

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

*March 27, 2006
Video Conference – 10:00 a.m.*

New York Power Authority Offices:

*123 Main Street, 16th Floor, White Plains, NY
30 South Pearl Street, 10th Floor, Albany, NY
Niagara Power Project, 5777 Lewiston Road, Lewiston, NY*

1. Approval of the Minutes of the Meeting of January 30, 2006
2. **Power for Jobs Extended Benefits
Recommendations for Contract Extensions**

A. Company in Job Compliance

| <u>New York State Electric & Gas – Service Territory</u> | |
|---|--|
| F.M. Howell & Company Elmira – Chemung County | |

B. Company Not in Job Compliance

| <u>National Grid– Service Territory</u> | |
|---|--|
| Mid State Raceway, Inc. Vernon – Oneida County | |

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

A. Companies in Job Compliance

| <u>Con Edison – Service Territory</u> | |
|--|--|
| American Cancer Society New York – New York County | North General Hospital New York – New York County |
| Charmer Industries Astoria – Queens County | NYU Medical Center New York – New York County |
| Continental Food Products Flushing – Queens County | Pepsi Cola Bottling Co. (NYC) College Point – Queens County |
| International Business Machines White Plains – Westchester County | S.R. Guggenheim Museum New York – New York County |
| New Museum of Contemporary Art New York – New York County | The Jewish Museum New York – New York County |
| New York Presbyterian Hospital New York – New York County | |

| <u>Long Island Power Authority – Service Territory</u> | |
|---|---|
| Good Samaritan Hospital West Islip – Suffolk County | Standard Microsystems Hauppauge – Suffolk County |
| Long Beach Memorial Hospital Long Beach – Nassau County | |
| <u>National Grid– Service Territory</u> | |
| Bristol-Myers Squibb Company East Syracuse – Onondaga County | Revere Copper Products Rome – Oneida County |
| Diemolding Corporation Canastota – Madison County | Robinson & Smith, Inc. Gloversville – Fulton County |
| Edward John Noble Hospital Gouverneur – Lawrence County | Snyder Industries, Inc. N. Tonawanda – Niagara County |
| Ford Motor Company Buffalo – Erie County | Sorrento Lactalis, Inc. Buffalo – Erie County |
| Interface Solutions, Inc. Fulton – Oneida County | Spancrete Northeast Inc. South Bethlehem – Albany County |
| Lewis County General Hospital Lowville – Rensselaer County | St. Joseph’s Hospital Health Center Syracuse – Onondaga County |
| Mohawk Paper Cohoes – Albany County | Syracuse China Company Syracuse – Onondaga County |
| Natrium Products, Inc. Cortland – Cortland County | Syracuse University Syracuse – Onondaga County |
| PCI Paper Conversions, Inc. Syracuse – Onondaga County | Vicks Lithograph & Printing Yorkville – Oneida County |
| Queensboro Farm Products, Inc. Canastota – Madison County | Welch Allyn Data Collection Inc. Skaneateles Falls – Onondaga County |
| <u>New York State Electric & Gas – Service Territory</u> | |
| Agri-Mark Chateaugay - Franklin County | Consumers Beverage Buffalo – Erie County |

B. Companies Not in Job Compliance

| <u>Con Edison – Service Territory</u> | |
|---|---|
| Norampac Maspeth – Queens County | Streamline Plastics Bronx – Bronx County |
| <u>Long Island Power Authority – Service Territory</u> | |
| Augros, Inc. Ronkonkoma – Suffolk County | |

| <u>National Grid– Service Territory</u> | |
|---|---|
| CEN Electronics Caledonia – Livingston County | McLane Eastern Baldwinsville – Onondaga County |
| Cooper Hand Tools Cortland – Cortland County | Quad Graphics, Inc. Saratoga Springs – Saratoga County |
| Cooper Industries (Crouse-Hinds) Syracuse – Onondaga County | Remarketing Services of America (RSA Solutions Inc.) Amherst – Erie County |
| Fitzpatrick & Weller, Inc. Ellicottville – Cattaraugus County | Specialized Packaging Radisson, Inc. Baldwinsville – Onondaga County |
| Kilian Manufacturing Corporation Syracuse – Onondaga County | Syroco Baldwinsville – Onondaga County |
| Lydall Manning Green Island – Albany County | Utica Corp. Whitesboro – Oneida County |
| <u>New York State Electric & Gas – Service Territory</u> | |
| EGLI Machine, Inc. Sidney – Otsego County | Vail Ballou Press, Inc. Binghamton – Oneida County |
| Endicott Interconnect Technologies Endicott – Broome County | |
| <u>Rochester Gas & Electric – Service Territory</u> | |
| Jada Precision Plastics Rochester – Monroe County | |

4. Power for Jobs Extended Benefits Reconsideration

A. Contract Extensions

| | |
|-----------------------------------|-------------------------------------|
| Flag Poles, Inc. East Setauket | Custom Electronics, Inc. Oneonta |
| Display Producers Bronx | Syracuse Plastics, LLC Liverpool |

B. Electricity Savings Reimbursements

| | |
|--|---------------------------------|
| Photocircuits Corporation Glen Cove | McLane Eastern Baldwinsville |
|--|---------------------------------|

5. Transfers of Industrial Power

| <u>Long Island Power Authority – Service Territory</u> | |
|---|--|
| Fala Direct Marketing, Inc. Melville – Suffolk County | |

| | |
|--|---|
| | |
| <u>National Grid- Service Territory</u> | |
| CEN Electronics Caledonia – Livingston County | Utica Corporation Whitesboro – Oneida County |
| CWM Chemical Services, Inc Model City – Niagara County | |
| <u>Rochester Gas & Electric – Service Territory</u> | |
| Hammer Lithograph Corp Rochester – Monroe County | |

6. **Next Meeting**

March 27, 2006

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) Niagara Power Project, 5777 Lewiston Road, Lewiston, 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)
James A. Duncan, Member, (Lewiston, NY)

Kevin S. Corbett, Member (New York, NY) - Excused

Also in attendance were:

| | |
|--------------------------|---|
| Timothy S. Carey | President and Chief Executive Officer, NYPA |
| Thomas J. Kelly | Executive Vice President and General Counsel, NYPA |
| David E. Blabey | Executive Vice President and Special Counsel to the Chairman |
| Louise M. Morman | Senior Vice President – Marketing, Economic Development and Supply Planning, NYPA |
| Angela D. Graves | Deputy Secretary, NYPA |
| James H. Yates | Vice President – Major Account Marketing and Economic Development, 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 and Compliance, NYPA |
| Niko Ladopoulos | Legislative Liaison – Public and Governmental Affairs, NYPA |
| Mary Jean Frank | Associate Secretary, NYPA |
| Lorna M. Johnson | Assistant Secretary, NYPA |
| Jeffrey Carey | Special Assistant to the President and Chief Executive Officer, NYPA |
| Michael J. Santarcangelo | Director – Energy Policy, Empire State Development Corporation |

1. **Adoption of Minutes**

The minutes of the meeting of January 30, 2006, were unanimously adopted.

**2. Power for Jobs Extended Benefits
Recommendation for Contract Extension**

The members of the Board considered one application for extended benefits recommendations for contract extension for one company in job compliance and one company not in job compliance listed below for Power for Jobs. Mr. Pasquale explained that some 300 jobs would be impacted. See Exhibit “2-A” and “2-B.”

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

WHEREAS, the following entities have applied for extended benefits recommendations for a contract extension under the Power for Jobs program:

COMPANY IN JOB COMPLIANCE

New York State Electric & Gas – Service Territory:

F.M. Howell & Company
Elmira – Chemung County

COMPANY NOT IN JOB COMPLIANCE

National Grid– Service Territory:

Mid State Raceway, Inc.
Vernon – Oneida County

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meets the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000; Chapter 226 of the Laws of 2002; Chapter 59 of the Laws of 2004; and Chapter 313 of the Laws of 2005, 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 recommends to the Power Authority of the State of New York two applications for extended benefits recommendations for contract extensions discussed herein totaling 1,050 kW until December 31, 2006.

3. Power for Jobs Extended Benefits Recommendations for Electricity Savings Reimbursements

The members of the Board reconsidered the 55 applications for full or partial reinstatement of extended benefits recommendations for contract extensions listed below for Power for Jobs. Mr. Pasquale explained that some 49,108 jobs would be impacted. See Exhibits “3-A” and “3-B.”

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:

COMPANIES IN JOB COMPLIANCE

Con Edison – Service Territory

American Cancer Society
New York – New York County

North General Hospital
New York – New York County

Charmer Industries
Astoria – Queens County

NYU Medical Center
New York – New York County

Continental Food Products
Flushing – Queens County

Pepsi Cola Bottling Co. (NYC)
College Point – Queens County

International Business Machines
White Plains – Westchester County

S.R. Guggenheim Museum
New York – New York County

New Museum of Contemporary Art
New York – New York County

The Jewish Museum
New York – New York County

New York Presbyterian Hospital
New York – New York County

Long Island Power Authority – Service Territory

Good Samaritan Hospital
West Islip – Suffolk County

Standard Microsystems
Hauppauge – Suffolk County

Long Beach Memorial Hospital
Long Beach – Nassau County

National Grid– Service Territory

Bristol-Myers Squibb Company
East Syracuse – Onondaga County

Revere Copper Products
Rome – Oneida County

Diemolding Corporation
Canastota – Madison County

Robinson & Smith, Inc.
Gloversville – Fulton County

Edward John Noble Hospital
Gouverneur – Lawrence County

Snyder Industries, Inc.
N. Tonawanda – Niagara County

Ford Motor Company
Buffalo – Erie County

Sorrento Lactalis, Inc.
Buffalo – Erie County

Interface Solutions, Inc.
Fulton – Oneida County

Spancrete Northeast Inc.
South Bethlehem – Albany County

Lewis County General Hospital
Lowville – Rensselaer County

St. Joseph's Hospital Health Center
Syracuse – Onondaga County

Mohawk Paper
Cohoes – Albany County

Syracuse China Company
Syracuse – Onondaga County

Natrium Products, Inc.
Cortland – Cortland County

Syracuse University
Syracuse – Onondaga County

PCI Paper Conversions, Inc.
Syracuse – Onondaga County

Vicks Lithograph & Printing
Yorkville – Oneida County

Queensboro Farm Products, Inc.
Canastota – Madison County

Welch Allyn Data Collection Inc.
Skaneateles Falls – Onondaga County

New York State Electric & Gas – Service Territory

Agri-Mark
Chateaugay - Franklin County

Consumers Beverage
Buffalo – Erie County

COMPANIES NOT IN JOB COMPLIANCE

Con Edison – Service Territory

Norampac
Maspeth – Queens County

Streamline Plastics
Bronx – Bronx County

Long Island Power Authority – Service Territory

Augros, Inc.
Ronkonkoma – Suffolk County

National Grid– Service Territory

CEN Electronics
Caledonia – Livingston County

McLane Eastern
Baldwinsville – Onondaga County

Cooper Hand Tools
Cortland – Cortland County

Quad Graphics, Inc.
Saratoga Springs – Saratoga County

Cooper Industries (Crouse-Hinds)
Syracuse – Onondaga County

Remarketing Services of America (RSA Solutions Inc.)
Amherst – Erie County

Fitzpatrick & Weller, Inc.
Ellicottville – Cattaraugus County

Specialized Packaging Radisson, Inc.
Baldwinsville – Onondaga County

Kilian Manufacturing Corporation
Syracuse – Onondaga County

Syroco
Baldwinsville – Onondaga County

Lydall Manning
Green Island – Albany County

Utica Corp.
Whitesboro – Oneida County

New York State Electric & Gas – Service Territory

EGLI Machine, Inc.
Sidney – Otsego County

Vail Ballou Press, Inc.
Binghamton – Oneida County

Endicott Interconnect Technologies
Endicott – Broome County

Rochester Gas & Electric – Service Territory

Jada Precision Plastics

Rochester – Monroe 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 55 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 60,747 kW until December 31, 2006.

4. Power for Jobs Extended Benefits Reconsideration

The members of the Board considered the four applications for full or partial reconsideration for contract extensions, and two applications for full or partial reconsideration for electricity savings reimbursements listed below for Power for Jobs. Mr. Pasquale explained that some 2,295 jobs would be impacted. See Exhibits "4-A," and "4-B."

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

WHEREAS, the following entities have applied for reconsideration for full or partial reinstatement under the Power for Jobs program:

CONTRACT EXTENSIONS

| | |
|-----------------------------------|-------------------------------------|
| Flag Poles, Inc. East Setauket | Custom Electronics, Inc Oneonta |
| Display Producers Bronx | Syracuse Plastics, LLC Liverpool |

ELECTRICITY SAVINGS REIMBURSEMENTS

| | |
|--|----------------------------------|
| Photocircuits Corporation Glen Cove | McLane Eastern Baldinwinville |
|--|----------------------------------|

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 four applications for full or partial reconsideration for contract extensions; two applications for full or partial reconsideration for electricity savings reimbursements discussed herein totaling 5,965 kW until December 31, 2006.

5. Transfers of Industrial Power

SUMMARY

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

BACKGROUND

The Power Allocation Board is requesting to approve the transfer of power allocations for five existing customers 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:

CEN Electronics, which has a facility in Caledonia, manufactures industrial battery chargers for forklifts, pallet jacks and other battery-powered transportation equipment. At their September 28, 1998 meeting, the Trustees approved CEN Electronics for a 300 kW Power for Jobs (“PFJ”) allocation in return for 121 jobs. The company was purchased by a private owner and the name was changed to **Applied Energy Solutions** (“AES”). The new company maintains the Caledonia facility’s operations and produces the same products as the original company. In August 2005, the company applied for extended PFJ benefits in the form of an electricity savings reimbursement. AES will receive a reduced level of extended benefits proportional to its job shortfall through December 31, 2006, the sunset date for the PFJ program.

CWM Chemical Services, Inc. (“CWM”) located in Model City, NY is a chemical and industrial waste management facility offering waste treatment, storage, and disposal solutions. At the June 29, 1999, trustee meeting, CWM was approved for a 400 kW Power for Jobs (“PFJ”) allocation in return for 100 jobs. CWM created **CWM Chemical Services, LLC** as a wholly- owned subsidiary of its parent corporation, Waste Management, Inc. There was no purchase, rather only a contribution of assets to the new entity for business purposes. The new company’s products and services, facility operations and ownership remain unchanged. In August 2005, the company applied for extended PFJ benefits in the form of an electricity savings reimbursement. CWM Chemical Services, LLC will receive a reduced level of extended benefits proportional to its job shortfall through the remainder of the PFJ program, December 31, 2006.

Fala Direct Marketing, Inc. (“Fala”) is a direct marketing production services company in Melville. At their September 30, 1998 meeting, the Trustees approved Fala for a 1,500 kW PFJ allocation in return for 554 jobs. In July 2005, the company was acquired in an operating asset purchase by **IWCO Direct**, a Minnesota firm. The new company’s products and services and New York facility operations remain unchanged. On September 20, 2005, the Trustees approved an extension of the company’s PFJ contract through December 31, 2006, at a reduced level of 1,150 kW proportional to its job shortfall. IWCO Direct agrees to honor all terms and conditions of its extended PFJ contract.

Hammer Lithograph Corp., with a facility in Rochester, is a multicolor packaging printer of labels, box wraps and premium packets for consumer products. At their March 31, 1998 meeting, the Trustees approved Hammer Lithograph for a 900 kW PFJ allocation in return for 222 jobs. In July 2005, the company changed its name to **Hammer Packaging Corp.** (“Hammer”). The company name was changed when it consolidated its business with New Frontier Packaging, a flexographic packaging printing operation. The new company’s products, services, facility operations and ownership remain unchanged. On September 20, 2005, the Trustees approved an extension of the company’s PFJ contract through December 31, 2006. Hammer is in job compliance and agrees to honor its job commitments and all terms and conditions of its contract.

Utica Corporation manufactures a variety of engine-ready components for use in the aerospace and industrial gas turbine industries at its facility located in Whitesboro, New York. At the June 26, 2001, trustee

meeting, Utica Corporation was approved for a 1,200 kW Power for Jobs (“PFJ”) allocation in return for 395 jobs. The company’s ownership has acquired other operations across the country and changed its corporate name to **Turbine Engine Components Technologies** (“TECT”), in order to build and brand the new operations under the TECT name. The new company’s ownership, products and services remain unchanged. In August 2005, the company applied for extended PFJ benefits in the form of an electricity savings reimbursement. TECT will receive a reduced level of extended benefits proportional to its job shortfall through the remainder of the PFJ program, December 31, 2006.

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 name changes to the five companies as described in the above memorandum to the Board.

6. Next Meeting

The next meeting of the Board is to be determined.

3-06MINS