

May 24, 2011

***ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD
MINUTES***

***May 24, 2011
Videoconference – 10:15 a.m.***

New York Power Authority Offices:

123 Main Street, 16th Floor, White Plains, NY

501 7th Avenue, 9th Floor, New York, NY

30 South Pearl Street, 10th Floor, Albany, NY

Empire State Development Corporation, 95 Perry Street, Suite 500, Buffalo, NY

City of Oswego Community Development, 20 West Oneida Street, 3rd Floor, Oswego, NY

1. Approval of the Minutes of the Regular Meeting of January 25, 2011 and the Minutes of the Special Meeting of April 20, 2011.
2. Transfers of Industrial Power
3. Other Business
4. Next Meeting

A regular meeting of the Economic Development Power Allocation Board was held via videoconference 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, 10th Floor, Albany, NY
- 3) New York Power Authority, 501 7th Avenue, 9th Floor, New York, NY
- 4) Empire State Development Corporation, 95 Perry Street, Suite 500, Buffalo, NY
- 5) City of Oswego Community Development, 20 West Oneida Street, 3rd Floor, Oswego, NY

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

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

Also in attendance were:

Gil Quiniones	Chief Operating Officer, NYPA
Judith McCarthy	First Deputy General Counsel, NYPA
James F. Pasquale	Senior Vice President - Marketing & Economic Development, NYPA
Karen Delince	Corporate Secretary, NYPA
Vincent Esposito	Assistant General Counsel, Legislative & Regulatory Affairs, NYPA
Michael Huvane	Vice President - Marketing, NYPA
Timothy Muldoon	Manager – Business Power Allocations & Compliance, NYPA
Connie Cullen	Deputy Director of Media Relations, NYPA
Dennis Eccleston	Vice President Information Technology/Chief Information Officer – Information Technology, NYPA
Sheila Baughman	Senior Secretary, NYPA

1. **Adoption of Minutes**

The Minutes of the Regular Meeting of January 25, 2011 and the Minutes of the Special Meeting of April 20, 2011 were unanimously adopted.

2. Transfers of Industrial Power

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve and recommend the Power Authority Trustees’ approval of the allocation transfers as detailed below.

BACKGROUND

This is a housekeeping item that comes before the Board several times a year. EDPAB is requested to approve the transfer of allocations for four existing customers that have changed their corporate name for various business reasons. The power allocation and/ or benefits for these four customers will continue to be delivered to the same location. Additionally, EDPAB is requested to approve the transfer of a power allocation for one customer that is physically relocating from one facility to another. All of the customers will continue to provide the same products and/ or services as they did prior to the transfers. The companies have agreed to continue to honor the terms and conditions of existing contracts with the Authority. The reasons for such transfer requests are described below.

EDPAB has approved transfers of this nature in the past.

DISCUSSION

The proposed transferees are as follows:

Aerospace Avionics, located in Bohemia, New York, produces integrated electronic and mechanical systems for commercial and military aircrafts. In May 2007, the company was acquired by General Electric. Under General Electric’s ownership, the company is operating as GE Aviation Systems, LLC at the facility located at 1000 MacArthur Memorial Highway in Bohemia, New York. The company wishes to transfer its 650 kW Power for Jobs (“PFJ”) allocation to **GE Aviation Systems, LLC**. The company agrees to continue to meet all contract commitments for the allocation through its expiration date.

BOC Gases, Inc. (“BOC”), with facilities in Buffalo and Selkirk, New York, is a gas and engineering company that has been in operation for over 30 years. Over the years, the company has experienced many ownership changes, originally known as Airco and more recently as The BOC Group, Inc. In January 2008, the company’s name was changed to Linde, Inc. and on April 1, 2009, it was merged with its parent company, Linde LLC. The company wishes to transfer its 15,750 kW and 2,500 kW High Load Factor Power (“HLF”) allocations to **Linde LLC**. The company will continue to honor all contract terms and commitments it holds with the Authority.

Climax Manufacturing Company is a paperboard manufacturer with mills located in Lowville and nearby Carthage, New York. The company was approved for a 1,500 kW PFJ allocation that was split between the two facilities. In June 2008, as allowed in PFJ Extended Benefits Legislation, they elected to receive benefits in the form of an Electricity Savings Reimbursement payment (“rebate”) instead of a power allocation. The company currently receives their rebate as one payment based on an aggregation of the two facilities electricity use. Due to a reconfiguration of the business in 2010, the Carthage facility is now operating as **Climax Paperboard Inc.** The company has requested that the PFJ rebate benefits continue to be split between the two facilities, acknowledging that each is doing business under a distinct name with different tax ID numbers for each physical facility. Climax Manufacturing Company, as the parent corporation, agrees to honor the terms of the existing contract.

Cooper Hand Tools, located in Cortland, NY, specializes in metal machining and casting for the electrical power distribution industry. On July 4, 2010, Cooper Hand Tools and Danaher Tools formed a joint venture named Apex Tool Group. The operations at its Cortland facility remain the same. The company wishes to transfer its 1,330 kW PFJ contract with the Authority to **Apex Tool Group** in order to continue to receive Electricity Savings Reimbursements (“rebate”) until the expiration of the program. All existing contract commitments will remain in effect.

Westchester Arc, provides support services to mentally disabled citizens. The company has recently moved from their original site at 121 Westmoreland Avenue in White Plains to a new headquarters in Hawthorne, NY, and is in the process of selling the White Plains facility. Westchester Arc has requested to transfer its 375 kW PFJ allocation to its new headquarters at 265 Saw Mill River Road, Hawthorne, NY. The company is meeting its job commitments and agrees to honor the terms and conditions of the existing contract for the remainder of the program.

RECOMMENDATION

It is recommended that the Economic Development Power Allocation Board authorize and recommend to the Trustees, the approval of the allocation transfers as detailed above.

In response to a question from Ms. Mary Vanouse, Mr. James Pasquale said that the corporations requesting transfers of their power allocations are current with their job commitments.

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

RESOLVED, That the Economic Development Power Allocation Board hereby authorizes and recommends to the New York Power Authority, the transfer of power allocations for six existing customers that have changed their corporate name for various business reasons as detailed above. All six companies have agreed to continue to honor the terms and conditions of existing contracts with the Authority.

3. Other Business

Recharge New York Program

Chairman Kenneth Schoetz asked Mr. Pasquale to provide the Board with an update on the Recharge New York Program (“Program”). Mr. Pasquale said that Authority staff from the Marketing and Legal Departments meets with the Public Service Commission (“PSC”) and representatives from the IOUs on a weekly basis to discuss delivery agreements and the rates for the customers in the Program. He continued that staff members from the Marketing and Communication departments are in the process of developing outreach materials related to the Program for the NYPA informational meetings around the state during the months of July and August and for general distribution. Staff also plans to begin soliciting application for the Program at that time.

In response to a question from Trustee Eugene Nicandri, Mr. Pasquale said that the agreements for the Program have not been finalized as yet. However, the method of sharing the energy on a metered load factor basis, “load factor sharing,” is preferred. In addition, Mr. Pasquale stated that customers would receive the hydropower at the same load factor as the power they use on the meter. Mr. Huvane added that, historically, in Western New York, there were some arrangements whereby a customer would have to use a certain amount of power from the host utility, “historic Load,” before they would be able to get access to the Authority’s low-cost power. However, under the new Program, the allocation is proposed to be a “base load allocation” and the energy will be shared proportionately between the Authority and the host utility.

In response to an additional question from Ms. Vanouse, Mr. Pasquale said the distribution would not be on a one-to-one ratio; rather, the energy a customer receives would be based on a percentage of the customer’s total load.

Annual Job Compliance Review

Mr. Pasquale said that at the next meeting of the Board staff will provide a report on the job compliance for Power for Jobs and Energy Cost Savings Benefit customers. He said that staff is in the process of finalizing this report, which will show each customer’s actual jobs as compared to their commitments. Chairman Schoetz said that he looks forward to receiving this report.

3. **Other Business – continued**

Proposed Board Policy

In response to a question from Mr. Robert Catell, Ms. Delince said that staff is still working on the proposed Board policy. Chairman Schoetz said that he will have discussions with Authority staff on issues related to the policy before it is presented to the Board for approval.

4. **Next Meeting**

The next meeting of the Board will be held on June 27, 2011.