

***ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD***

MINUTES

July 22, 2003

Video Conference – 10:00 a.m.

***501 Seventh Avenue, New York, NY
30 South Pearl Street, Albany, NY
Louis P. Ciminelli Construction, 369 Franklin Street, Buffalo, NY
Univisions – 107 Twin Oaks Drive, Syracuse, NY
Empire State Development Corp., 633 Third Avenue , NY, NY***

1. Approval of the Minutes of the Meeting of June 24, 2003

APPLICATIONS FOR POWER FOR JOBS POWER - NEW APPLICATIONS

2. **Con Edison – Service Territory**

Browne & Company
New York – New York County

3. **Niagara Mohawk - Service Territory**

Cascades Tissue Group New York, Inc.
Waterford – Saratoga County

GRAFCO Industries, LP
Dunkirk – Chautauqua County

H.H. Dobbins, Inc.
Lyndonville – Orleans County

Kris-Tech Wire Company, Inc.
Rome – Oneida County

Norampac Industries – Buffalo Division
Buffalo – Erie County

Saint-Gobain
Hoosick Falls - Rensselear County

4. **New York State Electric & Gas Corp. - Service Territory**

BAE SYSTEMS Controls , Inc.
Johnson City – Broome County

5. **Rochester Gas & Electric Corp. - Service Territory**

Printer Components, Inc.
Victor – Ontario County

RE-APPLICATIONS FOR POWER FOR JOBS POWER

6. **Niagara Mohawk – Service Territory**

Ball Metal Beverage Container Corporation
Saratoga Springs – Saratoga County

OTHER BUSINESS

7. Transfer of Power for Jobs Power
8. Informational Item - Power for Jobs - Status of Approved Applications and Summary of Action on Applications
9. 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, 501 Seventh Avenue, 9th Floor, New York, NY 10019
- 2) New York Power Authority, 30 South Pearl Street, 10th Floor, Board Room, Albany, NY, 12207
- 3) Louis P. Ciminelli Construction Co., 369 Franklin Ave., Buffalo, NY 14202
- 4) Univisions Communications Group, 107 Twin Oaks Drive, Syracuse, NY, 12306
- 5) Empire State Development Corp., 633 Third Avenue, New York, NY

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

H. Douglas Barclay, Member (Syracuse, NY)

James Duncan, Member (Buffalo, NY)

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

Louis P. Ciminelli, Chairman (Excused)

Also in attendance were:

Eugene W. Zeltmann	President and Chief Executive Officer, NYPA
David E. Blabey	Executive Vice President, Secretary and General Counsel
Louise M. Morman	Senior Vice President – Marketing Economic Development & Supply Planning, NYPA
Thomas Warmath	Vice President and Chief Risk Officer, NYPA
James H. Yates	Vice President - Major Account Marketing & Economic Development, NYPA
Joseph J. Carline	Assistant General Counsel – Power & Transmission, NYPA
Dennis Eccleston	Chief Information Officer
Gary Paslow	Vice President – Governmental Affairs and Policy Development, NYPA
John B. Hamor	Director Inter-Governmental Relations, NYPA
James F. Pasquale	Manager – Business Power Allocations and Compliance, NYPA
Andrew J. McLaughlin	Assistant Secretary – Legal Affairs, NYPA
Peter Scalici	Deputy Inspector General, NYPA
Bonnie Fahey	Executive Assistant, NYPA
Noelle Zandri	Secretary to General Counsel, NYPA
Senator James Wright	

1. **Adoption of Minutes**

The minutes of the meeting of June 24, 2003, were unanimously adopted.

2. **Consolidated Edison - Service Territory**

The Members of the Board considered the application for Power for Jobs submitted on behalf of Bowne & Company in the Consolidated Edison service territory.

Bowne & Company is a global provider of document management services. Bowne was established in New York in 1775, making it one of the oldest businesses in the state. Bowne is the world's largest financial printer and market leader in outsourcing for law firms and investment banks. A Power for Jobs allocation will reduce Bowne's operating costs and also make operating costs at its NYC location more competitive when conducting a comparative location analysis.

Following consideration of such application, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, Bowne & Company has applied for allocation of Power for Jobs Service; and

WHEREAS, an allocation of 550 kW would result in a ratio of 922 jobs per MW for Bowne & Company;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meets the requirement of Power for Jobs legislation contained in Chapter 36 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, 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 hereby recommends to the Power Authority of the State of New York allocation totaling 550 kW for Con Edison's service territory for three years, but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicant to maintain 504 and create 3 jobs;**
- **such allocation shall be subject to the real property investment and the reduction of power provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service**

3. **Niagara Mohawk Service Territory**

The Members of the Board considered the six applications for Power for Jobs submitted on behalf of the following companies in the Niagara Mohawk service territory:

Cascades Tissue Group New York, Inc. At Cascades' Waterford facility they convert jumbo rolls of industrial towels into napkins, paper towels, bath tissue and facial tissue. A Power for Jobs allocation will allow them to produce a competitively priced product which will assure their long term success..

GRAFCO Industries, LP, established in 1945, is a manufacturer of plastic rigid containers primarily used for food, beverage, health, beauty and household chemical products. A low cost Power for Jobs allocation will reduce the company's overhead and allow it to compete more successfully in its highly competitive markets.

H.H. Dobbins, Inc. is a packing and storage facility for fresh fruits and vegetables. Their principle product is fresh apples. They pack and store fresh fruits and vegetables for over 70 western NY growers. They sell their product to supermarkets, chains, exporters, food terminal customers and fruit processors. A Power for Jobs allocation will make them more competitive. Without reduced electric costs they will have to cut back hours of operation and subcontract packing services to out-of-state companies where operating costs are less.

Kris-Tech Wire Company, Inc. Founded in 1984, Kris-Tech Wire supplies quality wire and cable products to the electrical, telecommunications, irrigation, mining, water and gas industries. The company draws anneal and insulate copper wire to produce finished products at their Rome, NY facility. A Power for Jobs allocation will help the company to retain current employment levels .

Norampac Industries – Buffalo Division. Norampac – Buffalo has been in the box business at this location for over 40 years. They are a manufacturer of corrugated boxes, serving western and central New York, southern Ontario and parts of Pennsylvania. A Power for Jobs allocation will help them expand their facility which in turn will help them increase their work force and help their competitive position.

Saint-Gobain is located in Hoosick Falls. They manufacture pressure sensitive adhesive tapes. A Power for Jobs allocation will help the company reduce their costs and remain competitive. It will also better position them for continued success and growth in New York State.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution:

WHEREAS, Cascades Tissue Group New York, Inc., GRAFCO Industries, LP, H.H. Dobbins, Inc., Kris-Tech Wire Company, Inc., Norampac Industries – Buffalo Division, and Saint-Gobain have applied for allocations of Power for Jobs Service;

WHEREAS, an allocation of 600 kW would result in a ratio of 183 jobs per MW for Cascades Tissue Group of New York, Inc.; an allocation of 350 kW would result in a ratio of 171 jobs per MW for GRAFCO Industries, LP; an allocation of 250 kW would result in a ratio of 208 jobs per MW for H.H. Dobbins, Inc.; an allocation of 200 kW would result in a ratio of 180 jobs per MW for Kris-Tech Wire Company, Inc.; an allocation of 250 kW would result in a ratio of 484 jobs per MW for Norampac Industries – Buffalo Division; and an allocation of 225 kW would result in a ratio of 858 jobs per MW for Saint-Gobain;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meets the requirement of Power for Jobs legislation contained in Chapter 36 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, 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 hereby recommends to the Power Authority of the State of New York allocations totaling 1,875 kW for Niagara Mohawk's service territory for three years, but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicants to maintain 456 and create 116 jobs;
- such allocations shall be subject to the real property investment and the reduction of power provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service

4. BAE Systems Controls, Inc.

The Members of the Board considered the application for Power for Jobs submitted on behalf of BAE Systems Controls, Inc. in the New York State Electric & Gas service territory.

BAE Systems Controls, Inc. ("BAE"). The Company's presence in Johnson City dates to 1948. BAE Systems manufactures electronic control systems for aerospace, aircraft engines, space launch vehicles and hybrid electric vehicles. A low cost Power for Jobs allocation will reduce the company's overhead and allow it to compete more successfully in its highly competitive markets.

Following consideration of such application, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, BAE Systems Controls, Inc. has applied for allocation of Economic Development Power Service; and

WHEREAS, an allocation of 2,000 kW would result in a ratio of 696 jobs per MW for BAE Systems Control, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meets the requirement of Power for Jobs legislation contained in Chapter 36 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, 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 hereby recommends to the Power Authority of the State of New York allocation totaling 2,000 kW for NYSEG's service territory for three years, but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicant to maintain and create 1,391 jobs;**
- **such allocation shall be subject to the real property investment and the reduction of power provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service**

5. **Rochester Gas & Electric - Service Territory**

The Members of the Board considered the application for Power for Jobs ("PFJ") submitted on behalf of Printer Components, Inc. in the RG&E service territory.

Printer Components, Inc. The Printer Components facility in Victor, NY manufactures mostly sub-assembly components for copiers and laser printers. A Power for Jobs allocation will help them retain current positions as well as allow them to add new jobs.

Following consideration of such application, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, Printer Components, Inc. has applied for allocation of Power for Jobs Service; and

WHEREAS, an allocation of 350 kW would result in a ratio of 186 jobs per MW for Printer Components, Inc.;

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 and Chapter 226 of the Laws of 2002, 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 hereby recommends to the Power Authority of the State of New York the allocation discussed herein totaling 350 kW for RG&E's service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicant to maintain 57 and create 8 jobs;
- such allocation shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.

Board Member Corbett stated that these are all good projects and expressed that staff did well.

6. Niagara Mohawk - Service Territory

The members of the Board considered the re-allocation listed below for Power for Jobs. Mr. Pasquale explained that some 226 jobs would be impacted.

Following consideration of such applications, the members of the Board present voted to adopt the following resolution by a vote of three in favor and one abstention.

WHEREAS, the following entity in Niagara Mohawk's service territory has applied for re-allocation of Power for Jobs service:

Ball Metal Beverage Container Corporation

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meet 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; and Chapter 226 of the Laws of 2002, 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 commends to the Power Authority of the State of New York the re-allocation discussed herein totaling 2,000 kW for Niagara Mohawk's service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicant to maintain a total of 226 jobs;
- such allocation shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.

7. **Transfer of Power for Jobs Power**

SUMMARY

The members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve the partial transfer of a Power for Jobs (“PFJ”) power allocation between facilities of a recipient.

BACKGROUND

At its meeting of June 26, 2001, EDPAB recommended that 5,000 kW of Power for Jobs be distributed to three New York City Citigroup locations (One Court Square, 2,000 kW; 250 West Street, 1,500 kW; and 34th Street, 1500 kW). Citigroup committed a total of 1,500 jobs in New York City in return for the allocation.

DISCUSSION

Citigroup has requested that 2,000 kW of the 5,000 kW PFJ allocations be transferred from their facility located at One Court Square in Long Island City, to 111 Wall Street, New York City. Citigroup will maximize savings at 111 Wall Street and will be able to participate in the Authority’s Peak Load Management Incentive in 2003. The transfer will continue to commit 1,500 jobs in return for the allocation.

Section 186 of the Economic Development Law requires that transfers of PFJ power between facilities of a recipient be approved by EDPAB.

RECOMMENDATION

It is recommended that EDPAB approve the transfer of 2,000 kW of Power for Jobs Power from Citigroup’s facility at One Court Square in Long Island City to their facility at 111 Wall Street in New York City.

Board Member Duncan asked if anyone was going to lose their jobs in Long Island City. Mr. Pasquale informed him that jobs would not be affected as this request was for transfers of energy only.

8. **Informational Item - Power for Jobs - Status of Approved Applications and Summary of Action on Applications**

Senator James Wright complemented on the efficiency of the program and thanked the Board for its efforts on Power for Jobs which was a very successful program with solid impact on economic growth of the State which is a tribute to the Board.

Board Member Corbett expressed this short-term solution as the best tool we have, and acknowledged that we also have long-term plans on which we are working with Senator Wright to implement.

Board Member Duncan expressed that had it not been for PFJ we would have lost several businesses in upstate New York. He thanked Senator Wright for his efforts.

9. **Next Meeting**

The next meeting of the Board would be determined.

Closing

Upon motion duly made and seconded, the meeting was adjourned at 10:23 a.m.