New York Farm Bureau • 159 Wolf Road P.O. Box 5330 • Albany, New York 12205 • (518) 436-8495 Fax: (518) 431-5656

June 3, 2010

The Honorable George D. Maziarz, Chair
NYS Senate Energy Committee
947 LOB
Albany, NY 12247

The Honorable Darrel J. Aubertine, Vice Chair
NYS Senate Energy Committee
903 LOB
Albany, NY 12247

The Honorable Kevin A. Cahill, Chair
NYS Assembly Energy Committee
713 LOB
Albany, NY 12248

Dear Senator Maziarz, Senator Aubertine and Assemblymember Cahill,

On behalf of the farm families of New York Farm Bureau, thank you all for your ongoing work regarding the redesign of the Power for Jobs program. The work you are doing is vitally important to spur economic development and maintain positive businesses across New York State. With Power for Jobs expiring in the next few weeks, I know that you are working hard to reach a final, more permanent solution. We believe it is very important that agriculture, as the direct employer of over 60,000 people state-wide, be considered in any final program. To that end, there are several provisions which we believe any long term hydropower economic development agreement should contain.

As we've discussed with each of your offices, NYFB believes it is essential that a successor program to replace Power for Jobs be established. Energy costs in New York put us at an extreme competitive disadvantage compared to other states. From an agricultural perspective, this makes it harder to attract new investment in food processing facilities. Such facilities are critical for the long-term success of our family farms. For that reason, we strongly urge the Legislature to reach a common vision of a future hydroelectric incentive program.

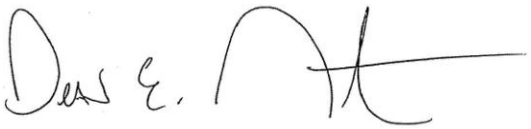
We applaud both the Senate and Assembly proposals for the inclusion of a small business category. We have a number of farms that, in recent years, have switched over to the commercial electric rate. These are farms that provide well paying jobs throughout different areas of New York. Providing these family companies with access to hydropower benefits will send a positive message to small businesses, encouraging their growth and development. This part of the proposal should be maintained and even expanded as part of the final package.

Regarding the Rural and Domestic Power, I recognize the difficult policy questions surrounding the reallocation of this power. NYFB appreciates that both proposals seek to negate the financial impact on farm businesses currently receiving Rural and Domestic power. Economic development starts at home by maintaining the environmental family businesses currently located in and providing benefits to the New York economy. We greatly appreciate the Senate's efforts to include an agricultural carve-out that should hold farms harmless. The Assembly's current proposal, which does not include reprogramming of the Rural and Domestic power, also maintains the existing incentive for farms. We respectfully request that parties continue to work to ensure that Rural and Domestic eligible farms are held harmless in the final program.

Finally, the ongoing discussions of Rural & Domestic power have clarified that more data is necessary regarding farm electrical use. This is the only way to determine whether farms truly are being held harmless. The Senate proposal includes an important provision that establishes a study to determine how the program changes will impact farm owners. This system feedback and evaluation is a provision we strongly support.

Again, many thanks for your dedication to this important project. NYFB stands ready to assist in any way possible as you work towards a final agreement and continue this important economic development tool. Please do not hesitate to contact our offices with any questions or concerns.

Sincerely,



Dean E. Norton
President