

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

***April 27, 1999***

	<b><u>Subject</u></b>	<b><u>Page No.</u></b>
1.	Quorum and Attendance	7
2.	Approval of Minutes of Meeting of March 30, 1999	8
3.	Opening Remarks of Chairman Clarence D. Rappleyea	9
<b><i>APPLICATIONS FOR POWER FOR JOBS</i></b>		
4.	<b><u>Consolidated Edison Service Territory</u></b>	10
	A. Stein Meat Products Brooklyn – Kings County – CON EDISON	
	A & O Provisions Co. Brooklyn - Kings County – CON EDISON	
	Bedford Stuyvesant Restoration Corp. Brooklyn - Kings County – CON EDISON	

Goodmark Industries  
Brooklyn - Kings County –  
CON EDISON

Greater Jamaica Development Corp.  
Jamaica – Queens County –  
CON EDISON

Greater New York YMCA  
New York City - Manhattan County –  
CON EDISON

Holy Family Hospital  
Brooklyn - Kings County –  
CON EDISON

J & N Vorchheimer  
Brooklyn - Kings County –  
CON EDISON

K & S Children's Wear  
Brooklyn - Kings County –  
CON EDISON

King Solomon Food  
Brooklyn - Kings County –  
CON EDISON

Marymount College  
Tarrytown – Westchester County –  
CON EDISON

Milazzo Wholesale Meats  
Brooklyn - Kings County –  
CON EDISON

New York College of Podiatric Medicine  
New York City - Manhattan County –  
CON EDISON

Pork Packers  
Brooklyn - Kings County –  
CON EDISON

Thirteen WNET  
New York City - Manhattan County –  
CON EDISON

Women’s Housing & Economic Development  
Bronx - Bronx County –  
CON EDISON

5. **Long Island Power Authority Service Territory** 12

Ellanef Manufacturing  
Bohemia - Suffolk County –  
LIPA

Nassau Tool Works  
West Babylon – Nassau County –  
LIPA

TCI – New York  
Hauppauge – Suffolk County –  
LIPA

6. **Niagara Mohawk Service Territory** 13

Coyne Textile Services  
Syracuse – Onondaga County –  
NIMO

Coyne Textile Services  
Schenectady – Schenectady County –  
NIMO

DHD Healthcare  
Wampsville – Madison County –  
NIMO

Empire Coating  
Albion – Orleans County –  
NIMO

Fibron Products  
Buffalo – Erie County –  
NIMO

Great Lakes Cheese Co. of N.Y.  
Adams – Jefferson County –  
NIMO

Hoffmann Air Filtration Systems  
E.Syracuse – Onondaga County –  
NIMO

Keystone Corp.  
Buffalo - Erie County –  
NIMO

Kreher's Poultry Farms  
Clarence – Erie County –  
NIMO

Manth-Brownell  
Kirkville – Madison County –  
NIMO

Pivot Punch Corp.  
Lockport – Niagara County –  
NIMO

Power Pallet  
Schenectady – Schenectady County –  
NIMO

Richardson Brands  
Canjoharie – Montgomery County –  
NIMO

St. Mary's Manufacturing Corp.  
North Tonawanda – Niagara County –  
NIMO

Stone Construction Equipment  
Honeye – Ontario County –  
NIMO

STS Duotek  
Rush – Monroe County –  
NIMO

The Penn Traffic Company  
Syracuse – Onondaga County –  
NIMO

Ultra Tool & Plastics  
Amherst – Erie County –  
NIMO

7. **New York State Electric & Gas Service Territory** 15

Conax Buffalo Technologies  
Buffalo – Erie County –  
NYSEG

Corson Manufacturing  
Lockport – Niagara County –  
NYSEG

H & E Machinery  
Ithaca – Tioga County –  
NYSEG

H & E Turbo Components  
Ithaca – Tioga County –  
NYSEG

H & E Turbo Machinery  
Ithaca – Tioga County –  
NYSEG

Polymer Conversions  
Orchard Park – Erie County –  
NYSEG

8. **Rochester Gas & Electric** 17

New Energy Works  
Victor – Ontario County –  
RG&E

STS Duotek  
Henrietta – Monroe County –  
RG&E

## **APPLICATIONS FOR ECONOMIC DEVELOPMENT POWER**

- |     |   |    |
|-----|---|----|
| 9.  | CBS, Inc.<br>New York City – Manhattan County –<br>CON EDISON           | 19 |
| 10. | Job Commitment Revisions and Allocation Modifications<br>Power For Jobs | 21 |

## **OTHER BUSINESS**

- |     |  |    |
|-----|--|----|
| 11. | Informational Item - Power for Jobs - Status of Approved<br>Applications and Summary of Action             | 23 |
| 12. | Informational Item – Economic Development Power –<br>Status of Approved Applications and Summary of Action | 24 |
| 13. | Closing Remarks of Chairman Clarence D. Rappleyea  | 25 |
| 14. | Next Meeting   | 26 |

**April 27, 1999**

A regular meeting of the Economic Development Power Allocation Board was held at the New York City office of the Power Authority of the State of New York at 1633 Broadway, Board Room at 10:00 a.m.

The following Members of the Board were present:

1. Clarence D. Rappleyea - Chairman
2. Joseph M. DelSindaco
3. James A. Duncan

Also in attendance were:

Eugene W. Zeltmann	President & Chief Operating Officer, NYPA
Louise M. Morman	Senior Vice President – Marketing & Economic Development, NYPA
Joseph J. Carline	Assistant General Counsel, NYPA
James H. Yates	Director – Business Marketing and Economic Development, NYPA
James Pasquale	Manager – Business Power Allocation and Compliance, NYPA
C. John Clemente	Deputy General Counsel, NYPA
Anne Wagner-Findeisen	Deputy Secretary, NYPA
Vernadine E. Quan-Soon	Assistant Secretary, NYPA
John L. Murphy	Director – Public Information, NYPA

---

---

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

**April 27, 1999**

**2. Adoption of Minutes**

The minutes of the meeting of March 30, 1999 were unanimously adopted by the Members of the Board present.

April 27, 1999

**3. Opening Remarks of Chairman Clarence D. Rappleyea**

Chairman Rappleyea welcomed the board Members to the third meeting of Year Two of the Power for Jobs program. Chairman Rappleyea noted that in March the Board had acted on allocations totaling 40 MW and to date, the Board has approved allocations totaling 70.5 of the 133 megawatts available this program year. Of the 62.5 MW remaining, there are some 200 pending applications requesting a total of 288 MW.

Chairman Rappleyea further noted that, since the beginning of the program, the Board has received more than 2,800 inquiries about allocations and that 1,300 applications have been requested by and sent to prospective customers. He further noted that some 650 completed applications have been returned. In total, applicants have requested allocations exceeding 1,000 MW – i.e., 1 GW.

Chairman Rappleyea noted that the review process for recommendations includes participation by the Empire State Development Corporation and the Public Service Commission's Office of Business Advocate. Each application has been reviewed to assess the jobs created, jobs retained, energy savings, investment, payroll, and community impact.

The Chairman also noted that today's agenda includes recommendations for allocations that exceed the territorial distribution of the program's megawatts and that the Board is authorized by the "Power for Jobs" statute to consider such recommendations. Specifically, the law states that:

*[T]he board may recommend an allocation which exceeds any proportional distribution if it determines that such an allocation would advance the public policy set forth in this section to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State.*

The Chairman further noted that in addition to the 45-plus Power for Jobs applications on the agenda, the Board has before it an application for an allocation of Economic Development Power to consider as well as some revisions and corrections regarding prior Power for Jobs allocations and a new allocation for Economic Development Power.

Mr. Yates then presented the applications as set forth below.

April 27, 1999

4. **Consolidated Edison Service Territory**

The Members of the Board considered the sixteen applications listed below for Power for Jobs.

The following resolution was unanimously adopted by the Members of the Board present.

**WHEREAS, the following entities in Consolidated Edison's service territory have applied for allocations of Power for Jobs Service:**

**A. Stein Meat Products  
Brooklyn – Kings County**

**A & O Provisions Co.  
Brooklyn - Kings County**

**Bedford Stuyvesant Restoration Corp.  
Brooklyn - Kings County**

**Goodmark Industries  
Brooklyn - Kings County**

**Greater Jamaica Development Corp.  
Jamaica – Queens County**

**Greater New York YMCA  
New York City - Manhattan County**

**Holy Family Hospital  
Brooklyn - Kings County**

**J & N Vorchheimer  
Brooklyn - Kings County**

**K & S Children's Wear  
Brooklyn - Kings County**

**King Solomon Food  
Brooklyn - Kings County**

**Marymount College  
Tarrytown – Westchester County**

**Milazzo Wholesale Meats  
Brooklyn - Kings County**

**New York College of Podiatric Medicine  
New York City - Manhattan County**

**Pork Packers  
Brooklyn - Kings County**

**Thirteen WNET  
New York City - Manhattan County**

**Women’s Housing & Economic Development  
Bronx - Bronx County;**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997 and Chapter 386 of the Laws of 1998; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the sixteen allocations discussed herein totaling 5,800 kW for Consolidated Edison’s service territory for three years, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:**

- applicants to maintain a total of 3,689 jobs;**
- such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

April 27, 1999

5. **Long Island Power Authority Service Territory**

The Members of the Board considered three applications listed below for Power for Jobs.

The following resolution was unanimously adopted by the Members of the Board present:

**WHEREAS, the following entities in Long Island Power Authority's service territory have applied for allocations of Power for Jobs Service:**

**Ellanef Manufacturing  
Bohemia - Suffolk County –**

**Nassau Tool Works  
West Babylon – Nassau County –**

**TCI – New York  
Hauppauge – Suffolk County;**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997 and Chapter 386 of the Laws of 1998; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the three allocations discussed herein totaling 1,675 kW for Long Island Power Authority's service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:**

- **applicants to maintain a total of 492 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

April 27, 1999

**6. Niagara Mohawk Service Territory**

The Members of the Board considered eighteen applications listed below for Power for Jobs.

Following consideration of such applications, the Members of the Board present voted to adopt the resolution except Board Member Duncan abstained from voting on the proposed allocations to Ultra Tool & Plastics and Fibron Products:

**WHEREAS, the following entities in Niagara Mohawk's service territory have applied for allocations of Power for Jobs Service:**

**Coyne Textile Services  
Syracuse – Onondaga County**

**Coyne Textile Services  
Schenectady – Schenectady County**

**DHD Healthcare  
Wampsville – Madison County**

**Empire Coating  
Albion – Orleans County**

**Fibron Products  
Buffalo – Erie County**

**Great Lakes Cheese Co. of N.Y.  
Adams – Jefferson County**

**Hoffmann Air Filtration Systems  
E.Syracuse – Onondaga County**

**Keystone Corp.  
Buffalo - Erie County**

**Kreher's Poultry Farms  
Clarence – Erie County**

**Manth-Brownell  
Kirkville – Madison County**

**Pivot Punch Corp.  
Lockport – Niagara County**

**Power Pallet  
Schenectady – Schenectady County**

**Richardson Brands  
Canjoharie – Montgomery County**

**St. Mary’s Manufacturing Corp.  
North Tonawanda – Niagara County**

**Stone Construction Equipment  
Honeye – Ontario County**

**STS Duotek  
Rush – Monroe County**

**The Penn Traffic Company  
Syracuse – Onondaga County**

**Ultra Tool & Plastics  
Amherst – Erie County;**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997 and Chapter 386 of the Laws of 1998 and would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the eighteen allocations discussed herein totaling 7,025 kW for Niagara Mohawk’s service territory for three years, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:**

- applicants to maintain a total of 2,663 jobs;**
- such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

April 27, 1999

7. **New York State Electric & Gas Service Territory**

The Members of the Board considered six applications listed below for Power for Jobs.

Following consideration of such applications, Board Members Rappleyea and Duncan voted to adopt the resolution subject to future ratification by Board Member Barclay. Board Member DeSindaco recused from voting on the proposed allocation to Corson Manufacturing.

**WHEREAS, the following entities in New York State Electric & Gas' services territory have applied for allocations of Power for Jobs Service:**

**Conax Buffalo Technologies  
Buffalo – Erie County**

**Corson Manufacturing  
Victor – Niagara County**

**H & E Machinery  
Ithaca – Tioga County**

**H & E Turbo Components  
Ithaca – Tioga County**

**H & E Turbo Machinery  
Ithaca – Tioga County**

**Polymer Conversions  
Orchard Park – Erie County;**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997 and Chapter 386 of the Laws of 1998 and would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the six allocations discussed herein**

**totaling 1,475 kW for New York State Electric & Gas' service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:**

- **applicants to maintain a total of 629 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

April 27, 1999

8. **Rochester Gas & Electric Service Territory**

The Members of the Board considered two applications listed below for Power for Jobs.

The following resolution was unanimously adopted by the Members of the Board present:

**WHEREAS, the following entity in Rochester Gas & Electric's services territory has applied for allocations of Power for Jobs Service:**

**New Energy Works  
Victor – Ontario County**

**STS Duotek  
Henrietta – Monroe County;**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997 and Chapter 386 of the Laws of 1998 and would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the two allocations discussed herein totaling 275 kW for Rochester Gas & Electric's service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:**

- **applicants to maintain a total of 212 jobs;**

- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

April 27, 1999

**9. CBS, Inc.**

The members of the Board considered the application for Economic Development Power for job retention purposes submitted on behalf of CBS, Inc. ("CBS"). Mr. Yates submitted a letter in support of the application from the New York City Public Utility Service Agency.

Mr. Yates explained that CBS is headquartered in New York City and operates its broadcast operations from its facilities on West 57<sup>th</sup> Street. The company is currently reviewing location alternatives for several of its existing and new operations, including its sports and news divisions, and its planned facility for high definition television. In consideration for a package of city and state incentives, including real estate and sales tax abatements and a proposed additional 2,000 kW of Economic Development Power ("EDP") for the company's 57<sup>th</sup> street production facilities, CBS would retain all of the approximately 4,000 employees currently located in New York City. CBS also would invest more than \$140 million over the next 20 years toward the development of new broadcasting and production technologies, including high definition television, and to invest in building improvements to its West 57<sup>th</sup> Street facilities which exceed minimum EDP program requirements.

Staff recommends that an additional allocation of 2,000 kW be approved for job retention purposes for a term of 20 years.

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

**WHEREAS, CBS, Inc. has applied for an allocation of Economic Development Power for job retention purposes; and**

**WHEREAS, an allocation of 2,000 kW would result in a ratio of 1,913 jobs per MW;**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applicant meets the requirements of Section 187(g) of the Economic Development Law for job retention purposes; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York an allocation of 2,000 kW to applicant CBS, Inc. for a term of twenty years, and that the terms be**

**incorporated into the Power Authority's contract for Economic Development Power:**

- **applicant is to maintain a total of 3,827 jobs;**
- **such allocation shall be subject to the real property investment, the reduction of power, the energy conservation and the affirmative action provisions set forth in the Power Authority's standard form of contract for Economic Development Power.**

April 27, 1999

**10. Job Commitment Revisions and Allocation Modification – Power for Jobs**

The Members of the Economic Development Power Allocation Board (“EDPAB”) approved job commitment revisions to the six companies listed in Exhibit “A” and modified the power allocations previously awarded to Beth Israel Medical Center, Hadco Incorporated and Dean Foods Vegetable Company.

**BACKGROUND**

The companies listed in Exhibit “A” have been approved for a Power for Jobs allocation by the Power Allocation Board. Their allocations were based on their commitment to retain or create jobs as indicated in the respective applications submitted to the EDPAB. Subsequent to EDPAB approval but before entering into contract with the Power Authority, the companies have requested that their job commitments be revised to more accurately reflect their existing employment levels. The revisions are mainly due to confusion in accounting practices for part time and seasonal employees. The job number changes are insignificant in total and do not require changes to the amount of the allocation.

In addition, the members of the Board are requested to approve modifications to the existing power allocations to three Power for Jobs recipients.

The Board at its meeting of March 30, 1999 originally approved an allocation to Beth Israel Medical Center. The Center’s peak load was originally estimated at 6,800 kW and it was awarded an allocation of 2,300 kW. Subsequently it was learned that information in Beth Israel’s application had been misinterpreted and that its peak load is actually 11,400 kW. Based on this information Beth Israel would have been awarded an allocation of 3,800 kW. Staff recommends that the Board approve a modification to the initial allocation and increase its award by 1,500 kW.

At their meeting of February 23, 1999, the Board approved an allocation to Hadco, Incorporated for 2,000 kW. During the initial review of the application, staff did not fully understand the magnitude of certain costs that the business was about to incur. After revisiting the application, staff feels that an allocation of 2,400 kW would have been appropriate. Staff recommends that the Board approve a modification to the initial allocation and increase its award by 400 kW.

At their meeting of August 26, 1998, the Board approved an allocation to Dean Foods Vegetable Company for 1,000 kW. It has subsequently been

determined that a 1,000 kW allocation would not produce savings due to the existing tariff structure. An allocation of 1,500 kW would provide the company with the savings promised by the program. Staff recommends that the Board approve a modification to the initial allocation and increase its award by 500 kW.

The additional allocations will be awarded for a term of three years commencing on the date service is first delivered. The revised jobs per megawatt ratios are still acceptable and support the additional allocations.

### RECOMMENDATION

Staff recommends that the Board approve the revisions to the job commitments as listed in Exhibit "A" as well as a modification to the power allocations awarded to Beth Israel Medical Center; Hadco Incorporated; and Dean Foods Vegetable Company.

The following resolution was unanimously adopted by the Members of the Board present:

**WHEREAS, to approve job commitment revisions to the six companies listed in Exhibit "A" and a modification to the power allocation previously awarded to the Beth Israel Medical Center; Hadco Incorporated; and Dean Foods Vegetable Company;**  
**be it**

**RESOLVED, That the job commitment revisions for six companies listed in Exhibit "A" and a modification to the Beth Israel Medical Center; Hadco Incorporated; and Dean Foods Vegetable Company Power for Jobs allocations are hereby revised as reflected the memorandum to the Board and in Exhibit "A"; and be it further**

**RESOLVED, That the Power for Jobs allocations to each of the companies listed in Exhibit "A" are otherwise unaffected by this action and that the contracts to be entered into between the companies and the Power Authority shall incorporate the revised job commitments and original Power for Jobs power allocations and the contracts with Beth Israel Medical Center; Hadco Incorporated; and Dean Foods Vegetable Company shall incorporate the revised allocation amounts and the original job commitments.**

**April 27, 1999**

- 11. Informational Item – Power for Jobs –  
Status of Approved Applications and  
Summary of Action on Applications**

**12. Informational Item – Economic Development –  
Power Status of Approved Applications and  
Summary of Action on Applications**

**13. Closing Remarks of Chairman Clarence D. Rappleyea**

Chairman Rappleyea noted that this month's action will bring Power for Jobs over the 222,000 jobs mark which is a significant accomplishment to reach in the third month of the second year of a program.

Chairman Rappleyea explained that of the allocations presented to this meeting, 8.9 MW were for 18 business allocations; 2.975 MW were for 19 small business allocations; and 4.375 MW were for eight not-for-profit entities.

Chairman Rappleyea stated that the Board will continue to keep pace on the 100 MW set-aside for not-for-profits and small business ( 8.8 MW added to the 75.6 MW allocated to date). The Chairman noted that today's actions by the Board leave just over 15.5 MW remaining. Lastly, the Chairman underscored the outstanding job/MW impact: 7,685 jobs for 16.25 MW's; 473 jobs/MW ratio, plus: about 600 new jobs in this month's allocations.

Chairman Rappleyea noted that staff now has some 43 MW remaining in this year's total. He further stated that there are already pending applications on hand requesting over 200 MW, with numerous applications still expected to be received by staff. Increasingly, staff is hearing from enterprises that have already received allocations, but need additional or new allocations.

Lastly, Chairman Rappleyea emphasized that the fact that there is a Gigawatt of demand for a program that offers 450 MW is a clear sign of the need for more megawatts for this year and next. He expressed the hope that the legislature will once again recognize the need for additional megawatts to be added to this meritorious program.

**April 27, 1999**

**14. Next Meeting**

It was agreed that the next meeting of the Board would be held on May 18th at 3:00 p.m.

Upon motion duly made and seconded, the meeting was adjourned at 10:40 a.m.