

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

July 22, 2008

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

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

1. Approval of the Minutes of the Meeting of June 18, 2008

2. Power for Jobs Extended Benefits Recommendations

A. ELECTRICITY SAVINGS REIMBURSEMENTS:

Central Hudson Electric & Gas – Service Territory

Northeast Solite Corp.
Mount Marion – Ulster County

Con Edison - Service Territory

A. Stein Meat Products, Inc.
Brooklyn - Kings County

Long Island Jewish Medical Center
Manhasset - Nassau County

Acme Architectural Products, Inc.
Brooklyn - Kings County

Memorial Sloan-Kettering Cancer Center
New York - New York County

American Cancer Society
New York - New York County

Mount Sinai Medical Center
New York - New York County

Greater Jamaica Development Corp.
Jamaica - Queens County

Norampac New York City, Inc.
Maspeth - Queens County

Intrepid Museum Foundation
New York - New York County

Pepsi Cola Bottling Company
College Point - Queens County

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

National Grid – Service Territory

Applied Energy Solutions
Caledonia - Livingston County

Natrium Products, Inc.
Cortland - Cortland County

Borg Warner Morse TEC Corp.
Cortland - Cortland County

Oldcastle Precast Inc.
South Bethlehem - Albany County

Consumers Beverages, Inc.
Buffalo - Erie County

Organichem, Inc.
Rensselaer - Rensselaer County

Corning, Inc.
Canton - St. Lawrence County

Quad Graphics, Inc.
Saratoga Springs - Saratoga County

Dal Tile Corporation
Olean - Cattaraugus County

Queensboro Farm Products, Inc.
Canastota - Madison County

Dielectric Laboratories, Inc.
Cazenovia - Madison County

Sorrento Lactalis, Inc.
Buffalo - Erie County

Fitzpatrick & Weller, Inc.
Ellicottville - Cattaraugus County

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

Interface Solutions, Inc.
Fulton - Oswego County

Syracuse Label Co., Inc.
Liverpool - Onondaga County

Kilian Manufacturing Corporation
Syracuse - Onondaga County

Welch Allyn Data Collection Inc.
Skaneateles Falls - Onondaga County

New York State Electric & Gas – Service Territory

A.T. Reynolds & Sons, Inc.
Kiamesha Lake - Sullivan County

Corning, Inc. (Southside)
Corning - Steuben County

Agri-Mark, Inc.
Chateaugay - Franklin County

IEC Electronics Corp.
Newark - Wayne County

Air-Flo Manufacturing
Prattsburgh - Steuben County

Merritt Plywood Machinery, Inc.
Lockport - Niagara County

Borg Warner Automotive Morse TEC
Ithaca - Tompkins County

Norwich Aero Products, Inc.
Norwich - Chenango County

Corning, Inc. (Costar Plant)
Oneonta - Otsego County

Vail Ballou Press, Inc.
Binghamton - Broome County

Corning, Inc. (Northside)
Corning - Steuben County

Rochester Gas & Electric – Service Territory

Gorbel Corporation
Fishers - Ontario County

Newport Rochester Inc.
Rochester - Monroe County

B. POWER FOR JOBS – CONTRACT EXTENSIONS

Children's Museum of Manhattan
New York – New York County

Chloe Foods
Brooklyn – Kings County

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

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

Kenneth Schoetz, Chairman (Albany, NY)
Frank S. McCullough, Jr., Member (White Plains, NY)
Bernard P. McGarry, Member (Albany, NY)
James A. Duncan, Member, (Ft. Myers, FL)

Also in attendance were:

Roger B. Kelley	President and Chief Executive Office, NYPA
Gil Quiniones	Acting COO & EVP – Energy Marketing and Corporate Affairs, NYPA
Thomas J. Kelly	Executive Vice President, General Counsel and Chief of Staff, NYPA
Anne B. Cahill	Corporate Secretary, NYPA
Joseph C. Carline	Assistant General Counsel, NYPA
James Yates	Senior Vice President, Marketing and Economic Development, NYPA
Angela Graves	Deputy Corporate Secretary, NYPA
James F. Pasquale	Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing, NYPA
Michael Saltzman	Director – Media Relations, NYPA
Mary Jean Frank	Associate Corporate Secretary, NYPA
Anthony C. Savino	Manager – Business Power Allocations and Compliance, NYPA

Introduction

Chairman Schoetz introduced himself and said that he had been named as Chairman of the Board by Governor Paterson on July 14th.

1. **Adoption of Minutes**

The minutes of the meeting of June 18, 2008 were unanimously adopted.

2. Power for Jobs Extended Recommendations

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve electricity savings reimbursements for the 43 Power for Jobs (“PFJ”) customers listed in Exhibit “A” and contract extensions for the two PFJ customers listed in Exhibit “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 and increase the size of the program to 450 MW.

In May 2000, legislation was enacted that authorized another 300 MW of power to be allocated under the PFJ program. Legislation further amended the program in July 2002.

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.

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. Chapter 645 of the Laws of 2006 included provisions extending program benefits until June 30, 2007. Chapter 89 of the Laws of 2007 included provisions extending program benefits until June 30, 2008. Chapter 59 of the Laws of 2008 included provisions extending the program benefits until June 30, 2009.

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.

DISCUSSION

EDPAB is requested to recommend that the Authority Trustees approve electricity savings reimbursement rebates to the 43 companies listed in Exhibit “A”, all of whom are meeting their current job commitments. In addition, the Board is requested to recommend that the Authority Trustees approve contract extensions for the two companies listed on Exhibit “B”. Collectively, these organizations have agreed to retain more than 46,000 jobs in New York State in exchange for rebates. The extended benefits will be in effect until June 30, 2009, the programs’ sunset.

RECOMMENDATION

It is requested that the Economic Development Power Allocation Board recommend that the Authority Trustees approve the payment of electricity savings reimbursements to the 43 business listed on Exhibit "A" and contract extensions to the two customers listed on Exhibit "B."

Mr. James Pasquale presented the highlights of staff's recommendations to the Board. He stated that because one of the two customers whose contracts are being recommended for extension had fallen below its job commitments, that customer will be sent the reconsideration criteria previously approved by the Board and asked to respond within 30 days as to whether any extenuating circumstances justified its power allocation remaining the same. Staff will then review the company's response and report back to the Board on any further recommended action.

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:

A. ELECTRICITY SAVINGS REIMBURSEMENTS:

Central Hudson Electric & Gas – Service Territory

**Northeast Solite Corp.
Mount Marion – Ulster County**

Con Edison - Service Territory

**A. Stein Meat Products, Inc.
Brooklyn - Kings County**

**Acme Architectural Products, Inc.
Brooklyn - Kings County**

**American Cancer Society
New York - New York County**

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

**Intrepid Museum Foundation
New York - New York County**

**Lincoln Center for the Performing Arts
New York - New York County**

National Grid – Service Territory

**Applied Energy Solutions
Caledonia - Livingston County**

**Long Island Jewish Medical Center
Manhasset - Nassau County**

**Memorial Sloan-Kettering Cancer Center
New York - New York County**

**Mount Sinai Medical Center
New York - New York County**

**Norampac New York City, Inc.
Maspeth - Queens County**

**Pepsi Cola Bottling Company
College Point - Queens County**

**Natrium Products, Inc.
Cortland - Cortland County**

Borg Warner Morse TEC Corp.
Cortland - Cortland County

Consumers Beverages, Inc.
Buffalo - Erie County

Corning, Inc.
Canton - St. Lawrence County

Dal Tile Corporation
Olean - Cattaraugus County

Dielectric Laboratories, Inc.
Cazenovia - Madison County

Fitzpatrick & Weller, Inc.
Ellicottville - Cattaraugus County

Interface Solutions, Inc.
Fulton - Oswego County

Kilian Manufacturing Corporation
Syracuse - Onondaga County

Oldcastle Precast Inc.
South Bethlehem - Albany County

Organichem, Inc.
Rensselaer - Rensselaer County

Quad Graphics, Inc.
Saratoga Springs - Saratoga County

Queensboro Farm Products, Inc.
Canastota - Madison County

Sorrento Lactalis, Inc.
Buffalo - Erie County

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

Syracuse Label Co., Inc.
Liverpool - Onondaga County

Welch Allyn Data Collection Inc.
Skaneateles Falls - Onondaga County

New York State Electric & Gas – Service Territory

A.T. Reynolds & Sons, Inc.
Kiamesha Lake - Sullivan County

Agri-Mark, Inc.
Chateaugay - Franklin County

Air-Flo Manufacturing
Prattsburgh - Steuben County

Borg Warner Automotive Morse TEC
Ithaca - Tompkins County

Corning, Inc. (Costar Plant)
Oneonta - Otsego County

Corning, Inc. (Northside)
Corning - Steuben County

Corning, Inc. (Southside)
Corning - Steuben County

IEC Electronics Corp.
Newark - Wayne County

Merritt Plywood Machinery, Inc.
Lockport - Niagara County

Norwich Aero Products, Inc.
Norwich - Chenango County

Vail Ballou Press, Inc.
Binghamton - Broome County

Rochester Gas & Electric – Service Territory

Gorbel Corporation
Fishers - Ontario County

Newport Rochester Inc.
Rochester - Monroe County

B. POWER FOR JOBS – CONTRACT EXTENSIONS

Children's Museum of Manhattan
New York – New York County

Chloe Foods
Brooklyn – Kings County

July 22, 2008

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 59 of the Laws of 2008; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the 43 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 47,700 kW until June 30, 2009.

Economic Development Power Allocation Board
Power for Jobs - Extended Benefits

Exhibit "A"
July 22, 2008

Recommendation for Electricity Savings Reimbursements											Recommended Allocation			
Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	KW	Jobs/MW	Type	Service
1	Northeast Solite Corp.	Mount Marion	Ulster	CHGE	600	55	57	2	4%	Yes	600	95	Large	Manufactures nonmetallic mineral products
	Total CHE&G		Subtotal		1	600	55				600			
2	A. Stein Meat Products, Inc.	Brooklyn	Kings	Con Ed	120	38	38	0	0%	Yes	120	317	Small	Meat wholesale/fabrication
3	Acme Architectural Products, Inc.	Brooklyn	Kings	Con Ed	620	400	469	69	17%	Yes	620	756	Large	Manufacturer of office landscape systems
4	American Cancer Society	New York	New York	Con Ed	80	83	91	8	10%	Yes	80	313	NFP	Social Services Provider
5	Greater Jamaica Development Corp.	Jamaica	Queens	Con Ed	375	139	151	12	9%	Yes	375	403	NFP	Urban & Community Development
6	Intrepid Museum Foundation	New York	New York	Con Ed	450	132	88	-44	-33%	Yes *	450	196	NFP	Museum & educational public programs
7	Lincoln Center for the Performing Arts	New York	New York	Con Ed	3,000	3,763	3,763	0	0%	Yes	3,000	1,254	NFP	Performing Arts Center
8	Long Island Jewish Medical Center	Manhasset	Nassau	Con Ed	2,000	6,143	6,958	815	13%	Yes	2,000	3,479	NFP	Healthcare Center
9	Memorial Sloan-Kettering Cancer Center	New York	New York	Con Ed	5,000	8,801	9,286	485	6%	Yes	5,000	1,857	NFP	Medical Center
10	Mount Sinai Medical Center	New York	New York	Con Ed	2,000	11,647	11,647	0	0%	Yes	2,000	5,824	NFP	Medical Center
11	Norampac New York City, Inc.	Maspeth	Queens	Con Ed	600	213	204	-9	-4%	Yes	600	340	Large	Corrugated paper packaging and displays
12	Pepsi Cola Bottling Company	College Point	Queens	Con Ed	2,200	990	1,015	25	3%	Yes	2,200	461	Large	Manufactures & distributes of soft drinks
	Total Con Edison		Subtotal		11	16,445	32,349				16,445			
13	Applied Energy Solutions	Caledonia	Livingston	Grid	300	63	65	2	3%	Yes	300	217	Small	Electronics
14	Borg Warner Morse Tech	Cortland	Cortland	Grid	1,500	236	216	-20	-8%	Yes	1,500	144	Large	Manufacturer of automotive components
15	Consumers Beverages, Inc.	Buffalo	Erie	Grid	220	70	71	1	1%	Yes	220	323	Small	Beverage Producer
16	Corning, Inc. (Canton)	Canton	St. Lawrence	Grid	1,500	245	261	16	7%	Yes	1,500	174	Large	Mfr of optical fiber, glass & ceramic products
17	Dal Tile Corporation	Olean	Cattaraugus	Grid	1,000	204	204	0	0%	Yes	1,000	204	Large	Ceramic tile
18	Dielectric Laboratories, Inc.	Cazenovia	Madison	Grid	400	190	190	0	0%	Yes	400	475	Large	Ceramic capacitors and ceramic packaging
19	Fitzpatrick & Weller, Inc.	Ellicottville	Cattaraugus	Grid	1,000	95	93	-2	-2%	Yes	1,000	93	Large	Lumber & wood components
20	Interface Solutions, Inc.	Fulton	Oswego	Grid	1,000	161	142	-19	-12%	Yes *	940	151	Large	Vinyl flooring backing & fiber gaskets
21	Kilian Manufacturing Corporation	Syracuse	Onondaga	Grid	400	166	154	-12	-7%	Yes	400	385	Large	Mfr. ball bearings
22	Natrium Products, Inc.	Cortland	Cortland	Grid	90	21	21	0	0%	Yes	90	233	Small	Mfr. of sodium bicarbonate (baking soda)
23	Oldcastle Precast Inc	South Bethlehem	Albany	Grid	160	64	64	0	0%	Yes	160	400	Small	Precast products and installation
24	Organichem, Inc.	Rensselaer	Rensselaer	Grid	1,000	310	256	-54	-17%	Yes *	1,000	256	Large	Manufacturing of pharmaceutical ingredients
25	Quad Graphics, Inc.	Saratoga Springs	Saratoga	Grid	4,000	958	1,068	110	11%	Yes	4,000	267	Large	Printing services
26	Queensboro Farm Products, Inc.	Canastota	Madison	Grid	500	79	81	2	3%	Yes	500	162	Large	Milk manufacturing and processing plant
27	Sorrento Lactalis, Inc.	Buffalo	Erie	Grid	1,500	364	496	132	36%	Yes	1,500	331	Large	Produces cheese as well as whey products
28	St. Joseph's Hospital Health Center	Syracuse	Onondaga	Grid	1,000	3,071	3,386	315	10%	Yes	1,000	3,386	NFP	Healthcare Center
29	Syracuse Label Co., Inc.	Liverpool	Onondaga	Grid	200	86	88	2	2%	Yes	200	440	Small	Printing labels for consumers and industrials
30	Welch Allyn Data Collection Inc.	Skanateles Falls	Onondaga	Grid	2,000	1,275	1,302	27	2%	Yes	2,000	651	Large	Medical and dental equipment manufacturer
	Total National Grid		Subtotal		18	17,770	7,658				17,770			
31	A. T. Reynolds & Sons, Inc.	Kiamesha Lake	Sullivan	NYSEG	250	56	55	-1	-2%	Yes	250	220	Small	Spring water and Ice Mfr.
32	Agri-Mark, Inc	Chateaugay	Franklin	NYSEG	500	112	115	3	3%	Yes	500	230	Large	Cheese Manufacturer
33	Air-Flo Manufacturing	Prattsburgh	Steuben	NYSEG	130	99	93	-6	-6%	Yes	130	715	Small	Mfr. of ice equipment and truck bodies
34	Borg Warner Automotive Morse TEC (Ithaca)	Ithaca	Tompkins	NYSEG	4,000	1,422	1,318	-104	-7%	Yes	4,000	330	Large	Manufacture of automotive components
35	Corning, Inc. (Costar Plant)	Oneonta	Otsego	NYSEG	900	181	172	-9	-5%	Yes	900	191	Large	Mfr of optical fiber, glass & ceramic products
36	Corning, Inc. (Northside)	Corning	Steuben	NYSEG	2,500	935	948	13	2%	Yes	2,500	379	Large	Mfr of optical fiber, glass & ceramic products
37	Corning, Inc. (Southside)	Corning	Steuben	NYSEG	1,500	882	825	-57	-2%	Yes	1,500	550	Large	Mfr of optical fiber, glass & ceramic products
38	IEC Electronics Corp.	Newark	Wayne	NYSEG	590	167	243	76	46%	Yes	590	412	Large	Assembly of printed circuit boards
39	Merritt Plywood Machinery, Inc.	Lockport	Niagara	NYSEG	75	19	18	-1	-5%	Yes	75	240	Small	Machinery for wood veneer and plywood mfr.
40	Norwich Aero Products, Inc.	Norwich	Chenango	NYSEG	160	102	110	8	8%	Yes	160	688	Small	Manufactures auto temp sensors
41	Vail Ballou Press, Inc.	Binghamton	Broome	NYSEG	1,800	412	408	-4	-1%	Yes	1,800	227	Large	Book printer and distributor
	Total NYSEG		Subtotal		11	12,405	4,387				12,405			
42	Gorbel Corp.	Fishers	Ontario	RGE	350	18	153	135	750%	Yes	350	437	Large	Produces jibs, overhead stations & cranes
43	Newport Rochester	Rochester	Monroe	RGE	190	42	44	2	5%	Yes	190	232	Large	Manufactures spectrophotometers
	Total RG&E		Subtotal		2	540	60				540			
	Total		43		47,760	44,509	46,427				47,700			

* This company has had all or part of their allocation restored through the reconsideration process or was deemed compliant based on program processes.

Economic Development Power Allocation Board
Power for Jobs - Extended Benefits
Until June 30, 2009

Line	Company	City	County	IOU	KW	Job Committed	Jobs in		Compliance	June 2009 Benefit		Revised to Rebate	Recommended Allocation KW	Type
							Application 2008	Over (under)		% Over (under)	Power			
1	Children's Museum of Manhattan	New York	New York	Con Ed	110	56	78	22	39%	Yes		1	110	NFP
2	Chloe Foods	Brooklyn	Kings	Con Ed	800	514	448	-66	-13%	No		1	800	Large
Total					910	570	526						910	

3. Other Business

Mr. McCullough said that he wanted to make a statement to the members of the Board. He said that he had tendered his letter of retirement as a member of the Power Authority's Board of Trustees effective August 2, 2008 and that since his Board term expires in September, this would be his last meeting. Mr. McCullough said that it had been a pleasure to work with Mr. Duncan and Mr. McGarry over the years and thanked them for their service on the Board. Mr. Duncan said that he was going to miss Mr. McCullough and thanked him for his efforts as Chairman of the Board. Mr. McGarry echoed those sentiments and also thanked Mr. McCullough for his service. Chairman Schoetz thanked Mr. McCullough for his tenure on the Board and wished him good luck in his future endeavors.

4. **Next Meeting**

The next meeting of the Board is to be determined.