



# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

December 1, 2025

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, New York 14202

**Re: Authorization to Amend an Energy Performance Contract with Palm Energy**

Dear Honorable Members:

The Department of Public Works (DPW) is requesting authorization for the County Executive to amend an existing energy performance contract agreement with Palm Energy. The amendment will authorize Palm Energy, LLC to design and construct a microgrid at the Buffalo Convention Center.

The Department of Public Works entered into Contract with Palm Energy on July 21, 2022 per COMM 13E-15 (2022), for a Countywide Microgrid and Resiliency Solutions Term Contract. This resolution is also requesting authorization for the County Executive to extend the existing Agreements with Palm Energy for the Countywide Microgrid and Resiliency Solutions Design and Implementation per the terms of the original RFQ/RFP dated July 1, 2022.

Should your Honorable Body require further information, I encourage you to contact Commissioner William E. Geary, Jr., of the Department of Public Works. Thank you for your consideration on this matter.

Sincerely yours,

A handwritten signature in black ink, reading "Mark C. Poloncarz", with a long horizontal flourish extending to the right.

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/rb  
Enclosure

cc: William F. Geary, Jr., Commissioner of the Department of Public Works

## MEMORANDUM

**To:** Honorable Members of the Erie County Legislature  
**From:** Department of Public Works  
**Re:** Authorization to Amend an Energy Performance Agreement with Palm Energy  
**Date:** December 1, 2025

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### **SUMMARY**

In July of 2022, your Honorable Body approved resolution Comm. 13E-15 (2022) that authorized the Department of Public Works (DPW) to execute a zero-dollar contract between the County of Erie and Palm Energy, LLC (“Palm”) to evaluate and propose a microgrid system at select locations. This type of system is designed to provide uninterrupted power to a facility should it lose power from the utility grid. In addition, the system would allow the County to participate in grid services, such as demand response, that will aid the grid during extreme weather while providing remuneration for these services. The initial term has concluded and the County is seeking to exercise the first of two 1-year extensions.

In March of 2024, your Honorable Body approved resolution Comm. 4E-18 (2024) to enter into an Energy Performance Contract (EPC) with Palm Energy. This contract allowed for the complete design, construction and deployment of a microgrid system at the Rath Building. The County has identified the need to update the generator and electrical infrastructure at the Buffalo Convention Center and would amend the existing contract to include this scope.

The Convention Center, constructed in 1976, contains electrical equipment that is original to the building and has exceeded its’ useful lifespan, making it difficult to source replacement parts. Additionally, the roof of the lower deck is approaching the end of its’ 20-year lifespan and in need of replacement. As part of the microgrid project, both the main electrical switchgear and the roofing system will be updated to support the new microgrid. It is the most cost-effective solution to replace the roof prior to installing any permanent equipment residing on the roof.

### **FISCAL IMPLICATIONS**

The funding will come from a mixture of accounts from both the Department of Public Works and the Department of Environment and Planning. Funding of this project is comprised of capital bond accounts and the Climate Resiliency Fund

Funds for the first phase of the project are currently available from the approved Capital Budget, Funds Center 122, Fund 410 as follows:

A.25002.1 – Buffalo Convention Center Microgrid System Project	\$500,000
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Funds from the Department of Environment and Planning are currently available from the approved Operating Budget

Community Climate Resilience Fund	\$500,000
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## **REASONS FOR RECOMMENDATION**

The EPC's costs associated with the facility improvements are paid for by energy savings over a period of time. An upfront investment is needed to fund the projects that will result in these long-term energy savings eventually offsetting the cost of the project. The project is being broken into two phases – the first phase will perform all the work necessary to get ready for the microgrid while the second phase will fund the construction of the microgrid. The total amendment for the first phase is not to exceed \$1 million.

## **BACKGROUND INFORMATION**

The Buffalo Convention Center is a central hub of the city that hosts numerous conventions and catered events throughout the year. It also has the potential to serve as a refuge during power outages or extreme storms. Equipping the building with a microgrid would provide the building with whole-building, uninterrupted power allowing it to serve the public in this capacity. It would also allow the building to provide relief to the grid in times of extreme stress; these services would receive compensation which allows the project to pay for itself.

This resolution would set the stage for the implementation of the microgrid, providing the funding to upgrade the electrical system and install a new roof. These two things are needed in order to install the microgrid and would be necessary to do in the coming years.

## **CONSEQUENCES OF NEGATIVE ACTION**

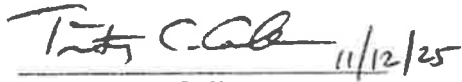
Managing, operating and updating ageing infrastructure will continue to be addressed through the traditional capital improvement financing model which limits the amount of investment we are able to make and delays much needed projects. Not installing this equipment also prevents this building from performing as a 24-hour facility regardless of a power outage and would not be able to realize the energy incentives through demand response savings as well as utility incentives by installing this equipment.

## **STEPS FOLLOWING APPROVAL**

Upon the Erie County Legislature's approval, an agreement will be negotiated by the Erie County Department of Public Works and executed with Palm by the County Executive. Once the agreement is executed, work will begin immediately on the project.

## **COMPTROLLER'S OFFICE REVIEW**

The proposed legislation has been reviewed by the Office of the Comptroller and is related to authorized capital projects for which there are sufficient appropriations for the action proposed.

 11/12/25

Timothy C. Callan  
Deputy Comptroller  
Comptroller's Office

Microgrid Energy Performance Contract

A.25002.1 – Buffalo Convention Center Microgrid Project  
Community Climate Resilience Fund (Fund 110, Fund Center 162, Account 516315)

A RESOLUTION SUBMITTED BY:  
DEPARTMENT OF PUBLIC WORKS

Re: Authorization to Amend an Energy Performance Agreement with Palm Energy

WHEREAS, your Honorable Body previously authorized the Department of Public Works to enter into an on-call contract with Palm Energy to support the evaluation and development of microgrid systems for its facilities per COMM. 13E-15 (2022); and

WHEREAS, these microgrid systems are intended to enhance the resilience and energy efficiency of critical public buildings; and

WHEREAS, participation in microgrid and distributed energy programs aligns with Erie County's sustainability and emergency preparedness goals; and

WHEREAS, continued engagement with Palm Energy under the existing on-call contract will ensure completion of current and planned microgrid evaluation efforts; and

WHEREAS, the Convention Center was found to be a suitable candidate for installing a microgrid system to be able to replace the existing backup power system with more sustainable equipment as well as to allow this building to operate as a 24/7 facility independent of the power grid; and

WHEREAS, the Convention Center's lower roof, existing generator, and main electrical equipment are original to the building having exceeded their useful lifespan with replacement parts becoming increasingly difficult to source; and

WHEREAS, this project includes replacement of the lower roof, the main electrical infrastructure for the building, and provides whole building backup generation power by installation of the proposed microgrid system renovation; and

WHEREAS, this project will be funded in two phases in order to begin the design and long-lead item procurement; and

WHEREAS, approval under this resolution would provide funding for the first phase of this project to allow procurement of long-lead equipment to support the project as well as to begin design in preparation of 2026 construction with the anticipation of using 2026 capital dollars to complete the project once made available; and

WHEREAS, authorization by your Honorable Body for the second phase of work related to this project would be requested upon anticipated 2026 capital funding being made available in the coming months, and

WHEREAS, all federal, state and utility incentives received by the County in direct result of projects included within the EPC will be returned into A.25064 – Clean Energy Communities Program;

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature hereby authorizes the transfer of \$500,000 in funding within the Department of Environment and Planning's 2025 Operating Budget (Fund 110, Funds Center 16210) as follows:

Department of Environment & Planning  
Fund, 110, Funds Center 16210

<b>APPROPRIATIONS</b>	<b>CHANGE</b>
516315 Community Climate Resiliency Fund	(\$500,000)
570050 Interfund Transfer Capital	<u>\$500,000</u>
<b>TOTAL</b>	<u>\$ 0</u>

and be it further

RESOLVED, that authorization is hereby given to transfer \$500,000 in funding from the Department of Environment & Planning's 2025 Operating Budget (Fund 110, Funds Center 16210, Account 570050 – Interfund Transfer Capital) into the Department of Public Works, Division of Buildings and Grounds (Fund 410, Funds Center 12220) Capital Project A.25002 – Countywide Energy Conservation Improvement Initiatives as follows:

Project A.25002  
Countywide Energy Conservation Improvement Initiatives Project  
Fund 410, Funds Center 12220

	<b>BUDGET</b>	<b>CHANGE</b>	<b>REVISED BUDGET</b>
<b>REVENUES</b>			
475000 General Obligation Bond	\$1,500,000	\$ 0	\$1,500,000
486000 Interfund Revenue Subsidy	<u>\$ 0</u>	<u>\$500,000</u>	<u>\$ 500,000</u>
	<u>\$1,500,000</u>	<u>\$500,000</u>	<u>\$2,000,000</u>
 <b>APPROPRIATIONS</b>			
Capital Project Expense	<u>\$1,500,000</u>	<u>\$500,000</u>	<u>\$2,000,000</u>
<b>TOTAL</b>	<u>\$1,500,000</u>	<u>\$500,000</u>	<u>\$2,000,000</u>

and be it further

RESOLVED, that authorization is hereby given to the County Executive or Deputy County Executive to extend the existing on-call agreement with Palm Energy to continue to provide Microgrid Feasibility and Design services; and be it further

RESOLVED, that authorization is hereby given to the County Executive to modify the existing Agreement with Palm Energy, LLC in the form of an Energy Performance Contract in an amount not to exceed \$1,000,000 for Phase 1 of this project; and be it further

RESOLVED, that Palm Energy LLC performed site investigations and developed a cost-effective proposal to install a microgrid system on the Convention Center and, it is the desire of the Department of Public Works that construction move forward under the stipulations of the EPC; and be it further,

RESOLVED, that sufficient funding is available in A.25002 – Countywide Energy Conservation Improvement Initiatives Project, Fund 410, Funds Center 12220, for a total amount not to exceed \$1,000,000; and be it further

RESOLVED, that authorization is hereby given for all federal, state and utility incentives resulting from the Rath Microgrid System Project be recorded and expended in Capital Project (Fund 410, Funds Center 122) A.25064 – Clean Energy Communities Program; and be it further

RESOLVED, that authorization is hereby given for the Director of Budget and Management to make all necessary budgetary entries and technical adjustments to effectuate the re-appropriation of funds and recognition of future federal, state and utility incentives; and be it further

RESOLVED, that the Clerk of the Legislature forward three (3) certified copies of this Resolution to the Department of Public Works, and one (1) copy each to the County Executive's Office, Comptroller's Office, Department of Environment and Planning, and Division of Budget and Management.

TO: TIM CALLAN, COMPTROLLER'S OFFICE, COMPTROLLER'S OFFICE

PROPOSED RESOLUTIONS REQUIRING RULE 55

CONTRACT APPROVAL CHECKLIST  
CONFIRMATION OF AVAILABILITY OF FUNDS IN CAPITAL PROJECTS

REQUESTING DEPARTMENT

COMPLETE ITEMS 1 THROUGH 5

- |                       |   |              |    |            |           |    |            |                     |    |              |
|-----------------------|---|--------------|----|------------|-----------|----|------------|---------------------|----|--------------|
| 1. CONTRACTOR'S NAME  | <u>Palm Energy, LLC ("Palm")</u>  |              |    |            |           |    |            |                     |    |              |
| 2. AMOUNT OF CONTRACT | <u>\$1,000,000</u>  |              |    |            |           |    |            |                     |    |              |
| 3. PROJECT NUMBER     | <table border="0"><tr><td>A.25002</td><td>\$</td><td>500,000.00</td></tr><tr><td>GL 516315</td><td>\$</td><td>500,000.00</td></tr><tr><td>Total Not to Exceed</td><td>\$</td><td>1,000,000.00</td></tr></table> | A.25002      | \$ | 500,000.00 | GL 516315 | \$ | 500,000.00 | Total Not to Exceed | \$ | 1,000,000.00 |
| A.25002               | \$  | 500,000.00   |    |            |           |    |            |                     |    |              |
| GL 516315             | \$  | 500,000.00   |    |            |           |    |            |                     |    |              |
| Total Not to Exceed   | \$  | 1,000,000.00 |    |            |           |    |            |                     |    |              |
| 4. PROJECT TITLE      | <u>Microgrid Energy Performance Contract (EPC)</u>  |              |    |            |           |    |            |                     |    |              |
| 5. DEPARTMENT CONTACT | <u>Funding questions: Kristofer Straus at 7294<br/>Letter pickup: Christy Weber at 8301</u>   |              |    |            |           |    |            |                     |    |              |

COMPTROLLER'S OFFICE

COMPLETE ITEMS 6 AND 7

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|------------------------------------|-------------------------|
| 6. AVAILABILITY OF FUNDS           | <u>\$ <i>Thrup</i></u>  |
| 7. PERFORMED BY                    | <u>\$1,500,000.00</u>   |
| Date Sent to Comptroller's Office: | <u>October 30, 2025</u> |