



NEW YORK STATE SENATOR

George D. Maziarz

"Recharge New York" part of final budget agreement

GEORGE D. MAZIARZ March 29, 2011

| ISSUE: **ENERGY, TELECOMMUNICATIONS**

| COMMITTEE: **ENERGY AND TELECOMMUNICATIONS**

Senator George Maziarz (R-C, Newfane) is pleased to report that long-term reforms and enhancements to the Power For Jobs program are part of the three-way budget agreement between the Governor, Senate, and Assembly. The budget plan expected to be passed in Albany this week includes provisions for the creation and implementation of the successor program to Power For Jobs, to be known as "Recharge New York."

"After years of hard work, we have a plan to help save Upstate New York's economy," said Senator Maziarz, Chairman of the Senate Energy and Telecommunications Committee. "This is not a silver bullet, but this is a giant leap forward. The current program supports several hundred businesses and a quarter million jobs—and we're doubling its impact. This program will demonstrate how effective a tool low-cost hydropower can be for economic development."

The details of the Recharge New York program contained within the budget closely resemble Governor Cuomo's program bill, which was sponsored by Senator Maziarz and approved unanimously by the Senate on March 8, 2011.

Under the agreement, Power For Jobs and the Energy Cost Savings Benefit program will be extended until June 30, 2012, then replaced by Recharge New York. The new, robust program will make 910 megawatts of low-cost electricity available to companies committed to creating and retaining jobs in New York.

Businesses and institutions that receive Recharge New York power allocations will be allowed to enter into contracts with the New York Power Authority for up to seven years, which provides long-term certainty to encourage new investment and expansion. Recharge New York will 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 new program will result in both job retention and job creation. In addition, Recharge New York will 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 will 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 will 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 will 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. In addition, the budget bill also mandates either the Power Authority or NYSERDA to implement an efficiency program for rural and domestic customers. This will produce additional energy savings for consumers over and above the cash credits that appear on your utility bill.

“The Recharge New York program will give businesses in New York the certainty they need to make investments and create jobs,” Senator Maziarz added. “The year-to-year Power For Jobs extensions are over. This is a true reform, and it will also greatly augment our capability to help businesses grow.”