



Office for Capital Facilities Newsletter

Editor: Jessica R. Miller

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Note from the Associate Vice Chancellor - Karren Bee-Donohoe

New OCF Staff: I am pleased to announce three new staff recently joined OCF.

- David Pippin: *AiM Program Manager*, formerly IT Project Manager at Oswego.
- Anthony Kourmoulakis: *AiM Operations & Maintenance Specialist*, with experience in AiM from 16 years at Medical University of South Carolina.
- Jess Laramie: *Operations Assistant*, formerly Assistant buyer at FYE.

Having these new staff is a significant boost to the ability for OCF to serve the campuses in all OCF functions.

Single Use Plastics Policy: The single use plastics policy, created in response to 2022 legislation, has been released. The formal announcement includes a link to a webinar to go over the policy in detail. Facilities, sustainability, purchasing, and auxiliary services staff are invited. This new policy affects all 64 campuses and System Administration, including campus Auxiliary Services.



TOOLS
TRAINING
COMMUNICATION

Upcoming Events

SUBOA
March 20-21
Albany

Energy Buying Group
Annual Meeting (Virtual)
March 22

Sustainability Advisory Council
Workshop, April 11
SUNY ESF

Residence Hall Program Update – First “New Money” Sale since 2019- Don Smith

In early September, the Residence Hall Program issued \$120M in bonds to support capital expenditures through January 2025. The bonds are expected to fund more than 20 projects at 9 of the 25 campuses in the program. \$98M of the proceeds will fund renovation projects at UAlbany, Buffalo, Alfred State, Purchase, Oswego, Oneonta, and New Paltz. The remaining \$22M is for a new residence hall at Stony Brook.

Additionally, the sale included the refinancing of \$260M in taxable bonds, providing \$36M in savings to benefit most of the program’s campuses. This surprising refunding opportunity was possible, even in the current high interest rate environment, due to investors’ desire to tender (sell back) their low interest rate taxable bonds and utilize the proceeds on higher interest earning investments.

The bonds from the new money portion of this sale included a first ever “sustainable” designation. This designation was certified by Kestrel, who provides environmental, social and governance (ESG) review for the municipal bond market, with the anticipation the sustainable designation would lead to increased demand and lower interest rates for the bonds. This designation was made possible by SUNY’s continuing efforts in energy conservation and clean energy along with SUNY’s overall position on various social initiatives.

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Community College Capital Updates - Rebecca Goldstein



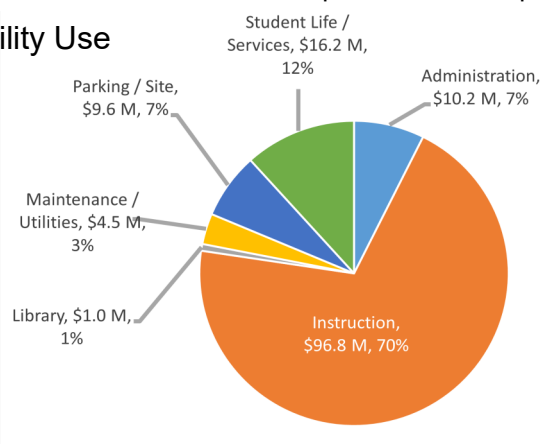
The 24-25 NYS Executive Budget includes the total \$138.2M requested by SUNY for new capital appropriation on behalf of 26 community colleges for 88 projects.

The projects address critical deferred maintenance to maintain facilities and infrastructure in operational condition, to comply with ADA access requirements, and to provide security and site safety. Other projects ensure technological capability, which is critical in today's environment. New construction and most rehabilitation projects include improving existing space and expanding high-demand academic programming to serve academic needs, as well as recruit and maintain student enrollment.

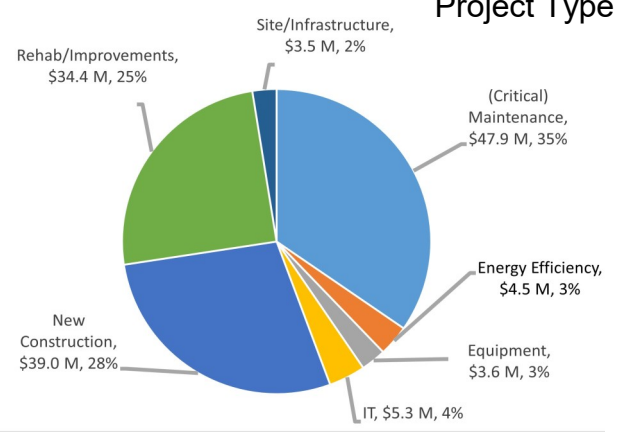
The Facility Use chart below highlights how projects are overwhelmingly tied to academic instruction. This need relates to emerging fields (cyber security) and growing fields (nursing/healthcare, science/technology, aviation, automotive and other certificate programs). Student life/services is the next highest focus, with projects improving facilities for health services, sports, and student services. These projects are essential to community college recruitment and retention.

Sponsors see the value of their local community colleges and have elected to invest federal and local funds along with sourced private grants and donations to support and encourage growth for these vital resources in their communities. Although the request is higher than average, annual spending will be close to previous years and will fit within the current State financial plan for annual spending limits.

Facility Use



Project Type



Capital Reports

Colleges have recently received their quarterly capital reports ending December 31, 2023 which outline historic and current projects, along with any unused/future appropriation allocated to their college. March 31st Capital Reports will include anticipated new 24/25 State appropriation.

Colleges should:

- Review open projects and close if possible or detail outstanding work and project dates
- Provide cash flow projections for each active and future project

Future appropriation can be used if local funding documentation is available. Instructions are provided with the report, but feel free to contact Rebecca Goldstein with any questions.

Revisions to Program Forms

SUNY is working with State leaders and Tax Counsel to improve information gathering and provide colleges additional guidance for proper use of program capital, in particular IT and for space colleges may lease from other owners, for educational purposes. Program form changes will be made at the start of the new fiscal year and as more information is available, it will be shared.

Capital Project Announcements and Promotion

It is heartening to see both SUNY and State leaders have recognized, are promoting and attending events to highlight community colleges' improved facilities and new programs across the State. To be proactive, if there is an upcoming event that may of interest to SUNY leadership or the Governor, please contact Rebecca Goldstein who can work with college staff in forwarding information to ensure it gets the exposure it deserves both locally and statewide.



Campus Let Contracts Training - Jessica R. Miller

A series of three Campus Let Contracts Training Webinars were offered in December 2023 enabling the program to reach an average of 140 campus staff members each session.



TOOLS TRAINING COMMUNICATION

The webinars provide an overview of the various procurement requirements for campus let design and construction contracts.

The sessions were intended for facilities and procurement staff who support, or have responsibility for, capital projects. This might include campus project coordinators, facilities planners, facilities service personnel or procurement agents.

To access Campus Let Contracts Webinar recordings visit the [Campus Let Contracts Training page](#).

Campus Let Contracts Webinar Series

Session #1: Financial Management of Capital Funds

- ◆ What is capital? How should those funds be managed?

Session #2: Procurement Requirements

- ◆ What are the procurement requirements, where they come from, and when do they apply?

Session #3: Consultant Selection

- ◆ Covers the basics of selecting a design, engineering or surveying services

Utility Rate Proceedings - Melinda Race

Utility companies seeking to increase delivery rates must file a "rate case" with the New York State Public Service Commission (NYS PSC). The NYS PSC has an 11-month statutory period to establish rates in major utility rate proceedings. Many parties become involved in each utility rate proceeding, often advocating for different interest groups. These groups include Multiple Intervenors (MI), state agencies, residential consumer advocates, as well as environmental and clean energy advocates.

MI, a member-driven organization based on common interests, advocates for NY State's energy markets to provide reliable and affordable electricity and natural gas. MI is the only party exclusively representing large-volume New York energy consumers. MI plays a critical role in protecting large commercial, industrial, and institutional customers such as the SUNY campuses, as well as shaping NY State's energy policy.

To mitigate potential utility delivery rate increases, SUNY participates in utility rate proceedings as a member of MI. Once a utility files a rate case, proceedings typically proceed on one of two tracks: a litigation track or settlement track. The litigation track follows specific steps and timeframes, with the NYS PSC issuing a final order. The settlement track, which is private and confidential, allows

for increased flexibility to address and resolve certain issues. Settlement is generally favored and normally best for all parties involved.

Many of the state's utility companies have recently filed and/or settled a rate proceeding. This is due to the COVID pandemic related suspension of electric and gas rate cases, as well as a pause in surcharges and collections, when greater emphasis was on minimizing rate increases to the maximum extent possible.

Other factors driving the increase in the number of recent rate case proceedings relate to state policy driven expenses for compliance with the Climate Leadership and Community Protection Act (CLCPA). NYS PSC's order of adoption of a petition generally must be consistent with program mandates related to energy efficiency, electric heat-pumps, electric vehicles, as well as costs related to non-wires and non-pipeline alternatives. Non-wire alternative is the term for electrical grid investment, such as energy storage, that is intended to mitigate the need to construct or upgrade components of a transmission system. Non-pipeline alternatives is the term for such investment, such as electrification, intended to lessen the need to construct or upgrade components of a natural gas system.

The next page includes a summary of the most recent utility rate proceedings. SUNY's annual electricity and natural gas spend for the utility rate proceedings listed on Page 4 is \$24M.



Utility Rate Proceedings Update, continued

Niagara Mohawk Power Corporation – National Grid

National Grid filed both electric and natural gas rate cases in July 2020, seeking material increases of delivery rates of 4.9% for electricity and 9.8% for natural gas. Parties entered into settlement negotiations with an order by NYS PSC adopting the joint proposal in January 2022. The agreements, which reach through June 2024, mitigate the increases, with the final rate year 3 at 2.8% for electric and 3.1% for natural gas. It is anticipated that National Grid will file its next rate case in May 2024.

St. Lawrence Gas – Liberty Utilities

Liberty Utilities filed a natural gas rate case in November 2021, seeking to increase natural gas delivery rates by 11.78%. This was Liberty Utilities first rate case filing since 2015. The NYS PSC adopted the order in June 2023, with the three-year gas rate plan delivery rates effective through October 2025. Liberty Utilities approved delivery rate increases were consistent with the proposal, rate-year one 10.81%, rate-year two 11.38%, and rate-year three 11.03%.

New York State Electric and Gas Corporation – NYSEG

Rochester Gas and Electric Corporation – RG&E

NYSEG and RG&E, treated as a single, consolidated proceeding, filed both electric and natural gas rate cases in May 2022, seeking enormous delivery rate increases of 34.8% for electricity and 21.5% for natural gas, 21.1% for electricity and 22.0% for natural gas, respectively. Through settlement negotiations, an order by NYS PSC was adopted October 2023. A three-year rate plan agreement was reached through April 2026, with substantially higher electric and gas delivery rate increases of 17.1% for electric and 5.6% for natural gas, and 11.0% for electricity and 10.2% for natural gas, respectively. A material portion of the rate increases stem from those actions taken by the NYS PSC during the COVID pandemic, which moderated rate increases under prior proposed rate plans. The next rate filing is expected June 2025 seeking new delivery rates effective May 2026.

Central Hudson Gas and Electric Corporation

Central Hudson filed both electric and natural gas rate cases in July 2023, seeking significant increases to both electric and gas delivery rates, to become effective in July 2024. In such rate proceeding, Central Hudson proposes to increase delivery rates 32.1% for electric and 30.2% for natural gas. Major drivers of the proposed increases include capital investment primarily to replace aging infrastructure and continue remediating leak-prone pipes. As this rate proceeding is currently ongoing, additional details will be released once the NYS PSC adopts an order.

National Fuel Gas Distribution - NFGD

NFGD filed a new gas rate case in October 2023, seeking enormous rate relief, proposing to increase delivery rates by 30.8% beginning in October 2024. This is NFGD's first rate filing since 2016, as the utility has been successful in controlling costs, which have allowed it to forego seeking rate relief for quite some time. Given the long interval between the 2016 rate proceeding and this rate proceeding, it is foreseen that certain expenses have grown materially above levels currently embedded in delivery rates. Other major drivers of the rate increase include continued investment in system safety, reliability, and GHG emissions reductions; addressing the impacts of inflation and its rising cost of service; implementing elements of its long-term plan to pursue decarbonization actions to advance CLCPA goals. As this rate proceeding is currently ongoing, additional details will be released once the NYS PSC adopts an order. If you have any questions, please reach out to melinda.race@suny.edu.

Without the work being done by MI the potential increased annual cost to SUNY on an annual spend of \$24M for transmission and delivery in these affected zones would have been approximately \$3.6M, but as a result of the efforts of MI that increase is expected to be closer to \$1.8M, cutting the rate increase in half.