

Consumer Power Advocates

Continuum Health Partners
Fordham University
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Montefiore Medical Center
Mount Sinai Medical Center
New York University
NYU Hospitals Center

Summary of the Recharge New York Power Program

The Governor's Recharge New York Power Program ("RNY") bill passed as part of the budget. There will now be a permanent replacement for Power for Jobs and related NYPA power programs. The new program will be a total of 910 MW in blended NYPA hydro and purchased power. The contracts will be up to seven years in duration. There will be an expanded eligibility criteria with a set aside of 100 MW for non-profits.

Power Allocation:

- 910 MW Program
- Reallocates 455 MW of rural and domestic hydropower
- 455 MW of NYPA purchased power
- NYPA will make power allocations to eligible businesses and not-for-profit
- Corporations upon the recommendation of The Economic Development Power Allocation Board (EDPAB)

Set Asides:

- At least 350 MW set aside for economic development in National Grid, NYSEG, and RG&E
- 200 MW set aside to attract new investment
- 100 MW set aside for small business and non-profits

Price Mitigation:

- Upstate Residential Consumers will receive \$100m annually for 3 years beginning in 2010 then \$70m in 2014, \$50m in 2015 and down to \$30m in 2016 where it will remain indefinitely
- \$8m of the residential discount will be set aside for added benefits to farmers who pay the residential rate.

Energy Efficiency:

- Includes a 5 year energy efficiency program to be offered through NYPA or NYSERDA directed at upstate residential rate payers.

Selection Criteria for Non-Profits:

- Whether the applicant provides critical services or substantial benefits to the local community in which the facility is located.
- The impact of significant costs of electricity
- Extent to which a RNY allocation will result in new capital investment
- Extent to which a RNY allocation is consistent with the priorities of any regional economic development council strategies
- Number of jobs and salaries to which a RNY allocation is requested
- Number of jobs that will be created or retained
- Whether the applicant is at risk of closing or curtailing operations due to electricity costs
- Significance of the applicants facility to the economy of the area in which it is located

Energy Audit:

- There is now an energy audit component where those with a power allocation will be required to undergo an energy audit at some point during their contract period. (This can be waived if an audit was recently undertaken)

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Retail Access:

- The bill states that “prior to entering into a contract with an eligible applicant for the sale of recharge New York power, and prior to the provision of electric service relating to the recharge New York power allocation, the authority shall offer each eligible applicant the option to decline to purchase the recharge New York market power component of such allocation. If an eligible applicant declines to purchase such market power from the authority, the authority shall have no responsibility for supplying such market power to the eligible applicant.”
- NYPA has verbally communicated that eligible applicants will be allowed to purchase the market power component of the award from a third party supplier. We have several outstanding questions with Con Edison/ NYPA regarding the creation of separate account numbers to allow participants to competitively purchase their power for the residual account load not including the award. We have also questioned whether eligible applicants will receive the benefit of NYPA delivery rates on both the hydro and non-hydro pieces of the award.

Phase Out:

- While the RNY Program is ramped up in 2011 the bill extends the existing PFJ and all NYCPUS, EDPAB awards and Energy Cost Savings Benefit programs for one year through June 30, 2012. Following the close of these programs, NYPA will provide transitional electricity discounts to PFJ and ECSB beneficiaries who do not receive a RNY Program allocation. The discount for the first two years will be at 66% of the savings obtained in the 12 months ending December 31, 2010. The discount for the following two years will be at 33% of such savings.

Implementation:

- NYPA has verbally communicated that they anticipate that applications will be sent out by the end of 2011.