



NEW YORK STATE SENATOR

George D. Maziarz

Senate pushing Power For Jobs reform

GEORGE D. MAZIARZ March 1, 2011

| ISSUE: **ENERGY, TELECOMMUNICATIONS, ENERGY FOR SMALL BUSINESS**

| COMMITTEE: **ENERGY AND TELECOMMUNICATIONS**

At a meeting held this afternoon in Albany, the New York State Senate Energy and Telecommunications Committee unanimously approved legislation backed by Governor Andrew Cuomo to enact significant reforms to Power For Jobs, a key program that provides low-cost hydropower to support economic development.

“We are committed to working together across party lines to enact meaningful Power For Jobs reform,” said Senator George Maziarz (R-C, Newfane), the committee chairman. “This is something that has eluded us during the past few years despite our best efforts to achieve consensus on a reform plan. Governor Cuomo recognizes the importance of helping lead us toward a successful outcome of enabling more New York businesses to access cheap electricity to create jobs. The program has been renewed on an annual basis for several years, but we need a permanent solution so businesses can plan their growth.” The Power For Jobs reform bill is co-sponsored in the Senate by both Republicans and Democrats and was approved at the committee level without a dissenting vote. The legislation (S.3164) was the second program bill submitted to the Legislature by Governor Cuomo. The first, a measure aimed at capping local property tax increases, was approved by the Senate approximately one month ago, also with bipartisan support.

“This is a year for change,” said Senator Maziarz, who shepherded a similar proposal through the Senate last year that was ultimately not acted on by the Assembly. “The challenges we face in the areas reducing costs for homeowners and businesses are paramount. The Senate is taking action, in a bipartisan manner and in partnership with the Governor, to get results.”

The measure would extend for one year and then phase out the Power For Jobs and Energy Cost Savings Benefit programs as of June 30, 2012, creating in their place a new, permanent 910-megawatt “ReCharge NY” program. Eligible businesses and institutions that receive 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 reserve at least 350 MW for economic development in the National Grid, NYSEG, and RG&E service territories and 200 MW to attract new investment, thus ensuring that the bill would result in both job retention and job creation. In addition, Recharge NY would reserve 100 MW for not-for-profits, such as hospitals, thus protecting jobs in institutions that provide critical services to our communities.

The new program would be bolstered by the re-purposing of 455 MW of power used currently by rural and domestic consumers, thus more than doubling the size of the current program. Any resulting impact to rural and domestic consumers on their electric bills would be mitigated by the provision of \$420 million over five years, and \$30 million annually beginning in the sixth year, by the New York Power Authority to

utility providers. Starting in year two of this transition, up to \$8 million would be provided as supplemental discounts for agricultural producers who receive electric service at a residential rate. The temporary 18-a utility assessment (which Senator Maziarz strongly objected to at its inception in 2009) will also expire in 2014, reducing costs for all ratepayers.

“The best use for low-cost hydropower generated primarily at places like the Niagara Power Project, which is located in my Senate district, and the St. Lawrence-FDR Power Project, is to support economic development,” Senator Maziarz added. “This is a comprehensive reform that will have a huge impact on New York State. We cannot afford not to get this passed, and I look forward to continuing to work with Governor Cuomo and my Senate and Assembly colleagues to get it done.”

Currently more than a quarter million jobs are sustained in part through Power For Jobs benefits at approximately 500 businesses and non-profit organizations in New York. Under the more robust ReCharge NY program, the effects are anticipated to be at least twofold due to the increased amount of power set aside for allocations.

The measure was sent to the Senate Finance Committee.

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