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Temporary extension of energy program likely

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ALBANY — Gov. David Paterson and legislative leaders agreed today to temporarily extend a key energy-subsidy program for businesses, but couldn't come up with a consensus on how to permanently reform it.

The leaders all pledged to work to renew the Power for Jobs program that sends low-cost hydropower to businesses that pledge to maintain or expand jobs.

The program has run into trouble in recent years because as energy rates in the state have increased, demand for the low-cost power that is generated by the state Power Authority has increased.

But there is more demand for the power than there is supply, in part because some of it is also used to hold down residential power rates of the three major upstate utilities: National Grid, New York State Gas and Electric and Rochester Gas and Electric Corp.

"We all know there needs to be an extension," Senate Majority Leader Malcolm Smith, D-Queens, said today at a meeting of Paterson and the leaders. "We can extend it for a year, and then come up with a longer term solution."

Business groups have complained for years that annual extensions of the program are bad for businesses because they can't make long-term plans. Still, a short-term extension is far preferable to letting it lapse when the current authorization expires at the end of June, said Brian Sampson, executive director of Unshackle Upstate, an organization of upstate manufacturers and other businesses.

"While extending it for another year to study the issue is a fine option, what we need more than anything is a comprehensive energy plan to lower the cost of energy for businesses across the state," he said.

He pointed out that Paterson and lawmakers already in essence forced a further hike in energy rates in the state by adopting a new \$525 million assessment on utilities as part of this year's budget.

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