

**ECONOMIC DEVELOPMENT POWER  
ALLOCATION BOARD**

**MINUTES**

**December 14, 2009**

**Video conference – 11:00 a.m.**

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

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

***30 South Pearl Street, 10<sup>th</sup> 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 October 26, 2009.
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

New York University  
New York – New York County

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

Pepsi Cola Bottling Company  
College Point - Queens County

Liz Claiborne, Inc.  
New York - New York County

**Long Island Power Authority - Service Territory**

American Technical Ceramics  
Huntington Station - Suffolk County

Standard Microsystems Corp.  
Hauppauge - Suffolk County

North Shore Health System  
Manhasset - Nassau County

Ultimate Precision Metal  
Farmingdale - Suffolk County

**National Grid - Service Territory**

Associated Brands, Inc.  
Medina - Orleans County

Higbee Inc.  
Syracuse - Onondaga County

Clarkson University  
Potsdam - St. Lawrence County

Intertek Testing Services  
Cortland - Cortland County

Cooper Hand Tools  
Cortland - Cortland County

Luvata Buffalo, Inc  
Buffalo - Erie County

CWM Chemical Services, LLC  
Model City - Niagara County

Matt Brewing Company  
Utica - Oneida County

Dielectric Laboratories, Inc.  
Cazenovia - Madison County

Meloon Foundries, Inc.  
Syracuse - Onondaga County

Fitzpatrick & Weller, Inc.  
Ellicottville - Cattaraugus County

PCI Paper Conversions, Inc.  
Syracuse - Onondaga County

Ford Motor Company  
Buffalo - Erie County

**New York State Electric & Gas – Service Territory**

Endicott Interconnect Technologies  
Endicott - Broome County

3. Transfer of Industrial Power

**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, 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	Executive Vice President & General Counsel, NYPA
Karen Delince	Corporate Secretary, NYPA
James F. Pasquale	Senior Vice President - Marketing & Economic Development, NYPA
Anthony C. Savino	Manager – Business Power Allocations and Compliance, NYPA
Lorna Johnson	Assistant Secretary, NYPA
Mary Jean Frank	Associate Corporate Secretary, NYPA
Michael Huvane	Director – Business Muni & Coop Marketing & Economic Development, NYPA
Sarah Barish-Strauss	Special Assistant – Project Development, NYPA
D. Eccleston	Chief Information Officer, Information Technology, NYPA

1. **Adoption of Minutes**

The minutes of the meeting of October 26, 2009 were unanimously adopted.

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

### **SUMMARY**

The Members of the Economic Development Power Allocation Board (“EDPAB”) are asked to recommend that the Power Authority’s Trustees (“Trustees”) approve extended benefit electricity savings reimbursement rebates for 23 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 rebates to the 23 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 32,000 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 23 business listed in Exhibit “A”.

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 New York - New York County</b>	<b>New York University New York – New York County</b>
<b>Lincoln Center for the Performing Arts New York - New York County</b>	<b>Pepsi Cola Bottling Company College Point - Queens County</b>
<b>Liz Claiborne, Inc. New York - New York County</b>	

**Long Island Power Authority - Service Territory**

<b>American Technical Ceramics Huntington Station - Suffolk County</b>	<b>Standard Microsystems Corp. Hauppauge - Suffolk County</b>
<b>North Shore Health System Manhasset - Nassau County</b>	<b>Ultimate Precision Metal Farmingdale - Suffolk County</b>

**National Grid - Service Territory**

<b>Associated Brands, Inc. Medina - Orleans County</b>	<b>Higbee Inc. Syracuse - Onondaga County</b>
<b>Clarkson University Potsdam - St. Lawrence County</b>	<b>Intertek Testing Services Cortland - Cortland County</b>
<b>Cooper Hand Tools Cortland - Cortland County</b>	<b>Luvata Buffalo, Inc Buffalo - Erie County</b>
<b>CWM Chemical Services, LLC Model City - Niagara County</b>	<b>Matt Brewing Company Utica - Oneida County</b>
<b>Dielectric Laboratories, Inc. Cazenovia - Madison County</b>	<b>Meloon Foundries, Inc. Syracuse - Onondaga County</b>
<b>Fitzpatrick &amp; Weller, Inc. Ellicottville - Cattaraugus County</b>	<b>PCI Paper Conversions, Inc. Syracuse - Onondaga County</b>
<b>Ford Motor Company Buffalo - Erie County</b>	

**New York State Electric & Gas – Service Territory**

**Endicott Interconnect Technologies  
Endicott - Broome County**

December 14, 2009

**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 23 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 33,555 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**

Exhibit "A"  
 December 14, 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	American Ballet Theater	New York	New York	Con Ed	20	230	230	0	0%	Yes	20	946	NFP	Performing arts organization
2	Lincoln Center for the Performing Arts	New York	New York	Con Ed	3,000	4,035	4,131	96	2%	Yes	3,000	1,377	NFP	Performing Arts Center
3	Liz Claiborne, Inc.	New York	New York	Con Ed	1,500	996	1,019	23	2%	Yes	1,500	679	Large	Clothing and Accessories Manufacturer.
4	New York University	New York	New York	Con Ed	1,700	9,534	11,660	2,126	22%	Yes	1,700	6,859	NFP	Higher Education
5	Pepsi Cola Bottling Company	College Point	Queens	Con Ed	2,200	1,015	1,003	-12	-1%	Yes	2,200	456	Large	Manufacturer & distributes of soft drinks
	<b>Total Con Ed</b>		<b>Subtotal</b>	<b>5</b>	<b>8,420</b>	<b>15,810</b>	<b>18,043</b>				<b>8,420</b>			
6	American Technical Ceramics	Huntington Station	Suffolk	LIPA	200	386	289	-97	-25%	Yes *	200	1,445	Small	Ceramic Capacitors
7	North Shore Health System	Manhasset	Nassau	LIPA	2,600	6,513	6,537	24	0%	Yes	2,600	2,514	NFP	Medical Services
8	Standard Microsystems Corp.	Hauppauge	Suffolk	LIPA	1,050	449	440	-9	-2%	Yes	1,050	419	Large	Computer circuitboards and components
9	Ultimate Precision Metal	Farmingdale	Suffolk	LIPA	250	116	89	-27	-23%	Yes *	250	356	Small	Manufactures controlled enclosures
	<b>Total LIPA</b>		<b>Subtotal</b>	<b>4</b>	<b>4,100</b>	<b>7,464</b>	<b>7,355</b>				<b>4,100</b>			
10	Associated Brands, Inc	Medina	Orleans	Grid	1,000	303	300	-3	-1%	Yes	1,000	300	Large	Manufacturers of dry food products
11	Clarkson University	Potsdam	St. Lawrence	Grid	1,500	664	681	17	3%	Yes	1,500	454	NFP	Higher education
12	Cooper Hand Tools	Cortland	Cortland	Grid	1,330	118	103	-15	-13%	Yes *	1,330	77	Large	Metal machining and casting
13	CWM Chemical Services, LLC	Model City	Niagara	Grid	330	65	75	10	15%	Yes	330	133	Small	Treatment & disposal of Industrial Waste
14	Dielectric Laboratories, Inc.	Cazenovia	Madison	Grid	400	193	167	-26	-13%	Yes *	400	418	Large	Ceramic capacitors and ceramic packaging
15	Fitzpatrick & Weller, Inc.	Ellicottville	Cattaraugus	Grid	1,000	86	81	-5	-6%	Yes	1,000	81	Large	Lumber & wood components
16	Ford Motor Company	Buffalo	Erie	Grid	5,000	1,140	949	-191	-17%	Yes *	5,000	190	Large	Automotive components stamping
17	Higbee Inc.	Syracuse	Onondaga	Grid	100	47	42	-5	-11%	Yes	100	420	Small	Mfr. of gaskets, and sealing products
18	Intertek Testing Services	Cortland	Cortland	Grid	600	311	353	42	14%	Yes	600	588	Large	Independent test lab
19	Luvata Buffalo, Inc	Buffalo	Erie	Grid	5,000	617	540	-77	-12%	Yes *	5,000	108	Large	Metal manufacturing
20	Matt Brewing Company	Utica	Oneida	Grid	600	124	115	-9	-7%	Yes	600	192	Large	Brewery
21	Meloon Foundries, Inc.	Syracuse	Onondaga	Grid	275	52	42	-10	-19%	Yes *	275	153	Small	Non-Ferrous Sand Casting Foundry
22	PCI Paper Conversions, Inc.	Syracuse	Onondaga	Grid	400	214	222	8	4%	Yes	400	555	Large	Printed materials & adhesive manufacturing
	<b>Total National Grid</b>		<b>Subtotal</b>	<b>13</b>	<b>17,535</b>	<b>3,934</b>	<b>3,670</b>				<b>17,535</b>			
23	Endicott Interconnect Technologies	Endicott	Broome	NYSEG	3,500	4,172	3,909	-263	-6%	Yes	3,500	1,117	Large	Advanced electronic packaging solutions
	<b>Total NYSEG</b>		<b>Subtotal</b>	<b>1</b>	<b>3,500</b>	<b>4,172</b>	<b>3,909</b>				<b>3,500</b>			

<b>Total</b>	<b>23</b>	<b>33,555</b>	<b>31,380</b>	<b>32,977</b>	<b>33,555</b>
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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.

### **3. Transfer of Industrial Power**

#### **SUMMARY**

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to recommend approval of the transfers as detailed below:

#### **BACKGROUND**

EDPAB is requested to approve the transfer of Power allocations for fourteen existing companies that have changed names and or /locations for various business reasons. EDPAB has approved transfers of this nature at past meetings.

#### **DISCUSSION**

The proposed transferees are as follows:

**A. T. Reynolds & Sons, Inc.** (“A. T. Reynolds”), in Kiamesha Lake, Sullivan County, in business for 125 years, produces high-end private-label bottled spring water at this plant. **Boreal Water Collection, Inc.** acquired A. T. Reynolds’ assets in April 2009 in U. S. Bankruptcy Court. The company will honor all of the terms and commitments of its 250 kW Power for Jobs (“PFJ”) Extended Benefits contract for rebate from the Authority.

**AccuMED Technologies, Inc.** (“AccuMed”), in Buffalo, Erie County, is a high-tech custom fabrics manufacturer for medical, safety, sportswear and military applications. The Trustees extended the company’s 100 kW PFJ allocation through May 15, 2010. Accumed is consolidating its operations from facilities at 150 Bud-Mil Road. and 160 Bud-Mil Road to just 160 Bud-Mil Road. The company will honor all terms and commitments of its contract with the Authority.

**American Indian Community House, Inc.** (“AICH”), in New York, New York County, is the only Indian-owned/operated Native American art and performing arts venue in New York City. AICH moved from 708 Broadway to 11 Broadway in Manhattan and requests that its PFJ rebate benefit be transferred to the new location. AICH will continue to honor all of the terms and commitments of its 35 kW PFJ Extended Benefits contract.

**Chloe Foods Corporation** (“Chloe”), in Brooklyn, Kings County, manufactures nearly a thousand different food products from raw material handling, cooking, preparation and packaging to distribution. The Trustees extended the company’s 800 kW PFJ allocation through May 15, 2010. In May 2009, **Blue Ridge Foods LLC** acquired the assets and limited liability of Chloe. The company will honor all terms and commitments of its contract with the Authority.

**CWR Manufacturing Corporation** (“CWR”), in East Syracuse, Onondaga County, manufactures custom cold formed fasteners. The owners seamlessly closed the company and the same owners less some shareholders formed **CWR Manufacturing of CNY, LLC**, which conducts the exact same business in the same location with the same equipment. CWR will honor the general terms and conditions of its 130 kW PFJ contract.

**Delphi Automotive Systems, LLC** (“Delphi”), in Lockport, Niagara County, manufactures radiators, condensers and heaters. Delphi has a 150 kW of PFJ rebate. On October 5, 2009, Delphi was sold to a General Motors Company affiliate, **General Motors Components Holdings LLC**, through U. S. Bankruptcy Court. The company will continue to honor all of the terms and commitments of its contracts with the Authority.

**Empire Merchants LLC** (“Empire”), in Astoria, Queens County, is a wholesale distributor of wine and spirits. Empire consolidated its sorting system into its Brooklyn distribution facility and requests a transfer of 250 kW of its PFJ allocation from the Astoria facility to the Brooklyn facility, with 500 kW remaining in Astoria. The company will continue to honor all of the terms and commitments of its 750 kW PFJ Extended Benefits contract for rebate.

**Endicott Interconnect Technologies, Inc.** (“EIT”), in Endicott, Broome County, produces microelectronics panels and boards, and develops data processing equipment such as banking systems. EIT requests a PFJ benefit transfer of

350 kW from its Robble Avenue location to its Clark Street location, another part of the same facility, in order to apply the benefit according to its current manufacturing needs. EIT will continue to honor all terms and conditions of its 3.5 MW PFJ Extended Benefits contract for rebate.

**NAMIC/VA Inc.**, (“NAMIC”), in Glens Falls, Warren County, designs, manufactures and markets single-patient-use medical products, primarily for diagnosing and treating atherosclerotic cardiovascular disease. The Trustees extended the company’s 650 kW PFJ allocation through May 15, 2010. Recently, NAMIC changed its name to **Navilyst Medical Inc.**, with no change in ownership. The company will continue to honor all terms and commitments of its contract with the Authority.

**New York Presbyterian Hospital** (“NYPH”), in New York, New York County, with more than 2,900 beds in its facilities, provides primary care services and specialties, including AIDS care, burn center, cancer care, cardiac care, children’s health, gene therapy, reproductive medicine, trauma center and women’s health. The hospital requests that its entire 5 MW PFJ allocation benefit be transferred from its 525 E. 68<sup>th</sup> Street facility to its 622 W. 168<sup>th</sup> Street facility. NYPH will honor all terms and commitments of its PFJ Extended Benefits for rebate contract.

**New York University** (“NYU”), in New York, New York County, is a private, non-profit higher education corporation that is one of the largest private institutions of higher education with undergraduate and graduate studies in the United States. The university’s new cogeneration plant will power two of the four locations that receive PFJ Extended Benefits for rebate – 35 W. 3<sup>rd</sup> Street and 40 Washington Square. NYU requests that two similar locations on its campus replace those locations to receive the PFJ benefits – 75 3<sup>rd</sup> Avenue and 140 E. 14<sup>th</sup> Street. NYU will honor all terms and commitments of its 1.7 MW PFJ Extended Benefits for rebate contract.

**Pepsi Cola Bottling Company of New York** (“Pepsi”), with locations in Queens, Brooklyn and the Bronx, opened a new distribution center in the Bronx as part of a major investment to remain competitive in New York. Two facilities in the Bronx and two facilities in Brooklyn were closed due to the new distribution center. Pepsi requests that its PFJ Extended Benefit for rebate be transferred from the closed facilities to the new distribution center. The company will continue to honor all terms and commitments of its 2.2 MW PFJ Extended Benefits contract for rebate.

**Sleepy’s LLC** (“Sleepy’s”), in Bethpage, Nassau County, is the country’s largest specialty mattress retailer. The Trustees extended the company’s 300 kW PFJ allocation through May 15, 2010. Sleepy’s recently moved its corporate headquarters and Bethpage distribution center to Hicksville and requests that the allocation be transferred to the new corporate headquarters and distribution center. The company will continue to honor all terms and commitments of its contract with the Authority.

**Verizon Communications, Inc.** (“Verizon”), in New York, New York County, is one of the largest telecommunications companies in the nation. Verizon moved out of its 375 Pearl Street location and moved the 1,456 employees located there to various central office buildings in Manhattan that handle switching, administrative and network services. The company has a 5 MW PFJ rebate benefit and requests 2.5 MW be transferred to 240 E. 36<sup>th</sup> Street, 1.25 MW be transferred to 230 W. 36<sup>th</sup> Street, both in Manhattan and 1.25 MW be transferred to 111 Main Street in White Plains. Verizon will honor all terms and commitments of its PFJ Extended Benefits contract.

#### RECOMMENDATION

It is recommended that EDPAB approve the name and/or location changes detailed above.

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

**WHEREAS, section 1005 of the Public Authorities Law authorizes the Power Authority of the State of New York to identify an amount of the net revenues produced by the sale of Expansion Power which shall be used for industrial incentive awards; and**

**WHEREAS, such industrial incentive awards must be made with an Economic Development Plan submitted by the Authority and approved by**

**the Economic Development Allocation Board (“EDPAB”) pursuant to Section 188 of the Economic Development Law; and**

**WHEREAS, EDPAB on December 1, 1988, endorsed the use, to the extent necessary, of available industrial incentive awards for the purpose of assisting Authority efforts to limit future rate increases for Fitzpatrick Power Program customers; and**

**WHEREAS, EDPAB on December 1, 1988, recommended that any Economic Development Plan submitted by the Authority in the future be approved to the extent it provides for such use of industrial incentive award; and**

**WHEREAS, the Authority has approved an Economic Development Plan through calendar year 2016 that provides for the use of net revenues from the sale of Expansion Power to provide electric bill discounts to manufacturing companies located in New York State that are at identifiable risk of closure or relocation to another state and further has authorized the submission of such Plan to EDPAB for its approval;**

**NOW THEREFORE BE IT 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 2008-1016) to provide electric bill discounts to manufacturing companies in New York State that are at identifiable risk of closure or relocation to another state; and be it further**

**RESOLVED, That EDPAB hereby approves an Industrial Incentive Award to Computer Associates and an extension of Computer Associates’ Economic Development Power allocation to December 31, 2016, in accordance with the attached memorandum.**

4. **Next Meeting**

The next meeting of the Board is to be determined.