

Power facilities key aspect of attracting new businesses to N.Y.

By DIANA LOUISE CARTER

Get a grip on energy supply and transmission and you can put out a much better welcome mat for business development.

That was the primary message speakers drove home at the State of the Region breakfast June 19 sponsored by Phillips Lytle, LLP, and hosted by Rochester Business Journal. The breakfast for more than 100 people at the Rochester Riverside Convention Center focused on how energy infrastructure relates to economic development.

"If you have a good handle on energy, you have a good handle on business," summed up John Bay, president and CEO of Acadia Energy, a Rochester company that specializes in creating microgrids—small energy networks that can operate separately from or in tandem with the larger power grid.

When companies shop around for locations to site new facilities, they typically want high-quality power and low costs and they want it yesterday, several speakers said. Experts in economic development said being unable to meet those demands could cause sites in Western New York to lose projects to other states.

"Duke Energy, Georgia Power will provide power substations," as part of an incentives package to get a company to locate in their service areas, said Matt Hurlbutt, president and CEO of Greater Rochester Enterprise. Currently that's not done in this area.

To buttress the idea of what's at stake, Steven Hyde, president and CEO of Genesee County Economic Development Center, described two recent projects that got away from Genesee County. One project fell apart when funding from the federal Department of Energy couldn't be finalized on the timeline the company needed. Another company needed 5.4 million square feet and 360 megawatts of power.

"We could site all that at STAMP," Hyde said, referring to Genesee County's Science and Technology Advanced Manufacturing Park. New solar tariffs played a role in discouraging the company to land, he said. President Donald Trump recently added tariffs on imports of foreign solar panels, which until now has been the majority of what's installed in the United States.

Both Hyde and Bay said energy regulations aren't keeping up with the state's goals for creating more power, using more renewable sources of power.

"We need to lock arms and work on this," Hyde said. One example of a cumbersome regulation is the one that requires each company to have its own substation, Hyde said, which both slows down development and is wasteful because one substation could serve more than one manufacturer.

While many of the panel members' comments focused on obstacles keeping power resources from being readily available, they also described opportunities and initiatives for improving the situation.

For instance, Bradley Jones, president and CEO of New York Independent System Operator, the organization that operates the state's power grid, said 17,000 more megawatts is needed to meet Governor Andrew M. Cuomo's goal of meet-

ing 50 percent of the state's needs with renewable energy by 2030. And most of that would be sited in Western New York or the North County due to available land or wind resources.

"That's a lot of power, a lot of opportunity," Jones said. But to make use of those resources, the state needs to add transmission and improve west to east power transfer. When Jones started at NYISO, the state hadn't added onto its transmission lines since the 1980s. More recently the state, under federal order, has started improving transmission in the Niagara Falls area to more fully use the waterfalls' potential, and in the downstate area to better deliver electricity to New York City.

Jones said progress also is being made in storage of energy: "We are setting the pace like no other state in the union." Storage is key because while usage fluctuates during the day, it's impossible to turn off most power plants at night and much of the energy they produce at certain times of the day is simply wasted unless it can be stored.

The state is planning to invest \$200 million in energy storage projects, including batteries, thermal storage and pumped hydro — using waste energy to fill reservoirs at night, and draining them to run power turbines during peak usage hours.

Dennis Elsenbeck, head of Energy and Sustainability for Phillips Lytle Energy Consulting Services, agreed with Jones about transmission: "You actually have to distribute. It's not just about supply and demand." Still, he said communities need to do more to meet the demands of the companies they're trying to woo with shovel-ready development sites. "Shovel-ready does not mean energy-ready and that's what we really need to work on," Elsenbeck said.

Added Hyde: "We need big transmission capacity to really build big job opportunities."

Joseph Rizzo, manager of economic development for New York State Electric & Gas and Rochester Gas & Electric, said economic developers should involve the power companies as soon as possible in the discussions of potential new developments.

"It's very crucial we receive complete and accurate load information from active projects," he said. Site locators who scout locations for companies always want to know about existing infrastructure, what might be involved in meeting the company's power needs, and the cost, he said.

"We are unable to install infrastructure in anticipation of a project," Rizzo said, but sharing key information early helps the utility act more nimbly.

Robert Duffy, president and CEO of the Greater Rochester Chamber of Commerce, said the power company is already involved; "RG&E is at the table, time and again when we negotiate."

Duffy suggested New York needs more ammunition to compete against other states trying to lure projects within their borders.

"We have lots of incentives, tax incentives ... We should look at power incentives," he said.

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Welcoming Remarks



Robert Duffy
President & CEO
Greater Rochester Chamber of Commerce



Matt Hurlbutt
President & CEO
Greater Rochester Enterprise

Opening Remarks



Bradley Jones
President & CEO
NYISO



David Flynn
Partner and Energy Practice Team Leader
Phillips Lytle LLP

Panelists



John Bay
President & CEO
Acadia Energy



Dennis Elsenbeck
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Joseph Rizzo
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