

**ECONOMIC DEVELOPMENT POWER  
ALLOCATION BOARD**

**MINUTES**

*December 13, 2005  
Video Conference – 10:00 a.m.*

*New York Power Authority Offices:*

*30 South Pearl Street, 10<sup>th</sup> Floor, Albany, NY  
123 Main Street, 16<sup>th</sup> Floor, White Plains, NY  
Empire State Development Corporation, 633 Third Avenue, New York, NY*

1. Approval of the Minutes of the Meeting of November 21, 2005
2. **Reconsideration Process Discussion**
3. **Power for Jobs Extended Benefits  
Recommendations for Contract Extensions**

A. Companies in Job Compliance

<b><u>Con Edison – Service Territory</u></b>	
Comco Plastics, Inc. Richmond Hill – Queens County	Urban Glass Brooklyn – Kings County
<b><u>Rochester Gas &amp; Electric – Service Territory</u></b>	
Jasco Tools, Inc Rochester – Monroe County	

B. Companies Not in Job Compliance

<b><u>Con Edison – Service Territory</u></b>	
Alvin J. Bart & Sons Brooklyn – Kings County	New York Blood Center New York – New York County
Haleakala (dba The Kitchen) New York – New York County	
<b><u>Long Island Power Authority – Service Territory</u></b>	
Dayton T. Brown Bohemia – Suffolk County	
<b><u>National Grid – Service Territory</u></b>	
IPAC, Inc. Niagara Falls – Niagara County	

**4. Power for Jobs Extended Benefits Recommendations  
for Electricity Savings Reimbursements**

<b><u>Con Edison – Service Territory</u></b>	
92nd Street YM-YWHA New York – New York County	Kingsbrook Jewish Medical Center Brooklyn – Kings County
Asia Society New York – New York County	Lincoln Center for the Performing Arts New York – New York County
Charmer Industries, Inc. Astoria – Queens County	Long Island Jewish Medical Center Manhasset – Nassau County
Continental Food Products, Inc. Flushing – Queens County	New York University New York – New York County
Edison Price Lighting, Inc. New York – New York County	South Street Seaport Museum New York – New York County
International Business Machines White Plains – Westchester County	The Museum of Modern Art New York – New York County
<b><u>Long Island Power Authority – Service Territory</u></b>	
Commercial Envelope Manufacturing Corp. Deer Park – Suffolk County	Kozy Shack, Inc. Hicksville – Nassau County
EDO/AIL, Inc. Bohemia – Suffolk County	
<b><u>National Grid – Service Territory</u></b>	
Hebeler Corporation Tonawanda – Erie County	Robison & Smith, Inc. Gloversville – Fulton County
Queensboro Farm Products, Inc. Canastota – Madison County	

**5. Recommendation to Extend Existing  
Economic Development Power Contract**

<b><u>National Grid – Service Territory</u></b>	
Griffiss Local Development Corp. Rome – Oneida County	

6. **Transfers of Industrial Power**

<b><u>Con Edison – Service Territory</u></b>	
The Museum of American Folk Art New York – New York County	
<b><u>Long Island Power Authority – Service Territory</u></b>	
Floral Glass and Mirror Inc. Hauppauge – Suffolk County	
<b><u>National Grid – Service Territory</u></b>	
Bonded Insulation Company, Inc. Hagaman – Montgomery County	Viking Industries, LLC Amherst – Erie County
Osrose, Inc. Buffalo – Erie County	
<b><u>New York State Electric and Gas – Service Territory</u></b>	
Wilson Greatbatch LTD Clarence – Erie County	

7. **Other Business**

8. **Next Meeting**

A regular meeting of the Economic Development Power Allocation Board was held via video conference at the following participating locations:

- 1) New York Power Authority, 30 South Pearl Street, Albany NY
- 2) New York Power Authority, 123 Main Street, White Plains, NY
- 3) Empire State Development Corp. 633 Third Avenue, NY

The following Members of the Board were present at the following locations:

**Frank S. McCullough, Jr.**, Chairman (White Plains, NY)  
**Bernard P. McGarry**, Member (Albany, NY)  
**Kevin S. Corbett**, Member (New York, NY)

**James A. Duncan**, Member (Excused)

**Also in attendance were:**

Eugene W. Zeltmann	President and Chief Executive Officer, NYPA
David E. Blabey	Executive Vice President, Secretary and General Counsel, NYPA
Louise M. Morman	Senior Vice President – Marketing, Economic Development & Supply Planning, NYPA
James H. Yates	Vice President – Major Accounts Marketing and Economic Development, NYPA
Angela D. Graves	Deputy Secretary, NYPA
Joseph J. Carline	Assistant General Counsel – Power & Transmission, NYPA
John B. Hamor	Executive Director – State Governmental Relations, NYPA
James F. Pasquale	Director – Business Power Allocations, Regulation and Billing, NYPA
Anthony C. Savino	Manager – Business Power Allocations & Compliance, NYPA
Niko Ladopoulos	Legislative Liaison – Public & Governmental Affairs, NYPA
Bonnie Fahey	Executive Administrative Assistant, NYPA
Mary Jean Frank	Associate Secretary, NYPA
Lorna M. Johnson	Assistant Secretary, NYPA
Connie Cullen	Senior Information Specialist, NYPA
Michael J. Santarcangelo	Director – Energy Policy, ESDC

1. **Adoption of Minutes**

The minutes of the meeting of November 21, 2005, were unanimously adopted.

2. **Reconsideration Process Discussion**

*Mr. Pasquale said that staff had received 69 letters requesting reconsideration of the Authority's PFJ allocation reductions, representing 57% of the companies that had been notified of the reduction and the reconsideration process. Staff had sent out an additional 14 letters to companies whose allocations were being reduced following the November 29<sup>th</sup> Trustees' Meeting, but had received no responses yet to those letters. He also said that staff had still not received the transcript of the October Assembly hearing and, until it had, none of the applications for reconsideration would be brought before the Board for their review.*

*Chairman McCullough said that he hoped by the Board's January meeting staff would be able to report to the Board about any proposed new criteria for reconsideration based on the recommendations made at the Assembly hearing.*

*In response to a question from Mr. McGarry Mr. Pasquale said that the affected companies' allocations had already been reduced. Mr. McGarry said that, since any restoration of the original allocation would not be retroactive, there was some urgency to moving the applications for reconsideration forward. Mr. Corbett requested that Mr. Santarcangelo be kept in the loop as this issue progressed.*



Economic Development Power Allocation Board  
 Power for Jobs Extended Benefits  
 Recommendation for Contract Extensions  
 Companies In Job Compliance

Exhibit "3-A1"  
 December 13, 2005

Line	Company	City	County	IOU	Original			Recommended			Jobs/MW	Type	Service	
					KW	Prior Job Committed	Jobs in Application 2005	Over (under)	% Over (under)	Compliance				KW
1	Comco Plastics, Inc.	Richmond Hill	Queens	Con Ed	500	93	83	-10	-11%	Yes	500	166	Large	Makes precision plastic parts
2	Urban Glass	Brooklyn	Kings	Con Ed	60	20	22	2	10%	Yes	60	367	Small	Art space dedicated to new art design made with glass
	<b>Con Ed</b>		<b>Subtotal</b>	<b>2</b>	<b>560</b>	<b>113</b>	<b>105</b>				<b>560</b>	<b>188</b>		
3	Jasco Tools, Inc	Rochester	Monroe	RGE	500	98	98	0	0%	Yes	500	196	Large	Produces metal cutting tools
	<b>RGE</b>		<b>Subtotal</b>	<b>1</b>	<b>500</b>	<b>98</b>	<b>98</b>				<b>500</b>	<b>196</b>		

<b>Total</b>	<b>3</b>	<b>1,060</b>	<b>211</b>	<b>203</b>
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<b>1,060</b>	<b>192</b>
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Economic Development Power Allocation Board  
 Power for Jobs Extended Benefits  
 Recommendation for Contract Extensions  
 Companies Not In Job Compliance

Exhibit "3-A2"  
 December 13, 2005

Line	Company	City	County	IOU	Original	Prior	Jobs in				Recommended	Jobs/MW	Type	Service
					KW	Job Committed	Application 2005	Over (under)	% Over (under)	Compliance	KW 2			
1	Alvin J. Bart & Sons	Brooklyn	Kings	Con Ed	700	171	120	-51	-30%	No	500	240	Large	Commercial printing
2	Haleakala dba The Kitchen	New York	New York	Con Ed	35	16	13	-3	-19%	No	30	433	NFP	Theaters
3	New York Blood Center	New York	New York	Con Ed	600	343	278	-65	-19%	No	500	557	NFP	Transfusion medicine research, special blood donor services
	<b>Con Ed</b>		<b>Subtotal</b>	<b>3</b>	<b>1,335</b>	<b>530</b>	<b>411</b>				<b>1,030</b>	<b>399</b>		
4	Dayton T. Brown	Bohemia	Suffolk	LIPA	1,000	331	197	-134	-40%	No	600	328	Large	Test systems for industrial , commercial and military requirements
	<b>LIPA</b>		<b>Subtotal</b>	<b>1</b>	<b>1,000</b>	<b>331</b>	<b>197</b>				<b>600</b>	<b>328</b>		
5	IPAC, Inc.	Niagara Falls	Niagara	NG	325	54	33	-21	-39%	No	200	165	Small	Manufactures and sells compressed air products
	<b>NG</b>		<b>Subtotal</b>	<b>1</b>	<b>325</b>	<b>54</b>	<b>33</b>				<b>200</b>	<b>165</b>		

<b>Total</b>	<b>5</b>	<b>2,660</b>	<b>915</b>	<b>641</b>
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<b>1,830</b>	<b>350</b>
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**4. Power for Jobs Extended Benefits Recommendations for Electricity Savings Reimbursements**

The members of the Board considered the 18 applications for extended benefits recommendations for electricity savings reimbursements listed below for Power for Jobs. Mr. Pasquale explained that some 26,181 jobs would be impacted. See Exhibit "4-A."

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

**WHEREAS, the following entities have applied for extended benefits recommendations for electricity savings reimbursements under the Power for Jobs program:**

**Con Edison – Service Territory**

92nd Street YM-YWHA  
New York – New York County

Kingsbrook Jewish Medical Center  
Brooklyn – Kings County

Asia Society  
New York – New York County

Lincoln Center for the Performing Arts  
New York – New York County

Charmer Industries, Inc.  
Astoria – Queens County

Long Island Jewish Medical Center  
Manhasset – Nassau County

Continental Food Products, Inc.  
Flushing – Queens County

New York University  
New York – New York County

Edison Price Lighting, Inc.  
New York – New York County

South Street Seaport Museum  
New York – New York County

International Business Machines  
White Plains – Westchester County

The Museum of Modern Art  
New York – New York County

**Long Island Power Authority – Service Territory**

Commercial Envelope Manufacturing Corp.  
Deer Park – Suffolk County

Kozy Shack, Inc.  
Hicksville – Nassau County

EDO/AIL, Inc.  
Bohemia – Suffolk County

**National Grid – Service Territory**

Hebeler Corporation  
Tonawanda – Erie County

Robison & Smith, Inc.  
Gloversville – Fulton County

Queensboro Farm Products, Inc.  
Canastota – Madison County

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the extended benefits provisions of the Power for Jobs legislation contained in Article 6 of the Economic Development Law as amended by Chapter 313 of the Laws of 2005; and be it further**

**RESOLVED, That the Board recommends to the Power Authority of the State of New York the 18 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 20,984 kW until December 31, 2006.**

**Economic Development Power Allocation Board**

**Exhibit "4-A"**

**Power for Jobs Extended Benefits**

**December 13, 2005**

**Recommendation for Electricity Savings Reimbursements**

Line	Company	City	County	IOU	KW	Jobs in Application	Jobs/MW	Type	Service
1	92nd Street YM-YWHA	New York	New York	CONED	200	516	2,580	NFP	Community/cultural center
2	Asia Society	New York	New York	CONED	225	107	476	NFP	Manufactures of precision hydraulic & fuel system components
3	Charmer Industries, Inc.	Astoria	Queens	CONED	750	732	976	Large	Distributors of wines and spirits
4	Continental Food Products, Inc.	Flushing	Queens	CONED	300	88	293	Small	Frozen Pizza manufacturer and distributor.
5	Edison Price Lighting, Inc.	New York	New York	CONED	400	160	400	Large	Manufacturer and sales of lighting fixtures
6	International Business Machines Cor	White Plains	Westchester	CONED	4,400	1,989	452	Large	Computer Manufacturer
7	Kingsbrook Jewish Medical Center	Brooklyn	Kings	CONED	1,200	2,091	1,743	NFP	Not for Profit Medical and Research Institution
8	Lincoln Center for the Performing Arts	New York	New York	CONED	3,000	2,312	771	NFP	Performing Arts Center
9	Long Island Jewish Medical Center	Manhasset	Nassau	CONED	2,000	6,143	3,072	NFP	Healthcare Center
10	New York University	New York	New York	CONED	1,700	9,817	5,775	NFP	Institution of Higher Education
11	South Street Seaport Museum	New York	New York	CONED	175	95	543	NFP	Museum of historic ships, maritime art and artifacts
12	The Museum of Modern Art	New York	New York	CONED	1,000	741	741	NFP	Museum
	<b>Con Ed</b>		<b>Subtotal</b>	<b>12</b>	<b>15,350</b>	<b>24,791</b>	<b>1,615</b>		
13	Commercial Envelope Manufacturing Corp.	Deer Park	Suffolk	LIPA	700	188	269	Large	Manufacturer of envelopes
14	EDO/AIL, Inc.	Bohemia	Suffolk	LIPA	2,700	589	218	Large	Produce electronics for the aerospace industry
15	Kozy Shack, Inc.	Hicksville	Nassau	LIPA	1,000	209	209	Large	Mfr. of puddings & snacks
	<b>LIPA</b>		<b>Subtotal</b>	<b>3</b>	<b>4,400</b>	<b>986</b>	<b>224</b>		
16	Hebeler Corporation	Tonawanda	Erie	NG	350	149	426	Small	Large scale process equipment for various industries
17	Queensboro Farm Products, Inc. - Canastota	Canastota	Madison	NG	500	79	158	Large	Milk manufacturing and processing plant
18	Robison & Smith, Inc.	Gloversville	Fulton	NG	384	176	458	Small	Linen & Laundry Supply
	<b>NG</b>		<b>Subtotal</b>	<b>3</b>	<b>1,234</b>	<b>404</b>	<b>327</b>		

<b>Total</b>	<b>18</b>	<b>20,984</b>	<b>26,181</b>	<b>1,248</b>
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**5. Recommendation to Extend Existing Economic Development Power Program Contract**

**SUMMARY**

The members of the Economic Development Power Allocation Board (Power Allocation Board) are requested to recommend approval of an extension to the term of service to December 31, 2006 for one existing economic development power program customer, as listed in Exhibit "5-A."

**BACKGROUND**

The New York Power Authority sells electricity to businesses under several state-authorized economic development programs. These power sales are made through the Economic Development Power program, High Load Factor Manufacturer program, Municipal Distribution Agency Industrial Power program and other power sales programs. The capacity and energy for these sales are provided by market purchases and supported by other Authority sources as needed. In some instances, these customers are served directly by the Authority and in other cases, the customers receive Authority power through resale arrangements with municipal distribution agencies or investor-owned utilities. Contracts range in length from five to more than 20 years.

**DISCUSSION**

Chapter 313 of the Laws of 2005 was signed into law by Governor George E. Pataki on July 26, 2005. The new law allows certain Authority power program customers who would be exposed to price increases before December 31, 2006 to apply for an Energy Cost Savings Benefit. Under the new law, businesses eligible to receive Energy Cost Savings Benefits are limited to Authority customers currently supplied power under the Economic Development Power, Municipal Distribution Agency and High Load Factor programs. The Energy Cost Savings Benefit will be available for the period November 1, 2005 through December 31, 2006.

The customer detailed in Exhibit "5-A" has an allocation contract, previously recommended by the Power Allocation Board and approved by the Power Authority Trustees, which expires prior to December 31, 2006. We are requesting the Power Allocation Board to recommend that the Trustees extend this agreement until December 31, 2006 so that the customer may receive the benefits associated with the recently passed law. The extension will help maintain costs and enable this customer to compete more effectively. In addition, it will further secure employment levels in New York State.

**RECOMMENDATION**

It is requested that the Power Allocation Board recommend extension to the term of service to December 31, 2006 for the one (1) existing economic development power program customer, as listed in Exhibit "5-A."

Following consideration of such application, the Members of the Board present voted unanimously to extend the contract.

**WHEREAS, one customer has applied for an extension to its existing Economic Development Power contract;**

**Griffis Local Development Corp., Rome – Oneida County**

**NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meets the requirements of Section 184 of the Economic Development Law; and be it further**

**RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the total allocation of 2,000 kW to extend the existing contract of the business listed on Exhibit "5-A" to December 31, 2006, and that the terms set forth on such Exhibit be incorporated into the Power Authority's contract for Economic Development Power.**

**Economic Development Power Allocation Board**  
**EDP Allocations - Economic Development Power Program**  
**Request to Extend Contract Until December 31, 2006**

**Exhibit "5-A"**  
**December 13, 2005**

<u>Line</u>	<u>Company</u>	<u>City</u>	<u>County</u>	<u>Program</u>	<u>IOU</u>	<u>Current Allocation Contract End Date</u>	<u>kW Allocation</u>	<u>Service</u>
1	Griffiss Local Developmet Corp	Rome	Oneida	EDP	NG	11/30/2006	2,000	Community Resource Center

## 6. Transfers of Industrial Power

### SUMMARY

The members of the Economic Development Power Allocation Board (Power Allocation Board) are requested to recommend approval to changes to the companies as detailed below.

### BACKGROUND

The Power Allocation Board is requesting to approve the transfer of power allocations for six existing customers that have changed names and/or locations for various business reasons. The Power Allocation Board has approved transfers of this nature at past meetings.

### DISCUSSION

The proposed transferees are as follows:

**Viking Industries, LLC**, a division of **PAR Industries, Inc.** (“PAR”) was a custom injection molding and tooling shop producing automotive parts in Amherst, NY. In March 2002, PAR acquired through bankruptcy proceedings the business assets of Renaissance Plastics, Inc. which had previously bought the assets of Ultra Tool and Plastics, Inc. (“Ultra Tool”) located at the same facility. Ultra Tool was approved for a 150 kW Power for Jobs allocation for 463 jobs on April 27, 1999. At the September 23, 2003 board meeting, the Trustees approved the transfer of the power allocation contracts to PAR (Viking Industries, LLC).

**Delphi Automotive Systems** (“Delphi”) was a major customer of PAR’s Amherst production facility that supplied component parts critical to Delphi’s supply operations. Delphi extended a secured loan to PAR after PAR experienced severe financial and operational problems threatening their viability. Eventually, despite the loan and other accommodations, PAR determined it was no longer able to uphold their supply obligations, and ceased as a going concern in 2004. Delphi exercised its rights with respect to the collateral provided in connection with the secured loan, and thereby obtained ownership of certain equipment and inventory and began its own operations at the facility in December 2004.

As a critical cost component of maintaining operations at the Amherst facility, Delphi requests a transfer of the power allocation formerly contracted to PAR. They are producing the same automotive component parts previously produced at the facility. They have a current employment level of 180 jobs. Therefore, the company requests a reduction of the PFJ allocation job commitment from 463 to 180 jobs.

**The Museum of American Folk Art** is a museum located in New York City, which features 18th- and 19th- century paintings, quilts, sculptures, and the work of contemporary self-taught artists. At the May 25, 1999 Trustee meeting, the Museum of American Folk Art was approved for a 50 kW Power for Jobs (“PFJ”) allocation in return for 33 jobs. The museum changed its name to **American Folk Art Museum**. This was strictly a name change and therefore there will be no change in operation. The company is in job compliance and was approved for a PFJ extended benefits contract extension at the September 20, 2005 Trustee meeting. American Folk Art Museum will honor all contract terms and conditions, including job commitments.

**Osmose, Inc.** is a company located in Buffalo, New York, and deals in agricultural chemicals. At the February 24, 1999 Trustee meeting, Osmose, Inc. was approved for a 300 kW Power for Jobs (“PFJ”) allocation in return for 147 jobs. **Osmose Realty Corp.** was a previously established corporate entity wholly owned within Osmose, Inc. It was incorporated in the State of New York. The change was made to place the management of all real property holdings under Osmose Realty Corp. There was neither a financial transaction nor asset acquisition; rather it was a management change to properly align control of their real property assets. All aspects of the company’s operations will remain the same. The company is in job compliance and was approved for a PFJ extended benefits contract extension at the September 20, 2005 Trustee meeting. Osmose Realty Corp will honor all contract terms and conditions, including job commitments.

**Floral Glass and Mirror Inc.** (“Floral Glass”) is located in Hauppauge, New York and manufactures insulated and architectural glass products. At the November 24, 1998 Trustee meeting, Floral Glass was approved for a 300 kW Power for Jobs (“PFJ”) allocation in return for 176 jobs. Floral Glass was purchased by **Oldcastle Glass** in an asset only acquisition. They will continue to do business at the old site and have no plans of relocating. Capital investments have already transpired and are planned to continue into 2006. However, there will be no change in operation. Although below job commitment, the company’s PFJ extended benefits will be reduced accordingly at the time of trustee approval. Oldcastle Glass will honor all contract terms and conditions, including job commitments.

**Bonded Insulation Company, Inc.** is a manufacturer of cellulose insulation and fire retardant. The company is located in Haganan, New York. At the October 27, 1998 Trustee meeting Bonded Insulation was approved for a 300 kW Power for Jobs (“PFJ”) allocation in return for 31 jobs. The name of the Bonded Insulation Company, Inc. has recently been changed to **GreenFiber Albany, Inc.** to reflect a change in ownership of the Bonded common stock. All aspects of the manufacturing operation remain the same. The company is in job compliance and was approved for a PFJ extended benefits contract extension at the September 20, 2005 Trustee Meeting. GreenFiber Albany, Inc. will honor all contract terms and conditions, including job commitments.

**Wilson Greatbatch LTD** manufactures batteries for implantable medical devices as well as for commercial and industrial applications. The company is located in Clarence, New York. At the January 25, 2000 Trustee meeting, Wilson Greatbatch LTD was approved for a 1200 kW Power for Jobs (“PFJ”) allocation in return for 559 jobs. The name of Wilson Greatbatch LTD has recently been changed to **Greatbatch, Inc.** for business marketing purposes. The company is in job compliance and was approved for a PFJ extended benefits contract extension at the October 19, 2005 Trustee meeting. Greatbatch will honor all contract terms and conditions, including job commitments.

RECOMMENDATION

It is recommended that the Power Allocation Board approve the name and or/location changes detailed above.

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

**RESOLVED, That the members of the Economic Development Power Allocation Board hereby approve job commitments revisions to six companies, a name change, and allocation modifications to two companies as described in the above memorandum to the Board.**

7. Other Business

*Chairman McCullough said that staff would try to get the précis of the Assembly hearing and the reconsideration applications out to the Board before the January meeting and that a discussion of both would be the first item on the agenda.*

*Mr. Corbett thanked everyone for all of the work they had done this year, saying it hadn't been an easy one.*

8. **Next Meeting**

The next meeting of the Board is to be determined.