

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

May 18, 2009

Videoconference – 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

St. Lawrence/FDR Power Plant, 830 Barnhart Island, Massena, NY

Empire State Development Corp., 95 Perry Street, Suite 500, Buffalo, NY

- 1. Approval of the Minutes of the Meeting of March 30, 2009.**
- 2. Power for Jobs Extended Benefits Recommendations
for Electricity Savings Reimbursements**

A. COMPANIES IN JOB COMPLIANCE

Central Hudson Gas & Electric – Service Territory

Northeast Solite Corp.
Mount Marion - Ulster County

Con Edison - Service Territory

American Ballet Theater
New York - New York County

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

Belmont Metals, Inc.
Brooklyn - Kings County

New York University
New York - New York County

Continental Food Products, Inc.
Flushing - Queens County

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

IBM – Westchester
Armonk - Westchester County

Streamline Plastics Co., Inc.
Bronx - Bronx County

Kingsbrook Jewish Medical Center
Brooklyn - Kings County

The Museum of Modern Art
New York - New York County

Long Island Jewish Medical Center
Manhasset - Nassau County

Long Island Power Authority - Service Territory

Ametek Hughes-Treitler
Garden City - Nassau County

Silver Lake Cookie Co.
Islip - Suffolk County

Kleer-Fax Inc.
Amityville - Suffolk County

National Grid - Service Territory

Applied Energy Solutions Caledonia - Livingston County	Lewis County General Hospital Lowville - Lewis County
Beechnut Nutrition Corp. Canajoharie - Montgomery County	Lydall Manning Green Island - Albany County
Burrows Paper Corp. Little Falls - Herkimer County	Mayer Brothers Apple Products Buffalo - Erie County
Carville National Leather Corp. Johnstown - Fulton County	Mohawk Paper Mills Cohoes - Albany County
Climax Manufacturing Co. Carthage - Jefferson County	Paul Bunyan Products, Inc. Preble - Cortland County
Cooper Industries Syracuse - Onondaga County	Queensboro Farm Products, Inc. Canastota - Madison County
Corning, Inc. Canton - St. Lawrence County	Revere Copper Products Rome - Oneida County
Cortland Line Co., Inc. Cortland - Cortland County	Rich Plan Food Service, Inc. Clark Mills - Oneida County
CWM Chemical Services, LLC Model City - Niagara County	Robison & Smith, Inc. Gloversville - Fulton County
Dielectric Laboratories, Inc. Cazenovia - Madison County	RSA Solutions Inc. Amherst - Erie County
Diemolding Corporation Canastota - Madison County	Schenectady International, Inc. Schenectady - Schenectady County
Edward John Noble Hospital Gouverneur - St. Lawrence County	Schneider Packaging Equipment Brewerton - Onondaga County
Finch Pruyn & Company Inc. Glen Falls - Warren County	Sorrento Lactalis, Inc. Buffalo - Erie County
Fitzpatrick & Weller, Inc. Ellicottville - Cattaraugus County	Specialized Packaging Radisson, Inc. Baldwinsville - Onondaga County
Ford Motor Company Buffalo - Erie County	Spray Nine Corporation Johnstown - Fulton County
G L & V Sandy Hill Inc. Hudson Falls - Washington County	Syracuse China Company Syracuse - Onondaga County
Interface Solutions, Inc. Fulton - Oswego County	Syracuse Label Co., Inc. Liverpool - Onondaga County
Keystone Corporation Buffalo - Erie County	Vicks Lithograph & Printing Yorkville - Oneida County

Kilian Manufacturing Corporation
Syracuse - Onondaga County

New York State Electric & Gas – Service Territory

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

Manitoba Corporation
Lancaster - Erie County

Agri-Mark, Inc.
Chateaugay - Franklin County

Mayer Brothers Products, Inc.
West Seneca - Erie County

Air-Flo Manufacturing
Prattsburgh - Steuben County

Merritt Machinery, LLC
Lockport - Niagara County

Bison Foods - Div. of Upstate Farms
Buffalo - Erie County

Quebecor World Buffalo, Inc.
Depew - Erie County

Caron Fine Wood Products, Inc.
Champlain - Clinton County

Upstate Niagara Cooperative, Inc.
Buffalo - Erie County

Corning, Inc.
Corning - Steuben County

Vail Ballou Press, Inc.
Binghamton - Broome County

Corning, Inc.
Oneonta - Otsego County

Orange and Rockland – Service Territory

IBM – Sterling Forest
Sterling – Orange County

Rochester Gas & Electric – Service Territory

IBM – Rochester
Rochester – Monroe County

B. COMPANIES NOT IN JOB COMPLIANCE

Con Edison – Service Territory

Display Producers, Inc.
Bronx - Bronx County

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

Long Island Power Authority – Service Territory

Commercial Envelope Manufacturing Corp.
Deer Park - Suffolk County

National Grid – Service Territory

Standard Manufacturing Co., Inc.
Troy - Rensselaer County

**3. Economic Development Plan – Use of Net Revenues Produced
by Sale of Expansion Power as Industrial Incentive Awards**

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, 123 Main Street, White Plains, NY
- 2) New York Power Authority, 30 South Pearl Street, Albany NY
- 3) St. Lawrence/FDR Power Plant, 830 Barnhart Island, Massena, NY
- 4) Empire State Development corp., 95 Perry Street, Suite 500, Buffalo, NY

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

Kenneth Schoetz, Chairman (Buffalo, NY)
Bernard P. McGarry, Member (Albany, NY)
Eugene L. Nicandri, Member, (Massena, NY)

Also in attendance were:

Terryl Brown Clemons	Executive Vice President & General Counsel, NYPA
Karen Delince	Corporate Secretary, NYPA
Joseph Carline	Temp. Assistant General Counsel, NYPA
James H. Yates	Senior Vice President - Marketing & Economic Development, NYPA
Paul Finnegan	Senior Vice President - Public & Government Affairs, NYPA
James F. Pasquale	Director – Marketing Analysis and Administration, NYPA
Michael Saltzman	Director – Media Relations, NYPA
Anthony C. Savino	Manager – Business Power Allocations and Compliance, NYPA
Mary Jean Frank	Associate Corporate Secretary, NYPA

1. **Adoption of Minutes**

The minutes of the meeting of March 30, 2009 were unanimously adopted.

2. Power for Jobs Extended Benefits

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to recommend that the Power Authority’s Trustees (“Trustees”) approve extended benefits for 71 Power for Jobs (“PFJ”) customers as listed in Exhibit “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 received three-year contracts for PFJ electricity.

The PFJ program originally made 400 megawatts (“MW”) of power available and was to be phased in over three years. 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 additional power to be allocated under the 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. 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 71 PFJ customers, 67 of which are meeting their current job commitment and are listed in Exhibit “A”. However, four 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 in Exhibit “B”. Collectively, these organizations have agreed to retain more than 44,000 jobs in New York State in exchange for rebates. The rebate program 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 71 business listed in Exhibits "A" and "B".

Mr. James Pasquale presented the highlights of staff's recommendations to the Board. In response to questions from Power Authority Trustee Eugene Nicandri, Mr. Pasquale said that the Power for Jobs program is slated to expire on June 30, 2009, but that it was likely that a new law will be enacted before then extending the program for an additional year. Responding to a question from Chairman Kenneth Schoetz, Mr. Pasquale said that the Authority had drafted legislation that would have allowed it to reallocate MW to new customers. In response to another question from Trustee Nicandri, Mr. Pasquale said that the four companies whose allocations were being reduced for noncompliance with their job commitments were aware of the fact that these reductions were being recommended. He said that three of the four customers did not submit applications for reconsideration and that the one customer who had submitted such an application did not meet the criteria for reinstating its allocation in full.

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:

Central Hudson Gas & Electric – Service Territory

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

Con Edison - Service Territory

**American Ballet Theater
New York - New York County**

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

**Belmont Metals, Inc.
Brooklyn - Kings County**

**New York University
New York - New York County**

**Continental Food Products, Inc.
Flushing - Queens County**

**S. R. Guggenheim Museum
New York - New York County**

**IBM – Westchester
Armonk - Westchester County**

**Streamline Plastics Co., Inc.
Bronx - Bronx County**

**Kingsbrook Jewish Medical Center
Brooklyn - Kings County**

**The Museum of Modern Art
New York - New York County**

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

Long Island Power Authority - Service Territory

Ametek Hughes-Treitler
Garden City - Nassau County

Silver Lake Cookie Co.
Islip - Suffolk County

Kleer-Fax Inc.
Amityville - Suffolk County

National Grid - Service Territory

Applied Energy Solutions
Caledonia - Livingston County

Lewis County General Hospital
Lowville - Lewis County

Beechnut Nutrition Corp.
Canajoharie - Montgomery County

Lydall Manning
Green Island - Albany County

Burrows Paper Corp.
Little Falls - Herkimer County

Mayer Brothers Apple Products
Buffalo - Erie County

Carville National Leather Corp.
Johnstown - Fulton County

Mohawk Paper Mills
Cohoes - Albany County

Climax Manufacturing Co.
Carthage - Jefferson County

Paul Bunyan Products, Inc.
Preble - Cortland County

Cooper Industries
Syracuse - Onondaga County

Queensboro Farm Products, Inc.
Canastota - Madison County

Corning, Inc.
Canton - St. Lawrence County

Revere Copper Products
Rome - Oneida County

Cortland Line Co., Inc.
Cortland - Cortland County

Rich Plan Food Service, Inc.
Clark Mills - Oneida County

CWM Chemical Services, LLC
Model City - Niagara County

Robison & Smith, Inc.
Gloversville - Fulton County

Dielectric Laboratories, Inc.
Cazenovia - Madison County

RSA Solutions Inc.
Amherst - Erie County

Diemolding Corporation
Canastota - Madison County

Schenectady International, Inc.
Schenectady - Schenectady County

Edward John Noble Hospital
Gouverneur - St. Lawrence County

Schneider Packaging Equipment
Brewerton - Onondaga County

Finch Pruyn & Company Inc.
Glen Falls - Warren County

Sorrento Lactalis, Inc.
Buffalo - Erie County

Fitzpatrick & Weller, Inc.
Ellicottville - Cattaraugus County

Specialized Packaging Radisson, Inc.
Baldwinsville - Onondaga County

Ford Motor Company
Buffalo - Erie County

Spray Nine Corporation
Johnstown - Fulton County

G L & V Sandy Hill Inc.
Hudson Falls - Washington County

Syracuse China Company
Syracuse - Onondaga County

Interface Solutions, Inc.
Fulton - Oswego County

Syracuse Label Co., Inc.
Liverpool - Onondaga County

Keystone Corporation
Buffalo - Erie County

Vicks Lithograph & Printing
Yorkville - Oneida County

Kilian Manufacturing Corporation
Syracuse - Onondaga County

New York State Electric & Gas – Service Territory

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

Manitoba Corporation
Lancaster - Erie County

Agri-Mark, Inc.
Chateaugay - Franklin County

Mayer Brothers Products, Inc.
West Seneca - Erie County

Air-Flo Manufacturing
Prattsburgh - Steuben County

Merritt Machinery, LLC
Lockport - Niagara County

Bison Foods - Div. of Upstate Farms
Buffalo - Erie County

Quebecor World Buffalo, Inc.
Depew - Erie County

Caron Fine Wood Products, Inc.
Champlain - Clinton County

Upstate Niagara Cooperative, Inc.
Buffalo - Erie County

Corning, Inc.
Corning - Steuben County

Vail Ballou Press, Inc.
Binghamton - Broome County

Corning, Inc.
Oneonta - Otsego County

Orange and Rockland – Service Territory

IBM – Sterling Forest
Sterling – Orange County

Rochester Gas & Electric – Service Territory

IBM – Rochester
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 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 71 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 63,583 kW until June 30, 2009.

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

Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended Allocation (KW)	Jobs/MW	Type	Service
1	Northeast Solite Corp.	Mount Marion	Ulster	CHG&E	600	57	60	3	5%	Yes	600	100	Large	Manufactures nonmetallic mineral products
	Total Central Hudson Gas & Electric		Subtotal	1	600	57	60				600			
2	American Ballet Theater	New York	New York	Con Ed	20	175	230	55	31%	Yes	20	11,500	NFP	Performing arts organization
3	Belmont Metals, Inc.	Brooklyn	Kings	Con Ed	400	83	83	0	0%	Yes	400	208	Large	Manufacturer of non-ferrous metals
4	Continental Food Products, Inc.	Flushing	Queens	Con Ed	300	65	59	-6	-9%	Yes	300	197	Small	Frozen Pizza manufacturer and distributor
5	IBM - Westchester	Armonk	Westchester	Con Ed	3,870	2,177	2,115	-62	-3%	Yes	3,870	547	Large	Technology products and services
6	Kingsbrook Jewish Medical Center	Brooklyn	Kings	Con Ed	1,200	1,865	1,910	45	2%	Yes	1,200	1,592	NFP	Medical and Research Institution
7	Long Island Jewish Medical Center	Manhasset	Nassau	Con Ed	2,000	6,958	6,508	-450	-6%	Yes	2,000	3,254	NFP	Healthcare Center
8	Memorial Sloan-Kettering Cancer Cen	New York	New York	Con Ed	5,000	9,286	9,840	554	6%	Yes	5,000	1,968	NFP	Medical Center
9	New York University	New York	New York	Con Ed	1,700	9,817	9,534	-283	-3%	Yes	1,700	5,608	NFP	Institution of Higher Education
10	S. R. Guggenheim Museum	New York	New York	Con Ed	475	390	418	28	7%	Yes	475	880	NFP	Art Museum
11	Streamline Plastics Co., Inc.	Bronx	Bronx	Con Ed	140	59	65	6	10%	Yes	140	464	Small	Miscellaneous plastics products
12	The Museum of Modern Art	New York	New York	Con Ed	1,000	765	766	1	0%	Yes	1,000	766	NFP	Museum
	Total Con Ed		Subtotal	11	16,105	31,640	31,528				16,105			
13	Ametek Hughes-Treitler	Garden City	Nassau	LIPA	500	172	164	-8	-5%	Yes	500	328	Large	Manufacturer of heat exchangers
14	Kleer-Fax Inc.	Amityville	Suffolk	LIPA	200	130	130	0	0%	Yes	200	650	Small	Mfr. paper / plastic products for office use
15	Silver Lake Cookie Co.	Islip	Suffolk	LIPA	400	210	195	-15	-7%	Yes	400	488	Large	Manufacturer of specialty cookies
	Total LIPA		Subtotal	3	1,100	512	489				1,100			
16	Applied Energy Solutions	Caledonia	Livingston	Grid	300	65	62	-3	-5%	Yes	300	207	Small	Electronics
17	Beechnut Nutrition Corp.	Canajoharie	Montgomery	Grid	1,500	359	377	18	5%	Yes	1,500	251	Large	Manufactures baby food products
18	Burrows Paper Corp.	Little Falls	Herkimer	Grid	1,000	193	178	-15	-8%	Yes	1,000	178	Large	Produces light weight specialty paper
19	Carville National Leather Corp.	Johnstown	Fulton	Grid	200	31	33	2	6%	Yes	200	165	Small	Fine Leather products
20	Climax Manufacturing Co.	Carthage	Jefferson	Grid	1,500	69	69	0	0%	Yes	1,500	46	Large	Paperboard mills
21	Cooper Industries (Cooper Crouse-Hinds)	Syracuse	Onondaga	Grid	2,350	592	678	86	15%	Yes	2,350	289	Large	Manufacturer of electrical equipment
22	Corning, Inc. (Canton)	Canton	St. Lawrence	Grid	1,500	261	238	-23	-9%	Yes	1,500	159	Large	Optical fiber, glass and ceramic products
23	Cortland Line Co., Inc.	Cortland	Cortland	Grid	450	84	83	-1	-1%	Yes	450	184	Large	Monofilament and braided fishing line
24	CWM Chemical Services, LLC	Model City	Niagara	Grid	330	78	65	-13	-17%	Yes *	330	197	Small	Treatment & disposal of industrial waste
25	Dielectric Laboratories, Inc.	Cazenovia	Madison	Grid	400	190	193	3	2%	Yes	400	483	Large	Ceramic capacitors and packaging
26	Diemolding Corporation	Canastota	Madison	Grid	200	238	201	-37	-16%	Yes *	184	1,092	Small	Thermoset plastic forming
27	Edward John Noble Hospital	Gouverneur	St. Lawrence	Grid	100	241	237	-4	-2%	Yes	100	2,370	NFP	Healthcare center
28	Finch Pruyn & Company Inc.	Glen Falls	Warren	Grid	5,000	842	834	-8	-1%	Yes	5,000	167	Large	Produces uncoated paper
29	Fitzpatrick & Weller, Inc.	Ellicottville	Cattaraugus	Grid	1,000	93	86	-7	-8%	Yes	1,000	86	Large	Lumber & wood components
30	Ford Motor Company	Buffalo	Erie	Grid	5,000	1,462	1,140	-322	-22%	Yes *	5,000	228	Large	Automotive components stamping
31	G L & V Sandy Hill Inc.	Hudson Falls	Washington	Grid	750	94	99	5	5%	Yes	750	132	Large	Full service foundry & machine shop
32	Interface Solutions, Inc.	Fulton	Oswego	Grid	940	142	139	-3	-2%	Yes	940	148	Large	Vinyl floor backing and fiber gaskets
33	Keystone Corporation	Buffalo	Erie	Grid	300	40	41	1	3%	Yes	300	137	Small	Fabricated metal products
34	Kilian Manufacturing Corporation	Syracuse	Onondaga	Grid	400	154	144	-10	-6%	Yes	400	360	Large	Mfr. ball bearings
35	Lewis County General Hospital	Lowville	Lewis	Grid	200	382	418	36	9%	Yes	200	2,090	NFP	Medical Center
36	Lydall Manning	Green Island	Albany	Grid	1,100	113	114	1	1%	Yes	1,100	104	Large	Specialty Paper Manufacturer
37	Mayer Bros. Apple Products, Inc.	Buffalo	Erie	Grid	300	90	93	3	3%	Yes	300	310	Small	Juice pressing and bottling
38	Mohawk Paper Mills	Cohoes	Albany	Grid	2,250	330	415	85	26%	Yes	2,250	184	Large	Manufacturer of text and cover papers
39	Paul Bunyan Products, Inc.	Preble	Cortland	Grid	150	28	24	-4	-14%	Yes *	150	160	Small	Manufacturer of hardwood lumbers
40	Queensboro Farm Products, Inc.	Canastota	Madison	Grid	500	81	80	-1	-1%	Yes	500	160	Large	Milk manufacturing and processing plant

41	Revere Copper Products	Rome	Oneida	Grid	2,000	424	412	-12	-3%	Yes	2,000	206	Large	Copper & brass products
42	Rich Plan Food Service, Inc.	Clark Mills	Oneida	Grid	25	7	4	-3	-43%	Yes *	25	160	Small	Meat processing & frozen food storage
43	Robison & Smith, Inc.	Gloversville	Fulton	Grid	384	200	205	5	3%	Yes	384	534	Small	Linen & Laundry Supply
44	RSA Solutions Inc.	Amherst	Erie	Grid	45	203	244	41	20%	Yes	45	5,422	Small	Vehicle remarketing and lease services
45	Schenectady International, Inc.	Schenectady	Schenectady	Grid	1,500	373	175	-198	-53%	Yes *	1,500	117	Large	Produces electrical insulating varnishes
46	Schneider Packaging Equipment	Brewerton	Onondaga	Grid	200	122	143	21	17%	Yes	200	715	Small	Makes packaging machinery
47	Sorrento Lactalis, Inc.	Buffalo	Erie	Grid	1,500	496	510	14	3%	Yes	1,500	340	Large	Produces cheese and whey products
48	Specialized Packaging Radisson, Inc	Baldwinsville	Onondaga	Grid	180	173	192	19	11%	Yes	180	1,067	Small	Produces printed folding cartons
49	Spray Nine Corporation	Johnstown	Fulton	Grid	300	119	106	-13	-11%	Yes	300	353	Small	Specialty cleaning chemical
50	Syracuse China Company	Syracuse	Onondaga	Grid	460	303	288	-15	-5%	Yes	460	626	Large	Manufactures restaurant china
51	Syracuse Label Co., Inc.	Liverpool	Onondaga	Grid	200	88	88	0	0%	Yes	200	440	Small	Printing labels
52	Vicks Lithograph & Printing	Yorkville	Oneida	Grid	750	137	112	-25	-18%	Yes *	750	149	Large	Book printer & distribution
Total National Grid			Subtotal	37	35,264	8,897	8,520				35,248			
53	A. T. Reynolds & Sons, Inc.	Kiamesha Lake	Sullivan	NYSEG	250	55	54	-1	-2%	Yes	250	216	Small	Spring water and ice manufacturer
54	Agri-Mark, Inc	Chateaugay	Franklin	NYSEG	500	115	116	1	1%	Yes	500	232	Large	Cheese Manufacturer
55	Air-Flo Manufacturing	Prattsburgh	Steuben	NYSEG	130	93	113	20	22%	Yes	130	869	Small	Mfr. of ice control equipment & truck bodies
56	Bison Foods - Div. of Upstate Farms	Buffalo	Erie	NYSEG	500	136	143	7	5%	Yes	500	286	Large	Dairy Products
57	Caron Fine Wood Products, Inc.	Champlain	Clinton	NYSEG	15	2	4	2	100%	Yes	15	267	Small	Kiln drying for hardwood & softwoods
58	Corning (Erwin Plant)	Corning	Steuben	NYSEG	1,500	614	624	10	2%	Yes	1,500	416	Large	Optical fiber, glass and ceramic products
59	Corning, Inc. (Costar Plant)	Oneonta	Otsego	NYSEG	900	172	165	-7	-4%	Yes	900	183	Large	Optical fiber, glass and ceramic products
60	Manitoba Corporation	Lancaster	Erie	NYSEG	250	41	43	2	5%	Yes	250	172	Small	Metal Recycling for non-ferrous metals
61	Mayer Brothers Products	West Seneca	Erie	NYSEG	400	140	165	25	18%	Yes	400	413	Large	Bottled juice products
62	Merritt Machinery, LLC	Lockport	Niagara	NYSEG	75	18	9	-9	-50%	Yes *	75	120	Small	Machinery for hardwood and plywood
63	Quebecor World Buffalo, Inc.	Depew	Erie	NYSEG	650	713	759	46	6%	Yes	650	1,168	Large	Printer and publisher
64	Upstate Niagara Cooperative, Inc (Upstate Farms)	Buffalo	Erie	NYSEG	600	154	154	0	0%	Yes	600	257	Large	Processes milk into variety of milk products
65	Vail Ballou Press, Inc.	Binghamton	Broome	NYSEG	1,800	408	399	-9	-2%	Yes	1,800	222	Large	Book printer and distributor
Total NYSEG			Subtotal	13	7,570	2,661	2,748				7,570			
66	IBM - Sterling Forest	Sterling	Orange	O&R	700	523	503	-20	-4%	Yes	700	719	Large	Technology products and services
Total Orange & Rockland			Subtotal	1	700	523	503				700			
67	IBM - Rochester	Rochester	Monroe	RG&E	1,150	583	592	9	2%	Yes	1,150	515	Large	Technology products and services
Total RG&E			Subtotal	1	1,150	583	592				1,150			

Total	67	62,489	44,873	44,440
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62,473

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

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

Exhibit "B"
 May 18, 2009

Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended Allocation (KW)	Jobs/MW	Type	Service
1	Display Producers, Inc.	Bronx	Bronx	Con Ed	340	311	197	-114	-37%	No	215	916	Small	Display cases
2	Edison Price Lighting, Inc.	New York	New York	Con Ed	400	158	102	-56	-35%	No	260	392	Small	Manufacturer and sales of lighting fixtures
	Total Con Ed		Subtotal	2	740	469	299				475			
3	Commercial Envelope Manufacturing Corp.	Deer Park	Suffolk	LIPA	700	174	154	-20	-11%	No	620	248	Large	Manufacturer of envelopes
	Total LIPA		Subtotal	1	700	174	154				620			
4	Standard Manufacturing Co., Inc.	Troy	Rensselaer	Grid	30	67	32	-35	-52%	No	15	2,133	Small	Apparel manufacturer
	Total National Grid		Subtotal	1	30	67	32				15			

Total	4	1470	710	485
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1,110

3. Economic Development Plan – Use of Net Revenues Produced by Sale of Expansion Power as Industrial Incentive Awards

SUMMARY

The Economic Development Power Allocation Board (“EDPAB”) is requested to approve an Economic Development Plan (“Plan”) for 2008-2010 submitted by the New York Power Authority (Authority”) for use of industrial incentive awards pursuant to Section 188 of the Economic Development Law (“EDL”).

BACKGROUND

Section 1005 of the Public Authorities Law (“PAL”), as amended by Chapter 32 of 1987, directs the Authority to identify net revenues produced by the sale of Expansion Power (“EP”) and, further, to identify an amount of such net revenues to be used solely for Industrial Incentive Awards. These awards are to be made in conformance with a Plan, covering all such net revenues. The Authority is to submit Plans annually to EDPAB and approved by EDPAB pursuant to EDL.

Net revenues are defined by Section 1005 as any excess of revenues properly allocated to the sales of EP over costs and expenses properly allocated to such sales.

In connection with approval of an application for power submitted on behalf of Chase Manhattan Bank, EDPAB approved a resolution on December 1, 1988 which concluded that the available industrial incentive awards be used for the purpose of assisting Power Authority efforts to limit future Fitzpatrick production rate increases for all industrial, business, and Economic Development Power customers of the plant. Further, the Board recommended that future Boards act affirmatively on any economic development plan submitted to it subsequently by the Authority to the extent it provides for such use of industrial incentive awards.

The Authority approved five-year programs in 1990, 1996 and 2001 and a one-year program in 2006 and 2007 under which EP net revenues were to be dedicated to helping maintain stable industrial rates.

At their meeting of December 16, 2008, the Trustees of the Authority approved a one year plan that provides for the use of 2007 net revenues from the sale of Expansion Power which support the rates of the business customers in 2008 served under power programs associated with the Power Authority’s former James A. Fitzpatrick Nuclear Power Plant (the "Fitzpatrick Power Programs"). These programs include the High Load Factor, Economic Development, and Municipal Distribution Agency power programs. The EDPAB previously approved Plans submitted annually by the Authority for 1996 through 2006 that provided for such use of the net revenues. Through calendar year 2006, the Authority has reported net revenues cumulating to \$128.54 million.

DISCUSSION

The condition of the current economy is placing added strain on many New York State manufacturing companies. Consumer demand has declined for many end products and product components produced in New York. This leads to added cost pressure as companies assess each production location for continued operation or relocation.

Electricity costs can be a significant cost component for many manufacturing companies. Now is an appropriate time to deploy the Authority’s Industrial Incentive Awards in a new and different manner. Consequently, it is proposed that the Authority authorize Industrial Incentive Awards to individual manufacturing companies that provide explicit data demonstrating their risk of closure or relocation out of New York State.

The form of the Award will be a ¢/kWh price discount on an agreed to level of electricity consumption over a year. For example, a 1¢/kWh Award on annual usage of 10,000 kW and 60,000,000 kWh would become a monetary Award of \$600,000. Awards would normally be for one year with the ability to renew for one or two additional years provided the company continues to meet an agreed to job commitment for New York. Additionally, participating companies could opt out should any new long term economic development program be approved by the State that offers similar or greater value.

Authority staff is presently working with three manufacturing companies that would qualify for such Industrial Incentive Awards. The companies are located in Auburn, Camden & Rome, and Hauppauge, New York (Attachment A). The combined annual Awards to the three companies at a total of six locations is up to \$3.982 million, leaving a substantial amount of the 2008 EP net revenues for additional Awards.

It is therefore proposed that the Authority's Chairman be authorized to submit the Authority's Plan to EDPAB for the ensuing three-year period providing for the use of 2008-2009-2010 EP net revenues (\$7.9 million for 2008). The Authority will annually report to EDPAB the actual disbursement of these funds.

RECOMMENDATION

It is recommended the Power Allocation Board approve the Economic Development Plan submitted by the Authority, which provides for the use of net revenues produced in 2008-2010 from the sale of Expansion Power to provide Industrial Incentive Awards in the form of ¢/kWh electric discounts for qualifying industrial companies in New York State.

Mr. James Yates presented the highlights of staff's recommendations to the Board. In response to a question from Trustee Nicandri, Mr. Yates said that the three companies would not be locked into the Industrial Incentive Awards program if a more beneficial power program is authorized within the next few years. Responding to a question from Chairman Schoetz, Mr. Yates said that the companies would submit their monthly utility bills on a quarterly basis to the Authority, which would then issue a check in the amount of the Industrial Incentive Award. In response to another question from Chairman Schoetz, Mr. Yates said that staff would encourage the companies to apply for any new power programs that may be authorized and that the second- and third-year awards would be based both on whether there was a rebound in the demand for the company's product and whether future economic conditions were looking better for the company. Mr. Bernard McGarry said that he thought the Industrial Incentive Award program was a great idea but, because of the limited amount of money available for it, he suggested that staff look at criteria in addition to whether the company is in danger of closing or relocating when deciding which companies to recommend for the Awards. He said that those additional criteria could include the effect that a closure or relocation would have on the particular community involved and the quality of the jobs being saved. In response to a question from Trustee Nicandri, Mr. Yates said that the investor-owned utilities have historically had special contracts with these companies, but that the rates negotiated in those contracts had expired, and that any new tariffs would be subject to the approval of the New York State Public Service Commission. Trustee Nicandri said that it seemed to him that keeping these manufacturers in their service areas would be in the investor-owned utilities' best interests and that they should have a role here. Mr. Yates said that this was not an option for the utilities at this time.

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

RESOLVED, That the members of the Economic Development Power Allocation Board hereby approves an Economic Development Plan that provides for the use of net revenues from the sale of Expansion Power (calendar years 2008, 2009 and 2010) to provide electric bill discounts to manufacturing companies in New York State that are at identifiable risk of closure or relocation to another state.

Industrial Incentive Awards IIA (2008 value \$7.9 million)

NUCOR

- Auburn (Cayuga County) – 293 jobs
- NYSEG service area – 300 million kWh per year
- Target rate ~5.3 ¢/kWh against NYSEG rate of ~6.0 ¢/kWh
- IIA of 0.7 ¢/kWh variable up to max of \$2 million/year
- 1 year plus 1 year plus 1 year
- IIA flexible to allow NUCOR to participate in any new NYPA power program

International Wire Group (IWG)

- Camden (Oneida County) (3 plants) – 67 jobs (plus 241 corporate jobs)
- Rome (Oneida County) (1 plant) – 42 jobs
- Total jobs – 107 (up to 348 with corporate)
- National Grid service area – 58 million kWh per year (2008)
- Target rate of 8 ¢/kWh
- IIA of 3.00 ¢/kWh or \$1.882 million/year evenly distributed over 4 plants
- IIA of 2.1 ¢/kWh to 4.3 ¢/kWh (each plant varies to get 8¢ total), still \$1.882 million/year
- 1 year plus 1 year plus 1 year
- IIA flexible to allow IWG to participate in any new NYPA power program

Positive Promotions

- Hauppauge (Suffolk County) – 600 to 800 jobs (seasonal)
- Long Island Power Authority (LIPA) – 3 million kWh per year, current rate 17.36 ¢/kWh
- LIPA offering special rate discount of 14.1% or \$75,400 or 2.45 ¢/kWh discount
- IIA of 3.00 ¢/kWh for a maximum of \$100,000
- Combined NYPA/LIPA package \$175,000 or 5.45 ¢/kWh or 31% discount
- 1 year plus 1 year plus 1 year
- IIA flexible to allow Positive Promotions to participate in any new NYPA power program

Total recommended Industrial Incentive Awards = \$3.982 million
\$3.918 million remaining

4. **Next Meeting**

The next meeting of the Board is to be determined.