TABLE OF EXPERTS

PHOTO CREDIT: MARK MULVILLE

From left to right: David Flynn, Gary Marchiori, Stephen Hotz, and Michael Heffley, during the Buffalo Business First Table of Experts: Energy.

Energy in New York: The State and Region at an Economic Crossroads

Energy is a major topic these days as economies, Western New York among them, confront the continuing rollout of solar, wind and other renewables against ongoing infrastructure costs, fossil fuel reliance and grid capacity uncertainty.

Buffalo Business First Publisher John Tebeau invited leaders in the local energy sector to discuss how businesses can manage their energy costs and consumption amid the evolving changes.

Joining Tebeau were:

- David Flynn, partner, energy and environmental law practice leader, Phillips Lytle LLP
- Michael Heffley, vice president, energy strategy and innovation, NOCO
- Stephen Hotz, founder and CEO, LED EnergySolutions LLC, provider of energy infrastructure, infrastructure funding, and Smart City solutions
- Gary Marchiori, president, EnergyMark LLC, Energy Consulting, natural gas and electricity supplier

Perhaps tops among the concerns is whether the electric grid can handle the increasing demand. Companies devising their technologies to meet demand over the coming decade are dealing with a grid that was developed in a different era, Hotz said.

"The technology has advanced tremendously," he said. "We have to bridge that gap so that the technology can be used to our benefit. We have to manage the electricity loads and demand instead of just being there to supply it."

But the industry is facing another, even bigger challenge, he said, and that is confidence.

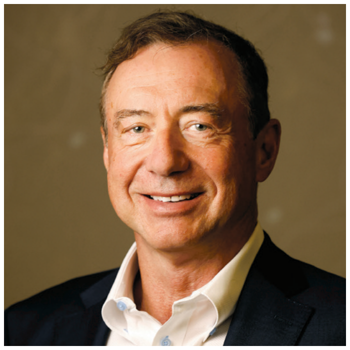
"That is what customers want," Hotz said. "They want confidence that their needs are going to be met when they flip the switch."

DATA CENTER HOLD

In the waning hours of the most recent legislative session, the New York state Assembly and Senate passed legislation that included a moratorium on data centers. Backlash from the industry and organized labor presented Gov. Kathy Hochul with a difficult position of deciding to veto the legislation or sign it and face the fallout, which would be significant economically and politically, Flynn said.

"What she elected to do was to kind of split the baby and say there's some merit to what's in that legislation, but

THE EXPERTS:



GARY MARCHIORI
President
EnergyMark

Gary Marchiori is the Founder and President of EnergyMark, an independent energy services company based in Williamsville, NY. Since starting the company in 2002, he has grown EnergyMark into a trusted supplier of electricity, natural gas, and renewable energy. The company offers solutions such as community solar and renewable natural gas from local dairy farms,and has recently expanded into a national energy consulting firm serving commercial and industrial clients across the country.

Gary's experience in the energy industry dates back to before the deregulation of New York State's energy markets. Over the years, he has held leadership roles at Constellation NewEnergy, NOCO Energy Marketing, and Texaco Natural Gas, working closely with businesses to manage energy costs and strategy in both regulated and competitive markets.

He currently serves as Vice President of the Independent Oil and Gas Association of New York (IOGA) and is an active member of the National Energy Marketers Association (NEM).

A resident of Western New York since 1983, Gary lives in Williamsville with his wife Patricia. He remains active in the business community through memberships in more than 11 local Chambers of Commerce and participation in Clean Communities of Western New York.

EnergyMark
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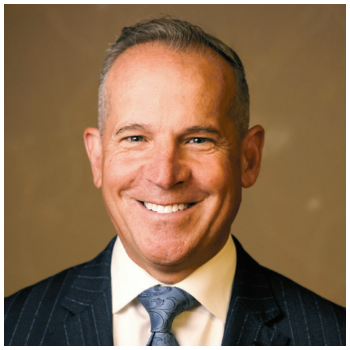
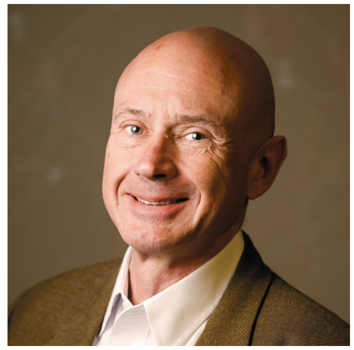


STEPHEN R. HOTZ
Founder and CEO
LED Energy Solutions

Stephen R. Hotz is the Founder and CEO of LED Energy Solutions (LEDES), one of the region's leading providers of energy infrastructure, infrastructure financing, and Smart City solutions. With more than 25 years of executive leadership experience, Steve has positioned LEDES at the forefront of helping municipalities, healthcare systems, educational institutions, commercial businesses, and industrial organizations modernize infrastructure while reducing operating costs and preserving capital.

Under his leadership, LEDES delivers integrated solutions including LED lighting, HVAC optimization, solar, geothermal, wind energy solutions, battery energy storage systems (BESS), EV charging infrastructure, Smart City technologies, and innovative financing strategies that enable organizations to complete major infrastructure projects with little or no upfront capital.
Steve is recognized for his strategic vision, collaborative leadership, and commitment to measurable financial, operational, and environmental results. He is an active member of the Amherst Chamber of Commerce, BOMA, and the Sustainable Business Roundtable and is passionate about helping organizations build safer, smarter, and more sustainable communities.

LED ENERGY SOLUTIONS
THE POWER OF TOMORROW



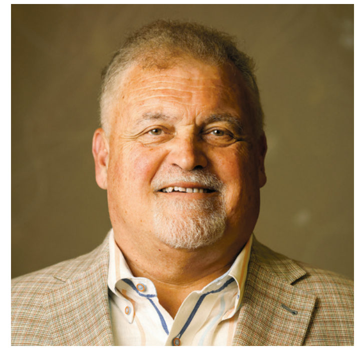
MICHAEL HEFFLEY
Vice President of Energy Strategy and Innovation
NOCO

Michael Heffley is Vice President of Energy Strategy and Innovation at NOCO, where he helps shape growth initiatives that diversify and strengthen the company's energy portfolio. A business, technology, and professional services leader, he brings a rare blend of technical depth, financial discipline, and commercial judgment to complex, fast-moving environments.

At NOCO, Michael focuses on commercial energy services, mergers and acquisitions, and the integration of new energy ventures. His career spans executive roles in operations, enterprise consulting, technology strategy, and business development, including leadership of cloud transformation initiatives for large academic clients across North America. Known for building teams, products, and people, Michael combines entrepreneurial drive with practical execution.

He holds an MBA from Canisius University and a Bachelor of Science in Electrical and Computer Engineering from Clarkson University, grounding his energy and business leadership in both strategy and technical expertise.

NOCO



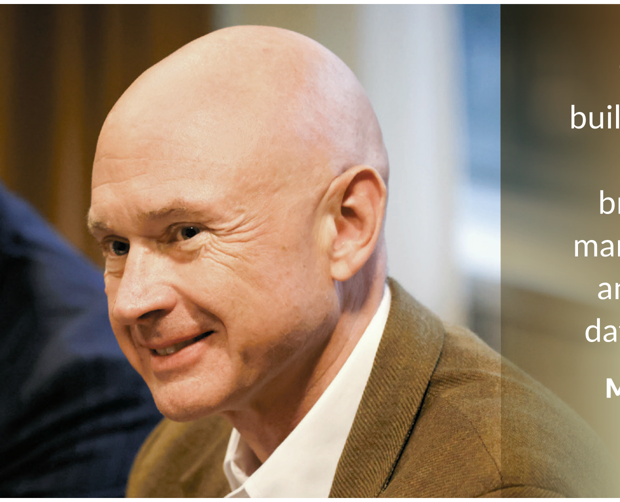
DAVID P. FLYNN
Partner
Phillips Lytle LLP

David P. Flynn is a partner at Phillips Lytle and co-leader of the firm's Energy and Renewables Industry Team. He is also leader of the firm's Environmental Law Practice and a member of the firm's Cryptocurrency and Blockchain Practice Team and Data Centers Practice Team.

David advises clients on business development issues and the regulation of energy before state and federal authorities. He also advises clients on the development and siting of renewable energy facilities, licensing of hydropower projects, hydrogen projects and energy storage facilities.

David represents data center owners and operators and cryptocurrency firms on data center siting, regulatory and energy procurement-related matters. He regularly speaks on energy topics across New York State and has strong connections with major energy and energy-related organizations. He was recognized in City & State New York's Who's Who in Energy in 2026 and Trailblazers in Clean Energy in 2024 and 2025, named to City & State New York's Energy & Environment Power 100 list for three consecutive years and has been named a Leading Lawyer in Chambers USA for the past 16 years.

Phillips Lytle LLP



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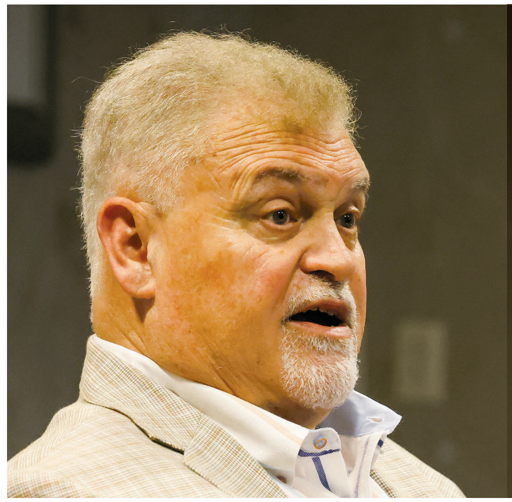
MICHAEL HEFFLEY
NOCO



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DAVID P. FLYNN
Phillips Lytle LLP

she may have perceived some of it as going too far, or others may have convinced her that it wasn't the right time and the right place for that legislation to become law," Flynn said. "That's how we ended up with an executive order from the governor."

The executive order puts a year's hold on the development of large-scale data centers over 50 megawatts, Flynn said, but it is not as overarching as it may seem.

"All it really does is limit the approvals and discretionary permits that the Department of Environmental Conservation (DEC) is in charge of," Flynn said. "It doesn't talk about the Department of Health. It doesn't prohibit a local municipality who may be in favor of a data center from proceeding. All it does is it tells the DEC it can't issue a discretionary approval or a permit for this period of time while this executive order is in place."

Organized labor is eyeing the substantial number of jobs involved in data center construction and then maintenance work and upgrades. Currently, there are about 4,000 workers, including union electricians from Buffalo to Rochester, involved with the Lake Mariner Data facility project being built on Lake Ontario in Barker.

"Organized labor is very much in favor of data center development and is staking out a position that is somewhat inconsistent with where the governor is and vice versa," Flynn said.

RATE PAYERS BENEFIT

Marchiori wants to dispel common thinking that data centers will negatively affect the average ratepayer's cost and ability to buy electric power.

He said electric system upgrades required by the data centers will be borne by the developers and owners, defraying the cost to the small ratepayer. There will be benefits in the modernization of the electric system and increased capacity where the data centers are located.

A major benefit is brownfield development, especially those that have been proposed for former coke oven, industrial and power generation sites. Those projects will pay full tax to the state, municipalities and school districts, and the benefits are huge, he said.

"It's misdirected to deny this development. Keep in mind that New York is competing with Virginia, Ohio, Pennsylvania and other states that are friendly to these developments," Marchiori said.

Given the overall advantages of data centers, he is hopeful of the state moving quickly after the pause.

The governor's moratorium may be a response to overall angst about the energy demand and potential harms data centers will have on the environment. But Heffley said data centers are an easy target among the array of users that will put demands on electricity supply.

"We're bringing building electrification online, we're bringing advanced manufacturing online, and we're bringing data centers online. There is a small but nontrivial number of people who are driving electric vehicles. Whether hybrid or a full EV, they need to charge those," Heffley said. "So there's a lot of focus on energy delivery and generation, but data centers are just a convenient target today."

NY'S CHALLENGES

Hotz said during the next five to 10 years energy customers will need to reduce the current load with energy efficiencies that are available. LED lighting, for example.

"Every renewable efficiency that we can think of is going to be implemented, hopefully with smart financing. That's going to be step one," Hotz said. "LED lighting uses a significantly smaller percentage of power. Now with the efficacy rates you are looking at half of your electric bill. Commercially, that's a big number."

Government agencies can make it happen quickly, he said, by removing red tape from the permitting process.

"That's a barrier right now, and we want to remove those barriers, of course, so that we can use less energy and move toward energy independence," Hotz said.

Flynn said the mindset that made modifications to the State Environmental Quality Review Act to lower the cost of housing could be directed to energy.

"Why limit it to that sort of channel when we're constantly hearing and talking about the need to upgrade transmission and generation at any number of levels?" Flynn said

MILD WINTER AHEAD. POSSIBLY, THE THIRD WARMEST ON RECORD.

Projections have winter this year with more days in the 40s and 50s lasting into the spring, Marchiori said.

"With a warmer winter, it becomes a matter of using storage of natural gas correctly," he said. "The most secure source is local gas, which we still produce in New York State. I always stump for New York's oil producers and natural gas producers. It becomes a small percentage of our supply and less important, but however it is the most secure."

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GARY MARCHIORI

EnergyMark

COSTS

With energy costs continuing to fluctuate, there are at least three effective strategies Western New York businesses can implement today to reduce operating costs while maintaining reliability, Heffley said.

"The little changes you can make over time add up to some big dollars," he said

One, consider the rates you are paying, he said. Many businesses became keen to the rates they are paying following the huge spike in energy prices during the year's first quarter. Heffley said find an energy partner who can review fixed rates versus variable rates.

Another strategy is checking how much energy you are not only consuming but wasting, he said. The effects of weatherizing your building can be maximized with insulation, occupancy sensors, daylight harvesting systems, building management systems that control and turn down the thermostats.

"Then the last and the third step would be looking at the sources of energy you're using," Heffley said. "If you're using electric and natural gas there are other opportunities you have such as solar and geothermal. If you have waste methane in your facilities, you could just flare that off into the atmosphere or we could put a generator on site and capture that energy."

NUCLEAR POWER

Instead of forcing nuclear projects into communities that don't want them, New York tried a different tack by offering nuclear energy to those that do.

Eight communities made submissions. One was Dunkirk, which is eyeing a nuclear operation in the former NRG plant, shuddered for a decade.

"It was a good process, because it allows the state to then focus on those areas where there's interest and where it can support both economic growth and the needs of the grid," Flynn said.

He noted that the New York Power Authority has signed a memorandum of understanding with its equivalent in Canada, Ontario Power Generation, which is significantly ahead of New York with plants already under construction.

"I've been pleasantly surprised that the reaction has not been wholly negative," Flynn said. "Certainly there are some that are anti-nuclear, but there's almost seemingly an acquiescence that they are going to need nuclear. It's like we're past the point of do we need nuclear? Yes, we do. Now how do we do it right?"

Given the projections, nuclear power could arrive in New York state by 2036 with the zero-emission electricity required of the state's Climate Leadership and Community Protection Act (CLCPA) following in 2040.

What does the state do in the meantime? A natural gas-fired energy generation could be a bridge, he said.

"I'm concerned that nuclear is almost a bridge too far right now. We're going to, no pun intended, run out of gas, and nuclear is still going to be four or five years ahead. The economy is retracting; we can't encourage economic growth in the state. Energy prices are going crazy," Flynn said. "That's one of the lessons of the CLCPA. One of the key mistakes in that act was that it did not envision a bridge. It went straight from where we were to carbon-free in a short period of time."

Marchiori said, just like New York has been subsidizing nuclear power plants, the state could subsidize the bridge similarly to fill growing demand during the time needed for transition to nuclear generation.

"We have some very old turbine-generation stations out there and they're reliable," he said. "They are a great resource for us and, one that we rely on the peak days."

WHERE TO START

Many businesses are beginning to experience higher energy costs and want to get control of the situation. Marchiori said they should start by knowing their demand numbers and cost and planning a strategy to set prices.

"It's the data world now, your data," Marchiori said. "Harness data and dish it up in a manner that's easy to read and compare when you can look at your facilities. You've got 150 facilities. What are your outliers and the key metrics, know the cost per square foot for energy.

EnergyMark uses data to expose and define cost, granularly, and of overall energy consumption to bring the knowledge to make informed decisions for their buildings, increase efficiency and know their costs."

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> **STEPHEN R. HOTZ**
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> LED Energy Solutions

The number of energy products, incentives and technologies available can be overwhelming, Heffley said. So, a good starting point is to find an adviser who can decipher where the energy spend is. It's not one clean line item on a profit-and-loss statement but often buried in the facilities budget for each of the company's locations or in the expense accounts for some of the people who are driving company vehicles, he said.

NOCO, for example, will look into where a company is sourcing its electricity, gas and other fuels and how it is managing its facilities and energy.

"We will study the measures the company can take today for greatest impact and then develop a road map going one, three or five years out, sequencing the measures for the most impact first," he said. "It might not be able to be achieved in the first year, maybe it's two years or three years when you can start reducing your consumption. If you tie that into your scheduled maintenance and other things you're doing in your facilities you can get to a point where you are in control of your energy spend, and you're not being dictated to by the markets."

NOCO helped an area food retailer save 12 million kilowatt hours per year based on store lighting retrofits. As the next efficiency measure, we are looking at adding doors to open coolers, keeping the store from cooling the aisles. In this way, over a couple of years, NOCO keeps returning to prioritize the next best measure for energy savings, Heffley said.

"They've got us as a trusted partner to help guide them on that plan, a plan that evolves over time. It's not a fixed set and forget. You have to keep your eye on what's going on in the market, what's going on with energy rates, and what the business is doing."

Hotz responded that confidence is key to getting organizations to overcome barriers toward implementation.

People want confidence that energy partners are going to deliver solutions resulting in energy efficiencies, he said.

"Utilizing those partnerships and resources around you is key," Hotz said. "You can tell people about how much they are going to save, that this project is going to return X ROI, and it's going to continue to cascade into savings, but they have to believe that that's going to happen."