



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves 'Recharge NY' to boost Upstate economy

THOMAS F. O'MARA March 8, 2011

| ISSUE: **ENERGY**



Albany, N.Y., March 8—State Senator Tom O'Mara (R-C, Big Flats) joined his Senate colleagues today to unanimously approve legislation to comprehensively reform and strengthen New York's key economic development power initiatives -- the Power for Jobs and Energy Cost Savings Benefits programs -- that provide low-cost electricity to businesses and manufacturers locally and statewide.

The legislation creating the new program, which would be called “Recharge NY,” has long been seen by O’Mara and many other upstate legislators as critical to giving current and prospective manufacturers the long-term certainty and stability needed to attract them and the jobs they create to the upstate region.

“A long-term solution is the number one goal. These economic development power programs are vital to maintaining jobs and promoting economic growth and stability here in the Southern Tier and throughout upstate. Manufacturers in particular depend on this low-cost energy to preserve jobs and stay competitive. With nothing but higher energy costs on the horizon, now is the time to make this change, give employers the long-term economic stability they need, and strengthen the state’s business climate,” said O’Mara, a member of the Senate Energy and Telecommunications Committee.

The legislation, which has bipartisan legislative support and the backing of New York Governor Andrew Cuomo, who first called for the changes in his State of the State address, would phase-out the existing programs in one year and replace them with the new, 910-megawatt (MW) Recharge NY program in June 2012.

Eligible businesses and institutions that receive future Recharge NY power allocations would be allowed to enter into contracts with the New York Power Authority for up to seven years, which would provide long-term certainty to encourage new investment and expansion. Recharge NY would focus on job retention and job creation by reserving at least 350 MW for economic development in the National Grid, New York State Electric & Gas (NYSEG), and Rochester Gas & Electric (RG&E) service territories and 200 MW to attract new investment. Additionally, the new program would also provide supplemental power discounts for agricultural producers.

It's been estimated that Power for Jobs benefits currently help sustain upwards of 250,000 state jobs at approximately 500 businesses and non-profit organizations in New York, including local employers Anchor Glass Container and Corning, Inc. Supporters of Recharge NY believe the new program could help revitalize the manufacturing sector of New York's economy that has lost 288,000 jobs over the past ten years.

Electric rates for businesses in New York are twice as high as rates in other states. The legislation is supported by numerous groups including the Business Council of New York State, the New York Farm Bureau, the National Federation of Independent Business, the Manufacturers Association of Central New York, Environmental Advocates, and the Buffalo Niagara Partnership.

The legislation must be approved by the Assembly and signed by the governor before becoming law. It now goes to the Assembly Energy Committee.