



NEW YORK STATE SENATOR

George D. Maziarz

Two-Way Agreement on Power for Jobs Reform

GEORGE D. MAZIARZ May 19, 2010

| ISSUE: **ENERGY, TELECOMMUNICATIONS**

| COMMITTEE: **ENERGY AND TELECOMMUNICATIONS**

Senate Energy Chair George Maziarz, Governor David Paterson, Senate Majority Conference Leader John Sampson, and Senate Energy Vice Chair Darrel Aubertine today announced that they have reached an agreement to create a permanent Power for Jobs program that will be called Energize New York.

Senator George D. Maziarz said: "We have been stalled at a crossroads with our low-cost energy and economic development programs, and today we are finally moving forward in the right direction. The new Energize New York program will provide more cheap energy to job-creating businesses than ever before. In doing so, we are making sure that a special emphasis is placed on Upstate New York businesses and ratepayers. For the sake of our economy, this permanent, bipartisan initiative should be here to stay, and I look forward to helping it move through the Senate."

"Today we are one step closer to achieving a permanent solution to the Power for Jobs conundrum," Governor Paterson said. "When the Assembly passes this legislation, this program will energize New York's economy at a time when we need it the most. The days of passing one year extenders of broken programs are over. As demonstrated by the Senate's

leadership on this issue, real reform is possible and I encourage the Assembly to join with us in passing this historic legislation."

The agreement includes:

- Redeployment of the 455 megawatts of Rural and Domestic Power to create a new and permanent 910 megawatt blended rate economic development program that will offer reduced rate power in seven year contracts to businesses and institutions that meet selection criteria. Of which:
 - At least 300 megawatts would be limited to the service territories that served the Rural and Domestic customers (NYSEG, RG&E, and National Grid);
 - At least 200 megawatts would be set aside for business attraction and expansion; and
 - Up to 100 megawatts would be set aside for not-for-profits and small businesses.
- Selection criteria will include among other factors: the applicant's payroll; number of jobs that would be created or retained; risk of the applicant leaving the State; significance of electricity costs to the applicant; and energy efficiency commitments.
- Permanent electricity bill mitigation for Rural and Domestic customers that would be phased down from \$100 million in the first year of the program to \$30 million per year on a permanent basis. Farmers that received Rural and Domestic benefits would be eligible for \$5 million per year carve out to support electricity discounts.

- The new program would begin accepting applications on January 31, 2011. New York's economy lost more than 330,000 between July 2008 and December 2009, including 73,000 jobs lost in the manufacturing sector. The Energize New York program will be a valuable tool to retain our existing workforce, particularly in manufacturing, and will also be used to attract new business investment in the State.