

# Recharge NY a better power for jobs program

By Ken Pokalsky

**A**s part of this year's final budget agreement, the legislature approved Governor Cuomo's proposal for "Recharge New York," a permanent replacement for the Power for Jobs and related energy cost savings programs offered through the New York Power Authority. This legislation was strongly supported by The Business Council and a coalition of 25 business groups from across the state.

The "Power for jobs" (PFJ) program was adopted in 1997, as a temporary program to provide competitive electric costs for energy intensive businesses as the utility sector went through rate deregulation.

However, high energy costs - driven by a wide range of state-imposed taxes and assessments, environmental requirements and other state policies - have remained a significant competitiveness issue in New York, with typical industrial electric power costs 40 percent above national averages. As such, Power for Jobs has lived on through seven separate temporary extenders, but over that time, the program has eroded both in size and level of benefits to participants, and the program has been closed to new participants.

The "Recharge New York" (RNY) program will start in July, 2012, and current PFJ participants will have their contracts extended until then. Most businesses (excluding retail) are eligible, and allocations will be based on a range of criteria including the significance of power costs to the facility, the extent that a RNY allocation will result in new and retained jobs and new capital and efficiency investments, the number of jobs and size of payroll at the facility, the facility's local economic significance, and others.

This legislation includes key provisions necessary to support high paying jobs and promote new capital and energy efficiency investments, resulting in significant economic returns to the state. These include:

- A permanent program to replace the Power for Jobs and Economic Development Power programs that will provide predictability and certainty for program participants.
- A 910 MW program that will give the state more economic development power resources than are available under expiring programs, that will accommodate new program participants statewide.
- Allocation-based power benefits and long-term contracts of up to seven years that will provide competitive, stable electric power prices to energy intensive businesses.
- Eligibility criteria that assure significant, long-term economic return to the state, including the number and value (wages and benefits) of jobs created and retained, investments in capital equipment and energy efficiency, the significance of energy costs to a business' competitiveness, and the local economic significance of the facility.

While this bill redeploys some current NYPA hydropower from residential to economic development uses, it includes a three year, \$100 million per year mitigation fund to offset adverse impact on ratepayers, and creates an energy efficiency funding program aimed at these upstate residential customers.

Overall, this bill offers a reasonable balance of economic development resources and residential rate protection. Moreover, this legislation will result in a more effective statewide economic development power program that will promote private sector investment and retain and grow high paying jobs in manufacturing and other energy intensive businesses.

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