



NEW YORK STATE SENATOR

Chris Jacobs

Jacobs Calls For Reform of Governor's Wind and Solar Subsidy Program

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(Buffalo, NY) – New York State Senator Chris Jacobs is calling for immediate reform of what he calls “out of control” and “unchecked” spending of the Governor’s energy agency, the New York State Energy and Research and Development Authority (NYSERDA).

In a letter to New York State Comptroller Thomas DiNapoli, Jacobs is asking for a comprehensive audit of NYSERDA and the incentive programs the agency uses to subsidize

wind and solar projects in New York State. He has also introduced legislation mandating that utility bills specifically break out and identify the NYSEERDA taxes that go on each bill so ratepayers know how much they are paying to support these projects.

“New Yorker’s already high utility bills continue to increase as the Governor and his state agency pledge billions of dollars to subsidize the construction of industrial sized wind farms, and we have no idea whether or not we are getting any return on that investment,” said Jacobs. “Some of the commitments made to these projects are for 25 years and if they don’t deliver what they promised in return, ratepayers are stuck with a bad deal for a very long time.”

In addition to an unknown number of projects incentivized to date, in January the Governor and NYSEERDA announced that they were committing another \$1.5 billion to support twenty large-scale wind and solar projects from Long Island to Western New York. In his letter to DiNapoli, Jacobs said he hoped that an audit would answer if these projects were reducing the state’s utility costs or providing any financial relief to residential and commercial ratepayers. He also questioned whether companies who were receiving financial assistance through NYSEERDA were meeting their required job, investment or energy production goals.

Adding to Jacobs’ concerns over lack of transparency on these NYSEERDA programs is the secretive nature with which NYSEERDA taxes are hidden on utility bills, making it extremely difficult for a homeowner or business owner to know how much they are paying to support the Governor’s initiative.

“It’s bad enough that our utility bills are getting higher, ratepayers can’t even question why or shop for alternatives because they don’t know how much they are paying into NYSEERDA,” Jacobs said. “I have talked to business owners and I speak with residents regularly and I can tell you that these costs hurt our competitiveness and our affordability.”

Jacobs says if the state does not get control of NYSERDA's unrestrained spending, he is particularly concerned about the impact on local manufacturers whose only reason for staying in the region has been their ability to access low-cost hydropower. He explained that these NYSERDA taxes apply to the use of hydropower as well, weakening a manufacturer's energy cost advantage here and possibly leading to plant closures and an exodus to less expensive environments.

"One of the assets in our region that has kept local manufacturers alive is low-cost hydropower," said Jacobs. "I have heard from many manufacturers who are already seeing increases on their utility bills even before these massive windmill projects receive subsidies in the billions. The Governor and the legislature need to have a comprehensive understanding of the impact of NYSERDA's programs and spending and that is why this audit is so necessary," the Senator concluded.