

Economic Development Presentation
Joint AWMA/NYWEA Seminar
February 9, 2011

New York State Electric and Gas Corporation
Rochester Gas and Electric Corporation



Agenda

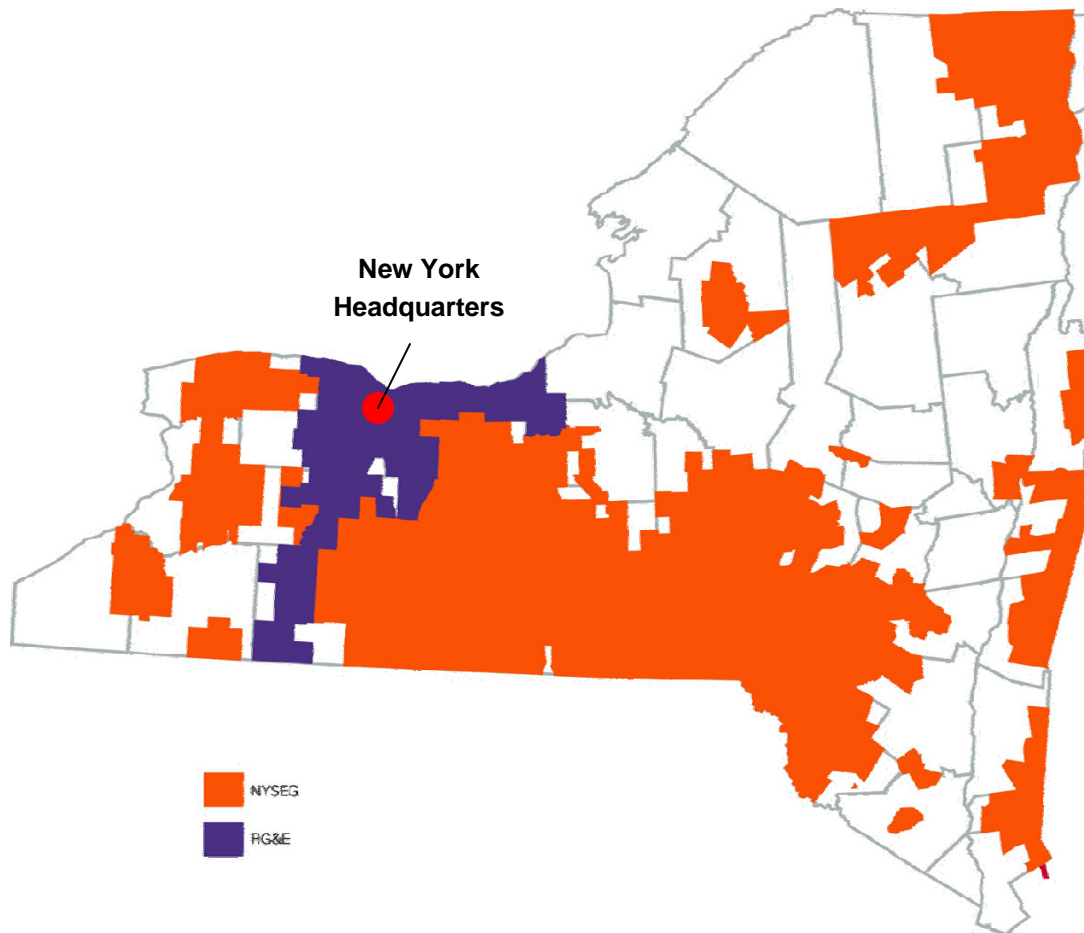
- Overview & Background
- Major Success Stories/Projects
- Program Summary
- Potential Assistance for Eligible Projects
- Electric Infrastructure Assistance
- Business Energy Efficiency & Power Quality Assistance
- Application Process
- Marketing/Outreach & Education
- Other Energy Efficiency Programs Offered Directly by NYSEG & RG&E

Overview – NYSEG and RG&E

- Parent Company: Iberdrola USA
- Business Unit: Public Affairs
- NYSEG Service Territory:
 - **44 Counties**
- RG&E Service Territory:
 - **9 Counties**

Overview

NYSEG - RG&E Operations



Electric Customers 1.2 Million

Gas Customers 0.6 Million

Square Miles 21,000

Miles of Line 58,000

Substations 632

Poles 1 Million

Background – The Role of Utilities in Regional Economic Development

- Job retention and creation by assisting in growth of existing businesses and attraction of new businesses
- Catalyst to Increase Capital Investment
- Key partner in collaboration with local regional and state economic development agencies to increase “pipeline” of development opportunities
- NYSEG/RG&E Service Territory: Assist in growth of key business clusters (optics and imaging, biotechnology and life sciences, precision manufacturing, food and beverage, alternative energy and business services)

Background – NYSEG & RG&E

- In 2009, NYSEG spent a total of \$11.1 million on ED program assistance including \$2.6 million on non-rate programs that assisted with over \$100 million in new capital investment and the retention and creation of approximately 1,500 jobs
- In 2009, RG&E spent a total of \$4.9 million on ED program assistance including \$2.6 million on non-rate programs that assisted with over \$170 million in new capital investment and the retention and creation of approximately 4,100 jobs

Background – NYSEG & RG&E cont.

- September Rate Decision
 - Parties: NYSEG, RG&E, PSC & MI
 - Commitment of approximately \$12 million/year by NYSEG and RG&E for Economic Development
 - For the next 3 years thru December 31, 2013
- In 2010, NYSEG & RG&E spent over \$9.0 million on ED program assistance

Major Success Stories

Company	Project Type	Description	Capital Investment (million)	Jobs created/retained
<u>NYSEG</u>				
Yahoo!	Attraction	190,000 square foot data center	\$150	75-150
CVS	Attraction	750,000 square foot regional distribution center	\$90	500-600
Emerson Network Power	Expansion/retention	40,000 square feet for surge protection equipment manufacturing/testing	\$6	60-75
Owens-Illinois	Retention	Glass bottle manufacturing	\$11	225
Corning	Expansion	75,000 square foot facility for manufacturing ceramic filters	\$15	750
<u>RG&E</u>				
Xerox Corporation	Attraction	100,000 square foot toner manufacturing facility	\$60	90
Gleason Corporation	Retention/business consolidation	700,000 square feet. World headquarters specializing in gear technology	\$18	625
Bausch & Lomb	Attraction	73,000 R&D expansion for optics manufacturer	\$35	190
Carestream Health	Attraction	Health imaging	\$54	1314
Brinkman Precision	Attraction	Manufacturing operation	\$11	154

NYSEG Economic Development Projects



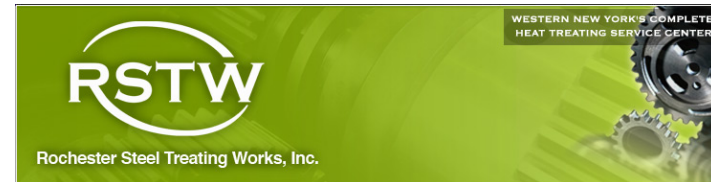
CORNING



NATIONAL
PIPE & PLASTICS, INC.



RG&E Economic Development Projects



Economic Development Program Summary

	NYSEG	RG&E
Rate Incentives	Economic Development Zone Incentive (EDZI) – existing customers	Empire Zone Rates (EZR) – existing customers
	Incremental Load Incentive (ILI)	Incremental Load Rate (ILR)
	Competitive Pricing - Negotiated Contracts	Competitive Pricing - Negotiated Contracts
Non-Rate Assistance	Brownfield/Building Redevelopment	Brownfield/Building Redevelopment
	Utility Infrastructure Investment	Utility Infrastructure Investment
	Capital Investment Incentive	Capital Investment Incentive
	Business Energy Efficiency	Business Energy Efficiency
	Power Quality	Power Quality
	Economic Development Outreach	Economic Development Outreach
	Agriculture Capital Investment	

Potential Funding Assistance

- Eligible Projects
 - Capital Investment (Plant & Equipment)
 - Facility Expansions/Consolidations/Relocations
 - Site/Building Redevelopment
 - Brownfield or Empire Zone Site Development
 - Mixed-Use Development in Metropolitan Areas
 - Agriculture Expansions (NYSEG -small & large projects; RG&E – large projects only)
 - Projects Involving NYSERDA Assistance
 - Power Quality/Reliability Issues – Customer side of meter
 - Revitalization of Waterfront Sites

Economic Development Electric Infrastructure Assistance

Purpose: to supplement comprehensive community benefits for eligible projects through capital grants for electrical related infrastructure improvements (i.e. transformers, switchgear, major feeds & main distribution panels)

- **Brownfield/Building Redevelopment Program** – Grants of up to 10% of overall project costs not to exceed \$500,000 for electric-related infrastructure improvements on either utility owned or customer-owned equipment for redevelopment of a brownfield site or vacant building
- **Utility Infrastructure Investment Program** - Grants of up to \$400,000 for new electric-related infrastructure improvements on either utility owned or customer-owned equipment in specific location including NYS Build Now and Empire Zones. Requires monthly incremental electric demand of 100kW and \$1 million minimum capital investment
- **Capital Investment Incentive Program** - Grants of up to \$300,000 for non-site specific projects. Load and minimum investment same as Utility Infrastructure program

Note: Final decisions for actual grant assistance based on a number of factors including; total capital investment, type of industry, total infrastructure costs, and specific location of infrastructure for project

Economic Development

Business Energy Efficiency and Power Quality Assistance

Business Energy Efficiency Programs

- Supplemental Assistance for Certain NYSERDA Programs
 - Flexible Technical Assistance and New Construction Program
 - Grants toward Feasibility Study and Implementation of Measures
 - Applicant to contribute minimum of 33 1/3% toward total investment

Industrial Power Quality Assistance

- Grants to pay for cost of equipment to enhance power quality or reliability improvements behind the meter
 - Up to 50% match of equipment cost, not to exceed \$50,000 per project

Application Process

(Electric Infrastructure, Power Quality, & Business Energy Efficiency)

- Prospective Applicant
 - Submit pre-application (qualified thru)
 - Submit Formal Application with supporting documentation
 - NYSEG/RG&E Reviews Formal Application package
 - NYSEG/RG&E notifies applicant with approval letter
- Applicant proceeds with project & maintains regular contact with NYSEG/RG&E
- Applicant provides:
 - Billing invoices
 - Proof of payment
 - Invoice NYSEG/RG&E obtain assistance
- NYSEG/RG&E provides verification letter to applicant upon delivery of award (form of check)
- Once project completed, applicant to submit progress letter to NYSEG/RG&E for PSC Reporting



Marketing/Outreach & Education

Web Portal Launched 2006

- www.lookupstateny.com

Initiatives

- A. Print Ads In Targeted Publications
- B. Program Brochures
- C. Success Story Bulletins
- D. Internal/External O&E

Plans for Future Updates

Contact Us

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www.lookupstateny.com

NYSEG and RG&E Energy Efficiency Incentives Available to Non-Residential Customers

- **Commercial & Industrial Rebate Program (C&I)**
 - Small businesses
 - Large businesses
 - Municipalities, universities, schools and hospitals
 - Certain farms and churches
 - Certain multi-family units
- **Small Business Energy Efficiency Program**
- **Block Bidding Program**

C&I Rebate Program Eligible Measures

- Prescriptive
 - Lighting and controls
 - Air conditioners and heat pumps
 - Chillers
 - Variable frequency drives (VFDs)
 - Natural gas furnaces, boilers and controls

For further information, visit:

www.nyseg.com

- Or -

www.rge.com

UsageAndSafety/usingenergywisely/eeps/eepsprograms.html

Energy Efficiency Hotline – 1.800.995.9525