



High Electricity Costs Impede Growth in New York



By Kenneth Adams

The high cost of electricity in New York is a significant threat to business growth. Business leaders frequently cite New York's high business costs as a major impediment to economic growth and in-state job creation.

With concerns about a national business downturn on the horizon, New York State should be anxious to do everything possible to attract growing businesses and new, well paying job opportunities to our region. And low-cost, reliable electricity supply is fundamental to making this happen.

The state must act now to address New York's electricity supply challenges. Right now we are sending the wrong message to businesses looking to expand in or relocate to New York State.

Actions speak louder than words, and the fact is that New York State could do much more to reduce the costs of doing business in our state, which would stimulate significant new investments and create new long-term and highly skilled jobs.

In a global market where companies no longer need a physical presence to conduct business in New York, we must be able to compete with other global marketplaces. While in the past we were solely competing against states like Massachusetts, New Jersey or Vermont for jobs, today we are also fighting to keep existing in-state jobs from being exported to India, China or even Canada.

For businesses in a competitive bidding situation, New York is starting at a disadvantage, with the third highest electricity rates in the nation according to the U.S. Energy Information Administration. To allow New York to remain competitive, energy costs must be reduced. But currently, our in-state production is capped, as the state legislature let the Article X power plant siting law expire five years ago.

A survey conducted by *Chief Executives Magazine* revealed that for the 3rd consecutive year, New York was rated as the 2nd worst state to do business in. This is not an enviable ranking. To overcome these negative perceptions we must work harder than ever and make some tough decisions.

We need to strive to make New York an even greater place to live and work. Other states in our nation have maximized their opportunities to keep electricity affordable. New York needs to follow suit if it wants to remain a place where people want to come and establish new businesses and expand existing enterprises.

A dwindling job market will not attract or keep our residents, and the sustainability of our economy depends on employment opportunities and business development. Let us examine and invest in alternative measures by promoting all energy sources and projects that will reduce costs and keep our state a global business leader.

Kenneth Adams is President & CEO of the Business Council of New York State, representing 3,200 businesses with more than 1.2 million employees in New York State, and is also an Advisory Board member of the New York Affordable Reliable Electricity Alliance (New York AREA).

SPECIAL SPONSORED SECTION



New York AREA's membership includes some of the state's most vital business, labor and community organizations including: The Partnership for NY City, Business Council of NY State, NY Building Congress, NYS Restaurant Association, the Teamsters, Carpenters, IBEW and many more.

WWW.AREA-ALLIANCE.ORG