

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

May 21, 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

1. Approval of the Minutes of the Meeting of April 24, 2007

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

A. COMPANIES IN JOB COMPLIANCE

Con Edison - Service Territory

Bank of New York
New York – New York County

New York Presbyterian Hospital
New York – New York County

Edison Price Lighting, Inc
New York – New York County

Norampac New York City, Inc.
Maspeth – Queens County

Elaine Kaufman Cultural Center
New York – New York County

Verizon
New York – New York County

Greater Jamaica Development Corp
Jamaica – Queens County

American Ballet Theater
New York – New York County

Long Island Jewish Medical Center
Manhasset – Nassau County

Bakers Pride Oven Company
New Rochelle – Westchester County

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

Whitney Museum of American Art
New York – New York County

Mount Sinai Medical Center
New York – New York County

Long Island Power Authority - Service Territory

Ametek Hughes-Treitler
Garden City – Suffolk County

John Hassall, Inc.
Westbury – Nassau County

National Grid – Service Territory

Borg Warner Morse Tech Corp. Cortland – Cortland County	Syracuse Plastics, Inc. Liverpool – Onondaga County
Clarkson University Potsdam – St. Lawrence County	Syroco, Inc. – A Subsidiary of Vassallo Industries Baldwinsville – Onondaga County
CWM Chemical Services, LLC Model City – Niagara County	Turbine Engine Components Technologies Whitesboro – Oneida County
Lewis County General Hospital Lowville – Lewis County	Vicks Lithograph & Printing Yorkville – Oneida County
OAB Holdings, Inc. Buffalo – Erie County	Albany Molecular Research, Inc. Albany – Albany County
Queensboro Farm Products, Inc. Canastota – Madison County	Delphi Automotive Systems (Par) Amherst – Erie County
Robison & Smith, Inc. Gloversville – Fulton County	Syracuse University Syracuse – Onondaga County
Syracuse Label Co., Inc Liverpool – Onondaga County	

New York State Electric and Gas – Service Territory

A.T. Reynolds & Sons, Inc. Kiamesha Lake – Sullivan County	Corning, Inc (Northside) Corning – Steuben County
Borg Warner Automotive Morse TEC Ithaca – Tompkins County	Vail Ballou Press, Inc. Binghamton – Broome County

Rochester Gas & Electric – Service Territory

Flower City Printing, Inc.
Rochester - Monroe County

B. COMPANIES NOT IN JOB COMPLIANCE

National Grid – Service Territory

Kilian Manufacturing Corporation Syracuse – Onondaga County	Bison Products Company, Inc. Buffalo – Erie County
Syracuse China Company Syracuse – Onondaga County	

New York State Electric & Gas – Service Territory

Audio Sears Stamford – Delaware County	IEC Electric Corp. Newark – Wayne County
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OTHER BUSINESS

- 3. Remarks from the Chairman**
- 4. Next Meeting**

May 21, 2007

A regular meeting of the Economic Development Power Allocation Board was held via video conference at the following participating locations:

- 1) New York Power Authority, 30 South Pearl Street, Albany NY
- 2) New York Power Authority, 123 Main Street, White Plains, NY
- 3) Niagara Power Project, 5777 Lewiston Road, Lewiston, NY

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 – Excused

Also in attendance were:

Timothy S. Carey	President and Chief Executive Officer, NYPA
Thomas J. Kelly	Executive Vice President and General Counsel, NYPA
Louise M. Morman	Senior Vice President, Marketing and Economic Development, NYPA
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
Lorna M. Johnson	Assistant Secretary, NYPA

May 21, 2007

1. **Adoption of Minutes**

The minutes of the meeting of April 24, 2007, were unanimously adopted.

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

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve extended benefits for 40 Power for Jobs (“PFJ”) customers as listed in Exhibits “2-A” and “2-B.”

BACKGROUND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION

EDPAB is requested to recommend that the Authority Trustees approve electricity savings reimbursements rebates to 40 PFJ customers. Thirty-five customers are meeting their current job commitments and are listed in Exhibit “2-A.” However, five customers reported actual job numbers below their contractual commitment. Staff is recommending that these customers have their allocation reduced proportionately to their job shortfall where appropriate. These customers are listed on Exhibit “2-B.” Collectively, these organizations have agreed to retain more than 60,000 jobs in New York State in exchange for rebates. The rebate program will be in effect until June 30, 2007, the program’s sunset.

RECOMMENDATION

It is requested that the Economic Development Power Allocation Board recommend that the Authority Trustees approve the payment of electricity savings reimbursements to the Power for Jobs customers listed in Exhibits “2-A” and “2-B.”

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

WHEREAS, the following entities have applied for extended benefits recommendations for electricity savings reimbursements under the Power for Jobs program:

COMPANIES IN JOB COMPLIANCE

Con Edison - Service Territory

Bank of New York New York – New York County	New York Presbyterian Hospital New York – New York County
Edison Price Lighting, Inc New York – New York County	Norampac New York City, Inc. Maspeth – Queens County
Elaine Kaufman Cultural Center New York – New York County	Verizon New York – New York County
Greater Jamaica Development Corp Jamaica – Queens County	American Ballet Theater New York – New York County
Long Island Jewish Medical Center Manhasset – Nassau County	Bakers Pride Oven Company New Rochelle – Westchester County

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

Whitney Museum of American Art
New York – New York County

Mount Sinai Medical Center
New York – New York County

Long Island Power Authority– Service Territory

Ametek Hughes-Treitler
Garden City – Suffolk County

John Hassall, Inc.
Westbury – Nassau County

National Grid – Service Territory

Borg Warner Morse Tech Corp.
Cortland – Cortland County

Syracuse Plastics, Inc.
Liverpool – Onondaga County

Clarkson University
Potsdam – St. Lawrence County

Syroco, Inc. – A Subsidiary of Vassallo
Industries
Baldwinsville – Onondaga County

CWM Chemical Services, LLC
Model City – Niagara County

Turbine Engine Components Technologies
Whitesboro – Oneida County

Lewis County General Hospital
Lowville – Lewis County

Vicks Lithograph & Printing
Yorkville – Oneida County

OAB Holdings, Inc.
Buffalo – Erie County

Albany Molecular Research, Inc.
Albany – Albany County

Queensboro Farm Products, Inc. Canastota –
Madison County

Delphi Automotive Systems (Par)
Amherst – Erie County

Robison & Smith, Inc.
Gloversville – Fulton County

Syracuse University
Syracuse – Onondaga County

Syracuse Label Co., Inc
Liverpool – Onondaga County

New York State Electric & Gas – Service Territory

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

Corning, Inc (Northside)
Corning – Steuben County

Borg Warner Automotive Morse TEC
Ithaca – Tompkins County

Vail Ballou Press, Inc.
Binghamton – Broome County

Rochester Gas & Electric – Service Territory

Flower City Printing, Inc.
Rochester - Monroe County

COMPANIES NOT IN JOB COMPLIANCE

National Grid – Service Territory

Kilian Manufacturing Corporation
Syracuse – Onondaga County

Bison Products Company, Inc.
Buffalo – Erie County

Syracuse China Company
Syracuse – Onondaga County

New York State Electric & Gas – Service Territory

Audio Sears
Stamford – Delaware County

IEC Electric Corp.
Newark – Wayne County

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the extended benefits provisions of the Power for Jobs legislation contained in Article 6 of the Economic Development Law as amended by Chapter 645 of the Laws of 2006; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the 40 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 53,054 kW until June 30, 2007.

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

**Exhibit "2-A"
May 21, 2007**

Line	Company	City	County	IOU	KW	Jobs Committed	Jobs in Application	Over/ (Under)	% Over/ (Under)	Compliance	Recommended KW	Jobs/MW	Type	Service
1	Bank of New York	New York	New York	Con Ed	4,700	6,831	6,917	86	1%	Yes	4,700	1,472	Large	Banking Services
2	Edison Price Lighting, Inc.	New York	New York	Con Ed	400	160	157	-3	-2%	Yes	400	393	Large	Manufacturer and sales of lighting fixtures
3	Elaine Kaufman Cultural Center	New York	New York	Con Ed	60	54	73	19	35%	Yes	60	1,217	NFP	Multi-arts center
4	Greater Jamaica Development Corp.	Jamaica	Queens	Con Ed	375	136	139	3	2%	Yes	375	371	NFP	Urban & Community Development
5	Long Island Jewish Medical Center	Manhasset	Nassau	Con Ed	2,000	6,009	6,143	134	2%	Yes	2,000	3,072	NFP	Healthcare Center
6	Memorial Sloan-Kettering Cancer Cen	New York	New York	Con Ed	5,000	8,472	8,801	329	4%	Yes	5,000	1,760	NFP	Medical Center
7	Mount Sinai Medical Center	New York	New York	Con Ed	2,000	10,787	11,261	474	4%	Yes	2,000	5,631	NFP	Medical Center
8	New York Presbyterian Hospital	New York	New York	Con Ed	5,000	7,765	8,540	775	10%	Yes	5,000	1,708	NFP	Medical care
9	Norampac New York City, Inc	Maspeth	Queens	Con Ed	600	195	213	18	9%	Yes	600	355	Large	Manufacturers of corrugated paper packaging
10	Verizon	New York	New York	Con Ed	5,000	4,829	4,901	72	1%	Yes	5,000	980	Large	Local and wireless phone service provider
11	American Ballet Theater	New York	New York	Con Ed	25	175	288	113	65%	Yes	25	11,520	NFP	Performing arts organization
12	Bakers Pride Oven Company	New Rochelle	Westchester	Con Ed	250	130	119	-11	-8%	Yes	250	476	Small	Commercial cooking equipment
13	Whitney Museum of American Art	New York	New York	Con Ed	400	203	182	-21	-10%	Yes	400	455	NFP	Museum
	Total Con Ed		Subtotal	13	25,810	45,746	47,734				25,810			
14	Ametek Hughes-Treitler	Garden City	Suffolk	LIPA	500	181	183	2	1%	Yes	500	366	Large	Manufacturer of heat exchangers
15	John Hassall, Inc.	Westbury	Nassau	LIPA	450	106	116	10	9%	Yes	450	258	Large	Manufacturer of metal fasteners
	Total LIPA		Subtotal	2	950	287	299				950			
16	Borg Warner Morse Tech Corp	Cortland	Cortland	N. Grid	1,500	242	236	-6	-2%	Yes	1,500	157	Large	Manufacturer of Auto Components
17	Clarkson University	Potsdam	St. Lawrence	N. Grid	1,500	652	665	13	2%	Yes	1,500	443	NFP	Higher education
18	CVVM Chemical Services, LLC	Model City	Niagara	N. Grid	330	83	80	-3	-4%	Yes	330	242	Small	Treatment & disposal of Industrial Waste
19	Lewis County General Hospital	Lowville	Lewis	N. Grid	200	389	379	-10	-3%	Yes	200	1,895	NFP	Medical Center
20	OAB Holdings, Inc.	Buffalo	Erie	N. Grid	5,000	335	674	339	101%	Yes	5,000	135	Large	Metal manufacturing
21	Queensboro Farm Products, Inc. - Canastota	Canastota	Madison	N. Grid	500	81	79	-2	-2%	Yes	500	158	Large	Milk manufacturing and processing plant
22	Robison & Smith, Inc.	Gloversville	Fulton	N. Grid	384	190	193	3	2%	Yes	384	503	Small	Linen & Laundry Supply
23	Syracuse Label Co., Inc.	Liverpool	Onondaga	N. Grid	200	89	86	-3	-3%	Yes	200	430	Small	Printing labels for consumer and industrial use
24	Syracuse Plastics, Inc.	Liverpool	Onondaga	N. Grid	400	57	55	-2	-4%	Yes	400	138	Large	Maker of plastic parts and components
25	Syroco, Inc. - A Subsidiary of Vassallo Industrie	Baldwinsville	Onondaga	N. Grid	550	183	188	5	3%	Yes	550	342	Large	Plastic injection molding manufacturer
26	Turbine Engine Components Technologies	Whitesboro	Oneida	N. Grid	1,200	225	268	43	19%	Yes	1,200	223	Large	Precision forging plant
27	Vicks Lithograph & Printing	Yorkville	Oneida	N. Grid	750	165	153	-12	-7%	Yes	750	204	Large	Book printer & distribution
28	Albany Molecular Research, Inc.	Albany	Albany	N. Grid	600	143	348	205	143%	Yes	600	580	Large	Pharmaceutical & organic research
29	Delphi Automotive Systems (Par)	Amherst	Erie	N. Grid	150	180	177	-3	-2%	Yes	150	1,180	Small	Manufacturer of Auto Components
30	Syracuse University	Syracuse	Onondaga	N. Grid	2,000	4,360	4,592	232	5%	Yes	2,000	2,296	NFP	Institution of Higher Education
	Total National Grid		Subtotal	15	15,264	7,374	8,173				15,264			
31	A. T. Reynolds & Sons, Inc.	Kiamesha Lake	Sullivan	NYSEG	250	59	56	-3	-5%	Yes	250	224	Small	Spring water and Ice Mfr.
32	Borg Warner Automotive Morse TEC	Ithaca	Tompkins	NYSEG	4,000	1,416	1,422	6	0%	Yes	4,000	356	Large	Manufacture of automotive components
33	Corning, Inc. (Northside)	Corning	Steuben	NYSEG	2,500	1,035	1,581	546	53%	Yes	2,500	632	Large	Manufact. optical fiber, glass & ceramic products
34	Vail Ballou Press, Inc.	Binghamton	Broome	NYSEG	1,800	426	412	-14	-3%	Yes	1,800	229	Large	Book printer and distributor
	Total NYSEG		Subtotal	4	8,550	2,936	3,471				8,550			
35	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	35	51,724	56,600	59,952
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51,724	1,159
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**Economic Development Power Allocation Board
Power for Jobs Extended Benefits
Recommendation for Electricity Savings Reimbursements
Companies Not In Job Compliance**

**Exhibit "2-B"
May 21, 2007**

Line	Company	City	County	IOU	KW	Jobs Committed	Jobs in Application	Over/ (Under)	% Over/ (Under)	Compliance	Recommended KW	Jobs/MW	Type	Service
1	Kilian Manufacturing Corporation	Syracuse	Onondaga	N. Grid	400	214	166	-48	-22%	No	400	415	Large	Mfr. ball bearings
2	Syracuse China Company	Syracuse	Onondaga	N. Grid	460	371	324	-47	-13%	No	460	704	Large	Manufactures restaurant china
3	Bison Products Company, Inc.	Buffalo	Erie	N. Grid	150	44	31	-13	-30%	No	110	282	Small	Manufacturers primarily dry sausage products
Total National Grid			Subtotal	3	1,010	629	521				970			
4	Audio Sears	Stamford	Delaware	NYSEG	187	105	74	-31	-30%	No	190	389	Small	Makes audio equipment
5	IEC Electronics Corp.	Newark	Wayne	NYSEG	1,000	700	120	-580	-83%	No	170	706	Large	Assembly of printed circuit boards
Total NYSEG			Subtotal	2	1,187	805	194				360			

Total	5	2197	1434	715
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1330	538
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Note: Some of the companies listed above have had part or all of their allocation restored through the reconsideration process.

3. Remarks from the Chairman

Chairman McCullough said that the Power Authority had sent letters to the Governor and the legislative leaders reminding them that the Power for Jobs (“PFJ”) program expires on June 30, 2007 and of the need for legislative action to extend or revise the program. He said that a bill had been introduced in the Senate to extend the PFJ program through June 30, 2008 and asked Mr. McGarry to share any other information that he had.

Mr. McGarry said the Senate PFJ bill was going to be reported out of committee this week and that the Assembly is expected to introduce an identical bill. The Governor’s Office has indicated that it wants to propose a new power program, but they have not yet communicated the specifics of such a program.

Mr. Pasquale said that once the legislation is approved, staff will send out applications/contracts to the existing PFJ customers. Following EDPAB approval of the applications, staff must then provide 30-days’ notice to the customers’ investor-owned utilities. Due to the fact that no legislation has yet been enacted, there will be at least a one-month lag period (the month of July) when customers will have to switch back to their local investor-owned utility for their power needs.

In response to a question from President Carey, Mr. Pasquale said that in 2004 there had been a 3- to 11-month lag for PFJ customers.

Mr. McGarry said that legislative staff is trying to figure out a way to expedite the process legislatively.

Mr. Pasquale said that the applications/contracts are ready to be mailed as soon as legislation is signed.

Chairman McCullough asked everyone to keep each other informed as to the status of this situation.

May 21, 2007

4. **Next Meeting**

The next meeting of the Board is to be determined.