

Information circulated by Cayuga Power Plant Manager, Jerry Goodenough, to Town of Lansing Supervisor Ed LaVigne and Tompkins County Legislator, Mike Sigler (Lansing) and presented at Lansing Town Board meeting, 15 May 2019

Empire State Data Hub:

1. Somerset and Cayuga sites transition from energy suppliers to energy consumers. The data centers are a natural transition - use the existing infra-structure (electrical interconnects, large tracts of land otherwise abandoned, existing utilities)
2. Somerset – 250 MW data center, Cayuga 100 MW data center. When these are built and fully subscribed, additions can be made at both sites. Cayuga Site:
 - a. 100 MW data center
 - b. \$100 million capital investment
 - c. 30-40 FTE jobs, average salaries in \$40,000-\$60,000 range
 - d. 100 construction jobs
 - e. \$60 MM construction budget
 - f. 15 MW solar farm on 75 acres (owned by Company)
 - g. Addresses Tompkins County goal of no fossil fuel development; County replaces “old” industry with “new” industry; less dependent on temporary State relief aid
 - h. Ample acreage for data center expansion
 - i. Potential synergies on Artificial Intelligence (AI) and machine learning with Cornell, Ithaca College and other local institutions of higher education
 - j. Interruptible power, load-following operation; valuable tool for NYISO with growing, but variable, renewable energy generation
 - k. Creates a more stable revenue model for local governments highly dependent on plant revenues
3. Data centers provide computing capacity for:
 - a. Large volumes of data storage (“cloud” capacity)
 - b. Artificial Intelligence programming – taking large amounts of data and creating useful outcomes (predict component failures in manufacturing, increase crop production, model and mapping projects, etc.)
 - c. Large computational modeling (migratory bird mapping, reforestation modeling)
 - d. (we are not targeting bit coin or any other cyber currency)
4. There are a few data centers in New York, but none of the size being proposed by the company.
5. Applications have been submitted to Empire State Development (capital funding to assist with the re-use of the electrical equipment) and NYPA (to obtain a 125 MW renewable energy allocation)
6. NYPA has clear authority to make a power allocation of 125 MWs for the Empire State Data Hub. (<https://www.nypa.gov/-/media/nypa/documents/document-library/governance/power-authority-act-2019.pdf>, pgs 11-13)
 - a. Language makes clear that NYPA shall evaluate a power allocation application using a lengthy list of criteria which shall include “*but need not be limited to*” any

number of factors such as job creation, capital investment, long term commitment to the area etc

- b. Further, under section (b) of NYPA legislation, NYPA trustees “shall establish special criteria for the applications of power allocated for the revitalization of industry” and lists a number of criteria to be considered, Again, the law states the Board “*need not be limited to*” just the enumerated considerations (p. 12). Given the data hub’s plan to use existing land, zoning and valuable infrastructure to repower the site with solar and clean energy, the industry revitalization criteria could and should also be utilized in defending a 125 MW allocation.
7. The Empire State Data Hub proposal directly addresses the Governor’s commitment to a Green New Deal: “Let’s take the next step on the Green New Deal, which tackles climate change and starts building the green economy for tomorrow. We know it’s coming, let the economy be here.” State of the State, January 15, 2019.
8. Closing the Somerset and Cayuga Power plants and repurposing those sites as data centers powered by renewable energy would constitute an almost 10 to 1 replacement ratio of fossil fuel to clean energy (996 MWs coal to 125 MWs renewable energy) and would fulfill Governor’s pledge to shut down coal in New York ahead of his December 2020 timeline.
9. If the coal plants are simply deactivated and closed because NYPA could not offer a fair and reasonable power allocation, there will be a significant economic dislocation for these communities and a loss of 600 union construction and 96 IBEW jobs. The loss of revenue for the taxing jurisdictions involved would be a combined \$4 million dollars and would put added stress on the school districts, residences and businesses in the area. If the proposed data center projects were developed at each site, the combined current tax revenues for the local communities would increase over current numbers. Finally, closing these sites will put additional stress on the State’s limited coal plant closure relief fund.
10. If denied a 125 clean power allocation at NYPA, the power plant owners could pursue an existing repowering application (via trucked natural gas) at Cayuga and/or sue the State on its proposed coal regulations designed to close only these two plants.
11. The State has proposed no alternative plans to redevelop these sites, nor has it committed any staff or resources to working with local communities or plant owners on other options for these sites.