



## Hudson River - Black River Regulating District

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### **RFP Lease and Operation of State-owned Hydroelectric Plant at Stillwater Reservoir:**

#### **Questions and Answers**

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1. How many people operate the project on a day to day and week to week basis?  
*Stillwater Associates contracts with Ampersand Energy Partners (Ampersand) for day-to-day operation of the plant. Two Ampersand employees are typically associated with the operation of the plant on a part-time basis.*
2. May we talk to them? If so what protocol is to be used?  
*Yes, Ampersand personnel were available at the April 22, 2024 & May 13, 2024 in-person site visits and the May 15, 2024 virtual site visit. The recording of the May 15, 2024 virtual tour is available to view [here](#).*
3. Who does the maintenance (preventative, standard, and emergency) work?  
*Personnel from Ampersand currently conduct the maintenance on the plant including the preventative, standard, and emergency work.*
4. What jobs do these people do?  
*Personnel from Ampersand perform all manner of duties associated with the day-to-day maintenance and operation of a hydroelectric plant.*
5. Is there a home at the site for the operator(s)?  
*No.*
6. What are the monetary weekly/monthly/annual wages and benefits of the employees?  
*Information related to expenses related to the operation of the plant over the last five years is available [here](#).*
7. What contractors have been hired and are familiar with the equipment, if any?  
*The contractor retained by Stillwater Associates for the operation and maintenance of the plant is Ampersand. Ampersand is familiar with the plant's equipment.*
8. What work have they done in the past few years and at what costs?  
*Costs associated with repairs, operation and maintenance of the plant over the last five years are available [here](#).*

9. If the new operator is responsible to keep the facility operating - including major rehabilitation - how is this work to be handled both financially, economically and related to various tax issues?  
*The RFP requires that proposals include a proposed lease fee, as an annual figure to be paid in monthly installments due on the 1st of each month during the lease term, beginning July 1st, 2024 or on the first of the month coinciding with the lessee commencing operations at the Plant, if later; with annual incremental increases, up to and including the month of June, 2030, and a firm schedule for determining and executing any necessary physical plant enhancements or upgrades. These enhancements will be at the sole expense of the lessee and will become a part of the Plant and remain with the property at lease end. Successful proposals will satisfactorily demonstrate an ability to post a security for any necessary plant repairs or capital investments. Any applicable taxes on the business are the sole responsibility of the lessee. Any applicable local real property taxes are the sole responsibility of New York State.*
10. This equipment is approximately 40 years old - which is the approximate useful life of hydropower assets. What is the condition of each piece of equipment:
- mechanical;
  - generator;
  - turbine;
  - electrical controls;
  - transformer(s);
  - civil works such as intakes (racks & rakes), valves, penstocks /water conveyance structures, stop logs, roof, doors, power house hoists, etc.
- A comprehensive three-year assessment of the plant's condition completed by Kleinschmidt Group for Stillwater Associates is available [here](#).*
11. Over the duration of this contract, what equipment needs to be repaired or replaced?  
*Capital investments, repairs, replacement of equipment, and maintenance specific to the hydroelectric plant itself will be at the discretion and sole expense of the lessee. Recommendations for repairs or replacements may be found in a comprehensive three-year assessment of the plant's condition completed by Kleinschmidt Group for Stillwater Associates is available [here](#).*
12. If these items are repaired/replaced with a useful life of longer than the contract term, how will the contractor be paid. For example, if the generator is rewound with a useful life of 30 years, how will the contractor be compensated?  
*Any investments made by the lessee in including repairs or replacements shall be at the sole expense of the lessee and will become a part of the Plant and remain with the property at lease end.*
13. Under the existing contract, does all of the energy and capacity have to be sold to NIMO/Nat Gird? Can the energy and capacity be used by the contractor as it sees fit?  
*The terms, conditions and requirements of the existing power purchase agreement appear [here](#) and [here](#). The Regulating District is not a party to the power purchase agreement. The Regulating District understands that the power purchase agreement is transferable to a new lessee, but that the agreement is not binding on a new lessee.*
14. Is the contractor expected negotiate a new power contract for the period once the existing power contract expires?  
*Any new power purchase agreement would be at the sole discretion of the lessee. The Regulating District is not imposing any restrictions on how and to whom and for what cost power generated at the plant will be sold in its contract with a new lessee.*

15. What liabilities are the contractor expected to incur and/or cover?  
*The lessee will be responsible for all administrative and operational costs related to the plant, including lease payments to be paid in monthly installments due on the 1st of each month, regular maintenance, repairs, and any necessary physical plant enhancements or upgrades. Proposers must be able to satisfactorily demonstrate an ability to post a security for any necessary plant repairs or capital investments.*
16. Please list and provide details regarding any litigation between either the District or the existing contractor?  
*There is no litigation between the Regulating District and Stillwater Associates.*
17. Is the contractor expected to be involved in the dam operations not directly related to the power production? For example, will the contractor be involved in any flood control operations (e.g. taintor or sluice gates).  
*No.*
18. Historic production on an annual basis (preferably in excel format);  
*The information requested can be found [here](#).*
19. On the profit and loss statement, please explain:  
a. Rents;  
b. management fees;  
c. asset management fee;  
d. admin. consultants;  
e. how much was HRBRRD paid each year? Please provide the lease agreement (original & with changes/amendments with the developer and is the lease payment defined in that agreement? Is the new operator expected to take this lease over or is a new lease expected/proposed?  
*During the May 15, 2024 virtual tour, Stillwater Associates addressed each of the above categories. The recording of the May 15, 2024 virtual tour is available to view [here](#). The original lease is available [here](#), and the amendments available [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), and [here](#). The successful bidder will execute a new lease agreement with the Regulating District.*
20. From the video there was a statement about Ampersand, what services did they provide for each year and how much was it?  
*Stillwater Associates addressed the services provided during the May 15, 2024 virtual tour. The recording of the tour is available to view [here](#). The costs associated with these services are included in the 5-year financial history available [here](#).*
21. Please provide any contractual agreements with Ampersand.  
*The Regulating District is not a party to, or in possession of, any contract between Ampersand and Stillwater Associates and, as such, is not in a position to provide same.*
22. Is Ampersand expecting or obligated to continue whatever they do?  
*Any contractual obligation between Stillwater Associates and Ampersand does not attach to the plant subsequent to the Regulating District's assumption of ownership, nor does it attach to the new lessee. Any relationship with Ampersand for continued operation of the plant would be at the sole discretion of the new lessee and Ampersand.*

23. Over \$100,000 was spent on attorneys over the last 3 years. Please explain what circumstances were involved and is/are they over.  
*The Regulating District is not privy to the details of these legal expenses incurred by Stillwater Associates.*
24. Please provide the engineering consultants reports.  
*A comprehensive three-year assessment of the plant's condition completed by Kleinschmidt Group for Stillwater Associates is available [here](#).*
25. What caused the low production in 2020? Drought?  
*Historic daily average release data for Stillwater Reservoir is available [here](#). Historic production data from Stillwater Associates is available [here](#).*
26. What are the expected prices for energy for the next few years? Are these fixed by contract or a percentage of avoided costs to be determined each year or other?  
*The Regulating District is unable to provide expected energy prices for the next few years, or opine how they will be determined. The Power Purchase Agreement, available to view [here](#) and [here](#), establishes the price National Grid has agreed to pay for energy through the termination of that agreement.*
27. Please provide a file of the video conference.  
*The recording of the May 15, 2024 virtual tour is available to view [here](#). A link to view the plant inspection video shown during the meeting is separately available [here](#).*
28. Trash racks:
- Is it manual or is it automated or what is the operation?
  - Average hours per years this requires operator's attention?
  - How is the trash disposed of, does it have to hew hauled away or can it just be dumped downstream?
- According to Regulating District field personnel based at Stillwater Reservoir, the orientation of the intakes is such that a crane and diver are utilized to clean trash racks. This process is not automated. Debris accumulated cannot just be passed downstream. According to Regulating District field personnel based at Stillwater Reservoir, historically the trash racks have been cleaned about once every ten years. This activity is also referenced in a comprehensive three-year assessment of the plant's condition completed by Kleinschmidt Group for Stillwater Associates is available [here](#).*
29. Are there any expected costs involved with FERC - especially 5-year inspections, and who pays for it?  
*Dam safety requirements and expenses thereto related are the sole responsibility of the Regulating District. Any plant-specific requirements and expenses will be the responsibility of the new lessee. Documents related to FERC compliance are available at FERC's e-Library, Project # P-6743.*
30. The gate house was in excellent condition. However, the powerhouse looked like it had been trashed with leaking water and oil and never been painted in 40 years. Why is that? Note that seeing conditions like that typically shows no preventative maintenance and run-to-failure operating mode. Did Ampersand just not kept it clean? Was that not a part of their contractual requirement?  
*A comprehensive three-year assessment of the plant's condition completed by Kleinschmidt Group for Stillwater Associates is available [here](#).*

31. Is or was there written manuals for operations and maintenance - particularly a preventative maintenance program? If so please provide.

*The Regulating District is not in possession of, and Stillwater Associates has not shared, a written manual for operations and maintenance, and/or a written maintenance program. Stillwater Associates has indicated that it has a set of OEM manuals and general arrangement drawings it will provide to the new lessee. A comprehensive three-year assessment of the plant's condition completed by Kleinschmidt Group for Stillwater Associates is available [here](#).*

32. Does the Nat Grid contract require that all electricity, not used in the powerhouse, to be sold to them? Or can it be sold to use elsewhere?

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