

**ECONOMIC DEVELOPMENT POWER  
ALLOCATION BOARD  
MINUTES**

**March 22, 2010  
Video Conference – 10:00 a.m.**

***New York Power Authority Offices:***

***123 Main Street, 16<sup>th</sup> Floor, White Plains, NY***

***501 7<sup>th</sup> Avenue, 9<sup>th</sup> Floor, New York, NY***

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

***Office of Business & Community Relations, 103 Rich Hall, SUNY Oswego, Oswego, NY***

***King Video Conference Center, 14 Suntree Place, Melbourne, FL***

1. Approval of the Minutes of the February 22, 2010 Regular Meeting.
2. Power for Jobs Extended Benefits Recommendations for  
Electricity Savings Reimbursements

**A. COMPANIES IN JOB COMPLIANCE**

**Con Edison - Service Territory**

American Ballet Theater  
New York - New York County

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

AT&T  
White Plains - Westchester County

Long Island Jewish Medical Center  
Manhasset - Nassau County

Columbia University – Trustees  
New York - New York County

New York Presbyterian Hospital  
New York - New York County

Continental Food Products, Inc.  
Flushing - Queens County

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

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

The Museum of Modern Art  
New York - New York County

**Long Island Power Authority - Service Territory**

Ametek Hughes-Treitler  
Garden City - Nassau County

Kozy Shack, Inc.  
Hicksville - Nassau County

B.H. Aircraft Company, Inc.  
Ronkonkoma - Suffolk County

Standard Microsystems Corp.  
Hauppauge - Suffolk County

**National Grid - Service Territory**

Bristol-Myers Squibb Company  
East Syracuse - Onondaga County

Mayer Bros. Apple Products, Inc.  
West Seneca - Erie County

C. R. Bard, Inc.  
Queensbury - Warren County

Robison & Smith, Inc.  
Gloversville - Fulton County

Clarkson University  
Potsdam - St. Lawrence County

Schilling Forge, Inc.  
Syracuse - Onondaga County

Cooper Industries  
Syracuse - Onondaga County

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

Kilian Manufacturing Corporation  
Syracuse - Onondaga County

TMP Technologies, Inc.  
Buffalo - Erie County

Lewis County General Hospital  
Lowville - Lewis County

Vicks Lithograph & Printing  
Yorkville - Oneida County

**New York State Electric & Gas**

Boreal Water Collections, Inc.  
Kiamesha Lake - Sullivan County

Kraft Foods (Walton Plant)  
Walton - Delaware County

Corning (Erwin Plant)  
Corning - Steuben County

**Rochester Gas & Electric**

Newport Rochester  
Rochester - Monroe County

XLI Corporation  
Rochester - Monroe 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, 123 Main Street, White Plains, NY
- 2) New York Power Authority, 501 7<sup>th</sup> Avenue, 9<sup>th</sup> Floor, New York, NY
- 3) Empire State Development Corp., 95 Perry Street, Suite 500, Buffalo, NY
- 4) Office of Business & Community Relations, 103 Rich Hall, SUNY Oswego, Oswego, NY
- 5) King Video Conference Center, 14 Suntree Place, Melbourne, FL

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

**Kenneth Schoetz**, Chairman (Buffalo, NY)  
**Eugene L. Nicandri**, Member, (Melbourne, FL)  
**Robert B. Catell**, Member, (New York, NY)  
**Mary Vanouse**, Member, (Oswego, NY)

**Also in attendance were:**

James F. Pasquale	Senior Vice President - Marketing & Economic Development, NYPA
Karen Delince	Corporate Secretary, NYPA
Angela Graves	Deputy Secretary, NYPA
Lorna Johnson	Assistant Secretary, NYPA
Michael Huvane	Director – Business Muni & Coop Marketing & Economic Development, NYPA
Michael Saltzman	Director – Media Relations, NYPA
Timothy Muldoon	Manager – Business Power Allocations & Compliance, NYPA
Dennis Eccleston	Chief Information Officer, Information Technology, NYPA

1. **Adoption of Minutes**

The Minutes of the Regular Meeting of February 22, 2010.

## **2. Power for Jobs Program – Extended Benefits**

### **SUMMARY**

The Members of the Economic Development Power Allocation Board (EDPAB”) are to recommend that the Power Authority’s Trustees (“Trustees”) approve extended benefits for 31 Power for Jobs (“PFJ”) customers as listed in Exhibit “A”.

### **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. Chapter 217 of the Laws of 2009 included provisions extending the program benefits until May 15, 2010.

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 payments (rebates) to the 31 PFJ customers, all of which are meeting their job commitment and are listed in Exhibit “A”. Collectively, these organizations have agreed to retain more than 31,000 jobs in New York State in exchange for rebates. The rebate program will be in effect until May 15, 2010, 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 31 business listed in Exhibits “A”.

*Mr. Michael Huvane presented the highlights of staff's recommendation to the Board. In response to a question from Judge Eugene Nicandri, Mr. Huvane said that the MW allocated for Power for Jobs program is divided among two types of customers; those that have elected to receive power or rebates; staff is requesting approval for those customers that chose rebates.*

*Responding to another question from Judge Nicandri, Mr. James Pasquale said that 295 MW are allocated to those customers currently in the program, down from a high of 483. As customers exit the program, legislation does not allow the MW to be used for new allocations.*

**Power for Jobs Legislation**

*Chairman Kenneth Schoetz asked Mr. Pasquale to brief the Board members on the Power for Jobs legislation. Mr. Pasquale said that he was working with the Governor's staff in this regard. The Governor has also issued a press release about the program, a copy of which Mr. Pasquale will forward to all EDPAB members. Mr. Pasquale said that the program the Governor is proposing would be called "Energize New York." Under the program, 910 MW (half hydro and half power purchased on the open market) would be allocated through long-term contracts. Mr. Pasquale pointed out that the recent one-year extensions of the Power for Jobs and Energy Cost Savings Benefits programs did not provide electric price certainty for businesses. Longer-term contracts would encourage capital investment. The amount of power that would be allocated under "Energize New York" is approximately 30% more than the power currently allocated under the Power for Jobs and Energy Cost Savings Benefits programs. Businesses in the current programs will be eligible to apply for the new program.*

*Mr. Pasquale said that the bill includes 200 MW of power to be set aside for economic development to attract new businesses to the State and support other businesses that want to expand in the State.*

*In response to a question from Mr. Robert Catell, Mr. Pasquale said that the current one-year contracts can't be described as long-term; however, the contract term will be increased to up to seven years in the new program.*

*In response to questions from Ms. Mary Vanouse and Judge Nicandri, Mr. Pasquale said that Senator Aubertine's and Assemblyman Cahill's bills are similar to the Governor's proposal in that they both provide for longer-term contracts and use of the R&D block of hydros. He said that using the 450 MW of hydropower*

*currently sold to the three upstate investor-owned utilities (“IOUs”) for either of their programs would help lower and stabilize costs.*

*In response to another question from Judge Nicandri, Mr. Pasquale said that if a business relocates to a municipality that is a Power Authority customer, that business would not be eligible to receive an Energize New York allocation, as the municipal system is already enjoying the benefit of low rates from NYPA hydropower. The municipal systems, however, have their own economic development program, which the business may apply to. Responding to another question from Judge Nicandri, Mr. Pasquale said that 54 MW is set aside for that program, of which approximately 20 MW has been used. In response to further questions from Judge Nicandri, Mr. Pasquale said that the guidelines outlining the criteria for allocation mirrored that of other New York economic development power programs. Mr. Huvane explained that the Authority serves the municipal systems, not the businesses directly in order to keep the overall system rate down while encouraging economic development.*

*In response to a question from Chairman Schoetz, Mr. Pasquale said that the Authority provided the April 15<sup>th</sup> date to the Governor’s office. He pointed out that the Governor’s program would not be effective until July 1, 2011 and that at the expiration of the current PFJ and ECSB contracts, all customer benefits would be extended to June 30, 2011. For the new program Mr. Pasquale said that staff has to develop new applications and then review and summarize all completed applications before presenting them to EDPAB for approval.*

*In response to a question from Judge Nicandri, Mr. Pasquale said that staff would begin to bring applications for the new program to EDPAB early next year.*

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:**

**Con Edison - Service Territory**

<b>American Ballet Theater</b> New York - New York County	<b>Lincoln Center for the Performing Arts</b> New York - New York County
<b>AT&amp;T</b> White Plains - Westchester County	<b>Long Island Jewish Medical Center</b> Manhasset - Nassau County
<b>Columbia University – Trustees</b> New York - New York County	<b>New York Presbyterian Hospital</b> New York - New York County
<b>Continental Food Products, Inc.</b> Flushing - Queens County	<b>S. R. Guggenheim Museum</b> New York - New York County
<b>Edison Price Lighting, Inc.</b> New York - New York County	<b>The Museum of Modern Art</b> New York - New York County

**Long Island Power Authority - Service Territory**

<b>Ametek Hughes-Treitler</b> Garden City - Nassau County	<b>Kozy Shack, Inc.</b> Hicksville - Nassau County
<b>B.H. Aircraft Company, Inc.</b> Ronkonkoma - Suffolk County	<b>Standard Microsystems Corp.</b> Hauppauge - Suffolk County

**National Grid - Service Territory**

<b>Bristol-Myers Squibb Company</b> East Syracuse - Onondaga County	<b>Mayer Bros. Apple Products, Inc.</b> West Seneca - Erie County
<b>C. R. Bard, Inc.</b> Queensbury - Warren County	<b>Robison &amp; Smith, Inc.</b> Gloversville - Fulton County
<b>Clarkson University</b> Potsdam - St. Lawrence County	<b>Schilling Forge, Inc.</b> Syracuse - Onondaga County
<b>Cooper Industries</b> Syracuse - Onondaga County	<b>St. Joseph's Hospital Health Center</b> Syracuse - Onondaga County
<b>Kilian Manufacturing Corporation</b> Syracuse - Onondaga County	<b>TMP Technologies, Inc.</b> Buffalo - Erie County
<b>Lewis County General Hospital</b> Lowville - Lewis County	<b>Vicks Lithograph &amp; Printing</b> Yorkville - Oneida County

**New York State Electric & Gas**

<b>Boreal Water Collections, Inc.</b> Kiamesha Lake - Sullivan County	<b>Kraft Foods (Walton Plant)</b> Walton - Delaware County
<b>Corning (Erwin Plant)</b> Corning - Steuben County	

**Rochester Gas & Electric**

**Newport Rochester  
Rochester - Monroe County**

**XLI Corporation  
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 217 of the Laws of 2009; and be it further**

**RESOLVED, That the Board recommends to the Power Authority of the State of New York the 31 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 32,359 kW for the period through May 15, 2010.**

**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	Jobs Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended Allocation (KW)	Type	Service
1	American Ballet Theater	New York	New York	Con Ed	20	230	230	0	0%	Yes	20	NFP	Performing arts organization
2	AT&T	White Plains	Westchester	Con Ed	560	610	530	-80	-13%	Yes*	560	Large	Telecommunications
3	Columbia University - Trustees	New York	New York	Con Ed	750	750	750	0	0%	Yes	750	NFP	Educational and Student Services
4	Continental Food Products, Inc.	Flushing	Queens	Con Ed	300	59	55	-4	-7%	Yes	300	Small	Frozen Pizza manufacturer and distributor.
5	Edison Price Lighting, Inc.	New York	New York	Con Ed	260	102	98	-4	-4%	Yes	260	Small	Manufacturer and sales of lighting fixtures
6	Lincoln Center for the Performing Arts	New York	New York	Con Ed	3,000	4,035	4,131	96	2%	Yes	3,000	NFP	Performing Arts Center
7	Long Island Jewish Medical Center	Manhasset	Nassau	Con Ed	2,000	6,508	6,415	-93	-1%	Yes	2,000	NFP	Healthcare Center
8	New York Presbyterian Hospital	New York	New York	Con Ed	5,000	8,423	8,923	500	6%	Yes	5,000	NFP	Medical care
9	S. R. Guggenheim Museum	New York	New York	Con Ed	475	418	298	-120	-29%	Yes*	475	NFP	Art Museum
10	The Museum of Modern Art	New York	New York	Con Ed	1,000	766	796	30	4%	Yes	1,000	NFP	Museum
	<b>Total Con Ed</b>		<b>Subtotal</b>	<b>10</b>	<b>13,365</b>	<b>21,901</b>	<b>22,226</b>				<b>13,365</b>		
11	Ametek Hughes-Treitler	Garden City	Nassau	LIPA	500	164	161	-3	-2%	Yes	500	Large	Heat exchangers for commercial and aerospace industries
12	B.H. Aircraft Company, Inc	Ronkonkoma	Suffolk	LIPA	400	79	68	-11	-14%	Yes*	400	Large	Produces noise suppression hardware for jet engines
13	Kozy Shack, Inc.	Hicksville	Nassau	LIPA	1,000	260	270	10	4%	Yes	1,000	Large	Mfr. of puddings & snacks
14	Standard Microsystems Corp.	Hauppauge	Suffolk	LIPA	1,050	449	440	-9	-2%	Yes	1,050	Large	Maker and supplier of computer circuits
	<b>Total LIPA</b>		<b>Subtotal</b>	<b>4</b>	<b>2,950</b>	<b>952</b>	<b>939</b>				<b>2,950</b>		
15	Bristol-Myers Squibb Company	East Syracuse	Onondaga	N. Grid	5,000	987	946	-41	-4%	Yes	5,000	Large	Manufacturer of bulk antibiotics
16	C. R. Bard, Inc.	Queensbury	Warren	N. Grid	800	912	951	39	4%	Yes	800	Large	Manufacturer of Medical devices
17	Clarkson University	Potsdam	St. Lawrence	N. Grid	1,500	664	681	17	3%	Yes	1,500	NFP	Higher education
18	Cooper Industries	Syracuse	Onondaga	N. Grid	2,350	678	626	-52	-8%	Yes	2,350	Large	Equipment for use in hazardous conditions
19	Kilian Manufacturing Corporation	Syracuse	Onondaga	N. Grid	400	144	123	-21	-15%	Yes*	400	Large	Mfr. ball bearings
20	Lewis County General Hospital	Lowville	Lewis	N. Grid	200	418	458	40	10%	Yes	200	NFP	Medical Center
21	Mayer Bros. Apple Products, Inc.	West Seneca	Erie	N. Grid	300	93	87	-6	-6%	Yes	300	Small	Juice pressing and bottling
22	Robison & Smith, Inc.	Gloversville	Fulton	N. Grid	384	205	121	-84	-41%	Yes*	384	Small	Linen & Laundry Supply
23	Schilling Forge, Inc.	Syracuse	Onondaga	N. Grid	225	33	27	-6	-18%	Yes*	225	Small	Forging Plant
24	St. Joseph's Hospital Health Center	Syracuse	Onondaga	N. Grid	1,000	3,023	3,158	135	4%	Yes	1,000	NFP	Healthcare Center
25	TMP Technologies, Inc.	Buffalo	Erie	N. Grid	150	34	32	-2	-6%	Yes	150	Small	Maker of foam, rubber, plastic products
26	Vicks Lithograph & Printing	Yorkville	Oneida	N. Grid	750	112	100	-12	-11%	Yes	750	Large	Book printer & distribution
	<b>Total National Grid</b>		<b>Subtotal</b>	<b>12</b>	<b>13,059</b>	<b>7,303</b>	<b>7,310</b>				<b>13,059</b>		
27	Boreal Water Collections, Inc.	Kiamesha Lake	Sullivan	NYSEG	250	54	35	-19	-35%	Yes*	250	Small	Spring water and Ice Mfr.
28	Corning (Erwin Plant)	Corning	Steuben	NYSEG	1,500	624	517	-107	-17%	Yes*	1,500	Large	Optical fiber, glass and ceramic products
29	Kraft Foods (Walton Plant)	Walton	Delaware	NYSEG	870	155	141	-14	-9%	Yes	870	Large	Mfr. of puddings & snacks
	<b>Total NYSEG</b>		<b>Subtotal</b>	<b>3</b>	<b>2,620</b>	<b>833</b>	<b>693</b>				<b>2,620</b>		
30	Newport Rochester	Rochester	Monroe	RGE	190	47	55	8	17%	Yes	190	Small	Mfg. spectrophotometers
31	XLI Corporation	Rochester	Monroe	RGE	175	75	70	-5	-7%	Yes	175	Small	Makers of precision machine components
	<b>Total RG&amp;E</b>		<b>Subtotal</b>	<b>2</b>	<b>365</b>	<b>122</b>	<b>125</b>				<b>365</b>		

Total	31	32,359	31,111	31,293
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32,359
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\* Company had all or part of their allocation restored through the reconsideration process, or will not have this month's rebate benefits reduced based on program policy and procedures.

3. **Other Business**

*Chairman Schoeltz said that he would like to coordinate the June meeting with that of the Power Authority's Trustees' Meeting at the Niagara Power Project. At that meeting, the members would be briefed on substantive EDPAB issues.*

4. **Next Meeting**

The next meeting of the Board is to be determined.