

**CAPITAL COMMITTEE
MEETING AGENDA**

October 11, 2017

10:00 AM

**125 Worth Street, Room 532
5th Floor Board Room**

CALL TO ORDER

Mark Page

- **ADOPTION OF MINUTES – September 13, 2017**

Mark Page

- **VICE PRESIDENT’S REPORT**

Roslyn Weinstein

ACTION ITEMS

- **Resolution** **Robert Hughes**

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five year revocable license agreement with T-Mobile Northeast LLC (the “Licensee”) to operate a cellular communications system in approximately 200 square feet of space on the roof of the “A-C” Building at Coler Rehabilitation and Nursing Care Center (the “Facility”) at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.

Preliminary Vendor Responsibility Determination: Pending

- **Resolution** **Cyril Toussaint**

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with 2017 ESA Project Company, LLC, a Bloom Energy affiliate (“Bloom”) to construct four fuel cell co-generation servers (the “Servers”) at the locations on the campus of NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the “Facilities”) shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities and to obligate the System to purchase from Bloom all of such energy for a term of fifteen years at a total projected cost not to exceed \$39.1 Million to meet approximately 40% of the Facilities’ demand; provided that the use of the Servers requires the System to obtain natural gas from the local utility at an estimated cost of approximately \$18.3 Million for a combined total cost of approximately \$57.5 Million over fifteen years, all on the terms outlined in the Statement of Economic Terms attached hereto.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

September 13, 2017

MINUTES

Capital Committee

Meeting Date: September 13, 2017

Time: 12:00 P.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Mark Page, Committee Chair
Gordon Campbell, Vice Chair, Acting Chairman of the Board
Stanley Brezenoff, Interim President, Chief Executive Officer

HHC Staff:

PV Anantharam – Senior Vice President, Finance
Jennifer Bender – Director, Communications and Marketing
Jeremy Berman – Deputy General Counsel, Office of Legal Affairs
Gregory Calliste – Chief Executive Officer, NYC Health + Hospitals / Woodhull
Ebony Carrington – Chief Executive Officer, NYC Health + Hospitals / Harlem
Elsa Cosme – Associate Executive Director, NYC Health + Hospitals / Gouverneur
Linda DeHart – Assistant Vice President, Reimbursement Consulting
Diana Eusse – Assistant Director, Office of Facilities Development
Tracy Green – Chief Financial Officer, NYC Health + Hospitals / Metropolitan
Jonathan Goldstein – Assistant Director, Corporate Planning
Colicia Hercules – Chief of Staff, Office of the Chairman
Mahendranath Indar – Senior Director, Office of Facilities Development
Juan Izquierdo – Associate Executive Director, NYC Health + Hospitals / Queens
Patricia Lockhart – Secretary to the Corporation, Office of the Chairman
Nini Mar – Director, Finance
Dean Moskos – Director, Office of Facilities Development
Kiho Park – Deputy Executive Director, NYC Health + Hospitals / Coney Island
Anthony Rajkumar – Chief Operating Officer, NYC Health + Hospitals / Coney Island
Michael Rawlings – Chief Operating Officer, NYC Health + Hospitals / Bellevue
Cyril Toussaint – Director, Office of Facilities Development
Roslyn Weinstein – Vice President, President's Office
Dion Wilson – Director of Real Estate, Office of Legal Affairs
Elizabeth Youngbar – Assistant Director, Office of Facilities Development
Frank Zanghi – Manager, Internal Audits

Outside Representatives:

Justine DeGeorge – New York State Comptroller
Melinda Elias – New York City Independent Budget Office
Rebecca Holder Mosley – NYC Department of Health and Mental Hygiene
Stephen Rush – New York City Fire Department
Shaylee Wheeler – New York City Office of Management and Budget
Joni Wilson – New York State Comptroller

CALL TO ORDER

The meeting was called to order by Mark Page, Committee Chair, at 12:23 P.M.

On motion, the Committee voted to adopt the minutes of the July 12, 2017, Capital Committee meeting.

VICE PRESIDENT'S REPORT

Ms. Weinstein started her report by introducing the NYC Health + Hospitals Energy Team; Cyril Toussaint, Marcus Lewis and Diana Eusse. She credited them with the advances made throughout the system, in energy savings, both financially and functionally. Ms. Weinstein announced that Mr. Toussaint would be receiving the 2017 annual Energy Manager of the Year award from the Association of Energy Engineers, for Region 1. The award was presented annually to acknowledge an individual for outstanding accomplishments in promoting the practices, and principles of energy management, and development and providing superior service. These regional awards recognized achievements in energy throughout the country, and this years' honor would be presented to Mr. Toussaint on Tuesday, September 26, 2017.

Ms. Weinstein went on to overview the meeting agenda, which included; an extension of time for the current Arcadis and Parsons Brinckerhoff contracts, for FEMA related work; a license agreement with the Department of Health, for operation of programs at NYC Health + Hospitals / Woodhull and NYC Health + Hospitals / Cumberland; a no fee license agreement with the New York City Police Department; a license agreement with the United States Department of Justice; renewal of a license agreement for the Ida Israel Clinic; a new license agreement for Touro College at NYC Health + Hospitals / Harlem; request for project approval for the separation of power at NYC Health + Hospitals / Harlem; and a resolution regarding the procurement and outfitting of ambulances for the Fire Department of the City of New York.

That concluded her report.

ACTION ITEMS

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an extension of the existing agreements with Arcadis U.S., Inc. ("Arcadis") and with Parsons Brinckerhoff, Inc. ("Parsons") for a term of five years for an amount not to exceed \$1,277,702.94, which consists of the balance of funds left unused from the prior contract with these firms in order for such firms to continue planning and design services for Hurricane Sandy repair and mitigation projects.**

Roslyn Weinstein, Vice President, Operations, read the resolution into the record.

Ms. Weinstein noted that the subject contracts were utilized for FEMA related work, for which both firms had been integral in design of projects at all four effected facilities; NYC Health + Hospitals / Coney Island, NYC Health + Hospitals / Bellevue, NYC Health + Hospitals / Coler, and NYC Health + Hospitals / Metropolitan. She explained that the firms had been on board since immediately after Hurricane Sandy, and the breadth of their services was anticipated to be complete within the next three to five years. The requested approval was for a time extension only, as a portion of the originally approved funds were still available.

Mr. Page confirmed Ms. Weinstein's statements, noting that this approval did not involve a change in services, or additional funding, but was solely an extension of time, associated with the lengthy processes involved in FEMA related projects.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

- **Authorizing NYC Health + Hospitals ("NYC Health + Hospitals") to execute a revocable five year license agreement with the New York City Department of Health and Mental Hygiene (the "Licensee") for use and occupancy of approximately 1,437 square feet of space and 1,305 square feet of space at NYC Health + Hospitals/Metropolitan and NYC Health + Hospitals/Woodhull (the "Facilities"), respectively for the operation of the New York City Nurse-Family Partnership program (the "Program") at the rate of \$45 per sq. ft. for an annual occupancy fee of \$64,665 for Metropolitan and \$58,725 for Woodhull for a five year total of \$323,325 for Metropolitan and \$293,625 for Woodhull.**

Roslyn Weinstein, Vice President, Operations, read the resolution into the record. Ms. Weinstein was joined by Gregory Calliste, Chief Executive Officer, NYC Health + Hospitals / Woodhull and Tracey Green, Chief Financial Officer, NYC Health + Hospitals / Metropolitan.

Mr. Calliste explained that the Nurse Family Partnership program was operated by the New York City Department of Health, and not a Health + Hospitals program. Ms. Green noted that the program would operate closely with Obstetrics and Gynecology (OBGYN) at Metropolitan, providing services to new mothers and hopefully increasing workload in the department.

Mr. Page noted that the program was aligned with the mission of the system, and the Department of Health would be paying for the space they would be occupying.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a revocable license agreement with the New York City Police Department (the "NYPD" or "Licensee") for its continued use and occupancy of space of 50 square feet of space on the roof of the "N" Building to operate radio communications equipment at NYC Health + Hospitals/Queens (the "Facility") with the occupancy fee waived.**

Juan Izquierdo, Associate Executive Director, NYC Health + Hospitals / Queens, read the resolution into the record on behalf of Christopher Roker, Chief Executive Officer, NYC Health + Hospitals / Queens.

Mr. Page noted that there would be no financial consequence to the system.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with the Federal Bureau of Investigation of the United States Department of Justice (the "Licensee") for its continued use and occupancy of 150 square feet of space on the roof of the Main Building and the 14th Floor Mechanical Room to house communications equipment at NYC Health + Hospitals/Coney Island (the "Facility") at an annual occupancy fee of \$9,299 or \$61.32 per square foot to be escalated by 3% per year for a five year total of \$49,370.**

Anthony Rajkumar, Chief Executive Officer, NYC Health + Hospitals / Coney Island, read the resolution into the record.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

- **Authorizing the NYC Health + Hospitals (the "Health Care System") to execute a three-year revocable license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the "Ida G. Health Center") managed by Coney Island Hospital Center (the "Facility") at an annual payment to HPD of \$130,000 for a total over the three year term of \$390,000.**

Anthony Rajkumar, Chief Executive Officer, NYC Health + Hospitals / Coney Island, read the resolution into the record.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year, revocable, license agreement with Touro College & University System ("Touro") for full-time, use and occupancy of approximately 11,218 sq. ft. located on the 4th Floor of the Samuel Kountz Pavilion at NYC Health + Hospitals/Harlem (the "Licensed Space") to operate the Harlem Hospital Center School for Radiologic Technology (the "SRT") at an occupancy fee of \$47 per sq. ft. for a total annual amount of \$527,246 during the first year to be escalated by 2.5% per year.**

Ebone Carrington, Chief Executive Officer, NYC Health + Hospitals / Harlem, read the resolution into the record.

Ms. Carrington shared a brief slide presentation providing background. She noted that the program had been conceptualized in 1975, and after an intensive accreditation process, opened its doors in 1990, to 15 students. It currently served approximately 263 multi-national students. The population served included all five boroughs, South Korea, Australia, Ireland, the Caribbean. Ms. Carrington noted that the cost of the school of radiology, not including rent and other associated operational charges were \$729,570 and revenue was \$786,670. Those numbers lead the facility to seek an institution to take over the school, while not impacting the cost or quality of services, or demographic of students.

Ms. Carrington advised that valedictorians of the past ten (10) classes had all been hired at one of the eleven acute care facilities within NYC Health + Hospitals.

Gordon Campbell, Vice Chair, Acting Chairman of the Board, noted that the demographics were quite interesting. Ms. Carrington agreed.

Mr. Page asked whether the school was self-standing from the system. Ms. Carrington said they were on site but not operated by the facility.

Jeremy Berman, Deputy Counsel, Legal Affairs, said they were considered an independent operation.

Mr. Berman advised that the Vendex program, run by the Mayor's Office of Contracts (MOCs), had undergone some recent changes, and as a result the agency requesting review no longer had the opportunity to perform a preliminary review of vendors. Historically, items that required Vendex approval would include a status of "pending" for items which had been submitted but were not yet approved. Being that documents would now be submitted directly to MOCs, future status stated in Committee and Board agendas would be "submitted" to reflect that documents had been filed for review. Mr. Berman advised that Touro College had completed and submitted necessary Vendex documents under the previous system, in May of 2017. Formerly that would require a Certificate of No Change, to extend approval, but it was unclear whether that process was still in place. Touro College would be permitted to resubmit documents through the new system.

Mr. Berman explained that a new process was still being finalized, and asked for the patience of the Board while a new process was being determined.

Mr. Page asked whether it was being requested that the item be approved, subject to Vendex approval, which was not yet final. Mr. Berman said yes. Mr. Page noted that was not out of the norm, being that items were historically approved with Vendex pending.

Mr. Campbell asked whether items could come back before the committee to state that Vendex had been approved by MOCs. Mr. Berman said that the MOCs terminology was "Vendex Filed" and that would be the information communicated to the Board. He noted that filing resulted in a Department of Investigation report, to be addressed by the requesting agency, and at that time the requesting agency may determine whether the vendor would be considered "approved".

Stanley Brezenoff, Interim President, NYC Health + Hospitals, asked how the timeline for the new process would affect contract implementation. Mr. Berman said that implementation would proceed and all contracts would feature a clause stating that if final review of documents included a negative finding, then NYC Health + Hospitals would have the right to terminate the contract.

Mr. Brezenoff asked if this was a material change. Mr. Berman said not necessarily. The old process allowed us to operate simultaneously and we may still be able to do that. Mr. Berman advised that Health + Hospitals would have access to the Vendex system to determine if submission had taken place. Salvatore Russo, General Counsel, said that it would be determined whether or not the agency would have access to submitted documents.

Mr. Page stated that the resolution being discussed could be moved forward, subject to positive conclusion of the Vendex review process, in whichever form that was to take, to be determined between the meeting date and the meeting of the full Board of Directors.

Mr. Berman said there was advantage to Touro College being the entity discussed, as they have agreements with the Department of Education and are a known vendor.

Mr. Campbell asked if Health + Hospitals were subject to Mayoral procurement rules. Mr. Russo said no, we have been able to create our own method of procurement, with exception to certain construction contracts. Mr. Campbell asked if in theory, Health + Hospitals could move forward without Vendex approval. Mr. Berman said he believed that the agreement to participate in the Vendex process was given to the City in exchange for some relationship with the Department of Investigations and NYC Health + Hospitals. Mr. Russo said they would look into the history.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration, pending determination of the Vendex review.

- **Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to approve a Capital Project for an amount not to exceed \$23,000,000 for planning, pre-construction, design, construction and construction management services necessary for the upgrade of the emergency power distribution system providing a Type 1 Essential Electrical System (the “Project”) at NYC Health + Hospitals / Harlem (the “Facility”).**

Ebone Carrington, Chief Executive Officer, NYC Health + Hospitals / Harlem, read the resolution into the record. Ms. Carrington was joined by Louis Iglhaut, Assistant Vice President, Office of Facilities Development.

Mr. Page stated that this specific work is necessary and that there were other facilities that would require similar work in the future. He noted that project costs may be much higher at the other facilities, and asked that we consider spreading out these projects, while keeping in mind that patient safety is of highest importance. Ms. Weinstein agreed and advised that additional projects were already built in to the ten year capital plan.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

There being no further business, the meeting was adjourned at 12:55 P.M.

- **Authorizing the New York City Health and Hospitals Corporation (the "System") to procure and outfit such ambulances in the System's name on behalf of the Fire Department of the City of New York ("FDNY"), through City-wide Requirements Contracts as are, from time to time requested by FDNY provided that the System receives the required City of New York capital funding explicitly provided for such purchases; such authorization to remain in effect until withdrawn.**

Dean Moskos, Director, Office of Facilities Development, read the resolution into the record. Mr. Moskos was joined by Stephen Rush, Assistant Commissioner, Budget and Finance, Fire Department of the City of New York.

Ms. Weinstein explained that historically the Committee would see annual or semi-annual requests for procurement and outfitting but this standing resolution would provide approval for that action to continue, provided funding from the New York City Office of Management and Budget was in place, without presenting resolutions. Ms. Weinstein offered to include details in her meeting reports, if desired.

Mr. Page said that would be fine and acknowledged that the role of Health + Hospitals was strictly as a pass-through. Mr. Campbell agreed.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

There being no further business, the meeting was adjourned at 12:55 P.M.

LICNESE AGREEMENT

T-MOBILE NORTHEAST, LLC

NYC HEALTH + HOSPITALS / COLER

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five year revocable license agreement with T-Mobile Northeast LLC (the “Licensee”) to operate a cellular communications system in approximately 200 square feet of space on the roof of the “A-C” Building at Coler Rehabilitation and Nursing Care Center (the “Facility”) at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.

WHEREAS, the Licensee currently operates a cellular communications system on rooftop space on the “A-C” Building on the Facility’s campus pursuant to a resolution adopted by the NYC Health + Hospitals’ Board of Directors in September 2012; and

WHEREAS, the Licensee desires to continue its operation of such cellular communications system at the Facility and the Licensee’s use of the rooftop space will not compromise Facility operations; and

WHEREAS, the Licensee’s cellular communications system complies with applicable federal statutes governing the emission of radio frequency signals, and therefore poses no health risk.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a five year revocable license agreement with T-Mobile Northeast LLC (the “Licensee”) to operate a cellular communications system in 200 square feet of space on the roof of the “A-C” Building at Coler Rehabilitation and Nursing Care Center (the “Facility”) at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.

EXECUTIVE SUMMARY

LICENSE AGREEMENT T-MOBILE NORTHEAST LLC

COLER REHABILITATION AND NURSING CARE CENTER

The NYC Health + Hospitals seeks Board of Director's authorization to execute a five year revocable license agreement with T-Mobile Northeast LLC ("T-Mobile") to operate a cellular communications system in 200 square feet at the campus of the Coler Rehabilitation and Nursing Care Center ("Coler").

The Licensee has been operating cellular communications equipment at Coler since 2007. T-Mobile will be granted the continued use and occupancy of approximately 200 square feet of space on the roof of the "A-C" Building. T-Mobile will pay an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year with annual increases of 4% throughout the duration of the agreement for a five year total of \$334,805. The Licensee will be responsible for maintaining its equipment, and this arrangement will be at no cost to the Corporation. The equipment complies with applicable federal statutes governing the emission of radio frequency signals for cellular communications system, and does not compromise hospital safety.

The Licensee will be indemnify and hold harmless NYC Health + Hospitals and the City of New York from any and all claims arising out of its use of the licensed space, and shall provide appropriate insurance naming NYC Health + Hospitals and the City of New York as additional insureds.

The term of this agreement shall not exceed five years without further authorization by the Board of Directors and shall be revocable by either party upon six months prior notice.

Coler - T Mobile (A-C Bldg)

<u>Year</u>	<u>Prior Term</u>	<u>New Term</u>
1	50,807	61,814
2	52,839	64,287
3	54,953	66,858
4	57,151	69,532
5	59,437	72,314
Total	275,187	334,805

AGREEMENT EXECUTION

ESA PROJECT COMPANY, LLC / BLOOM ENERGY

**NYC HEALTH + HOSPITALS / KINGS COUNTY
NYC HEALTH + HOSPITALS / DR. SS MCKINNEY**

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with 2017 ESA Project Company, LLC, a Bloom Energy affiliate (“Bloom”) to construct four fuel cell co-generation servers (the “Servers”) at the locations on the campus of NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the “Facilities”) shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities and to obligate the System to purchase from Bloom all of such energy for a term of fifteen years at a total projected cost not to exceed \$39.1 Million to meet approximately 40% of the Facilities’ demand; provided that the use of the Servers requires the System to obtain natural gas from the local utility at an estimated cost of approximately \$18.3 Million for a combined total cost of approximately \$57.5 Million over fifteen years, all on the terms outlined in the Statement of Economic Terms attached hereto.

WHEREAS, the Facilities currently obtain electricity for their operations entirely from Consolidated Edison (“Con Ed”), the projected cost of 40% of which over the next fifteen years would be approximately \$62.8 Million assuming annual 2% increases over June 1, 2018 rates, when the Servers will be on line; and

WHEREAS, because peak energy demand in Central Brooklyn strains the capacity of Con Ed, the Public Service Commission required Con Ed to provide subsidies to encourage the construction of energy co-generation plants and energy saving measures by customers in Central Brooklyn; and

WHEREAS, Bloom was selected by Con Ed by a competitive selection process involving a demand response auction to provide fuel cell co-generation facilities to the Facilities as well as other proximate locations including Downstate Medical Center with a subsidy from Con Ed; and

WHEREAS, Bloom, with the Con Ed subsidy, will provide electrical energy generated by the Servers to the Facilities at \$0.08/Kilowatt Hour which rate will increase by 3.25% annually; and

WHEREAS, the System will need to purchase natural gas from the local utility – currently National Grid, to operate the Servers; and

WHEREAS, the System’s cost of energy from Bloom plus the anticipated cost of natural gas is expected to be approximately \$535,317 per year less than the anticipated cost of energy from Con Ed; and

WHEREAS, by using the Servers, the System will be able to supply approximately 40% of the total energy needs of the Facilities without relying on the electrical grid thereby increasing the energy security of the Facilities; and

WHEREAS, previously authorized gas turbine co-generation facilities will supply approximately 20% of the Facilities’ demands thus bringing the Facilities’ total co-generation capacity to approximately 60% of total demand; and

WHEREAS, by using the Servers, the System will be able to reduce the System’s carbon footprint by the use of energy substantially cleaner than that which would otherwise be provided by Con Edison; and

WHEREAS, the proposed contract will be managed by the Vice President for Facility Operations.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute an agreement with 2017 ESA Project Company, LLC, a Bloom Energy affiliate ("Bloom") to construct four fuel cell co-generation servers (the "Servers") at the locations on the campus of NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the "Facilities") shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities and to obligate the System to purchase from Bloom all of such energy for a term of fifteen years at a total projected cost not to exceed \$39.1 Million to meet approximately 40% of the Facilities' demand; provided that the use of the Servers requires the System to obtain natural gas from the local utility at an estimated cost of approximately \$18.3 Million for a combined total cost of approximately \$57.5 Million over fifteen years, all on the terms outlined in the Statement of Economic Terms attached hereto.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE POWER PURCHASE AGREEMENT
WITH 2017 ESA PROJECT COMPANY, LLC

- BACK-GROUND:** In lieu of authorizing the construction of additional generation capacity, the Public Service Commission authorized Consolidated Edison (“Con Ed”) to launch a program of incentives for the adoption of energy savings technologies and improvements and the creation of co-generation capacity throughout parts of Queens and Brooklyn. As part of this larger initiative, the Clarkson Avenue Micro Grid Project focuses on the portion of Central Brooklyn in which NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the “Facilities”) are located. ESA Project Company, LLC, a Bloom Energy affiliate (“Bloom”) was selected by Con Edison pursuant to a competitive procurement process to supply and operate fuel cell co-generation fuel cell energy servers (the “Servers”) both for the Facilities and for the Downstate Medical Center operated by the State University of New York across Clarkson Avenue from the Facilities (“DMC”). Having been selected, Bloom is able to benefit from certain subsidies from Con Ed however it remains for New York City Health and Hospitals (the “System”) to choose to work with Bloom and, if such a decision is made, to sign a formal contract with Bloom.
- CURRENT STATE:** Currently the Facilities get all their electricity from Con Ed. The proposed contract will supply approximately 40% of the Facilities’ electrical demand. For comparison purposes, obtaining that 40% of demand from Con Ed over fifteen years would cost approximately \$62.8 assuming annual price increases of 2%. It is not possible to project with certainty the future price of electricity from Con Ed. The long term trend is for increases but the rate of increases is not known. The Public Service Commission has authorized rate increases of 4% for each of next year and the year after.
- BENEFITS:** The System will benefit in three ways from the proposed Bloom agreement. First, by generating a portion of its own electricity, the System will increase its energy security thus protecting itself from black-outs, brown-outs or other disruptions of the commercial grid. Once the Servers are operational – estimated to be May 2018, the Facilities will meet approximately 60% of their total energy demands from co-generation plants (the fuel cell servers to be authorized by this resolution and gas turbine generators previously authorized) and 40% from the Servers. Second, the System will get electrical energy from the Servers more cheaply than from Con Ed. The exact amounts saved may vary as the cost of natural gas required to operate the Servers and the cost of electricity generated by Con Ed vary but at current rates, the savings will be approximately \$535,317 during the initial year of operations. Third, energy generated by the Servers will be cleaner and produce few greenhouse gases than energy generated by Con Ed. Operation of the fuel cell produce no greenhouse gases and the extraction of natural gas is a cleaner process than the generation of electricity by coal fired power plants.
- PROCUREMENT:** Bloom was the only entity selected by Con Edison to furnish and operate fuel cell servers as part of the Clarkson Avenue Micro Grid Project. Thus, if the System wants to participate in this aspect of the Clarkson Avenue Micro Grid Project, Bloom is the only alternative. DMC has chosen to move forward with Bloom and the NYS Comptroller issued a Declaration of Waiver from competitive solicitation and publication requirements. Although the System does not operate under the same rules as does DMC, the logic of the DMC waiver applies here as well. Bloom is a national company based in California which is a leader in fuel cell electricity generation. Bloom has numerous local and national customers in fields ranging from healthcare to finance. Currently a portion of City Hall’s electrical needs are supplied by a Bloom fuel cell server.
- TERMS:** The System will buy natural gas to operate the Servers and will pay Bloom \$0.08/Kilowatt Hour for the energy produced which rate will increase by 3.25% annually. Bloom will sell its energy only to

the System and the System will buy all that is produced. The agreement is for 15 years. Bloom pays all costs to construct and maintain the Servers.

SITES: Bloom shall construct and install the Servers at the four locations indicated on the attached site map.

**FINANCIAL TERMS/FINANCIAL ANALYSIS
POWER PURCHASE AGREEMENT WITH
2017 ESA PROJECT COMPANY, LLC (“BLOOM”)**

Summary Model

	Electricity Cost	Bloom Energy
40% KCHC Annual Elec. Use - Kilowatt hours (kWh)	25,798,200.00	25,798,200.00
Cost per kWh	\$ 0.141 ¹	\$ 0.08
Cost of KCHC 40% Electricity Consumption	\$ 3,629,806.74	\$ 2,063,856.00
Total Cost of Natural Gas to KCHC & DSSM	\$ -	\$ 1,030,634.00 ²
Cost of 40% of Electricity Consumed by KCHC & DSSM	\$ 3,629,806.74	\$ 3,094,490.00
Projected Annual Electricity Cost Savings	\$535,316.74	

Notes:

(1) NYPA and CON Edison have received rate increases on supply and delivery of service for 2018.

(2) Using National Grid anticipated new rate (\$0.55) based of service classification for distributed generation systems.

Efficiency Guaranty: The project will not hit its financial targets if the system does not perform as promised. To protect against this, Bloom guaranties the efficiency of the system. The benchmark efficiency is that which is necessary to produce the electrical output modeled above. If the system falls below that output with the amount of gas modeled, then Bloom issues a payment to NYC H+H of the amount projected to make up for the energy not produced.

Maintenance: All maintenance is performed by Bloom. Apart from purchasing the natural gas to run the system, NYC H+H has no operational expenses whatsoever.

Option to Purchase: NYC H+H will have an option to purchase the servers or any of them at its FMV. The purchase price is to be negotiated by the parties based on the value of the income stream to Bloom, the condition of the Servers and current market conditions. If the parties do not reach agreement the price is to be set by binding arbitration.

Termination: NYC H+H can terminate the Agreement without cause if it makes a Termination Payment as per the next page keeping in mind that the capacity of the system is 3,100 kW.

Bloomenergy® Kings County Hospital & McKinney Overall Site Plan

451 Clarkson Ave, Brooklyn, NY 11203	594 Albany Ave, Brooklyn, NY 11203
Bloom ID(s): NHH000.X	Bloom ID(s): NHH002.0
Size: 2.7 MW Total	Size: 400 kW
Interconnections: 9	Interconnections: 2

Site	System	Meter #	Building	Location	Service Voltage	ES Location	Service Length (ft.)	Base Load (kW)	ES Size (kW)	# ES's	Average Export (%)
Kings County Hospital	1	8094912	B(A)	BB-61	208	2	600	276	250	1	1.2%
	2	8094915	B	BB-61	208	2	600	297	300	1	0.7%
	3	8094909	B(C)	BB-64	208	2	600	253	250	1	0.9%
	4	8094901	B	CG-119	208	2	600	226	200	1	1.2%
	5	8094918	E	EB-23B	208	1	350	381	400	2	0.9%
	6	8096427	R	RC030A	480	3	350	416	300	1	0.1%
	7	8096429	R	RC030A	480	3	350	287	300	1	0.4%
	8	8096563	D	CS-16	480	1	600	492	400	2	0.1%
	9	8096428	D	CS-16	480	1	600	432	300	1	0.1%
McKinney	10	8125341	DSSM		208	4	100	240	200	1	0.5%
	11	8125340	DSSM		208	4	100	191	200	1	4.1%
Total # ES's										13	
Total Energy Server Output								3,100	Export % Weighted Average	0.80%	



[Purple Box] = FUEL CELL INSTALL LOCATIONS

[Green Box] = *BUILDINGS BLOOM WILL PHYSICALLY INTERCONNECT WITH



KINGS COUNTY HOSPITAL CENTER

Legend:
■ Electrical Feed



Revised 2.18.2015

*NOTE: BUILDINGS A AND C WILL BE FED FROM ELECTRICAL SERVICES LOCATED IN BUILDING B.

Month	End of Month Termination Value	Month	End of Month Termination Value	Month	End of Month Termination Value	Month	End of Month Termination Value
1	\$1,361,806	46	\$740,250	91	\$386,434	136	\$206,052
2	\$1,237,430	47	\$736,735	92	\$382,085	137	\$202,362
3	\$1,231,882	48	\$733,220	93	\$377,736	138	\$198,672
4	\$1,227,733	49	\$638,075	94	\$373,614	139	\$195,232
5	\$1,222,185	50	\$634,361	95	\$369,265	140	\$191,542
6	\$1,216,637	51	\$630,648	96	\$364,917	141	\$187,852
7	\$1,211,279	52	\$628,353	97	\$360,568	142	\$184,412
8	\$1,205,731	53	\$624,639	98	\$355,994	143	\$180,722
9	\$1,149,257	54	\$620,926	99	\$351,420	144	\$176,266
10	\$1,143,899	55	\$617,422	100	\$348,287	145	\$171,802
11	\$1,138,351	56	\$613,708	101	\$343,712	146	\$167,090
12	\$1,134,263	57	\$609,995	102	\$339,138	147	\$162,377
13	\$1,038,549	58	\$606,491	103	\$334,796	148	\$159,129
14	\$1,034,281	59	\$602,777	104	\$330,221	149	\$154,417
15	\$1,030,012	60	\$599,063	105	\$325,647	150	\$149,704
16	\$1,027,148	61	\$503,719	106	\$321,305	151	\$145,247
17	\$1,022,880	62	\$499,801	107	\$316,730	152	\$140,534
18	\$1,018,611	63	\$495,882	108	\$312,156	153	\$135,822
19	\$1,014,538	64	\$493,388	109	\$307,581	154	\$131,365
20	\$1,010,270	65	\$489,469	110	\$302,774	155	\$126,652
21	\$1,006,001	66	\$485,550	111	\$297,967	156	\$121,940
22	\$1,001,928	67	\$481,847	112	\$294,606	157	\$117,218
23	\$997,659	68	\$477,928	113	\$289,799	158	\$112,241
24	\$994,523	69	\$474,010	114	\$284,992	159	\$107,263
25	\$899,759	70	\$470,306	115	\$280,422	160	\$103,757
26	\$896,436	71	\$466,388	116	\$275,615	161	\$98,780
27	\$893,113	72	\$462,469	117	\$270,808	162	\$93,803
28	\$891,199	73	\$458,554	118	\$266,239	163	\$89,087
29	\$887,876	74	\$454,424	119	\$261,432	164	\$84,110
30	\$884,553	75	\$450,294	120	\$258,230	165	\$79,133
31	\$881,430	76	\$447,593	121	\$255,026	166	\$74,418
32	\$878,107	77	\$443,463	122	\$251,585	167	\$69,440
33	\$874,784	78	\$439,333	123	\$248,143	168	\$64,463
34	\$871,660	79	\$435,423	124	\$246,154	169	\$59,475
35	\$868,337	80	\$431,293	125	\$242,713	170	\$54,224
36	\$865,014	81	\$427,163	126	\$239,271	171	\$48,973
37	\$770,064	82	\$423,253	127	\$236,073	172	\$44,898
38	\$766,548	83	\$419,123	128	\$232,632	173	\$39,648
39	\$763,033	84	\$414,993	129	\$229,190	174	\$34,397
40	\$760,932	85	\$410,864	130	\$225,992	175	\$29,415
41	\$757,417	86	\$406,516	131	\$222,550	176	\$24,165
42	\$753,901	87	\$402,167	132	\$219,109	177	\$18,914
43	\$750,591	88	\$399,254	133	\$215,662	178	\$13,932
44	\$747,076	89	\$394,905	134	\$211,973	179	\$8,682
45	\$743,561	90	\$390,556	135	\$208,283	180	\$0

Current Model

Fuel Cell Annual Electrical Output	A	25,798,200.00
Bloom Charge to NYC H+H	B	\$ 0.08
Total Value of KWh Produced (A*B)	C	\$ 2,063,856.00
Annual Gas Consumption (Therms)	D	1,873,880.00
Natural Gas Rate (\$/Therm)	E	\$ 0.550
Total Cost of Natural Cost (D*E)	F	\$ 1,030,634.00
Annual Cost of Electricity Delivered by Bloom Energy (C+F)	G	\$ 3,094,490.00
Cost per Kwh Electricity from Con ED	H	\$ 0.141
Annual Cost of Electricity from Con ED (A*H)	I	\$ 3,629,806.74
Projected Annual Electricity Cost Savings (I-G)	J	\$ 535,316.74

Assuming 10% Increase Electricity & Natural Gas Prices	Assuming 10% Decrease in Electricity & Natural Gas Prices	Assuming 15% Increase Natural Gas and 10% Electricity	Assuming 15% Increase Natural Gas and 5% Electricity
25,798,200.00	25,798,200.00	25,798,200.00	25,798,200.00
\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08
\$ 2,063,856.00	\$ 2,063,856.00	\$ 2,063,856.00	\$ 2,063,856.00
1,873,880.00	1,873,880.00	1,873,880.00	1,873,880.00
\$ 0.605	\$ 0.495	\$ 0.633	\$ 0.633
\$ 1,133,697.40	\$ 927,570.60	\$ 1,185,229.10	\$ 1,185,229.10
\$ 3,197,553.40	\$ 2,991,426.60	\$ 3,249,085.10	\$ 3,249,085.10
\$ 0.154	\$ 0.126	\$ 0.154	\$ 0.147
\$ 3,972,922.80	\$ 3,250,573.20	\$ 3,972,922.80	\$ 3,792,335.40
\$ 775,369.40	\$ 259,146.60	\$ 723,837.70	\$ 543,250.30