



NEW YORK STATE SENATOR

Darrel J. Aubertine

Aubertine Bill Puts Employer Input at Center of New Bill to Reform State's Economic Development Power Programs

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Bill makes economic development power programs permanent to provide stability for employers

Legislation uses input from Powering New York's Future Initiative to address job growth, retention

ALBANY (March 17, 2010)—Using input collected last fall from businesses and stakeholders across the state, State Sen. Darrel J. Aubertine has introduced legislation (S.7138) to advance reforms to the state's low cost power for economic development programs.

"This brings into the discussion on reforming and improving these programs many of the ideas we heard last fall," Sen. Aubertine said. "The Assembly has its proposal, the governor is expected to have his own and by working together we will put in place a program that will create and retain jobs throughout the state, especially Upstate."

With other proposals having been released or in the works, this proposal from the Ranking Majority member of the Senate Energy and Telecommunications Committee will be used in negotiations to complete the bipartisan and bicameral work done through the "Powering New York's Future Initiative" last fall. Roundtables and hearings were held in Buffalo, Niagara, Uniondale, Oswego, Syracuse, Kingston, and Massena.

"Throughout the many roundtables and hearings across the state, the intent was always to incorporate the ideas and input from the businesses and stakeholders driving our economy," Sen. Aubertine said. "It is important that the legislation to reform these programs be done in a deliberative way. I did not want to see us write a bill, pass it, sign it into law and ask the businesses, 'How do you like it?'"

"We went to the business community to get their input, find out what they're comfortable with and then craft legislation," added the Senator, who is also chair of the Senate Upstate Caucus and the bicameral

Legislative Commission on Rural Resources. “This legislation represents that work and the hope is that with other proposals, we can put together a compromise of good legislation that works well for everyone.”

The Economic Benefit Power Program proposed by Sen. Aubertine takes a comprehensive approach to using low cost power and the resources of the New York Power Authority to maximize the retention and creation of jobs across New York State. It would build on previously successful programs such as Power for Jobs by incorporating the needs of employers to ensure even better results.

The Senator’s legislation would make the program permanent beginning July 1, 2011 and offer seven year agreements for businesses with a mutual “evergreen” option for one year extenders that would maintain a seven year deal, ensuring that businesses have the certainty needed to support long term job commitments.

“This adds stability, which is needed,” Sen. Aubertine said. “Any employer that might take advantage of this program is going to know that for the next seven years, they’re in the program. As it works now, they’re subject to renewal every year and there’s always the question of if the Legislature is going to renew. This approach allows a business to put together a capital plan that takes into account whether these benefits are going to be there. It lends stability to what is a good economic development tool.”

To bridge the gap between the current May 15, 2010 expiration of Power for Jobs and other existing programs, this legislation proposes using an extender of the current program to reach the 2011 start date, then phases out the program for businesses already enrolled over five years to ensure a “soft landing” for any recipient not eligible for the new program. If a business receiving Power for Jobs is eligible for the new program, as most are expected to be, it will receive the greater of the two benefits over the five year phase out.

The Senator’s legislation would leave the existing Economic Development Power Allocation Board in place to determine eligibility and enroll employers in the new program, but expand the current four member board to nine members. This will provide for a broader base of expertise and better ensure that the board will always have a majority and a working quorum to make decisions. This expanded board would be chaired by the chair of the Empire State Development Corporation appointed by the Governor, the president of NYSERDA, the president of NYPA, two members selected each by the Majority in the Senate and Assembly, and one member chosen each by the Minorities in the Senate and Assembly.

Sen. Aubertine’s legislation would establish criteria for eligibility that will take into account:

- Retention of existing jobs;
- Creation of new jobs;
- Capital investment commitments, investment history in the community and long term commitment to the community and the state;
- Impact on surrounding economy, “multiplier effect,” and the potential for economic growth relating to this business;

- The quality of jobs created or retained in terms of salary, benefits, stability;
- The relative impact energy costs have on the recipient's operations;
- The economic impact and criticality of services provided to the local community and state;
- Prior performance under other economic development programs; and
- Planned and previous investments in energy efficiency made by the business.

The criteria for being in the program had to be a part of the discussion with employers and this reflects their concerns," Sen. Aubertine said. "Some of the things the business community wanted factored into their application were credit for making huge capital investments in New York, the number and quality of the jobs, the impact on the community and the work that has already been done to be more efficient. All of that was in the mix when we put this together."

Energy efficiency is another key component in Sen. Aubertine's legislation. His proposal would have the New York Power Authority fund free energy audits to recipients to improve efficiency. These audits would help determine ways the business can cost effectively reduce energy use in conjunction with receiving discount power for further savings that will enable the business or organization to reinvest and create jobs.

The new Economic Benefit Power Program proposed by Sen. Aubertine looks protects Rural and Domestic Power allocations for low and middle income residential customers eligible for the Home Energy Assistance Program (e.g. an income of \$46,836 per year in 2010 for a family of four) at 100 percent of the benefits now provided and use the remaining allocations to provide additional resources to the program and further job creation efforts.

This legislation would also direct Empire State Development, NYPA, and NYSERDA where possible to coordinate applications for the Economic Development Power Program with state and local economic development programs to facilitate a single point of entry for "one-stop shopping" to help businesses to increase or maintain their investments in New York.

"Overall, this is certainly a very good economic development tool and something that for too long has not had the stability it needs to be as effective as it could be," Sen. Aubertine said. "What I'm proposing with this legislation brings the stability to the program that will make it much more effective."