



NEW YORK STATE SENATOR

Darrel J. Aubertine

Senate Takes Lead on NY Jobs, Passes Energize New York

Darrel J. Aubertine

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Aubertine bill reforms Power for Jobs as permanent, sustainable job creation, preservation tool

ALBANY (June 21, 2010)—The New York State Senate today passed legislation to reform the state's low cost power for economic development programs, including the expired Power for Jobs, by creating a new streamlined "Energize New York" program that positions the state for long term job growth.

“Power for Jobs has been an important tool used to retain a quarter of a million jobs statewide, yet this bill we passed today would create a program heads and shoulders better than we’ve ever had,” said Sen. Darrel J. Aubertine, vice chair and ranking majority member of the Senate Energy & Telecommunications Committee. “We have an opportunity with this legislation to put in place a program that will not only sustain jobs in our communities, but also give us the tools to create and sustain new jobs exclusively in Upstate New York.”

The Senate voted 59-2 to pass the “Energize New York” legislation introduced by Sen. Aubertine and co-sponsored by Sens. George Mazarz, Neil Breslin, Brian Foley, Joseph Griffo, Craig Johnson, and David Valesky. This bill redeploys another 455 megawatts from the Rural and Domestic Power to create a new and permanent 910 megawatt blended rate economic development program offering seven-year contracts with an evergreen clause after five years to businesses and institutions that meet selection criteria.

“By passing this bill today, we are moving forward at this critical time to save this program,” Sen. Aubertine said. “We’re now nearly three weeks removed from the expiration of Power for Jobs and we need to get this program back on track. Each of those jobs that depend on these programs—be it at Birdseye Foods in Fulton, Great Lakes Cheese in Adams, Crowley Foods in LaFargeville, Corning in Canton, or any one of hundreds of employers statewide—is critically important. We need to restore this program now and this legislation makes it even stronger.”

Of that power, at least 300 megawatts are dedicated to Upstate communities in the National Grid, Rochester Gas & Electric, and New York State Electric & Gas service areas, which include the Capital Region, the Southern Tier, Central, Western and Northern New York. Under this plan, at least 200 megawatts are set aside for business attraction and expansion, with 100 megawatts set aside for not-for-profits and small businesses.

“This bill represents a commitment to Upstate New York job growth and a plan to ensure the program remains sustainable for many years to come,” Sen. Aubertine said. “The Power for Jobs program has been funded by the New York Power Authority’s sale of nuclear plants at Nine Mile Point and Indian Point. Those payments will end in 2015 and we need to ensure there is a source of revenue available to keep the program strong. That’s where the Rural and Domestic power can be used to ensure the preservation and creation of jobs in my district and the state as a whole.”

This legislation also reforms selection criteria to include the applicant’s payroll, the number of jobs created or retained, the extent to which the allocation is consistent with state, local and regional economic development strategies, the risk of the applicant leaving the State, the significance of electricity costs to the applicant’s operations, the significance to the local economy, the applicant’s investment in the community, commitments to energy efficiency, and for not-for-profit applicants, the extent to which the applicant provides critical services or substantial benefits to the local community.

Current electricity bill reductions amounting to about \$1 to \$4 per month for Rural and Domestic customers would be phased down from \$100 million in the first year of the program, \$86 million in the second, down to \$30 million per year on a permanent basis. Farmers that received Rural and Domestic benefits would be eligible to retain for \$5 million per year collectively. The new program would begin accepting applications on January 31, 2011.