

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

April 24, 2007

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

Fort Myers Interactive Video, 1408 Bayview Ct., Fort Myers, FL

1. **Approval of the Minutes of the Meeting of March 27, 2007**

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

A. **COMPANIES IN JOB COMPLIANCE**

Con Edison - Service Territory

Acme Smoked Fish Corp.
Brooklyn - Kings County

Jacmel Jewelry, Inc.
Long Island City - Queens County

Ballet Hispanico
New York - New York County

Liz Claiborne, Inc.
New York - New York County

Belmont Metals, Inc.
Brooklyn - Kings County

Manhattan School of Music
New York - New York County

Charmer Industries, Inc.
Astoria - Queens County

Marymount College
Tarrytown - Westchester County

Continental Food Products, Inc.
Flushing - Queens County

NYU Medical Center
New York - New York County

Diller-Quaile School of Music
New York - New York County

The Brooklyn Historical Society
Brooklyn - Kings County

Home for Contemporary Theater & Art
New York - New York County

Long Island Power Authority - Service Territory

Commercial Envelope Manufacturing Corp.
Deer Park - Suffolk County

Standard Microsystems Corp.
Hauppauge - Suffolk County

Kozy Shack, Inc.
Hicksville - Nassau County

Ultimate Precision Metal
Farmingdale - Suffolk County

National Grid – Service Territory

Bank of New York Oriskany - Oneida County	Interface Solutions, Inc. Fulton - Oswego County
Cascades Tissue Group Waterford - Saratoga County	OAB Holdings, Inc. Buffalo - Erie County
Corning, Inc. (Canton) Canton - St. Lawrence County	Organichem, Inc. Rensselaer - Rensselaer County
Diemolding Corporation Canastota - Madison County	PCI Paper Conversions, Inc. Syracuse - Onondaga County
General Electric Plastics Selkirk - Albany County	

New York State Electric and Gas – Service Territory

Agri-Mark, Inc. Chateaugay - Franklin County	Lancaster Knives, Inc. Lancaster – Erie County
Air-Flo Manufacturing Prattsburgh - Steuben County	Lancaster Steel Services Co. Inc. Lancaster – Erie County
Candlelight Cabinetry, Inc. Lockport - Niagara County	Milward Alloys Lockport - Niagara County
Elmira College Elmira – Chemung County	PCB Piezotronic, Inc. Depew – Wayne County
Emerson Power Transmission, Corp. Ithaca - Tompkins County	Seneca Foods Corporation Geneva - Ontario County
Kraft Foods Campbell – Steuben County	

Rochester Gas & Electric – Service Territory

J.C. Plastics, Inc.
Rochester - Monroe County

B. COMPANIES NOT IN JOB COMPLIANCE

Con Edison - Service Territory

American Cancer Society New York - New York County	International Business Machines White Plains - Westchester County
AT&T White Plains - Westchester County	

National Grid – Service Territory

Applied Energy Solutions
Caledonia - Livingston County

Lydall Manning
Green Island - Albany County

Cooper Hand Tools
Cortland - Cortland County

McLane Eastern
Baldwinsville - Onondaga County

Cooper Industries
Syracuse - Onondaga County

Quad Graphics, Inc.
Saratoga Springs - Saratoga County

Fitzpatrick & Weller, Inc.
Ellicottville - Cattaraugus County

Syroco, Inc.
Baldwinsville - Onondaga County

New York State Electric & Gas – Service Territory

Custom Electronics, Inc.
Oneonta – Otsego County

Norwich Aero Products, Inc.
Norwich – Chenango County

OTHER BUSINESS

3. Remarks of Chairman McCullough

4. Next Meeting

April 24, 2007

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
- 4) Fort Myers Interactive Video, 1408 Bayview Ct., Fort Myers, FL

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, (Fort Myers, FL)

Kevin S. Corbett, Member – Excused

Also in attendance were:

Timothy S. Carey	President and Chief Executive Officer, NYPA
Thomas J. Kelly	Executive Vice President and General Counsel, NYPA
Louise M. Morman	Senior Vice President, Marketing and Economic Development, NYPA
Thomas H. Warmath	Vice President and Chief Risk Officer, NYPA
Anne B. Cahill	Corporate Secretary, NYPA
Joseph C. Carline	Assistant General Counsel, NYPA
James F. Pasquale	Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing, NYPA
Michael A. Saltzman	Director – Media Relations, NYPA
Anthony C. Savino	Manager – Business Power Allocations and Compliance, NYPA
Niko P. Ladopoulos	Legislative Liaison, NYPA
Mary Jean Frank	Associate Corporate Secretary, NYPA

April 24, 2007

1. **Adoption of Minutes**

The minutes of the meeting of March 27, 2007, were unanimously adopted.

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

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve extended benefits for 51 Power for Jobs (“PFJ”) customers as listed in Exhibits “A” and “B.”

BACKGROUND

In July 1997, the New York State Legislature approved a program to provide low-cost power to businesses and not-for-profit corporations that agree to retain or create jobs in New York State. In return for commitments to create or retain jobs, successful applicants receive three-year contracts for PFJ electricity.

The PFJ program originally made 400 megawatts (“MW”) of power available. The program was to be phased in over three years, with approximately 133 MW made available each year. In July 1998, as a result of the initial success of the program, the Legislature amended the PFJ statute to accelerate the distribution of the power, making a total of 267 MW available in Year One. The 1998 amendments also increased the size of the program to 450 MW, with 50 MW to become available in Year Three.

In May 2000, legislation was enacted that authorized another 300 MW of power to be allocated under the PFJ program. The additional MW were described in the statute as “phase four” of the program. Customers that received allocations in Year One were authorized to apply for reallocations; more than 95% reapplied. The balance of the power was awarded to new applicants.

In July 2002, legislation was signed into law that authorized another 183 MW of power to be allocated under the program. The additional MW were described in the statute as “phase five” of the program. Customers that received allocations in Year Two or Year Three were given priority to reapply for the program. Any remaining power was made available to new applicants.

Chapter 59 of the Laws of 2004 extended the benefits for PFJ customers whose contracts expired before the end of the program in 2005. Such customers had to choose to receive an “electricity savings reimbursement” rebate and/or a power contract extension. The Authority was also authorized to voluntarily fund the rebates, if deemed feasible and advisable by the Trustees.

PFJ customers whose contracts expired on or prior to November 30, 2004 were eligible for a rebate to the extent funded by the Authority from the date their contract expired through December 31, 2005. As an alternative, such customers could choose to receive a rebate to the extent funded by the Authority from the date their contract expired as a bridge to a new contract extension, with the contract extension commencing December 1, 2004. The new contract would be in effect from a period no earlier than December 1, 2004 through the end of the PFJ program on December 31, 2005.

PFJ customers whose contracts expired after November 30, 2004 were eligible for rebate or contract extension, assuming funding by the Authority, from the date their contracts expired through December 31, 2005.

Approved contract extensions entitled customers to receive the power from the Authority pursuant to a sale-for-resale agreement with the customer’s local utility. Separate allocation contracts between customers and the Authority contained job commitments enforceable by the Authority.

In 2005, provisions of the approved State budget extended the period PFJ customers could receive benefits until December 31, 2006. In 2006, a new law (Chapter 645 of the Laws of 2006) included provisions extending program benefits until June 30, 2007.

Section 189 of the New York State Economic Development Law, which was amended by Chapter 59 of the Laws of 2004, provided the statutory authorization for the extended benefits that could be provided to PFJ customers. The statute stated that an applicant could receive extended benefits “*only if it is in compliance with and*

agrees to continue to meet the job retention and creation commitments set forth in its prior power for jobs contract.”

Chapter 313 of the Laws of 2005 amended the above language to allow EDPAB to consider continuation of benefits on such terms as it deems reasonable. The statutory language now reads as follows:

*An applicant shall be eligible for such reimbursements and/or extensions only if it is in compliance with and agrees to continue to meet the job retention and creation commitments set forth in its prior power for jobs contract, **or such other commitments as the board deems reasonable.** (emphasis supplied)*

At its meeting of October 18, 2005, EDPAB approved criteria under which applicants whose extended benefits EDPAB had reduced for non-compliance with their job commitments could apply to have their PFJ benefits reinstated in whole or in part. EDPAB authorized staff to create a short-form application, notify customers of the process, send customers the application and evaluate reconsideration requests based on the approved criteria. To date, staff has mailed 200 applications, received 109 and completed review of 108.

DISCUSSION

EDPAB is requested to recommend that the Authority Trustees approve electricity savings reimbursements rebates to 51 Power for Jobs customers, 38 of which are meeting their current job commitments and are listed in Exhibit “A.” However, 13 customers reported actual job numbers below their contractual commitment. We are recommending that these customers have their allocation reduced proportionately to their job shortfall where appropriate. These customers are listed on Exhibit “B.” Collectively, these organizations have agreed to retain more than 26,000 jobs in New York State in exchange for rebates. The rebate program will be in effect until June 30, 2007, the program’s sunset.

RECOMMENDATION

It is requested that the Economic Development Power Allocation Board recommend that the Authority Trustees approve electricity savings reimbursement rebates to the 51 businesses listed in Exhibits “A” and “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

Acme Smoked Fish Corp.
Brooklyn - Kings County

Ballet Hispanico
New York - New York County

Belmont Metals, Inc.
Brooklyn - Kings County

Charmer Industries, Inc.
Astoria - Queens County

Continental Food Products, Inc.
Flushing - Queens County

Jacmel Jewelry, Inc.
Long Island City - Queens County

Liz Claiborne, Inc.
New York - New York County

Manhattan School of Music
New York - New York County

Marymount College
Tarrytown - Westchester County

NYU Medical Center
New York - New York County

Diller-Quaile School of Music
New York - New York County

The Brooklyn Historical Society
Brooklyn - Kings County

Home for Contemporary Theater & Art
New York - New York County

Long Island Power Authority– Service Territory

Commercial Envelope Manufacturing Corp.
Deer Park - Suffolk County

Standard Microsystems Corp.
Hauppauge - Suffolk County

Kozy Shack, Inc.
Hicksville - Nassau County

Ultimate Precision Metal
Farmingdale - Suffolk County

National Grid – Service Territory

Bank of New York
Oriskany - Oneida County

Interface Solutions, Inc.
Fulton - Oswego County

Cascades Tissue Group
Waterford - Saratoga County

OAB Holdings, Inc.
Buffalo - Erie County

Corning, Inc. (Canton)
Canton - St. Lawrence County

Organichem, Inc.
Rensselaer - Rensselaer County

Diemolding Corporation
Canastota - Madison County

PCI Paper Conversions, Inc.
Syracuse - Onondaga County

General Electric Plastics
Selkirk - Albany County

New York State Electric & Gas – Service Territory

Agri-Mark, Inc.
Chateaugay - Franklin County

Lancaster Knives, Inc.
Lancaster – Erie County

Air-Flo Manufacturing
Prattsburgh - Steuben County

Lancaster Steel Services Co. Inc.
Lancaster – Erie County

Candlelight Cabinetry, Inc.
Lockport - Niagara County

Milward Alloys
Lockport - Niagara County

Elmira College
Elmira – Chemung County

PCB Piezotronic, Inc.
Depew – Wayne County

Emerson Power Transmission, Corp.
Ithaca - Tompkins County

Seneca Foods Corporation
Geneva - Ontario County

Kraft Foods
Campbell – Steuben County

Rochester Gas & Electric – Service Territory

J.C. Plastics, Inc.
Rochester - Monroe County

COMPANIES NOT IN JOB COMPLIANCE

Con Edison – Service Territory

American Cancer Society
New York - New York County

International Business Machines
White Plains - Westchester County

AT&T
White Plains - Westchester County

National Grid – Service Territory

Applied Energy Solutions
Caledonia - Livingston County

Lydall Manning
Green Island - Albany County

Cooper Hand Tools
Cortland - Cortland County

McLane Eastern
Baldwinsville - Onondaga County

Cooper Industries
Syracuse - Onondaga County

Quad Graphics, Inc.
Saratoga Springs - Saratoga County

Fitzpatrick & Weller, Inc.
Ellicottville - Cattaraugus County

Syroco, Inc.
Baldwinsville - Onondaga County

New York State Electric & Gas – Service Territory

Custom Electronics, Inc.
Oneonta – Otsego County

Norwich Aero Products, Inc.
Norwich – Chenango 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 645 of the Laws of 2006; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the 51 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 51,290 kW until June 30, 2007.

**Economic Development Power Allocation Board
Power for Jobs Extended Benefits
Recommendation for Electricity Savings Reimbursements
Companies In Job Compliance**

**Exhibit "2-A"
April 24, 2007**

Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended			Service
											KW	Jobs/MW	Type	
1	Acme Smoked Fish Corp.	Brooklyn	Kings	Con Ed	400	149	152	3	2%	Yes	400	380	Large	Food processor
2	Ballet Hispanico	New York	New York	Con Ed	25	53	57	4	8%	Yes	25	2,280	NFP	School of Dance
3	Belmont Metals, Inc.	Brooklyn	Kings	Con Ed	400	88	84	-4	-5%	Yes	400	210	Large	Manufacturer of non-ferrous metals
4	Charmer Industries, Inc.	Astoria	Queens	Con Ed	750	810	768	-42	-5%	Yes	750	1,024	Large	Distributors of wines and spirits
5	Continental Food Products, Inc.	Flushing	Queens	Con Ed	300	88	84	-4	-5%	Yes	300	280	Small	Frozen pizza manufacturer
6	Diller-Quaile School of Music	New York	New York	Con Ed	30	28	54	26	93%	Yes	30	1,800	NFP	Music education programs
7	Home for Contemporary Theater & Art	New York	New York	Con Ed	30	18	17	-1	-6%	Yes	30	567	NFP	Arts venue
8	Jacmel Jewelry, Inc.	Long Island City	Queens	Con Ed	170	227	267	40	18%	Yes	170	1,571	Small	Makes & ships fine jewelry
9	Liz Claiborne, Inc.	New York	New York	Con Ed	1,500	1,075	1,407	332	31%	Yes	1,500	938	Large	Clothing and accessories manufacturer.
10	Manhattan School of Music	New York	New York	Con Ed	200	176	343	167	95%	Yes	200	1,715	NFP	International conservatory of music
11	Marymount College	Tarrytown	Westchester	Con Ed	400	187	279	92	49%	Yes	400	698	NFP	Independent liberal arts college
12	NYU Medical Center	New York	New York	Con Ed	4,000	9,867	10,455	588	6%	Yes	4,000	2,614	NFP	Medical Center
13	The Brooklyn Historical Society	Brooklyn	Kings	Con Ed	30	16	17	1	6%	Yes	30	567	NFP	Community services
	Total Con Ed		Subtotal	13	8,235	12,782	13,984				8,235			
14	Commercial Envelope Manufacturing Corp.	Deer Park	Suffolk	LIPA	700	188	199	11	6%	Yes	700	284	Large	Manufacturer of envelopes
15	Kozy Shack, Inc.	Hicksville	Nassau	LIPA	1,000	209	265	56	27%	Yes	1,000	265	Large	Mfr. of puddings & snacks
16	Standard Microsystems Corp.	Hauppauge	Suffolk	LIPA	1,050	361	376	15	4%	Yes	1,050	358	Large	Maker of computer circuits
17	Ultimate Precision Metal	Farmingdale	Suffolk	LIPA	250	107	122	15	14%	Yes	250	488	Small	Manufactures controlled enclosures
	Total LIPA		Subtotal	4	3,000	865	962				3,000			
18	Bank of New York	Oriskany	Oneida	N. Grid	500	651	748	97	15%	Yes	500	1,496	Large	Banking Services
19	Cascades Tissue Group	Waterford	Saratoga	N. Grid	600	110	159	49	45%	Yes	600	265	Large	Industrial towel manufacturer
20	Corning, Inc.	Canton	St. Lawrence	N. Grid	1,500	272	260	-12	-4%	Yes	1,500	173	Large	Optical fiber & ceramic products
21	Diemolding Corporation	Canastota	Madison	N. Grid	200	305	300	-5	-2%	Yes	200	1,500	Small	Thermoset plastic forming
22	General Electric Plastics	Selkirk	Albany	N. Grid	5,000	545	515	-30	-6%	Yes	5,000	103	Large	Plastic materials & resins
23	Interface Solutions, Inc.	Fulton	Oswego	N. Grid	1,000	187	180	-7	-4%	Yes	1,000	180	Large	Makes backing for vinyl flooring & gaskets
24	OAB Holdings, Inc.	Buffalo	Erie	N. Grid	5,000	335	335	0	0%	Yes	5,000	67	Large	Metal manufacturing
25	Organichem, Inc.	Rensselaer	Rensselaer	N. Grid	1,000	183	330	147	80%	Yes	1,000	330	Large	Manufacturing of pharmaceutical ingredients
26	PCI Paper Conversions, Inc.	Syracuse	Onondaga	N. Grid	400	224	235	11	5%	Yes	400	588	Large	Printed materials & adhesive manufacturing
	Total National Grid		Subtotal	9	15,200	2,812	3,062				15,200			
27	Agri-Mark, Inc	Chateaugay	Franklin	NYSEG	500	116	112	-4	-3%	Yes	500	224	Large	Cheese manufacturer
28	Air-Flo Manufacturing	Prattsburgh	Steuben	NYSEG	130	117	119	2	2%	Yes	130	915	Small	Mfr. of ice control equipment
29	Candlelight Cabinetry, Inc.	Lockport	Niagara	NYSEG	400	185	204	19	10%	Yes	400	510	Large	Manufacture custom cabinets
30	Elmira College	Elmira	Chemung	NYSEG	850	462	475	13	3%	Yes	850	559	NFP	Educational Institution
31	Emerson Power Transmission, Corp.	Ithaca	Tompkins	NYSEG	1,400	427	430	3	1%	Yes	1,400	307	Large	Power transmission
32	Kraft Foods - Campbell	Campbell	Steuben	NYSEG	2,000	410	382	-28	-7%	Yes	2,000	191	Large	Food processor
33	Lancaster Knives, Inc.	Lancaster	Erie	NYSEG	400	53	52	-1	-2%	Yes	400	130	Large	Manufacturer of industrial knives
34	Lancaster Steel Service Co., Inc.	Lancaster	Erie	NYSEG	500	151	150	-1	-1%	Yes	500	300	Large	Steel distribution warehouse
35	Milward Alloys	Lockport	Niagara	NYSEG	600	45	45	0	0%	Yes	600	75	Large	Copper and aluminum based alloys
36	PCB Piezotronics, Inc.	Depew	Wayne	NYSEG	600	451	512	61	14%	Yes	600	853	Large	Capacitive & piezoelectric quartz instruments
37	Seneca Foods Corporation	Geneva	Ontario	NYSEG	1,000	278	271	-7	-3%	Yes	1,000	271	Large	Canned fruits & vegetables
	Total NYSEG		Subtotal	11	8,380	2,695	2,752				8,380			
38	J. C. Plastics, Inc.	Rochester	Monroe	RGE	150	28	29	1	4%	Yes	150	193	Small	Plastic injection molding
	Total RGE		Subtotal	1	150	28	29				150			
	Total		38		34,965	19,182	20,789				34,965	595		

**Economic Development Power Allocation Board
 Power for Jobs Extended Benefits
 Recommendation for Electricity Savings Reimbursements
 Companies Not In Job Compliance**

**"Exhibit 2-B"
 April 24, 2007**

Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application			Compliance	Recommended		Type	Service
							Over (under)	% Over (under)	KW		Jobs/MW			
1	American Cancer Society	New York	New York	Con Ed	100	114	88	-26	-23%	No	80	1,100	NFP	Social services provider
2	AT&T	White Plains	Westchester	Con Ed	650	600	515	-85	-14%	No	560	920	Large	Telecommunications
3	International Business Machines	White Plains	Westchester	Con Ed	4,400	1,989	1,748	-241	-12%	No	3,870	452	Large	Computer manufacturer
Total Con Ed				Subtotal	3	5,150	2,703	2,351			4,510			
4	Applied Energy Solutions	Caledonia	Livingston	N. Grid	300	121	64	-57	-47%	No	300	213	Small	Electronics
5	Cooper Hand Tools	Cortland	Cortland	N. Grid	2,200	190	115	-75	-39%	No	1,330	86	Large	Metal machining and casting
6	Cooper Industries	Syracuse	Onondaga	N. Grid	3,000	958	529	-429	-45%	No	2,350	225	Large	Manufacturer of electrical equipment
7	Fitzpatrick & Weller, Inc.	Ellicottville	Cattaraugus	N. Grid	1,000	107	95	-12	-11%	No	1,000	95	Large	Lumber & wood components
8	Lydall Manning	Green Island	Albany	N. Grid	1,200	133	111	-22	-17%	No	1,100	101	Large	Specialty paper manufacturer
9	McLane Eastern	Baldwinsville	Onondaga	N. Grid	1,000	1040	783	-257	-25%	No	875	895	Large	Wholesale grocery distributor
10	Quad Graphics, Inc.	Saratoga Springs	Saratoga	N. Grid	4,000	1,118	958	-160	-14%	No	4,000	240	Large	Printing services
11	Syroco, Inc. - A Subsidiary of Vassallo Industries	Baldwinsville	Onondaga	N. Grid	550	427	183	-244	-57%	No	550	333	Large	Plastic injection molding manufacturer
Total National Grid				Subtotal	8	13,250	4,094	2,838			11,505			
12	Custom Electronics, Inc.	Oneonta	Otsego	NYSEG	150	65	55	-10	-15%	No	150	367	Small	Electronic components and assemblies
13	Norwich Aero Products, Inc.	Norwich	Chenango	NYSEG	200	115	92	-23	-20%	No	160	575	Small	Mfg. auto temp sensors
Total NYSEG				Subtotal	2	350	180	147			310			

Total	13	18,750	6,977	5,336
--------------	-----------	---------------	--------------	--------------

16,325	327
---------------	------------

Note: Some of the companies listed above have had part or all of their allocation restored through the reconsideration process.

3. **Remarks of Chairman McCullough**

Chairman McCullough said that he has not received any official communication regarding the extension of the Power for Jobs program beyond its current end date of June 30, 2007, but that he would let the other EDPAB members know as soon as he has any information.

4. **Next Meeting**

The next meeting of the Board is to be determined.