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## Next Steps: Changes in Energy Policy, Win-Win for New York State Manufacturers

As the 2017 legislative session winds down, MACNY begins looking into the longer term “growth agenda” policy issues we would like to address in the upcoming months. One of critical importance to manufacturers is a thorough review, assessment, and change in some of our many energy policies here in New York State.

As you are aware, there are multitudes of ways that our state’s business community and residents feel that New York State can bolster economic growth. I agree with the popular sentiment that it is generally less important to provide economic development incentives and programs, and rather more important to create a better business climate. Currently, the business climate consists of costly regulations and mandates, high taxes and fees, and increasing costs in areas including but not limited to workers’ compensation (despite the recent improvements), Medicaid, and tort reform. Therefore, our state’s manufacturers and businesses are paying for these costs, instead of investing in their companies and our regions. Businesses outside of New York State are turning away before we even have an opportunity to pitch the many benefits of being a New York State business, based on preexisting costs alone. And just as bad, businesses are packing up to relocate elsewhere or shut down, because they simply can’t take the fiscal burden anymore. The time is now to be more **strategic** about bolstering economic development.

One such way we can do this is through more strategic energy initiatives. Without question, reliable, low cost, and diversified sources of energy are some of the most critical needs of our energy intensive sector. With a few key areas of change, energy intensive businesses can operate their businesses better than ever. Changes in this area will not only be a major boost to the preexisting manufacturing sector, but added incentive for those businesses we are trying to recruit to operate here in New York. In the next few months, some of the legislative priorities we will be working on include:

**Energy Infrastructure Investment** – Expand access to natural gas for manufacturing facilities, including: dedicating state energy assessment resources to pipeline extensions; expediting the state review of applications for expansion of natural gas infrastructure; authorizing real property tax exemptions for the increased assessed value attributable to new natural gas distribution facilities; and repealing the outdated requirement from the Department of Transportation requiring certified Liquefied Natural Gas (LNG) transport routes.

**18-a Energy Assessment** – The State should support the repeal of Section 18-a energy gross receipts assessment reducing the tax burden on business and residential ratepayers. We were grateful when it was agreed that the assessment was a regressive tax measure, and a phase out was determined and ultimately passed. With the State in a much better financial status than in previous years when the assessment was implemented as a means to generate more revenue for the State, we ask legislators to consider waiving the remaining balance of 18-a assessment taxes on businesses as part of an overall strategy in fostering economic development while lowering the cost of doing business in New York State.


**Energy Safeguards** – The adoption of measures to provide price protection to large energy consumers from energy assessments. Adopt a self-directed energy program with a cap on percentage energy assessments. Exclude large energy consumers from the cost associated with residential customer system upgrades associated with REV.

**State Economic Development Power Programs** – Legislation should be enacted that would protect the state's economic development power programs administered by the Power Authority from the costs of operating the Canal Authority and assessments imposed under the state's clean energy standard.

**Reduce Ratepayer Assessments** – Manufacturers would benefit from a significant reduction in ratepayer assessments imposed by the Public Service Commission (PSC).

**Power Quality** – The PSC and NYSERDA should study and address power quality issues. Advanced manufacturing processes can be adversely affected by the quality of the voltage in an electrical circuit.

MACNY has a new Energy Roundtable Group focused on policy issues specific to energy matters, including but not limited to the above. If you are a New York State manufacturer and have interest in learning more, please contact me at [kburns@macny.org](mailto:kburns@macny.org).



## MACNY'S ANNUAL **CLAMBAKE**

WEDNESDAY, AUGUST 16TH  
4 - 7 PM

HINERWADEL'S  
5300 WEST TAFT ROAD, N. SYRACUSE

\$57.50 per person includes:  
dinner, beer on tap, and non-alcoholic drinks.  
Bottled beer, wine, and mixed drinks available at cash bar

RSVP to [cnav@macny.org](mailto:cnav@macny.org)

**Come hungry and ready to party!**