

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD
MINUTES**

**May 17, 2010
Video Conference – 10:00 a.m.**

***New York Power Authority Offices:
123 Main Street, 16th Floor, White Plains, NY
501 7th Avenue, 9th Floor, New York, NY
830 Barnhart Island, Massena, NY
Empire State Development Corp., 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 March 22, 2010 Regular Meeting.
2. Power for Jobs Extended Benefits Recommendations for
Electricity Savings Reimbursements

A. COMPANIES IN JOB COMPLIANCE

Central Hudson Gas & Electric – Service Territory

Northeast Solite Corp.
Mount Marion - Ulster County

Con Edison - Service Territory

American Cancer Society
New York - New York County

Kingsbrook Jewish Medical Center
Brooklyn - Kings County

Bank of New York
New York - New York County

Pepsi Cola Bottling Company
College Point - Queens County

Jacmel Jewelry, Inc.
Long Island City - Queens County

Long Island Power Authority - Service Territory

American Technical Ceramics
Huntington Station-Suffolk County

Maloya Laser Inc.
Commack - Suffolk County

John Hassall, Inc.
Westbury - Nassau County

Silver Lake Cookie Co.
Islip - Suffolk County

Madelaine Chocolates
Rockaway Beach - Queens County

National Grid - Service Territory

Albany Molecular Research, Inc.
Albany - Albany County

Helmont Mills
St. Johnsville - Montgomery County

AMRI Rensselaer, Inc.
Rensselaer - Rensselaer County

Applied Energy Solutions
Caledonia - Livingston County

Bank of New York
Oriskany - Oneida County

Bestway Enterprises
Cortland - Cortland County

Cascades Tissue Group
Waterford - Saratoga County

Cooper Hand Tools
Cortland - Cortland County

Corning, Inc.
Canton - St. Lawrence County

Dal Tile Corporation
Olean - Cattaraugus County

Eastman Machine Company
Buffalo - Erie County

Edward John Noble Hospital
Gouverneur - St. Lawrence County

Finch Pruyn & Company Inc.
Glen Falls - Warren County

Ford Motor Company
Buffalo - Erie County

Gehring Tricot Corp.
Dolgeville - Herkimer County

McLane Eastern
Baldwinsville - Onondaga County

Met Weld International, LLC
Altamont - Albany County

Paul Bunyan Products, Inc.
Preble - Cortland County

PCI Paper Conversions, Inc.
Syracuse - Onondaga County

Power Pallet
Schenectady - Schenectady County

Precious Plate, Inc.
Niagara Falls - Niagara County

Queensboro Farm Products, Inc.
Canastota - Madison County

Schenectady International, Inc.
Schenectady - Schenectady County

Snyder Industries, Inc.
N. Tonawanda - Niagara County

Syracuse Plastics, Inc.
Liverpool - Onondaga County

Syracuse University
Syracuse - Onondaga County

Watson Bowman Acme Corp.
Amherst - Erie County

New York State Electric & Gas

Audio Sears
Stamford - Delaware County

Corning, Inc. (Costar Plant)
Oneonta - Otsego County

Corning, Inc. (Northside)
Corning - Steuben County

Corning, Inc. (SCC & IDM)
Corning - Steuben County

Corning, Inc. (Southside)
Corning - Steuben County

Corning, Inc. (Sullivan Park)
Corning - Steuben County

Merritt Machinery, LCC
Lockport - Niagara County

Rochester Gas & Electric

Flower City Printing, Inc.
Rochester – Monroe County

3. Power for Jobs Extended Benefits, Energy Cost Savings Benefits
Awards and Economic Development Power Contract Extensions
4. Other Business
5. 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 7th Avenue, 9th Floor, New York, NY
- 3) New York Power Authority, 830 Barnhart Island, Massena, NY
- 4) Empire State Development Corp., 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, (Massena, NY)
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
MaryJean Frank	Associate Secretary, NYPA
Lorna Johnson	Assistant Secretary, NYPA
Vincent Esposito	Assistant General Counsel, Legislative & Regulatory Affairs, 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 March 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 46 Power for Jobs (“PFJ”) customers 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 program benefits until June 30, 2009. Chapter 217 of the Laws of 2009 included provisions extending 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 46 PFJ customers, all of which are meeting their job commitments, listed in Exhibit “A.” Collectively, these organizations have agreed to retain more than 25,000 jobs in New York State in exchange for rebates. The rebate program will be in effect until May 15, 2010, the program’s sunset.

RECOMMENDATION

It is requested that the Economic Development Power Allocation Board recommend that the Authority’s Trustees approve the payment of electricity savings reimbursements to the 46 businesses listed in Exhibit “A.”

Mr. James Pasquale presented the highlights of staff's recommendations to the Board. In response to a question from Chairman Kenneth Schoetz, Mr. Pasquale confirmed that an additional estimated \$38 million in rebate payments for the Power for Jobs ("PFJ") program was expected to come before the Board in future months as the PFJ customers submit their bills. He pointed out that these payments would only be for service provided through midnight on May 15, the expiration date of the program. He said that Authority staff had been on call all weekend in case the Governor, Senate and Assembly came to some agreement on an extension or retooling of the PFJ program. The Governor and the Senate have sponsored similar bills for a new economic development power program, while the Assembly has not taken an official position on such a program.

Authority staff held discussions with all of the State investor-owned utilities ("IOUs") about keeping the electricity charges paid by the customers after the PFJ expiration at the same level as they paid under PFJ in anticipation of legislation being passed over the weekend. He said that when legislation is enacted, the Board will have to meet to approve a new program. Mr. Pasquale read the following statement that Authority President and Chief Executive Officer Richard Kessel issued on Friday:

NYP&A is extremely disappointed that the enabling statute for the Power for Jobs and Energy Cost Savings Benefit programs will expire at midnight this Saturday. At that point, the Power Authority will no longer have the legal authority to continue to provide the benefits of the programs. Having visited some of the participating businesses, and having had the opportunity to speak directly with many of the people employed by them, I am personally cognizant of the disruption that this lapse will create for our 520 business customers. Therefore, NYP&A is committed to working with these businesses during this difficult time, and remains hopeful that we will be able to make them whole if the appropriate legislation is enacted.

In response to a question from Judge Eugene Nicandri, Mr. Pasquale said that after midnight on Saturday, the Authority's PFJ customers would have to pay their local utilities at the going rate for business customers, unless they switched to an energy services company for their electricity needs. He said that Authority staff would be meeting with representatives of the IOUs today so that the PFJ customer power loads could be scheduled through the New York Independent System Operator.

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:

Central Hudson Gas & Electric – Service Territory

Northeast Solite Corp.
Mount Marion - Ulster County

Con Edison - Service Territory

American Cancer Society
New York - New York County

Kingsbrook Jewish Medical Center
Brooklyn - Kings County

Bank of New York
New York - New York County

Pepsi Cola Bottling Company
College Point - Queens County

Jacmel Jewelry, Inc.
Long Island City - Queens County

Long Island Power Authority - Service Territory

American Technical Ceramics
Huntington Station-Suffolk County

Maloya Laser Inc.
Commack - Suffolk County

John Hassall, Inc.
Westbury - Nassau County

Silver Lake Cookie Co.
Islip - Suffolk County

Madelaine Chocolates
Rockaway Beach - Queens County

National Grid - Service Territory

Albany Molecular Research, Inc.
Albany - Albany County

Helmont Mills
St. Johnsville - Montgomery County

AMRI Rensselaer, Inc.
Rensselaer - Rensselaer County

McLane Eastern
Baldwinsville - Onondaga County

Applied Energy Solutions
Caledonia - Livingston County

Met Weld International, LLC
Altamont - Albany County

Bank of New York
Oriskany - Oneida County

Paul Bunyan Products, Inc.
Preble - Cortland County

Bestway Enterprises
Cortland - Cortland County

PCI Paper Conversions, Inc.
Syracuse - Onondaga County

Cascades Tissue Group
Waterford - Saratoga County

Power Pallet
Schenectady - Schenectady County

Cooper Hand Tools
Cortland - Cortland County

Precious Plate, Inc.
Niagara Falls - Niagara County

Corning, Inc.
Canton - St. Lawrence County

Queensboro Farm Products, Inc.
Canastota - Madison County

Dal Tile Corporation
Olean - Cattaraugus County

Schenectady International, Inc.
Schenectady - Schenectady County

**Eastman Machine Company
Buffalo - Erie County**

**Snyder Industries, Inc.
N. Tonawanda - Niagara County**

**Edward John Noble Hospital
Gouverneur - St. Lawrence County**

**Syracuse Plastics, Inc.
Liverpool - Onondaga County**

**Finch Pruyn & Company Inc.
Glen Falls - Warren County**

**Syracuse University
Syracuse - Onondaga County**

**Ford Motor Company
Buffalo - Erie County**

**Watson Bowman Acme Corp.
Amherst - Erie County**

**Gehring Tricot Corp.
Dolgeville - Herkimer County**

New York State Electric & Gas

**Audio Sears
Stamford - Delaware County**

**Corning, Inc. (Southside)
Corning - Steuben County**

**Corning, Inc. (Costar Plant)
Oneonta - Otsego County**

**Corning, Inc. (Sullivan Park)
Corning - Steuben County**

**Corning, Inc. (Northside)
Corning - Steuben County**

**Merritt Machinery, LCC
Lockport - Niagara County**

**Corning, Inc. (SCC & IDM)
Corning - Steuben County**

Rochester Gas & Electric

**Flower City Printing, Inc.
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 46 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 44,735 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	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended Allocation (KW)	Type	Service
1	Northeast Solite Corp.	Mount Marion	Ulster	CHGE	600	60	57	-3	-5%	Yes	600	Large	Manufactures nonmetallic mineral products
	Total Central Hudson		Subtotal	1	600	60	57				600		
2	American Cancer Society	New York	New York	Con Ed	80	25	73	48	192%	Yes	80	NFP	Social services provider
3	Bank of New York	New York	New York	Con Ed	4,700	6,813	6,299	-514	-8%	Yes	4,700	Large	Banking services
4	Jacmel Jewelry, Inc.	Long Island City	Queens	Con Ed	170	266	251	-15	-6%	Yes	170	Small	Makes & ships fine jewelry
5	Kingsbrook Jewish Medical Center	Brooklyn	Kings	Con Ed	1,200	1,910	1,837	-73	-4%	Yes	1,200	NFP	Not for profit medical & research institution
6	Pepsi Cola Bottling Company	College Point	Queens	Con Ed	2,200	1,003	1,098	95	9%	Yes	2,200	Large	Manufacturer & distributor of soft drinks
	Total Con-Ed		Subtotal	5	8,350	10,017	9,558				8,350		
7	American Technical Ceramics	Huntington Station	Suffolk	LIPA	200	386	289	-97	-25%	Yes*	200	Small	Ceramic capacitor
8	John Hassall, Inc.	Westbury	Nassau	LIPA	450	101	96	-5	-5%	Yes	450	Large	Aerospace specialty metal fasteners
9	Madelaine Chocolates	Rockaway Beach	Queens	LIPA	575	415	417	2	0%	Yes	575	Large	Manufactures chocolate
10	Maloya Laser Inc.	Commack	Suffolk	LIPA	75	27	23	-4	-15%	Yes*	75	Small	Metal cutting and shaping
11	Silver Lake Cookie Co.	Islip	Suffolk	LIPA	400	195	196	1	1%	Yes	400	Large	Manufacturer of specialty cookies
	Total LIPA		Subtotal	5	1,700	1,124	1,021				1,700		
12	Albany Molecular Research, Inc.	Albany	Albany	N. Grid	600	404	398	-6	-1%	Yes	600	Large	Pharmaceutical & organic research
13	AMRI Rensselaer, Inc.	Rensselaer	Rensselaer	N. Grid	1,000	253	267	14	6%	Yes	1,000	Large	Active pharmaceutical ingredients mfg.
14	Applied Energy Solutions	Caledonia	Livingston	N. Grid	300	62	48	-14	-23%	Yes*	300	Small	Industrial battery chargers
15	Bank of New York	Oriskany	Oneida	N. Grid	500	801	796	-5	-1%	Yes	500	Large	Banking services
16	Bestway Enterprises	Cortland	Cortland	N. Grid	75	71	60	-11	-15%	Yes*	75	Small	Lumber products
17	Cascades Tissue Group	Waterford	Saratoga	N. Grid	530	204	286	82	40%	Yes	530	Large	Large industrial towel manufacturer
18	Cooper Hand Tools	Cortland	Cortland	N. Grid	1,330	118	103	-15	-13%	Yes*	1,330	Large	Metal machining and casting
19	Corning, Inc. (Canton)	Canton	St. Lawrence	N. Grid	1,500	238	173	-65	-27%	Yes	1,500	Large	Optical fiber, glass, and ceramic products
20	Dal Tile Corporation	Olean	Cattaraugus	N. Grid	1,000	218	263	45	21%	Yes	1,000	Large	Ceramic tile
21	Eastman Machine Company	Buffalo	Erie	N. Grid	300	98	87	-11	-11%	Yes*	300	Small	Industrial textile cutting equipment
22	Edward John Noble Hospital	Gouverneur	St. Lawrence	N. Grid	100	237	230	-7	-3%	Yes	100	NFP	Healthcare center
23	Finch Pruyn & Company Inc.	Glen Falls	Warren	N. Grid	5,000	834	758	-76	-9%	Yes	5,000	Large	Produces uncoated paper
24	Ford Motor Company	Buffalo	Erie	N. Grid	5,000	1,140	949	-191	-17%	Yes*	5,000	Large	Automotive components stamping
25	Gehring Tricot Corp.	Dolgeville	Herkimer	N. Grid	450	99	90	-9	-9%	Yes	450	Large	Dyeing & finishing of knitted fabrics
26	Helmont Mills	St. Johnsville	Montgomery	N. Grid	250	95	77	-18	-19%	Yes*	250	Small	Knitted fabric production
27	McLane Eastern	Baldwinsville	Onondaga	N. Grid	800	801	650	-151	-19%	Yes*	800	Large	Wholesale grocery distributor
28	Met Weld International, LLC	Altamont	Albany	N. Grid	100	60	64	4	7%	Yes	100	Small	Industrial equipment
29	Paul Bunyan Products, Inc.	Preble	Cortland	N. Grid	150	24	23	-1	-4%	Yes	150	Small	Hardwood lumber components and pallets
30	PCI Paper Conversions, Inc.	Syracuse	Onondaga	N. Grid	400	222	134	-88	-40%	Yes*	400	Large	Printed materials & adhesive manufacturing
31	Power Pallet	Schenectady	Schenectady	N. Grid	250	112	123	11	10%	Yes	250	Small	Produces wood pallets & skids
32	Precious Plate, Inc.	Niagara Falls	Niagara	N. Grid	235	127	89	-38	-30%	Yes*	235	Small	Electroplating services
33	Queensboro Farm Products, Inc.	Canastota	Madison	N. Grid	500	80	80	0	0%	Yes	500	Large	Milk manufacturing and processing plant
34	Schenectady International, Inc.	Schenectady	Schenectady	N. Grid	1,500	175	317	142	81%	Yes	1,500	Large	Produces electrical insulating varnishes
35	Snyder Industries, Inc.	N. Tonawanda	Niagara	N. Grid	350	100	104	4	4%	Yes	350	Small	Components for heavy equipment
36	Syracuse Plastics, Inc.	Liverpool	Onondaga	N. Grid	400	42	43	1	2%	Yes	400	Large	Maker of plastic parts and components
37	Syracuse University	Syracuse	Onondaga	N. Grid	2,000	4,575	4,648	73	2%	Yes	2,000	NFP	Institution of higher education
38	Watson Bowman Acme Corp.	Amherst	Erie	N. Grid	150	101	107	6	6%	Yes	150	Small	Expansion joint systems for roads bridges
	Total National Grid		Subtotal	27	24,770	11,291	10,967				24,770		
39	Audio Sears	Stamford	Delaware	NYSEG	190	81	79	-2	-2%	Yes	190	Small	Audio equipment
40	Corning, Inc. (Costar Plant)	Oneonta	Otsego	NYSEG	900	165	165	0	0%	Yes	900	Large	Optical fiber, glass, and ceramic products
41	Corning, Inc. (Northside)	Corning	Steuben	NYSEG	2,500	911	876	-35	-4%	Yes	2,500	Large	Optical fiber, glass, and ceramic products
42	Corning, Inc. (SCC & TDM)	Corning	Steuben	NYSEG	500	176	124	-52	-30%	Yes*	500	Large	Optical fiber, glass, and ceramic products
43	Corning, Inc.- (Southside)	Corning	Steuben	NYSEG	1,500	837	883	46	5%	Yes	1,500	Large	Optical fiber, glass, and ceramic products
44	Corning, Inc. (Sullivan Park)	Corning	Steuben	NYSEG	3,000	1,618	1,791	173	11%	Yes	3,000	Large	Optical fiber, glass, and ceramic products
45	Merritt Machinery, LCC	Lockport	Niagara	NYSEG	75	9	7	-2	-22%	Yes*	75	Small	Machinery for hardwoods, veneers, etc.
	Total NYSEG		Subtotal	7	8,665	3,797	3,925				8,665		
46	Flower City Printing, Inc.	Rochester	Monroe	RGE	650	306	302	-4	-1%	Yes	650	Large	Commercial printer
	Total RG&E		Subtotal	1	650	306	302				650		

Total	46	44,735	26,595	25,830
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44,735

*Company had all or part of their allocation restored through the reconsideration process, or will not have this month's benefits reduced based on program policy and procedures.

3. Power for Jobs Extended Benefits, Energy Cost Savings Benefit Awards and Economic Development Power Program Contract Extensions

SUMMARY

This is a placeholder item.

Subject to the approval of legislation by the Governor and State Legislature, the Board will be asked to recommend that the Power Authority extend Power for Jobs contracts and rebates, Energy Cost Savings Benefits awards and contract extensions.

4. Other Business

Responding to another question from Judge Nicandri, Mr. Pasquale said that he would be working with the Authority's Corporate Secretary's Office to schedule the in-person Board meeting that had been discussed at the March meeting.

In response to a question from Ms. Mary Vanouse, Mr. Pasquale said that the Board's enabling legislation was not the same as the legislation that created the PFJ and Energy Cost Savings Benefits programs and that there was no sunset date for the Board.

5. **Next Meeting**

The next meeting of the Board is to be determined.

Chairman Schoetz said that the next Board meeting would be held on June 29 at 10:00 a.m.