

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

July 31, 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

MJM Harris, 605 Third Avenue, New York, NY

1. Approval of the Minutes of the Meeting of June 25, 2007

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

A. COMPANIES IN JOB COMPLIANCE

Con Edison - Service Territory

Beth Israel Medical Center
New York – New York County

Mount Sinai Medical Center
New York – New York County

Bowne & Co.
New York – New York County

New York University
New York – New York County

Charmer Industries, Inc.
Astoria – Queens County

Norampac New York City, Inc.
Maspeth - Queens County

Columbia University - Trustees
New York – New York County

NYU Medical Center
New York – New York County

Manhattan School of Music
New York – New York County

Pepsi Cola Bottling Company
College Point – Queens County

Long Island Power Authority - Service Territory

American Technical Ceramics
Huntington Station – Suffolk County

Kozy Shack, Inc.
Hicksville – Nassau County

Fortunoff
Uniondale – Nassau County

North Shore Health System
Manhasset – Nassau County

Good Samaritan Hospital
West Islip – Suffolk County

Ultimate Precision Metal
Farmingdale – Suffolk County

J.P. Morgan/Chase
Uniondale – Nassau County

National Grid – Service Territory

Albany Molecular Research, Inc. Albany – Albany County	Mohawk Paper Mills Cohoes – Albany County
Applied Energy Solutions (CEN Electronics) Caledonia – Livingston County	Nathan Littauer Hospital & Nursing Home Gloversville – Fulton County
Cascades Tissue Group Waterford – Saratoga County	Natrium Products, Inc. Cortland – Cortland County
Cooper Hand Tools Cortland – Cortland County	Precision Systems Mfg., Inc. Liverpool – Onondaga County
Cooper Industries (Cooper Crouse-Hinds) Syracuse – Onondaga County	Robison & Smith, Inc. Gloversville – Fulton County
Dielectric Laboratories, Inc. Cazenovia – Madison County	Specialized Packaging Radisson, Inc. Baldwinsville - Onondaga County
Higbee, Inc. Syracuse – Onondaga County	Standard Manufacturing Co., Inc. Troy – Rensselaer County
Interface Solutions, Inc. Fulton – Oswego County	Syracuse Plastics, Inc. Liverpool – Onondaga County
Lydall Manning Green Island – Albany County	Vicks Lithograph & Printing Yorkville – Oneida County
McLane Eastern Baldwinsville – Onondaga County	Welch Allyn Data Collection, Inc. Skaneateles Falls – Onondaga County

New York State Electric and Gas – Service Territory

A.T. Reynolds & Sons, Inc. Kiamesha Lake – Sullivan County	Candlelight Cabinetry, Inc. Lockport – Niagara County
Agri-Mark, Inc. Chateaugay – Franklin County	Consumers Beverages, Inc Buffalo – Erie County
Audio Sears Stamford – Delaware County	

Rochester Gas & Electric – Service Territory

Flower City Printing Rochester – Monroe County

B. COMPANIES NOT IN JOB COMPLIANCE

Con Edison – Service Territory

Marymount College
Tarrytown – Westchester County

National Grid – Service Territory

Fitzpatrick & Weller, Inc.
Ellicottville – Cattaraugus County

Kilian Manufacturing Corp.
Syracuse – Onondaga County

New York State Electric & Gas – Service Territory

Air-Flo Manufacturing
Prattsburgh – Steuben County

Kraft Foods
Walton – Delaware County

Egli Machine, Inc.
Sidney – Otsego 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) Niagara Power Project, 5777 Lewiston Road, Lewiston, NY

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

Frank S. McCullough, Jr., Chairman (White Plains, NY)

Bernard P. McGarry, Member (Albany, NY)

James A. Duncan, Member, (Lewiston, NY)

Kevin S. Corbett, Member – (Absent)

Also in attendance were:

James A. Besh	Trustee
Robert E. Moses	Trustee
Roger B. Kelley	President and Chief Executive Officer, NYPA
Thomas J. Kelly	Executive Vice President and General Counsel, NYPA
James H. Yates	Acting Senior Vice President, Marketing and Economic Development, NYPA
Anne B. Cahill	Corporate Secretary, NYPA
Joseph C. Carline	Assistant General Counsel, NYPA
John B. Hamor	Executive Director – State Governmental Relations, 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
Mary Jean Frank	Associate Secretary, NYPA
Lorna M. Johnson	Assistant Secretary, NYPA
Keith Corneau	Empire State Development Corporation

3. **Adoption of Minutes**

The minutes of the meeting of June 25, 2007, were unanimously adopted.

2. Power for Jobs Extended Benefits, Energy Cost Savings Benefit Awards and Economic Development Power Contracts Extensions

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve extended benefits for 50 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 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. Chapter 645 of the Laws of 2006 included provisions extending program benefits until June 30, 2007. In 2007, a new law (chapter 89 of the Laws of 2007) included provisions extending program benefits until June 30, 2008.

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 reimbursement rebates to the 50 PFJ customers, 43 of which are meeting their current job commitment and are listed in Exhibit “A”. However, seven 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 70,000 jobs in New York State in exchange for the rebates. The rebate program will be in effect until June 30, 2008, the program’s sunset.

RECOMMENDATION

It is requested that the Economic Development Power Allocation Board recommend that the Authority Trustees approve electricity savings reimbursements rebates to the 50 business listed in Exhibits “A” and B”.

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

"Exhibit A"
 July 31, 2007

Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over/Under	% Over Under	Compliance	Recommended KW	Jobs/MW	Type	Service
1	Beth Israel Medical Center	New York	New York	Con Ed	3,800	4800	6634	1,834	38%	Yes	3,800	1,746	NFP	Health Care Center
2	Bowne & Co	New York	New York	Con Ed	550	507	2571	2,064	407%	Yes	550	4,675	Large	Provides document management services
3	Charmer Industries, Inc.	Astoria	Queens	Con Ed	750	810	768	-42	-5%	Yes	750	1,024	Large	Distributors of wines and spirits
4	Columbia University - Trustees	New York	New York	Con Ed	750	723	750	27	4%	Yes	750	1,000	NFP	Educational and Student Services
5	Manhattan School of Music	New York	New York	Con Ed	200	343	343	0	0%	Yes	200	1,715	NFP	International conservatory of music
6	Mount Sinai Medical Center	New York	New York	Con Ed	2,000	11,261	11,647	386	3%	Yes	2,000	5,824	NFP	Medical Center
7	New York University	New York	New York	Con Ed	1,700	9,817	16,007	6,190	63%	Yes	1,700	9,416	NFP	Institution of Higher Education
8	Norampac New York City, Inc	Maspeth	Queens	Con Ed	600	195	213	18	9%	Yes	600	355	Large	Manufacturers' of corrugated paper packaging and displays
9	NYU Medical Center	New York	New York	Con Ed	4,000	10,455	11,414	959	9%	Yes	4,000	2,854	NFP	Medical Center
10	Pepsi Cola Bottling Company	College Point	Queens	Con Ed	2,200	990	990	0	0%	Yes	2,200	450	Large	Manufacturer & distributes of soft drinks
	Total Con Ed		Subtotal	10	16,550	39,901	51,337				16,550			
11	American Technical Ceramics	Huntington Station	Suffolk	LIPA	200	406	424	18	4%	Yes	200	2,120	Small	Ceramic Capacitor
12	Fortunoff	Uniondale	Nassau	LIPA	1,000	325	360	35	11%	Yes	1,000	360	Large	Warehousing and distribution/Back office
13	Good Samaritan Hospital	West Islip	Suffolk	LIPA	800	2,914	2,805	-109	-4%	Yes	800	3,506	NFP	Healthcare Center
14	J.P. Morgan/Chase	Uniondale	Nassau	LIPA	500	717	932	215	30%	Yes	500	1,864	Large	Banking
15	Kozy Shack, Inc.	Hicksville	Nassau	LIPA	1,000	139	209	70	50%	Yes	1,000	209	Large	Mfr. of puddings & snacks
16	North Shore Health System	Manhasset	Nassau	LIPA	2,600	6,444	6,471	27	0%	Yes	2,600	2,489	NFP	Medical Services
17	Ultimate Precision Metal	Farmingdale	Suffolk	LIPA	250	122	123	1	1%	Yes	250	492	Small	Manufactures controlled enclosures
	Total LIPA		Subtotal	7	6,350	11,067	11,324				6,350			
18	Albany Molecular Research, Inc.	Albany	Albany	N. Grid	600	348	395	47	14%	Yes	600	658	Large	Provider of customized pharmaceuticals
19	Applied Energy Solutions (CEN Electronics)	Caledonia	Livingston	N. Grid	300	64	63	-1	-2%	Yes	300	210	Small	Electronics
20	Cascades Tissue Group	Waterford	Saratoga	N. Grid	600	159	160	1	1%	Yes	600	267	Large	Large Industrial towel manufacturer
21	Cooper Hand Tools	Cortland	Cortland	N. Grid	1,330	115	124	9	8%	Yes	1,330	93	Large	Metal machining and casting
22	Cooper Industries (Cooper Crouse-Hinds)	Syracuse	Onondaga	N. Grid	2,350	529	579	50	9%	Yes	2,350	246	Large	Manufacturer of electrical equipment
23	Dielectric Laboratories, Inc.	Cazenovia	Madison	N. Grid	400	174	190	16	9%	Yes	400	475	Large	Ceramic capacitors and ceramic packaging
24	Higbee Inc.	Syracuse	Onondaga	N. Grid	100	48	48	0	0%	Yes	100	480	Small	Mfr. of gaskets, and sealing products
25	Interface Solutions, Inc.	Fulton	Oswego	N. Grid	1,000	180	161	-19	-11%	Yes	1,000	161	Large	Makes backing for vinyl flooring and fiber gaskets
26	Lydall Manning	Green Island	Albany	N. Grid	1,100	111	115	4	4%	Yes	1,100	105	Large	Specialty Paper Manufacturer
27	McLane Eastern	Baldwinsville	Onondaga	N. Grid	875	783	823	40	5%	Yes	875	941	Large	Wholesale grocery distributor of food & nonfood products
28	Mohawk Paper Mills	Cohoes	Albany	N. Grid	2,250	426	424	-2	0%	Yes	2,250	188	Large	Manufacturer of text and cover papers
29	Nathan Littauer Hospital & Nursing Home	Gloversville	Fulton	N. Grid	400	677	675	-2	0%	Yes	400	1,688	NFP	Hospital and Nursing Home
30	Natrium Products, Inc.	Cortland	Cortland	N. Grid	90	20	21	1	5%	Yes	90	233	Small	Manufacturer of sodium bicarbonate
31	Precision Systems Mfg., Inc.	Liverpool	Onondaga	N. Grid	200	69	71	2	3%	Yes	200	355	Small	Machining and sheet metal manufacturing
32	Robison & Smith, Inc.	Gloversville	Fulton	N. Grid	384	190	193	3	2%	Yes	384	503	Small	Linen & Laundry Supply
33	Specialized Packaging Radisson, Inc	Baldwinsville	Onondaga	N. Grid	180	148	153	5	3%	Yes	180	850	Small	Produces printed folding cartons for consumer products
34	Standard Manufacturing Co., Inc.	Troy	Rensselaer	N. Grid	30	30	41	11	37%	Yes	30	1,367	Small	Apparel
35	Syracuse Plastics, Inc.	Liverpool	Onondaga	N. Grid	400	57	55	-2	-4%	Yes	400	138	Large	Maker of plastic parts and components
36	Vicks Lithograph & Printing	Yorkville	Oneida	N. Grid	750	165	153	-12	-7%	Yes	750	204	Large	Book printer & distribution
37	Weich Allyn Data Collection Inc.	Skaneateles Falls	Onondaga	N. Grid	2,000	1,257	1,275	18	1%	Yes	2,000	638	Large	Medical and dental diagnostic equipment manufacturer
	Total National Grid		Subtotal	20	15,339	5,550	5,719				15,339			
38	A. T. Reynolds & Sons, Inc.	Kiamesha Lake	Sullivan	NYSEG	250	59	56	-3	-5%	Yes	250	224	Small	Spring water and Ice Mfr.
39	Agri-Mark, Inc	Chateaugay	Franklin	NYSEG	500	116	112	-4	-3%	Yes	500	224	Large	Cheese Manufacturer
40	Audio Sears	Stamford	Delaware	NYSEG	190	74	85	11	15%	Yes	190	447	Small	Makes audio equipment
41	Candlelight Cabinetry, Inc.	Lockport	Niagara	NYSEG	400	185	204	19	10%	Yes	400	510	Large	Manufacture custom cabinets
42	Consumers Beverages, Inc.	Buffalo	Erie	NYSEG	240	60	69	9	15%	Yes	240	288	Small	Beverage Producer
	Total NYSEG		Subtotal	5	1,580	494	526				1,580			
43	Flower City Printing, Inc.	Rochester	Monroe	RGE	1,150	257	275	18	7%	Yes	1,150	239	Large	Commercial printer
	Total RG&E		Subtotal	1	1,150	257	275				1,150			
	Total		43		40,969	57,269	69,181				40,969	1,689		

Economic Development Power Allocation Board														
Power for Jobs Extended Benefits														
Recommendation for Electricity Savings Reimbursements														
Companies Not in Job Compliance														
Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over/Under	% Over/Under	Compliance	Recommended KW	Jobs/MW	Type	Service
1	Marymount College	Tarrytown	Westchester	Con Ed	400	279	187	-92	-33%	No	400	468	NFP	Independent liberal arts college
	Total Con Ed		Subtotal	1	400	279	187				400			
2	J.P. Morgan/Chase	Lake Success	Nassau	LIPA	1,295	1,050	631	-419	-40%	No	1,295	487	Large	Banking
	Total LIPA		Subtotal	1	1,295	1,050	631				1,295			
3	Fitzpatrick & Weller, Inc.	Ellicottville	Cattaraugus	N. Grid	1,000	107	95	-12	-11%	No	1,000	95	Large	Lumber & wood components
4	Kilian Manufacturing Corporation	Syracuse	Onondaga	N. Grid	400	214	166	-48	-22%	No	400	415	Large	Mfr. ball bearings
	Total National Grid		Subtotal	2	1,400	321	261				1,400			
5	Air-Flo Manufacturing	Prattsburgh	Steuben	NYSEG	130	119	99	-20	-17%	No	130	762	Small	Mfr. of ice control equipment and truck bodies
6	Egli Machine, Inc.	Sidney	Otsego	NYSEG	20	34	28	-6	-18%	No	20	1,400	Small	Injected molds
7	Kraft Foods - Walton	Walton	Delaware	NYSEG	870	180	156	-24	-13%	No	870	179	Large	Mfr. of puddings & snacks
	Total NYSEG		Subtotal	3	1,020	333	283				1,020			
				Total	7	4,115	1,983	1,362			4,115	331		

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

3. Other Business

Chairman McCullough asked Mr. Pasquale to update the other EDPAB members on the status of the extended Power for Jobs (“PFJ”) and Energy Cost Savings Benefit (“ECSB”) programs. Mr. Pasquale said that at last month’s meeting, the Authority’s Trustees had been asked to approve extension of benefits through the newly legislated June 30, 2008 deadline for all PFJ and ECSB customers. He said he was happy to announce that there had been a 100% seamless transition in service for all 323 PFJ customers that had asked to have their contracts extended through June 30, 2008, as well as for all ECSB customers. Chairman McCullough thanked Mr. Pasquale and the rest of the Authority staff involved for a job well done, saying that he knew that it had been quite an accomplishment to achieve this under such intense time pressure, due to the fact that the legislation extending the programs had not been enacted until right before the original program deadline of June 30, 2007. Mr. Duncan added his congratulations and thanks for the wonderful job staff did. Mr. Pasquale said that staff has until September 30, 2007 to review all of the extension applications for compliance with program requirements. Chairman McCullough requested that Mr. Pasquale report back to EDPAB at its September meeting about the outcome of this review.

4. **Next Meeting**

The next meeting of the Board is to be determined.