations of the authority payable out of any moneys or revenues of the  
4 authority, subject only to any agreements with the holders of particular  
5 bonds, notes or other obligations pledging any particular moneys or  
6 revenues.

7 3. The authority shall have power from time to time, whenever it deems  
8 refunding expedient, to refund any bonds, notes or other obligations by  
9 the issuance of new bonds, notes or other obligations, whether the  
10 bonds, notes or other obligations to be refunded have or have not  
11 matured, and may issue bonds, notes or other obligations partly to  
12 refund bonds, notes or other obligations then outstanding and partly for  
13 any other purpose described in this section. Refunding bonds, notes or  
14 other obligations may be exchanged for the bonds, notes or other obli-  
15 gations to be refunded, with such cash adjustments as may be agreed, or  
16 may be sold with the proceeds applied to the purchase or payment of the  
17 bonds to be refunded.

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

31 5. The bonds, notes or other obligations of the authority may be sold  
32 at public or private sale for such price or prices as the authority  
33 shall determine. For a private sale of its securities, the authority  
34 shall obtain the written approval of the terms of such sale from the  
35 comptroller if such sale is to a party other than the comptroller, or  
36 from the director of the budget where such sale is to the comptroller,  
37 in either case prior to closing the issuance transaction.

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

42 (a) pledging all or any part of the revenues of the authority or its  
43 projects or any revenue producing contract or contracts made by the  
44 authority with any individual, partnership, limited liability company,  
45 corporation or association to secure the payment of the bonds, notes or  
46 other obligations, subject to such agreements with holders of securities  
47 of the authority;

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

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

54 (d) establishment of special funds for deposit of moneys received from  
55 the proceeds of the issuance of securities as the trustees shall deter-

1 mine, consistent with the authorizing resolution and the provisions of  
2 this title;

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

7 (f) limitations of the issuance of additional bonds, notes or other  
8 obligations; the terms upon which additional bonds, notes or other obli-  
9 gations may be issued and secured; and the refunding of outstanding  
10 bonds, notes or other obligations;

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

15 (h) providing for the appointment and powers of a trustee for holders  
16 of securities, and the rights, powers and duties of such trustee as the  
17 directors may determine;

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

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

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

41 7. Notwithstanding any other provision of this title, any such resol-  
42 ution or resolutions shall contain a covenant by the authority that it  
43 will at all times maintain rates, fees or charges sufficient to pay, and  
44 that any contracts entered into by the authority for the sale or  
45 distribution of power shall contain rates, fees or charges sufficient to  
46 pay the costs of operation and maintenance of the project, the principal  
47 of and interest on any obligations issued pursuant to such resolution as  
48 the same severally become due and payable, and to maintain any debt  
49 service coverage ratios and any reserves required by the terms of such  
50 resolution or resolutions.

51 8. It is the intent of this title that any pledge of revenues or other  
52 moneys or of a revenue producing contract or contracts made by the  
53 authority shall be valid and binding from the time when the pledge is  
54 made; that the revenues or other moneys or proceeds of any contract or  
55 contracts so pledged and thereafter received by the authority shall  
56 immediately be subject to the lien of such pledge without any physical

1 delivery thereof or further act; and that the lien of any such pledge  
2 shall be valid and binding as against all parties having claims of any  
3 kind in tort, contract or otherwise against the authority irrespective  
4 of whether such parties have notice thereof. Neither the resolution nor  
5 any other instrument by which a pledge is created need be recorded.

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

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

14 11. Any bonds, notes or other obligations issued by the authority are  
15 hereby made securities in which all public officers and bodies of this  
16 state and all municipalities and municipal subdivisions, all insurance  
17 companies and associations and other persons carrying on an insurance  
18 business, all banks, bankers, trust companies, savings banks and savings  
19 associations, including savings and loan associations, building and loan  
20 associations, investment companies and other persons carrying on a bank-  
21 ing business, and all other persons whatsoever who are authorized to  
22 invest in bonds, notes or other obligations of the state, may properly  
23 and legally invest funds including capital in their control or belonging  
24 to them; subject to the provisions of any other general or special law  
25 to the contrary.

26 12. The authority is authorized to obtain from any department or agen-  
27 cy of the United States of America or the state or any nongovernmental  
28 insurer or financial institution any insurance, guaranty or other credit  
29 support device, to the extent available, as to, or for the payment or  
30 repayment of interest or principal, or both, or any part thereof, on any  
31 bonds, notes or other obligations issued by the authority and to enter  
32 into any agreement or contract with respect to any such insurance or  
33 guaranty, except to the extent that the same would in any way impair or  
34 interfere with the ability of the authority to perform and fulfill the  
35 terms of any agreement made with the holders of outstanding bonds, notes  
36 or other obligations of the authority.

37 13. In addition to the powers conferred in this section upon the  
38 authority to secure its bonds, notes or other obligations, the authority  
39 shall have the power in connection with the issuance of bonds, notes or  
40 other obligations to enter into such agreements as the authority may  
41 deem necessary, convenient or desirable concerning the use or disposi-  
42 tion of its revenues or other moneys or property, and for the acquisi-  
43 tion, alteration or disposition of its property, real and personal,  
44 including the mortgaging of any of its properties and the entrusting,  
45 pledging or creation of any other security interest in any such reven-  
46 ues, moneys or properties and the doing of any act, including refraining  
47 from doing any act, which the authority would have the right to do in  
48 the absence of such agreements. The authority shall have the power to  
49 enter into amendments of any such agreements within the powers granted  
50 to the authority by this title and to perform such agreements. The  
51 provisions of any such agreements may be made a part of the contract  
52 with the holders of bonds, notes or other obligations of the authority.

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

1 § 1022-o. State and municipalities not liable on bonds or notes or  
2 other obligations. The securities of the authority shall not be a debt  
3 of the state or of any municipality, and neither the state nor any muni-  
4 cipality shall be liable thereon. The authority shall not have the power  
5 to pledge or restrict the credit, the revenues or the taxing power of  
6 the state or of any municipality, and neither the credit, the revenues  
7 nor the taxing power of the state or of any municipality shall be or  
8 shall be deemed to be pledged to the payment of any securities of the  
9 authority. Each evidence of indebtedness of the authority, including the  
10 securities of the authority, shall contain a clear and explicit state-  
11 ment of the provisions of this section. Nothing in this title shall be  
12 deemed to obligate the state or any municipality to make any payments or  
13 impose any taxes to satisfy the debt service obligations of the authori-  
14 ty.

15 § 1022-p. Agreement of the state. The state does hereby pledge to and  
16 agree with the holders of any bonds, notes or other obligations issued  
17 by the authority under this title, that the state will not limit or  
18 alter the rights hereby vested in the authority to establish and collect  
19 the revenues and other charges referred to in this title and to fulfill  
20 the terms of any agreements made with or for the benefit of the holders  
21 of the securities, or in any way impair the rights and remedies of the  
22 bondholders until such securities are fully met and discharged. The  
23 authority is authorized to include this pledge of the state in all  
24 agreements by the authority with the holders of its securities. Nothing  
25 contained in this title shall be deemed to restrict any right of the  
26 state or municipality to amend, modify, repeal or otherwise alter stat-  
27 utes imposing or relating to taxes or fees, or appropriations relating  
28 thereto. The authority shall not include within any resolution, contract  
29 or agreement with holders of the bonds, notes or other obligations  
30 issued under this article any provision which provides that a default  
31 occurs as a result of the state or of a municipality exercising its  
32 right to amend, modify, repeal or otherwise alter any statute imposing  
33 or relating to taxes, fees, or appropriations relating thereto.

34 § 1022-q. Exemption of the authority from taxation. 1. It is hereby  
35 found and declared that the operation of the authority is primarily for  
36 the benefit of the people of the participating municipalities, counties  
37 and the state, for the improvement of their health, welfare and prosper-  
38 ity, and is a public purpose, and the authority shall be regarded as  
39 performing an essential governmental function in carrying out the  
40 provisions of this title.

41 2. The authority shall be required to pay no taxes nor assessments  
42 upon any of the property acquired or controlled by it or upon its activ-  
43 ities in the operation and maintenance thereof or upon income derived  
44 therefrom, provided that nothing herein shall prevent the authority from  
45 entering into agreements to make payments in lieu of taxes.

46 3. The authority shall make payments in lieu of taxes to munici-  
47 palities and school districts equal to the taxes and assessments which  
48 would have been received from year to year by such jurisdiction.

49 4. The authority shall also make payments in lieu of taxes for those  
50 taxes which would otherwise be imposed upon a utility corporation pursu-  
51 ant to: (a) section one hundred eighty-six-a and former section one  
52 hundred eighty-six of the tax law as such sections were in effect on  
53 December thirty-first, nineteen hundred ninety-nine; (b) any taxes  
54 imposed by a city within the authority's service area pursuant to the  
55 authorization granted by section twenty-b of the general city law; and

1 (c) any taxes imposed by a village within the authority's service area  
2 pursuant to authorization granted by section 5-530 of the village law.

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

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

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

14 § 1022-r. Actions against the authority. 1. Any action, suit or  
15 proceeding to which the authority may be a party in which any question  
16 arises as to the validity of this title or the valuation of stock or  
17 assets acquired by the authority by the exercise of the power of eminent  
18 domain shall be preferred over all other civil causes in all courts of  
19 the state, except election matters, and shall be heard and determined in  
20 preference to all other civil business pending therein, except election  
21 matters, irrespective of position on the calendar. The same preference  
22 shall be granted upon application of counsel to the authority in any  
23 action or proceeding questioning the validity of this title or the valu-  
24 ation of stock or assets acquired by the authority by the exercise of  
25 the power of eminent domain in which such counsel may be allowed to  
26 intervene. The venue of any such action or proceeding shall be laid in  
27 the supreme court pursuant to article five of the civil practice law and  
28 rules.

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

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

39 § 1022-s. Equal employment opportunity. All contracts entered into by  
40 the authority pursuant to this title of whatever nature and all docu-  
41 ments soliciting bids or proposals therefor shall contain or make refer-  
42 ence to the following provision:

43 The contractor shall not discriminate against employees or applicants  
44 for employment because of race, creed, color, national origin, sex, age,  
45 disability or marital status, and will undertake or continue existing  
46 programs of affirmative action to ensure that minority group persons and  
47 women are afforded equal opportunity without discrimination. Such  
48 programs shall include, but not be limited to, recruitment, employment,  
49 job assignment, promotion, upgrading, demotion, transfer, layoff, termi-  
50 nation, rates of pay or other forms of compensation, and selection for  
51 training and retraining, including apprenticeship and on-the-job train-  
52 ing.

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

1 § 1022-t. Limitation of liability; indemnification. 1. The trustees,  
2 officers and employees of the authority, while acting within the scope  
3 of their authority as trustees, officers or employees, shall not be  
4 subject to any personal or civil liability resulting from the exercise,  
5 carrying out or advocacy of any of the authority's purposes or power  
6 unless the conduct of the trustees, officers or employees is finally  
7 determined by a court of competent jurisdiction to constitute inten-  
8 tional wrongdoing or recklessness.

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

15 3. As used in this section, the terms "trustee", "officer" and  
16 "employee" shall include a former trustee, officer or employee and such  
17 trustee's, officer's or employee's estate or judicially appointed  
18 personal representative.

19 4. Nothing in this section shall limit the obligations of a "trustee",  
20 "officer", or "employee" of the authority or of a subsidiary of the  
21 authority as a "person required to collect tax", as such term is defined  
22 in article twenty-eight of the tax law, if such trustee, officer or  
23 employee is, or was, under a duty to act for the authority or subsid-  
24 iary, or both, as the case may be, in complying with any requirement of  
25 article twenty-eight or related provision of article twenty-nine of the  
26 tax law.

27 § 1022-u. Public service law generally not applicable to the authori-  
28 ty; inconsistent provisions in certain other acts superseded. 1. The  
29 rates, services and practices relating to the electricity generated by  
30 facilities owned or operated by the authority shall not be subject to  
31 the provisions of the public service law or to regulation by, or the  
32 jurisdiction of, the public service commission or the office of renewa-  
33 ble energy siting, except to the extent that:

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

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

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

42 2. The issuance by the authority of its obligations to acquire securi-  
43 ties or assets of a utility shall be deemed not to be "state action"  
44 within the meaning of the state environmental quality review act, and  
45 such act shall not be applicable in any respect to such acquisition or  
46 any action of the authority to effect such acquisition.

47 3. In the event that an audit indicates a finding of fraud, abuse, or  
48 mismanagement by a former service provider of the authority, and upon a  
49 finding by the public service commission that reasonable cause exists  
50 for the basis of such indication, the commission may order that any  
51 recommendations contained in the audit be implemented. The public  
52 service commission may also provide in their order, the date in which  
53 any recommendation must be fully implemented. Failure to comply with any  
54 such order can result in the imposition of a civil penalty by the public  
55 service commission against the former service provider or revocation of  
56 the former service provider's authority to operate within the state.

1 § 1022-v. Authority subject to certain provisions contained in the  
2 state finance law, the public service law, the social services law and  
3 the general municipal law. All contracts of the authority shall be  
4 subject to the provisions of the state finance law relating to contracts  
5 made by the state. The authority shall also establish rules and regu-  
6 lations with respect to providing to its residential gas and electric  
7 utility customers those rights and protections provided in article two  
8 and sections one hundred seventeen and one hundred eighteen of the  
9 public service law and section one hundred thirty-one-s of the social  
10 services law. The authority shall conform to any safety standards  
11 regarding manual lockable disconnect switches for solar electric gener-  
12 ating equipment established by the public service commission pursuant to  
13 subparagraph (ii) of paragraph (a) of subdivision five and subparagraph  
14 (ii) of paragraph (a) of subdivision five-a of section sixty-six-j of  
15 the public service law. The authority shall let contracts for  
16 construction or purchase of supplies, materials, or equipment pursuant  
17 to section one hundred three and paragraph (e) of subdivision four of  
18 section one hundred twenty-w of the general municipal law.

19 § 1022-w. Website. The authority shall make accessible to the public,  
20 via its official or shared internet website, documentation pertaining to  
21 its mission, current activities, most recent annual financial reports,  
22 current year budget and its most recent independent audit report unless  
23 such information is covered by subdivision two of section eighty-seven  
24 of the public officers law.

25 § 1022-x. Periodic review by the legislature. Beginning two years  
26 after the effective date of this section, and not more than every ten  
27 years thereafter, the legislature of the state of New York shall conduct  
28 a comprehensive review, of the structure, activities and operations of  
29 the authority, and the authority shall provide such records, reports and  
30 testimony as the legislature may request to assist in the conduct of  
31 this review.

32 § 1022-y. Hudson Valley power authority observatory. 1. A not-for-pro-  
33 fit corporation known as the Hudson Valley power authority observatory  
34 shall be established under section one thousand four hundred thirteen of  
35 the not-for-profit corporation law by the inaugural statutory members  
36 and charged with the duties and having the powers provided in this  
37 title. The observatory shall be a special not-for-profit corporation as,  
38 a political subdivision of the state, exercising governmental and public  
39 powers, perpetual in duration, capable of suing and being sued and  
40 having a seal, and which shall have the powers and duties enumerated in  
41 this title, together with such others as may be conferred upon it by  
42 law.

43 2. The purpose of the observatory is to operate as a quasi-governmen-  
44 tal civil society organization to help the authority achieve its goals  
45 by engaging in community participation, transparency, and local benefit  
46 sharing. The observatory's primary functions are to monitor the utility,  
47 conduct research, and support local projects.

48 3. The governing board of the observatory shall consist of fifteen  
49 members all of whom shall be residents of the service area. Jointly,  
50 the temporary president of the senate and the speaker of the assembly,  
51 after consultation with state legislators representing the HVPA service  
52 area and elected county and municipal leaders shall appoint eleven  
53 members (members one through eleven). Five of these eleven members shall  
54 have one of the following areas of focus or expertise: environmental  
55 justice, consumer protection, electrification, energy efficiency, and  
56 local governments. The remaining six members shall have expertise from

1 one of the relevant sectors as defined in section one thousand twenty-  
2 two-a of this title. In selecting between similarly qualified potential  
3 members, preference shall be given to potential members from counties  
4 that are not yet represented on the board. Jointly, the temporary presi-  
5 dent of the senate and the speaker of the assembly shall consult academ-  
6 ic institutions that are partners to the observatory as well as state  
7 legislators representing the HVPA service area and appoint two academic  
8 members (members twelve and thirteen). If the temporary president of the  
9 senate and the speaker of the assembly are unable to fill a vacancy  
10 after ninety days, the existing governing board of the observatory may  
11 appoint a member. IBEW Local 320 will select two labor member represen-  
12 tatives (members fourteen and fifteen). Members shall serve staggered  
13 four-year terms, except during the first term of appointments upon the  
14 effective date of this title. Members one, five, and nine shall be  
15 appointed for one year; members two, six, ten, and thirteen shall be  
16 appointed for two years; members three, seven, eleven, and fourteen  
17 shall be appointed for three years; and members four, eight,  
18 twelve, and fifteen shall be appointed for four years. This will allow  
19 for staggered appointments to ensure a degree of continuity of committee  
20 membership. The chair of the observatory's governing board shall be  
21 selected by a vote of the members of the governing board.

22 4. The members shall serve with compensation and shall be entitled to  
23 reimbursement of their actual and necessary expenses incurred in the  
24 performance of their official duties, as may be authorized by the  
25 members, in each case upon appropriate documentation by the submitting  
26 member. The level of compensation will be the value of two course  
27 releases as determined by the academic institution of any members  
28 employed by a college or university, and the members will set the cash  
29 equivalent of a course release for non-academic members on an annual  
30 basis. No member or any entity, the majority of which is owned or  
31 controlled by any member, shall receive any additional compensation from  
32 the authority or be employed by the authority in any other capacity by  
33 whatever means.

34 5. A majority of the appointed voting membership shall constitute a  
35 quorum for the transaction of business, and the affirmative vote of a  
36 majority of members at a meeting shall be necessary to the validity of  
37 any resolution, order or determination. The members, in by-laws or by  
38 resolution, may allow for attendance at a meeting of the governing board  
39 by speaker phone or any other electronic means by which all meeting  
40 participants can hear one another.

41 6. The members shall appoint an executive committee of not less than  
42 five members and shall delegate such duties and responsibilities of the  
43 members to the executive committee as it may determine from time to  
44 time. In addition to the executive committee, there will be a monitor-  
45 ing council, research council, and local projects council. The monitor-  
46 ing council shall study the utility as a traditional independent watch-  
47 dog and deliver comments or make recommendations to the Hudson Valley  
48 power authority's board of trustees. The research council shall review  
49 the authority's operations in terms of reliability, affordability,  
50 climate resilience, and environmental justice. The local projects coun-  
51 cil shall support communities in their own efforts to create or imple-  
52 ment energy projects and partnerships independent of the authority. Each  
53 year, the authority will transfer a portion of its revenue into communi-  
54 ty-controlled trust funds. The local projects council will run a parti-  
55 cipatory budgeting process to democratically decide on community benefit  
56 projects the fund can be spent towards. Local elected officials will

1 play a critical role in helping shape the process. The members may  
2 appoint such additional committees with such duties and responsibilities  
3 as they may determine from time to time.

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

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

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

23 § 1022-z. Severability. The provisions of this title are severable,  
24 and if any clause, sentence, paragraph, section or part of this title,  
25 or the application thereof to any person or circumstance, shall be  
26 adjudged by any court of competent jurisdiction to be invalid or unen-  
27 forceable, such judgment shall not affect, impair or invalidate the  
28 remainder of this title or the application of such provision to any  
29 other person or circumstance, but shall be confined in its operation to  
30 the clause, sentence, paragraph, section or part thereof or person or  
31 circumstance directly involved in the controversy in which such judgment  
32 shall have been rendered.

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

35 o. Hudson Valley Power Authority

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

41 6. To develop, maintain, manage and operate its projects other than  
42 the Niagara and Saint Lawrence hydroelectric projects so as (i) to  
43 provide an adequate supply of energy for optimum utilization of its  
44 hydroelectric projects, (ii) to attract and expand high load factor  
45 industry, (iii) to ~~provide for the additional needs of its municipal~~  
46 ~~electric and rural electric cooperative customers~~ operate for the bene-  
47 fit of the general public and, in disposing of electric energy generated  
48 at these facilities, to give preference at all times to municipalities,  
49 other political subdivisions of the state, and cooperatives, (iv) to  
50 provide a supply of power and energy for use in the recharge New York  
51 power program as recharge New York market power, and (v) to assist in  
52 maintaining an adequate, dependable electric power supply for the state.

53 An application by any municipality, other political subdivision of the  
54 state, or cooperative for an allocation of electric energy shall not be  
55 denied, or another application competing or in conflict therewith be  
56 granted, to any private corporation, company, agency, or person, on the

1 ground that any proposed bond or other security issue of any such public  
2 body or cooperative, the sale of which is necessary to enable such  
3 prospective purchaser to enter into the public business of selling and  
4 distributing the electric energy proposed to be purchased, has not been  
5 authorized or marketed, until after a reasonable time, to be determined  
6 by the administrator, has been afforded such public body or cooperative  
7 to have such bond or other security issue authorized or marketed.

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

22 Contracts for the sale, transmission and distribution of power and  
23 energy generated by such projects shall provide for the effectuation of  
24 the policy set forth in this title relating to such projects and shall  
25 provide:

- 26 a. Payment of all operating and maintenance expenses of the projects.
- 27 b. Interest on and amortization and reserve charges sufficient within  
28 fifty years of the date of issuance to retire the bonds of the authority  
29 issued for the projects.
- 30 c. For the cancellation and termination of any such contract upon  
31 violation of the terms thereof by the purchasing, transmitting or  
32 distributing public agency or company, or any subsidiary thereof.
- 33 d. That the rates, services and practices of the purchasing, transmit-  
34 ting and/or distributing public agencies and rural electric cooperatives  
35 in respect to the power and energy from such projects shall be governed  
36 by the provisions and principles established in the contract, and not by  
37 regulations of the public service commission or by general principles of  
38 public service law regulating rates, services and practices and that in  
39 the event any such public agencies or cooperatives which purchase power  
40 from the authority shall sell any such power for resale, such sale for  
41 resale shall be made at rates no higher than those at which the power  
42 was purchased from the authority.
- 43 e. In the case of a contract with an electric corporation entered into  
44 on or after May first, nineteen hundred seventy-four (i) for assurances  
45 by the electric corporation of prompt and timely payment of all bills  
46 rendered by the authority and that failure to make such prompt and time-  
47 ly payment shall be grounds for immediate termination of the contract,  
48 and (ii) that in the event the contract is so terminated, the electric  
49 company will wheel to such purchasers as the authority may direct the  
50 power and energy that would have been sold to the electric company had  
51 the contract not been terminated.
- 52 f. Grant reasonable rate discounts to municipalities, other political  
53 subdivisions of the state, and cooperatives in a manner not inconsistent  
54 with the provisions and policy of this title.
- 55 g. In order to foster a close relationship between public power enti-  
56 ties, specifically between the Hudson Valley power authority and the New

1 York power authority, the latter is tasked with building, owning, and  
2 operating new transmission for the former under certain circumstances.  
3 Specifically, if the Hudson Valley power authority requests that new  
4 transmission be built by the New York power authority because it would  
5 be cheaper or more efficient than building it itself, the New York power  
6 authority shall not deny any reasonable request.

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

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

11 § 1413. Energy observatory corporations.

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

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

17 (c) Corporate name. An energy observatory corporation shall be called  
18 the name of the authority it monitors and studies with "observatory"  
19 appended to it at the end. No other corporation shall have the same  
20 name.

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

28 (e) Funding of the observatory corporation:

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

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

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

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

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

44 (h) Public assemblies. The board and executive director shall hold  
45 semi-annual assemblies to ensure public participation, transparency and  
46 accountability.

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