



NEW YORK STATE SENATOR

George D. Maziarz

Historic legislation keeps Power Authority monies in Western New York

GEORGE D. MAZIARZ June 25, 2010

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The New York State Senate today gave final passage to legislation (S.5783-A) sponsored by Senator George Maziarz (R-C, Newfane) directing that earnings from the sale of unallocated expansion power and replacement power shall be deposited into a new Western New York Economic Development Fund. “This landmark proposal holds the Power Authority accountable to people of Western New York,” Senator Maziarz said. “Rather than having this money disappear into the Power Authority’s vast coffers, it will be earmarked for economic development projects in our region. This is a new day in our efforts to rejuvenate the local economy. This action helps us more fully capitalize on having the Niagara Power Project located in our backyard. This is the kind of positive result we can achieve when we persistently demand reforms in the way NYPA operates.”

Unallocated power may be caused by many factors, including when a user is not drawing its full allocation, when NYPA has made an allocation for a facility that is not yet up and running, or when a business that has been allocated power closes. In the past, the New York Power Authority has sold this power on the open market and kept the proceeds with no direct benefit to the people of Western New York.

Under the new legislation, those proceeds would be dedicated to the new Western New York Economic Development Fund. This fund will be used exclusively to support public, private, and non-profit development projects located within a 30-mile radius of the Niagara Power Project. Awards will be made by NYPA's Western New York Advisory Group.

The Niagara Power Project is by far the state's largest hydroelectric producer, generating over 2,400 megawatts annually. For years, Senator Maziarz has argued that Western New York has not reaped sufficient benefit from hosting this major facility. Too often, massive NYPA revenues generated in Western New York have left the region. Last year, for example, the New York Power Authority allowed the sweep of \$550 million of its revenues into the state's General Fund.

"Without our dogged criticism of the Power Authority, the victory today would not have been possible," Senator Maziarz said. "We have made it known to everyone from Buffalo to Albany to White Plains that the Power Authority needs to do more for Western New York. This is a step in the right direction. We need reform, and we will keep holding NYPA accountable."

The legislation was co-sponsored by Senator Bill Stachowski. It was previously approved in the Senate Energy and Telecommunications Committee, chaired by Senator Maziarz.

Senator Maziarz is encouraging Governor David Paterson to sign the bill into law as soon as possible.

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