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Andrew M. Cuomo - Governor

Governor Cuomo Announces Low-Cost Hydropower Allocations to Three Businesses in Western New York

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643 New Jobs and \$206 Million in Capital Investments Linked to Allocations

Albany, NY (December 18, 2013)

Governor Andrew M. Cuomo today announced that the New York Power Authority (NYPA) Board of Trustees has approved allocations of low-cost hydropower to three manufacturers in Erie and Orleans counties that will lead to the creation of 643 new jobs and capital investments of approximately \$206 million.

"Today's low-cost hydropower allocations are a major win for Western New York, helping to create more than 600 new jobs, while reducing business costs to support the manufacturing industry," Governor Cuomo said. "As we grow the manufacturing sector in Western New York, the State will continue to leverage these kinds of investments to strengthen the local economy."

The power allocations will be drawn from NYPA's Niagara Hydroelectric Power Plant and allocated to the Ford Motor Company in Hamburg, Brunner International in Medina, and Gracious Living USA in Buffalo. Ford and Brunner currently benefit from prior hydropower allocations that have spurred their capital investments and job creation.

The latest allocations provide for the allotment of 7,100 kilowatts (kW) from NYPA's Replacement Power and Expansion Power programs, which are provided for under state law for Western New York businesses committed to creating new jobs from expansion projects. The allocations are to be provided over seven-year contracts.

John R. Koelmel, NYPA chairman, said, "NYPA's Replacement Power and Expansion Power programs—for allotment to key employers of one-third of the Niagara plant's generating output—have been a staple of Western New York's economy for decades. The low-cost hydropower is a major asset in lowering businesses' costs and serves as a cornerstone for their competitive operation."

Gil C. Quiniones, NYPA president and chief executive officer, said, "Niagara's low-cost hydropower provides a competitive edge for businesses looking to grow in the region. Under Governor Cuomo's leadership, the Power Authority is committed to pursuing opportunities for advancing the region's economy by attracting new businesses to the area and encouraging the expansion of existing ones."

Ford Motor Company will receive 1,000 kW in support of its plans to invest \$150 million in its 63-year-old Hamburg stamping facility, located just outside Buffalo, to upgrade equipment and add 10 new assembly lines. Ford will commit to creating 350 new positions at its facility above its current employment of 640 as a result of the expansion, with startup of the new equipment and assembly lines by the end of 2014.

In addition to the hydropower allocation, NYPA and Empire State Development (ESD) contributed to an \$8 million incentive package, announced last month by the Governor, to help ensure that Ford continues its competitive operation in Western New York.

Brunner International obtained a 2,400 kW allocation for its plans to construct a 45,000-square-foot addition to expand the production of machined axle forgings that are sold to large, heavy-duty truck and trailer suppliers. Brunner, a longtime hydropower customer of NYPA, has plans to invest \$15 million in the expansion. It would be completed by fall 2014, leading to the firm's hiring of 43 additional full-time employees. Brunner is the largest private-sector employer in Orleans County.

Brunner will also receive a \$750,000 incentive package under ESD's Excelsior Jobs Program and additional tax incentives from the Orleans County Economic Development Agency.

Gracious Living USA will receive 3,700 kW to renovate and refurbish four abandoned buildings on 50 acres of property in Buffalo to open an injection molding manufacturing facility and warehouse. The Canadian company, located in Woodbridge, Ontario, is looking to establish a greater presence in the U.S. for its resin-based furniture and other plastic products. The new facilities will lead to the creation of 250 jobs.

ESD has also offered Gracious Living an incentive package of \$2 million under its Excelsior Jobs Program.

Replacement Power and Expansion Power are reserved for companies within a 30-mile radius of the Niagara plant or for businesses in Chautauqua County and provided 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.

Congressman Brian Higgins said, "With this low-cost power generated right here at the Niagara Power Project we help bring new jobs and business to Buffalo's Outer Harbor and support the continued regrowth of Western New York's auto industry."

Senator George D. Maziarz said, "Providing low cost power from the Niagara Power Plant is a great asset right here in Western New York that will help create jobs and grow the region's economy. Ford Motor Company employs many Western New Yorkers and this award will expand that number exponentially. I am also pleased that Brunner International in Medina will benefit from the excellent programs NYPA provides businesses, as it will continue to grow Orleans County's largest private-sector employer."

Assemblyman Sean Ryan said, "These low-cost hydropower allocations will help to transform Western New York's workforce, and represent an important step forward for manufacturing in Hamburg and Buffalo. The game-changing \$150 million investment by the Ford Motor Company and the establishment of Gracious Living's new facility on the waterfront will create hundreds of new jobs in Western New York. All of this great news demonstrates New York's continued success in making manufacturing a top priority."

Erie County Executive Mark C. Poloncarz said, "These low-cost hydropower allocations will aid in the creation of new jobs and investment locally, strengthening our economy, enhancing our business climate, and putting more people to work. I commend Governor Cuomo and NYPA for their wise use of this precious natural resource and for their vision in applying it for the economic benefit of our region."

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