

Contact Information:

Governor's Press Office
NYC Press Office: 212.681.4640
Albany Press Office: 518.474.8418
press.office@exec.ny.gov



Andrew M. Cuomo - Governor

Governor Announces Low-Cost Hydropower Allocations to Five Western NY Firms in Support of 215 New Jobs and \$193 Million in Capital Investments

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Albany, NY (March 22, 2013)

Governor Andrew M. Cuomo today announced that five Western New York firms will receive low-cost hydropower to support the creation of 215 jobs and \$193 million in capital expansion projects. More than half of the new jobs will be created by Yahoo! in its establishing of a customer call center and the expansion of its data center in Lockport.

The allocations to the five companies, approved today by the New York Power Authority (NYPA) Board of Trustees, total nearly 13 megawatts (MW) (13,000 kilowatts) of power from NYPA's Niagara Power Project. In addition to Yahoo!, the firms are SiGNa Chemistry, for a potential new manufacturing facility in Wheatfield, Aurubis Buffalo in Buffalo, International Imaging Materials (IIMAK) in Amherst, and RubberForm Recycled Products in Lockport.

"Low-cost hydropower is one of the most effective economic development tools that we have to create jobs in New York," Governor Cuomo said. "The allocations approved today to five companies in Western New York will help to create over 200 new jobs and support major capital expansion projects. These are smart investments in the region's economy."

"Governor Cuomo and his administration have spared no effort in spurring job growth in Western New York and the expansion of businesses through the strategic use of state resources," said John R. Koelmel, NYPA chairman. "Low-cost hydropower from the Niagara Hydroelectric Power Plant has been an important part of the equation, as demonstrated by the latest allocations approved by the NYPA Board of Trustees, including Yahoo! The anticipated expansions are great news for Western New York."

"The newest power allocations, individually and collectively, signal exciting developments for Western New York's economy and the Power Authority is pleased to be playing a part in helping these companies realize their expansion goals," said Gil C. Quiniones, NYPA president and chief executive officer.

"Western New York's economy is uniquely positioned to benefit from hydropower fueled by Niagara Falls," said Congressman Brian Higgins. "This is just the latest example of how jobs, too, can flow from water when we take advantage of the resources that are naturally ours."

"I have long believed that the best use of low-cost hydropower is to create jobs, and the allocations to Yahoo!, SiGNa Chemistry and Rubberform in my district and to the other projects based in Western New York are significant proof that we are heading in the right direction in leveraging NYPA hydropower resources for the maximum benefit of our region," said Senator George Mazarz. "I am pleased to work cooperatively with Governor Cuomo, NYPA and each of the individual companies investing in our community, on these projects, which will grow our economy and benefit my constituents and all of the residents of Western New York."

"The expansion plans by Yahoo and the other four companies is another sign of continued development momentum for Western New York and highlight the role that the Niagara hydropower plant plays as a magnet for job creation, said Sam Hoyt, regional president, Empire State Development, New York's chief economic development agency. "Governor Cuomo is giving the highest priority to Western New York's economic turnaround, and this is exemplified by the state's partnership with the latest hydropower recipients."

The low-cost hydropower to the five companies will be provided under seven-year contracts, with the allocations drawn from two blocks of Niagara electricity known as Expansion Power and Replacement Power. In addition to new permanent jobs, the capital investments by the

companies are expected to support hundreds of construction jobs.

Yahoo! will receive a 7.2 MW allocation for a customer call center that will create a minimum of 100 jobs. The web company also plans to expand its state-of-the-art Lockport data center and add 15 new positions to the facility's current workforce.

In addition to hydropower, Yahoo! will be provided by ESD up to \$2 million in Excelsior tax credits over 10 years as further incentive for its expansion plans.

Yahoo! also will contribute \$500,000 per year to the Community Foundation for Greater Buffalo, a not-for-profit organization that administers charitable funds for the benefit of Western New York. The funding will be used to advance specific priority economic development strategies identified by the Western New York Regional Economic Development Council.

"We are happy to be a part of the Western New York community and are excited about our expansion plans. We are appreciative of our close partnerships with local municipalities and are grateful to our outstanding workforce in Lockport," said David Dibble, Executive Vice President of Central Technology for Yahoo!. "Yahoo! is committed to being an environmentally responsible company, and we thank New York State and local authorities for working with us to ensure we continue to power our data center with clean energy."

SiGNa Chemistry, which has a growing portfolio of "green" chemical products used by oil-recovery and fuel-cell industries, will receive 2.5 MW of Niagara power to establish a potential new manufacturing facility in Wheatfield that will initially lead to 50 new jobs. The number of jobs could double over time as demand for its industrial powder materials grow. By year's end, SiGNa expects to launch the new manufacturing facility in a 15,000-square-foot space that could be expanded for increased production.

Aurubis Buffalo will receive a 2.8-MW allocation to boost production at the company's copper and brass rolling mill. The low-cost power would support the purchase of a new \$9.5 million customized furnace and a \$2.4 million investment to revive an idled rolling mill. The planned improvements at the Buffalo facility would add 35 new jobs to an existing workforce of 675 employees. Aurubis is also Empire Zone certified to receive benefits.

IIMAK, an international manufacturer of thermal transfer ribbons, barcode ribbons, direct thermal films and fluid inks for the printing industry, will receive an allocation of 200 kilowatts (kW) of hydropower to support a planned \$2 million capital investment for an equipment expansion at the company's Amherst facility. IIMAK will add three new jobs to its Amherst workforce of 355. In addition, IIMAK will receive \$640,000 in Excelsior tax credits from ESD.

Rubberform Recycled Products, a manufacturer of recycled rubber products for traffic safety, home improvement, shipping and marine products industries, will receive a Niagara hydropower allocation of 200 kW and a \$250,000 Environmental Investment Program grant from ESD in support of a \$500,000 expansion that includes a new recycled-material production line. The company has committed to add 12 new jobs at its Lockport facility, which currently has a workforce of 15 employees.

Under state law, allocations of power to Western New York businesses from the Niagara plant are for firms within a 30-mile radius of the hydroelectric facility, or in nearby Chautauqua County, at a price that is currently more than 40 percent lower than wholesale market electricity in the region. The hydropower is linked to tens of thousands of jobs at more than 100 businesses in the region with a combined payroll of more than \$2 billion.

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