

**MINUTES OF THE REGULAR MEETING
OF
THE ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD**

June 25, 1996

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A regular meeting of the Economic Development Power Allocation Board was held at the offices of the Authority's Blenheim-Gilboa Power Project in Stamford, New York, at 2:30 p.m.

The following Members of the Board were present:

1. Clarence D. Rappleyea, Chairman
2. James A. Duncan
3. Thomas R. Frey

Also in attendance were:

Charles M. Pratt	General Counsel, NYPA
Joseph J. Carline	Assistant General Counsel, NYPA
Louise M. Morman	Senior Vice President - Marketing and Economic Development, NYPA
John L. Murphy	Director - Public Information, NYPA
James H. Yates	Director - Business Marketing and Economic Development, NYPA
Michael J. Huvane	Account Executive, NYPA
Stephen MacNish, Esq.	Couch, White & Brenner
Anne Wagner-Findeisen	Corporate Secretary, NYPA
Laura M. Badamo	Assistant Secretary - Legal Affairs, NYPA
Vernadine E. Quan-Soon	Assistant Secretary - Corporate Affairs, NYPA

Chairman Rappleyea presided at the meeting and Ms. Wagner-Findeisen kept the minutes.

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2. Adoption of Minutes

The minutes of the meeting of April 30, 1996 were unanimously adopted by those members of the Board present.

3. General Motors Corporation

Chairman Rappleyea circulated to the Board Members a letter in support of the application for Economic Development Power for business expansion purposes submitted on behalf of General Motors Powertrain Group - Massena Plant from the Massena Industrial Development Corporation.

Chairman Rappleyea explained that General Motors Powertrain Group - Massena Plant is an existing Authority customer with a 12 MW allocation of St. Lawrence Power. The foundry produces iron and aluminum engine and transmission castings for the automotive industry. The company is planning to add production capacity in anticipation of new business. The total investment of approximately \$77 million will be used to purchase and install machinery and equipment. The total employment at the plant is expected to grow to 580.

At their meeting of February 28, 1995, the Trustees of the Authority approved a 4 MW allocation to the Town of Massena for this project under the Authority's Municipal and Cooperative Economic Development Program. That allocation is the subject of litigation initiated by the Municipal Electric Utilities Association of New York which, at a minimum, would likely delay its delivery for an extended period and could preclude its commencement altogether. The company needs a firm long-term power agreement in place if it is to move forward with this project and be successful with its quest for new business. In fact, the company has already added 170 of the new jobs in anticipation of the low cost power allocation and the additional business. Of the 170 new jobs, 95 will be in immediate jeopardy if this project does not move forward.

The new jobs created with this power will be relatively high-wage manufacturing jobs. The "ripple" effect will produce additional jobs as contrasted to a service industry or lower paying jobs. The unemployment rate in St. Lawrence County as of April, 1996 is 9.3%.

Staff recommended that an 8 MW allocation for business expansion purposes be approved for a term of 15 years.

A schedule entitled Economic Development Power (EDP) Availability (attached) was distributed and discussed as indicative of the availability of the necessary amount of EDP to proceed with this allocation.

Following consideration of such application, the members of the Board present voted unanimously to adopt the following resolution:

RESOLUTION

WHEREAS, General Motors Corporation has applied for an allocation of Economic Development Power for business expansion purposes; and

WHEREAS an additional allocation of 8 MW would result in 580 (200 retained and 380 new) jobs committed per MW;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meets the requirements of Section 187 of the Economic Development Law that it be for Anew electrical demand at facilities at which new jobs are created@ and be it further

RESOLVED, That such application be, and hereby is, approved; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York an additional allocation of 8 MW to applicant General Motors Corporation for a term of 15 years and that the following terms be incorporated into the Power Authority's contract for Economic Development Power:

- applicant is to maintain 200 existing jobs and create 380 new jobs.

4. Next Meeting

It was agreed that the next meeting of the Board would be held at such time as new applications for power are available for consideration.

5. Closing

On motion duly made and seconded, the meeting was closed at 3:00 p.m.