



NEW YORK STATE SENATOR

Darrel J. Aubertine

## Bipartisan Coalition Calls on the Assembly Majority to Protect Power for Jobs Program

DARREL J. AUBERTINE June 29, 2010

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ALBANY (June 29, 2010) Governor David A. Paterson and a bipartisan coalition of legislative leaders today called on the Assembly Majority to protect hundreds of thousands of jobs in New York State by passing Energize New York, which would reform and make permanent the State's low cost power programs (Power for Jobs and the Energy Cost Savings Benefit Program expired June 2nd).

Working in partnership, Senate Energy Committee Chair Senator George Maziarz, co-sponsor with Energy Vice Chair Senator Darrel Aubertine prime sponsor, and Governor David A. Paterson worked together with the Assembly to develop a unified solution to a longstanding problem. The Power for Jobs and Energy Cost Savings Benefit programs have provided low-cost electricity discounts to businesses, institutions and non-profit organizations across the State in return for capital investment and job commitments. However, for the last five years these programs have been extended one year at a time, thus failing to provide program recipients with long-term certainty on their energy costs, a key factor in recipients' decisions to expand operations and investments in New York.

Additionally, the Power for Jobs and Energy Cost Savings Benefit programs were not backed by actual hydropower, but rather, were dependent on the availability of revenues from the

New York Power Authority.

The Energize New York legislation (S.8065), crafted under an extensive public and bipartisan process, which included joint Senate and Assembly hearings and roundtables across the state, would create a sustainable economic development program supported by an actual power resource, and would provide businesses with certainty through seven year contracts.

Business groups across the state including the Business Council of New York State, the Manufacturers Alliance, the New York Federation of Independent Business, the Long Island Association, the Buffalo Niagara Partnership, the New York City Partnership and other regional economic development and business associations and unions have come out in broad and enthusiastic support of the S.8065's well developed approach to a long standing and annually recurring debate on the reliability and extension of these important programs.

"New York's economy lost more than 330,000 jobs between July 2008 and December 2009, including 73,000 jobs lost in the manufacturing sector. Seizing opportunities for job retention and creation is one of the most powerful mechanisms we have to pull New York out of the economic recession and position the State to thrive going forward," said Governor David A. Paterson. "Today, we have one of our most significant opportunities within reach - reform of the Power for Jobs and Economic Savings Benefit programs. The Senate has recognized this opportunity and acted on the Energize NY legislation, and I urge the Assembly to take the same steps to bring the bill to a floor vote."

"Our bipartisan bill offers one of the few chances we will have this year to do something positive in relation to economic development. The time for photo ops and political theater is over," said Senate Energy Chair George Maziarz. "The Energize NY program which passed

with overwhelming support in the State Senate will establish a permanent economic development power program that is 50 per cent larger than the current program. That means our bill protects thousands of jobs for current recipients and creates the potential to attract and create thousands more. I call on the Speaker and the Assembly Majority to act immediately and pass our legislation before the end of this session."

"I am pleased that after working on this legislation for over a year with the business community, both current and potential beneficiaries of the program, the Assembly, the Governor's Office and my Republican colleagues in the Senate we have crafted a bill that has broad support, said Senate Energy Vice Chair Darrel Aubertine. "I thank the Governor for continuing to work with the Senate and we have passed bi-partisan legislation guaranteeing a minimum of 320 megawatts of low cost power for Upstate New York employers, establishes \$8 million in benefits dedicated exclusively to Upstate farmers, and sets aside 200 megawatts of power exclusively for job creation efforts. We need the Assembly to act on this proposal so that we can move forward to keep people working in New York State and provide new opportunities for employment for those looking for a job in this tough economy. I hope the Assembly will rejoin this process which has been recognized as unique in its inclusive approach and for its success in making the program permanent and sustainable."

Most notably, business groups and program recipients have lauded the intent of S.8065 to create a sustainable and responsible permanent program with a dedicated power resource to support economic development and job creation, with actual power allocations in seven-year contracts rather than cash discounts.

Kenneth Adams, president and CEO of The Business Council of New York State, Inc. said, "New York needs a permanent economic development power program now. Competitively priced power is crucial for employers and workers across New York, and particularly for upstate manufacturers. We support legislation that has already passed the Senate with

broad, bipartisan support, and deserves broad Assembly support as well. A permanent power program will support hundreds of energy-intensive businesses and tens of thousands of high paying jobs.”

To date, the bill sponsored by the Assembly Majority Energy Chair Kevin Cahill solely relies on cash discounts and does not identify a sustainable funding mechanism, counting instead on a year to year funding hunt for sufficient cash resources.

Manufacturers Association of Central New York President Randy Wolken stated, "MACNY has long stated the critical need for a low cost, sustainable and long term economic development power program, and with Energize New York, our needs have been addressed. Passage of this legislation will not only allow manufacturers and businesses to invest in their New York facilities and sustain and grow family supporting jobs, but it will allow the manufacturing sector to grow and generate the desperately needed revenue in to our State that will allow New York to regain its financial strength. I urge the Assembly to negotiate the final terms of this critical economic development program and allow manufacturers to do what they do best: produce quality products, generate much needed revenue back to the State, and contribute significantly to New York State's path to financial recovery."

The guaranteed provisions for upstate economic development of; an Upstate-specific provision of resources, a dedicated fund for agriculture and residents to mitigate any impacts of redeployment of the rural and domestic power, and greater opportunities for farms and other agricultural businesses to participate in the program as a recipients have all been lauded as important provisions of S.8065 supported by editorial boards, labor and business groups throughout the state such as Finch Paper and SCA Tissue North America.

"Lower, more competitive energy rates are extremely important to the long-term success of Finch Paper and our 750 employees," said Joseph F. Raccuia, President and CEO of Finch

Paper, a 145-year-old Glens Falls-based manufacturer of high-quality uncoated printing papers. "We are proud to be a New York business, but we compete with paper manufacturers across the country and around the world who have a tremendous cost advantage when it comes to energy prices. The Senate's vote for the Energize New York program is a vote for the future of New York employers like Finch Paper, and we certainly hope the Assembly will follow suit."

"The employees of Finch Paper are working extremely hard to keep this mill competitive and help it thrive, but there are some things we can't control, like high energy costs. The Energize New York program is a great opportunity for our state government to stand up for New York workers and help protect our jobs," said Steve Scarselletta, Vice President of Local 18 of the United Steelworkers union, which represents approximately 300 Finch Paper employees.

"The demise of a low-cost power program in New York will cast a black cloud over businesses like SCA which provide stable jobs to skilled workers. It gives manufacturing businesses a message that New York is not the place to commit resources." said Don Lewis, president of SCA Tissue North America.

"Many of SCA's employees are represented by the United Steelworkers. These workers have good paying, stable jobs with benefits that are supporting their families. If it becomes too expensive for companies like SCA to operate in New York State, these jobs could leave the state. We cannot allow this to happen." Keith Baker, president United Steelworkers Local 1478.

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