

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

**February 25, 2008
Video Conference – 11:00 a.m.**

***New York Power Authority Offices:
123 Main Street, 16th Floor, White Plains, NY
30 South Pearl Street, 10th Floor, Albany, NY
Fort Myers Interactive Video, 1408 Bayview Ct., Fort Myers, FL***

1. Approval of the Minutes of the Meeting of January 29, 2008

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

A. COMPANIES IN JOB COMPLIANCE

Con Edison - Service Territory

Display Producers, Inc. Bronx – Bronx County	Norampac New York City, Inc. Maspeth – Queens County
International Business Machines White Plains – Westchester County	The Museum of Modern Art New York – New York County
Memorial Sloan-Kettering Cancer Center New York – New York County	Verizon New York – New York County

Long Island Power Authority - Service Territory

Kozy Shack, Inc.
Hicksville – Nassau County

Madelaine Chocolates
Rockaway Beach – Queens County

National Grid - Service Territory

Bison Foods – Div of Upstate Farms Buffalo – Erie County	McLane Eastern Baldwinsville – Onondaga County
C.R. Bard, Inc. Queensbury – Warren County	Standard Manufacturing Co., Inc. Troy – Rensselaer County
Cooper Industries Syracuse – Onondaga County	Syracuse Plastics, Inc. Liverpool – Onondaga County
Lewis County General Hospital Lowville – Lewis County	Turbine Engine Components Technologies Whitesboro – Oneida County
Lydall Manning Green Island - Albany County	Vicks Lithograph & Printing Yorkville – Oneida County

New York State Electric and Gas – Service Territory

Custom Electronics, Inc. Oneonta – Otsego County	Merritt Plywood Machinery, Inc. Lockport – Niagara County
IEC Electronics Corp. Newark - Wayne County	Milward Alloys Lockport – Niagara County

Rochester Gas and Electric - Service Territory

Jada Precision Plastics Co.
Rochester – Monroe County

OTHER BUSINESS

3. 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) Fort Myers Interactive Video, 1408 Bayview Ct., Fort Myers, FL

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

Daniel C. Gundersen, Chairman (Albany, NY)
Frank S. McCullough, Jr., Chairman (White Plains, NY)
Bernard P. McGarry, Member (Albany, NY)
James A. Duncan, Member, (Fort Myers, FL)

Also in attendance were:

Roger B. Kelley	President and Chief Executive Office, NYPA
Thomas J. Kelly	Executive Vice President, General Counsel and Chief of Staff, NYPA
Gil C. Quiniones	Executive Vice President – Energy Marketing and Corporate Affairs, NYPA
James H. Yates	Senior Vice President, Marketing and Economic Development, NYPA
Thomas Warmath	Vice President and Chief Risk Officer, 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 Corporate Secretary, NYPA
Lorna M. Johnson	Assistant Corporate Secretary, NYPA
Jack Murphy	Temporary Public Relations Counsel, NYPA
Keith Corneau	Energy Policy, ESDC

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Introduction

Chairman Daniel Gundersen welcomed everyone to the meeting and thanked them for their good wishes on his appointment as Chairman of EDPAB. He said that there clearly would be a lot going on with EDPAB in the next year or so.

February 25, 2008

1. **Adoption of Minutes**

The minutes of the meeting of January 29, 2008, were unanimously adopted.

2. **Power for Jobs Program - Extended Benefits**

SUMMARY

The members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve extended benefits 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 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 and increase the size of the program to 450 MW.

In May 2000, legislation was enacted that authorized another 300 MW of power to be allocated under the PFJ 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 Power 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.

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. Chapter 89 of the Laws of 2007 included provisions extending program benefits until June 30, 2008.

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 Power Authority’s Trustees approve electricity savings reimbursement rebates to the 23 PFJ customers that are meeting their current job commitments and are listed in Exhibit “A.” Collectively, these organizations have agreed to retain more than 21,400 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 Power Authority's Trustees approve the payment of electricity savings reimbursements to the 23 businesses 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:

COMPANIES IN JOB COMPLIANCE

Con Edison - Service Territory

Display Producers, Inc. Bronx – Bronx County	Norampac New York City, Inc. Maspeth – Queens County
International Business Machines White Plains – Westchester County	The Museum of Modern Art New York – New York County
Memorial Sloan-Kettering Cancer Center New York – New York County	Verizon New York – New York County

Long Island Power Authority - Service Territory

Kozy Shack, Inc. Hicksville – Nassau County	Madelaine Chocolates Rockaway Beach – Queens County
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National Grid - Service Territory

Bison Foods – Div of Upstate Farms Buffalo – Erie County	McLane Eastern Baldwinsville – Onondaga County
C.R. Bard, Inc. Queensbury – Warren County	Standard Manufacturing Co., Inc. Troy – Rensselaer County
Cooper Industries Syracuse – Onondaga County	Syracuse Plastics, Inc. Liverpool – Onondaga County
Lewis County General Hospital Lowville – Lewis County	Turbine Engine Components Technologies Whitesboro – Oneida County
Lydall Manning Green Island - Albany County	Vicks Lithograph & Printing Yorkville – Oneida County

New York State Electric and Gas – Service Territory

Custom Electronics, Inc. Oneonta – Otsego County	Merritt Plywood Machinery, Inc. Lockport – Niagara County
IEC Electronics Corp. Newark - Wayne County	Milward Alloys Lockport – Niagara County

Rochester Gas and Electric – Service Territory

Jada Precision Plastics Co.
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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 23 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 27,305 kW until June 30, 2008.

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	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended Allocation KW	Jobs/MW	Type	Service
1	Display Producers, Inc.	Bronx	Bronx	Con Ed	340	340	340	0	0%	Yes	340	1,000	Small	Display cases
2	International Business Machines - White Plains	White Plains	Westchester	Con Ed	3,870	1,559	2,177	618	40%	Yes	3,870	563	Large	Computer Manufacturer
3	Memorial Sloan-Kettering Cancer Cen	New York	New York	Con Ed	5,000	8801	9,286	485	6%	Yes	5,000	1,857	NFP	Medical Center
4	Norampac New York City, Inc	Maspeth	Queens	Con Ed	600	213	204	-9	-4%	Yes	600	340	Large	Manufacturers' of corrugated paper packaging
5	The Museum of Modern Art	New York	New York	Con Ed	1,000	800	765	-35	-4%	Yes	1,000	765	NFP	Museum
6	Verizon	New York	New York	Con Ed	5,000	4,901	3,832	-1,069	-22%	Yes*	5,000	766	Large	Local and wireless phone service provider
	Total Con Ed		Subtotal	6	15,810	16,614	16,604				15,810			
7	Kozy Shack, Inc.	Hicksville	Nassau	LIPA	1,000	251	260	9	4%	Yes	1,000	260	Large	Mfr. of puddings & snacks
8	Madelaine Chocolates	Rockaway Beach	Queens	LIPA	575	541	518	-23	-4%	Yes	575	901	Large	Manufactures chocolate
	Total LIPA		Subtotal	2	1,575	792	778				1,575			
9	Bison Foods - Div. of Upstate Farms	Buffalo	Erie	N. Grid	500	134	136	2	1%	Yes	500	272	Large	Dairy Products
10	C. R. Bard, Inc.	Queensbury	Warren	N. Grid	800	845	923	78	9%	Yes	800	1,154	Large	Manufacturer of Medical devices
11	Cooper Industries	Syracuse	Onondaga	N. Grid	2,350	579	592	13	2%	Yes	2,350	252	Large	Manufacturer of electrical equipment
12	Lewis County General Hospital	Lewille	Lewis	N. Grid	200	379	382	3	1%	Yes	200	1,910	NFP	Medical Center
13	Lydall Manning	Green Island	Albany	N. Grid	1,100	115	113	-2	-2%	Yes	1,100	103	Large	Specialty Paper Manufacturer
14	McLane Eastern	Baldwinsville	Onondaga	N. Grid	875	823	945	122	15%	Yes	875	1,080	Large	Wholesale grocery distributor
15	Standard Manufacturing Co., Inc.	Troy	Rensselaer	N. Grid	30	41	67	26	63%	Yes	30	2,233	Small	Apparel
16	Syracuse Plastics, Inc.	Liverpool	Onondaga	N. Grid	400	55	38	-17	-31%	Yes*	400	95	Large	Maker of plastic parts and components
17	Turbine Engine Components Technologies	Whitesboro	Oneida	N. Grid	1,200	268	281	13	5%	Yes	1,200	234	Large	Precision forging plant
18	Vicks Lithograph & Printing	Yorkville	Oneida	N. Grid	750	153	137	-16	-10%	Yes	750	183	Large	Book printer & distribution
	Total National Grid		Subtotal	10	8,205	3,392	3,614				8,205			
19	Custom Electronics, Inc.	Oneonta	Otsego	NYSEG	150	62	64	2	3%	Yes	150	427	Small	Electronic components and assemblies
20	IEC Electronics Corp.	Newark	Wayne	NYSEG	590	167	243	76	46%	Yes	590	412	Large	Assembly of printed circuit boards
21	Merritt Plywood Machinery, Inc.	Lockport	Niagara	NYSEG	75	19	18	-1	-5%	Yes	75	240	Small	Makes machinery for hardwood, veneer and plywood
22	Milward Alloys	Lockport	Niagara	NYSEG	600	43	43	0	0%	Yes	600	72	Large	Produces copper and aluminum based alloys
	Total NYSEG		Subtotal	4	1,415	291	368				1,415			
23	Jada Precision Plastics Co.	Rochester	Monroe	RGE	300	59	98	39	66%	Yes	300	327	Small	Custom injection molder
	Total RG&E		Subtotal	1	300	59	98				300			

Total	23	27,305	21,148	21,462
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27,305	786
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* This company has had all or part of their allocation restored through the reconsideration process or was deemed compliant based on program processes.

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3. **Other Business**

EDPAB member James Duncan extended his welcome to Chairman Gundersen and said that he looked forward to working with him. He said that if Chairman Gundersen's tenure is half as successful as Frank McCullough's, it will be noteworthy indeed. Chairman Gundersen said that he was pleased that Mr. McCullough will be staying on EDPAB, since continuity is important.

February 25, 2008

4. **Next Meeting**

The next meeting of the Board is to be determined.

Next Mtg.Feb