



NEW YORK STATE SENATOR

Darrel J. Aubertine

North Country Power Discount Program to Provide Relief for Thousands of Businesses and Dairy Farms

DARREL J. AUBERTINE October 27, 2009

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Businesses and Dairy Farms in St. Lawrence, Jefferson and Franklin Counties Will Receive Average One-Year Savings of \$1,200

Low-Cost St. Lawrence Hydropower to Provide Up to \$10 Million in Savings

CAPE VINCENT (October 27, 2009)—State Sen. Darrel J. Aubertine today joined Governor David A. Paterson to announce that more than 3,500 Northern New York businesses and dairy farms will receive an approximately 9 percent discount on their electric bill for the next year.

The savings will go to farmers and businesses in St. Lawrence, Jefferson and Franklin counties and will be worth an average of \$1,200 for each electric customer – with some of the largest electricity users possibly saving up to \$250,000 over the period. The New York Power Authority (NYPA) developed the temporary power discount program in conjunction with the Governor's Office, and could result in up to \$10 million in total savings. The Governor made the announcement at Wood Farms in on County Route 9.

Senator Darrel J. Aubertine, Chair of the Senate Agriculture and Senate Energy and Telecommunications Committees, said: "Reducing energy costs for businesses and farms in this region will help us rebuild our economy and continue to rebound from this economic recession. The Governor and NYPA through this North Country stimulus package are recognizing agriculture as our State's number one industry and our farms as small businesses. Milk prices below the cost of production threaten many farms and in the absence of a long term federal solution, this is a small step, but expanding this program to farms is an important recognition of the value of our farms to rural communities and the State economy as a whole."

"During these difficult economic times, New York's small businesses and our dairy farms are struggling to get by, and every little bit can help. Electric bills make up one of the largest expenses for any business, and this discount can help businesses and dairy farms in St. Lawrence, Jefferson and Franklin counties make it through the next year," said Governor Paterson. "This effort will harness one of the North Country's greatest assets – low-cost hydropower – to provide millions of dollars in savings to North Country businesses and

dairy farms, reflecting our determination to direct the benefits of the St. Lawrence-FDR project to revitalize the region's economy.”

The program is made possible through an agreement between NYPA, National Grid and New York State Electric and Gas (NYSEG) that applies temporary monthly credits to eligible customers' electric bills. The program is funded from the sale of unused St. Lawrence-FDR power into the State's wholesale electricity market. The power, which has been freed up due to the temporary curtailing of operations by Alcoa at the Massena East plant, is from a block of 490 megawatts of electricity known as Preservation Power reserved under a 2005 State law for businesses in St. Lawrence, Jefferson and Franklin counties.

Dean Norton, President of the New York Farm Bureau, said: “Farmers utilize a lot of energy to power their cooling equipment, milk the cows, and keep the lights on. New York Farm Bureau greatly appreciates Governor Paterson's commitment to ensuring that small businesses and farmers can benefit from regionally generated low cost power. In the middle of this economic crisis, NYFB continues to advocate for controlling costs to all farmers and seeking new economic development tools to keep our families farming.”

Eligible customers will see a temporary reduction in their electricity costs for up to 12 months, most beginning with their November bills. The plan will also apply to the St. Regis Mohawk Tribe for the same designated customer groups in the Akwesasne community. Dairy farms will receive a letter from both NYPA and the Department of Agriculture and Markets in the coming days and must apply to NYPA to participate in the program.

In May, the NYPA Board of Trustees authorized the North Country Power Discount Program, whose one-year term anticipates the return of aluminum production at the Massena East smelter. This discount will be applied to the monthly utility bills of National Grid and NYSEG and will be listed as a NYPA Temporary Electricity Credit for the eligible

customers. Other customers, such as dairy farms, will receive direct payments from the Power Authority.

Among the Northern New York employers to benefit from the Power Discount Program are Samaritan Medical Center, Chapin Watermatics and Stature Electric, all in Watertown; Corning and St. Lawrence University, both in Canton; Clarkson University in Potsdam; and Agri-Mark in Chateaugay.

Richard M. Kessel, NYPA President and Chief Executive Officer, said: “The electricity discount program that we’ve developed for the North Country is the kind of flexible, innovative approach that Governor Paterson has encouraged for capitalizing on the unique assets of different regions of the State to provide economic advantages to those areas. In light of the temporary idling of Alcoa’s Massena East plant, the Power Authority made a commitment to harness the hydropower that became available on a short-term basis to lower the electricity bills of other enterprises in the region.”

Patrick Hooker, Commissioner of the Department of Agriculture and Markets, said: “Our dairy farmers are experiencing one of the most financially difficult times in history and need immediate relief. Governor Paterson recognizes that the only way to ensure near-term farm viability here in New York is to reduce operating costs; and this discount power program will help do just that for the dairy farmers in the North Country.”

Assemblywoman Addie Russell said: “At a time when farms and businesses in the North Country are struggling at every turn, this program will provide a tremendous boost. I know from talking with business owners and farmers that energy costs have been crippling. This is an example of how the State of New York can turn its temporary surplus of low-cost power into a savings for an entire region. The leadership that NYPA along with National Grid and NYSEG have taken to create this low-cost power program will mean job stabilization for our

local businesses and the sustainability of our farms – a key part of our economy in Northern New York. I'm also pleased that this program will be extended to the St. Regis Mohawk Tribe as well.”

NYPA Chairman Michael Townsend said: “We are proud to work with Governor Paterson to redirect the benefits of low-cost hydropower generated at the FDR-St. Lawrence Power Project in a manner that will support the economy of the North Country.”

Judge Eugene L. Nicandri, a NYPA trustee and Massena resident, said: “While the return to operation of the Massena East potlines is the uppermost consideration, we recognized that the temporary freeing up of a sizable amount of extremely low-cost hydropower provided a chance to bolster other Northern New York employers for a period of time. Governor Paterson has made clear the importance of using the State’s resources to help struggling regions like ours to rebound from the severe downturn in the economy. The North Country Power Discount Program reflects that priority.”

Tom King, President of National Grid in the U.S., said: “Any well thought out opportunity to lower the cost of electricity is worth acting on, and today’s announcement by Governor Paterson and the New York Power Authority is certainly one of those opportunities that can benefit our customers, the local economy and the environment. As a delivery company, National Grid continues to invest in the region’s system to benefit businesses, farmers and all of our North Country customers.”

Michael Conroy, Senior Vice President and Chief Operating Officer of NYSEG and Rochester Gas & Electric, said: “As an ardent supporter of economic development across the NYSEG service area, we are extremely pleased with NYPA’s Temporary North Country Power Discount Program that will provide direct assistance to nearly 200 of our business customers. And we thank Governor Paterson for his focus on the North Country and

congratulate all of the partners who made this program possible.”

-30-