NEW YORK STATE SENATOR

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Energy Committee Moves Economic Development Power Program

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ISSUE: **ECONOMIC DEVELOPMENT**, **ENERGY**

Successor to Power for Jobs, creates permanent program to maximize job retention, creation

ALBANY (May 3, 2010)—The New York State Senate Energy and Telecommunications Committee today moved bipartisan legislation aimed at making the state's economic development power programs permanent.

"The May 15 deadline is drawing near and about a quarter of a million jobs depend at least in part on these programs," said Committee Vice-Chair and Ranking Majority Member Sen. Darrel J. Aubertine. "Today's committee action moves us closer to a final bill for the governor, along with lawmakers on both sides of the political aisle and in both houses to agree on. Working together, we are using the input collected from employers to ensure these important programs are made even better moving forward."

The legislation introduced by Sen. Aubertine (S.7573A) is the latest legislation derived from the Powering New York's Future Initiative, in which Sen. Aubertine, then chair of the committee, and Assembly Energy Chair Kevin Cahill coordinated hearings and roundtables across the state last fall to gather the input of businesses and other stakeholders before drafting legislation. Energy Committee Chair Sen. George D. Maziarz and Senators Neil D. Breslin, David J. Valesky, Craig M. Johnson, and Brian X. Foley have signed on to co-sponsor the bill.

"With this bill we are moving forward in a bipartisan manner and working without regard to party lines to preserve and create jobs," Sen. Aubertine said. "The committee vote and the teamwork displayed in bringing this bill forward with the support of business groups presents us with a great opportunity to put people before politics in Albany and pass a bill that will protect hundreds of thousands of jobs and create new opportunities for thousands more New Yorkers."

The committee voted without opposition to move the bill to the Finance Committee for further consideration. Among the organizations which have expressed support for this legislation are the Business Council of New York State, the National Federation of Independent Business, the Manufacturer's Association of Central New York, Consumers for Affordable and Sustainable Energy, the Greater Syracuse Chamber of Commerce, the Metropolitan Development Association, the Center for Economic Growth, the Buffalo Niagara Partnership, and the Plattsburgh North Country Chamber of Commerce.

Similar to previous Senate versions introduced separately by Sens. Aubertine and Maziarz, the Assembly version and the Governor's program bill, this new bipartisan Senate bill also 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 new components within this bill (S.7573) deal with Rural and Domestic Power allocations and the reallocation of this power to further additional job growth. The bipartisan bill would continue to subsidize farms, businesses and homeowners in communities receiving hydropower benefits in full up to $70 million for 2011 and 2012, reducing that subsidy for use in job creation to a cap of $60 million in 2013, $50 million in 2014, and $40 million in 2015, where it would be frozen moving forward.

Like other versions, the bill will 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. 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.

The new program would be open to businesses (except retail) and non-profits, including current NYPA participants that are in substantial compliance with contractual commitments. Among the criteria for eligibility that will be factored in are:

- the significance of power costs for the employer;
- the extent that benefits will result in new investment and the willingness of applicant to commit to new investments;
- size of applicant's payroll, jobs created or retained and willingness to commit to job targets;
- risk that facility could close or relocate, causing job loss and the facility's local economic significance;
- whether the not for profit provides critical services or substantial benefits to community;
- prior energy audits and/or efficiency investments and a willingness to become more efficient;
- consistency with the state's energy plan, performance under prior NYPA programs, and state and local development plans.

No single criteria, standing alone, would determine if an employer receives benefits, but each shall be weighed in a consistent manner into a comprehensive review of all relevant factors. The bipartisan 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. Energy efficiency also remains central to this legislation, beginning New York Power Authority free energy audits to recipients to improve efficiency and perform weatherization worth at least $10 million annually.