

December 22, 2016

Kathleen H. Burgess  
Secretary  
State of New York Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

**RE: Petition of Economic Development Growth Enterprises Corporation (dba Mohawk Valley EDGE) for Expedited Approval of Municipal Authority to Construct a Double Circuit 115 kV Electric Transmission Line in the Town of Marcy, Oneida County (Case No. 16-E-0500)**

Dear Secretary Burgess:

I am the President of Mohawk Valley EDGE. EDGE is a private not-for-profit corporation created to support economic development initiatives in Oneida and Herkimer Counties. One of our key economic development initiatives is the development of the Marcy Nanocenter site at SUNY Polytechnic Institute's Marcy campus.

The purpose of this letter is to reinforce the importance of the above referenced project and request that the Public Service Commission approve the Section 68 petition filed with the Commission on September 6, 2016. The following is an overview of this dynamic economic development initiative and I wanted to highlight the critical actions taken thus far to leverage the economic development potential of this publicly owned site for attracting advanced electronics manufacturing investments that will build a STEM Intensive Industry job base within the region.

This transformational project will establish a fully permitted and shovel ready site with all site infrastructure completed to attract the advanced electronics sector, including semiconductor manufacturing, electronics device packaging, Photo Voltaic manufacturing facilities, and related semiconductor manufacturing operations. This site affords opportunities to attract major private advanced electronics firms that are part of a growing nanotechnology ecosystem and will have a catalytic impact on the regional economy. This industry has the capability of reversing decades of economic decline and stagnant growth.

The Marcy Nanocenter site is an integral part of the innovation investment strategy proposed by Governor Cuomo that leverages the extensive nanotechnology ecosystem that is located at the College of Nanoscale Science at the SUNY Polytechnic Institute campus in Albany and the extensive public and private universities and community college system that make New York a leader in producing an enabled workforce. SUNY Poly's Marcy campus and the Marcy Nanocenter site are an integral part of this statewide investment strategy for rebuilding the Upstate economy as success at this location has widespread economic benefits in Central New York, the North Country and Southern Tier regions.

The Mohawk Valley region has made an extensive commitment to forge the necessary public-private partnerships that have made this initiative a critical centerpiece of the Mohawk Valley's economic development strategy. This initiative was articulated in the Mohawk Valley Region's Upstate Revitalization Initiative (URI) that was developed in 2015. A critical strategy outlined in the URI Plan is the focus on STEM Intensive Industry jobs that on average pay nearly two-times the current median household income in the region.

Prior to the URI strategy, this site was identified and selected by Empire State Development in 1998 as a potential development site that met the key requirements for semiconductor and advanced electronics manufacturing. Under the SEMI-NY effort, the Town of Marcy in 2001 approved the Generic Environmental Impact Statement (GEIS) that assessed potential environmental impacts associated with developing this site for semiconductor and advanced electronics manufacturing by pre-permitting the site so that it could meet industry time to market requirements. The Town also rezoned the property for Nanotechnology Manufacturing as part of the approval of the FGEIS.

In 2006, this site was the runner up site for AMD (now Global Foundries) for its 300 mm wafer fabrication plant that is located in Saratoga County. That experience provided the necessary state and local impetus to advance this site and ready it for other economic development opportunities that would occur as New York has achieved global recognition as a nanotechnology hub.

In 2010, SUNY and the Research Foundation of the State University of New York entered into a Project Development Agreement (PDA) with Mohawk Valley EDGE to complete all permitting, programming, and undertake the site development and infrastructure investment necessary to elevate the profile of this site within the global semiconductor and advanced electronics sector. As part of this Agreement, SUNY agreed to enter into a Ground Lease with Fort Schuyler Management Corporation (FSMC) and in turn FSMC entered into a Ground Sublease with Mohawk Valley EDGE to enable the site to be developed and leased to global advanced manufacturing and R&D firms that are part of a growing nanotechnology hub.

As the lead designated developer, Mohawk Valley EDGE has secured significant State, County, National Grid and other funding to advance this site. To date, approximately \$100 M has been committed for planning, permitting, engineering, site assemblage, installation of site infrastructure and utilities construction of a Ring Road and storm drainage and storm water collection systems, relocation of National Grid's Porter Terminal #6 Transmission Line, on-site and off-site wetlands mitigation improvements and other site improvements, construction of The Marcy- SUNY Parkway and upgrades to Oneida County's Interceptor between Marcy and the Sewage Treatment Plant in Utica.

This Investment includes \$49.1 M that EDGE received through Empire State Development this past July that is earmarked to build out the site infrastructure so that the site can meet time to market requirements for the proposed ams AG high performance analog wafer fabrication facility (FAB C).

A critical part of the master planning and programming for this site, which is part of the \$49.1 M in ESD funding awarded to EDGE is to construct a dual circuit 115 kV Transmission Line that will run from National Grid's Edic Substation to the Customer Substation that will be built on the Marcy Nanocenter site and serve all potential tenants that are attracted to the Marcy Nanocenter site.

EDGE has entered into a Cost Reimbursement Agreement (CRA) with National Grid for upgrading of Edic Substation, which is one of the site infrastructure improvements being funded with the \$49.1 M in ESD funding.

National Grid has commenced engineering, programming, placed orders for transformers and other electrical equipment capable of delivering 320 MW of power upon full build-out of the Marcy Nanocenter site. This was based on a load study prepared by ch2m for EDGE in forecasting the likely power demand for the project. National Grid has undertaken grading and other improvements for the expansion of its Edic Substation yard to support this project. Full build-out of the Marcy Nanocenter site includes three semiconductor manufacturing facilities, a packaging/advanced electronics manufacturing facility and supply chain support facilities that are part of the overall master plan for this site.

National Grid anticipates that it will complete the upgrades to its Edic Substation by January 2018. Concurrent with this upgrade, EDGE has completed all permitting activities with the Town of Marcy for the dual circuit 115 kV Interconnection project and secured a modification to its previously approved Section 404 Permit for minor encroachments to jurisdictional wetlands attributed to the construction of dual circuit 115 KV Interconnection and proposed customer substation that is to be built at the Marcy Nanocenter site.

EDGE also issued an RFP for design-build services for the project and in November awarded a contract to a National Grid approved Construction and Engineering firm(s) who will finalize the design of the 115 KV transmission line so that the transmission line can be built and commissioned by fall of 2017.

The transmission line will be built to National Grid standards. Upon completion of construction and acceptance by National Grid, EDGE will convey its interest in the transmission line to National Grid who will own and maintain the transmission line.

EDGE has assembled all of the easements and obtained all other property rights for the project. As noted earlier, the Town of Marcy has issued the Negative Declaration under SEQRA and has provided site plan approval for the proposed transmission corridor that would be built.

In August 2015, Governor Cuomo announced that an Austrian semiconductor firm would locate at the Marcy Nanocenter site as the first tenant for the Marcy Nanocenter site (FAB C Project). Unfortunately Fort Schuyler Management Corporation was unable to meet the project timeline for this project and as a result the company was forced to make alternate arrangement for meeting customer obligations. This has led to a decision by the company to discontinue plans for leasing a new built to suit wafer fabrication facility at the Marcy Nanocenter site.

Despite this setback, Empire State Development and EDGE are working with other global semiconductor and related advanced electronics companies who are interested in the Marcy Nanocenter site and plans are proceeding with completing all remaining site infrastructure work to reduce time to market requirements and position this site as a leading development.

In addition, New York State has committed nearly \$600 M in funding to support the construction, furnishing and equipping of advanced electronics manufacturing facilities at this location to maintain the competitive advantage that this site offers over other global locations. The combination of completed infrastructure and permitting activities coupled with the financial incentives available for this location makes this location an attractive option within this global industry.

EDGE urges the Public Service Commission to provide approval of its Section 68 filing so that the construction of the dual circuit 115 kV Interconnection can proceed and be in place consistent with the project schedule that is being coordinated with National Grid. Thank you for your consideration and we look forward to completing this step in the process.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. DiMeo". The signature is fluid and cursive, with the first name "Steven" being the most prominent.

Steven J. DiMeo  
President  
Mohawk Valley EDGE

CC: Honorable Anthony Picente, County Executive  
Honorable Joseph Griffo, Member of the NYS Senate  
Honorable Anthony Picente, Member of the NYS Assembly  
Honorable Brian Scala, Town Supervisor for Marcy