

Annual Report to the Board of Trustees on Economic Development

JORGE JIMENEZ

DIRECTOR, CUSTOMER EXPERIENCE &
UTILITY MARKETING

23 MAY 2018



PSEG LONG
ISLAND

We make things work for you.

Agenda – Economic Development

- Legacy Programs: Participation, Criteria, and Job Creation
- Impact of Economic Development on Customer Satisfaction
- Development of New Programs

Legacy Programs

- **PSEG Long Island Business Development Rate:**
 - Must be > 145 kW and add at least 100 kW
 - Provides a discount, for five years, front-loaded, on incremental power only
- **Excelsior Jobs Program:**
 - NY State tax credit program that includes utility discounts on incremental usage, once certified by NYS
 - Jobs and/or investment criteria
 - Provides a discount, for up to 10 years, on incremental power only
- **Recharge New York:**
 - NYPA hydro/market power for retention and expansion
 - Commodity program; PSEG Long Island is the delivery agent
 - Provides savings on both existing and incremental power
- **PSEG Long Island Energy Efficiency Program:**
 - 2017: 11 projects completed, saving 858 MWh and awarding \$210K in rebates
- **Other programs:**
 - Economic Development Zones – replaced by Excelsior, grandfathered participation
 - NYC Energy Cost Savings Program, Incubators, Start Up New York
 - Manufacturing Competitiveness Program
 - SC-13 negotiated rate option

Participation and Job Retention & Creation of Legacy Programs

- Legacy programs are targeted to larger businesses
- Program participation is largely driven through:
 - “Partnership meetings” with municipal economic development partners
 - Customer participation in Regional Council process

PROGRAM	CURRENT CUSTOMERS	kW	2017 DISCOUNTS	JOBS RETAINED	JOBS CREATED
Business Development Rate (Attraction/Expansion)	22	9,895	\$455,044	not reported	1,375 ¹
Excelsior	8 certified; Total of 90 accepted	2,500 kW certified	\$307,760	22,000 ²	6,000 ²
Recharge NY	252	66,086	\$1,900,000 ³	63,044 ⁴	2,603 ⁴
Five Economic Development Zones (EDZ)	33	9,139	\$903,908	not reported	not reported

Footnotes:

1. Five years ending 2017
2. Per Empire State Development, commitments of accepted customers since program inception
3. Total estimated customer savings from total NYPA kWh, at 6.5 c/kWh per NYPA
4. per NYPA, since program inception

Development of New Programs

- An evaluation of leading utilities indicated a variety of economic development programs besides rate incentives
- Pilot programs were launched in 2017 to address our challenges:
 - Almost 90% of commercial establishments are small businesses
- Learning from successful DPS-approved efforts at other NYS utilities
 - National Grid has 20 approved programs, including:
 - Main St/Commercial District Revitalization
 - Urban Center Revitalization
 - Capital Investment Incentive Program
 - Central Hudson:
 - Manufacturer Capital Investment Incentive Program
 - Job Creation Incentive Program
 - NYSEG/RG&E: several programs , including:
 - Brownfield/Building Redevelopment Incentive Program
 - Capital Investment Incentive Program

New Program 1: Vacant Space Revival

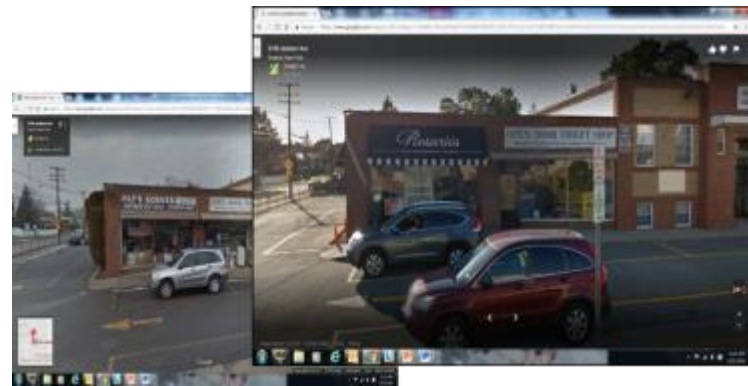
- **Vacant Space Revival Program**
 - Vacant properties detract from the vibrancy of small business communities.
 - This program is designed to encourage occupancy of commercial space in a business district that has been vacant for a period of one year or more.
- **Program Goals:**
 - Drive economic growth in local business communities
 - Optimize the existing electric infrastructure
 - Create electric revenue from existing assets
 - Create additional jobs
- **Incentives:**
 - Offers credit of a portion of energy delivery charges for first year (100% first quarter, then declining over three successive quarters)
 - Rate 280 credits up \$1,500
 - Rate 281 credits up to \$10,000

New Program 1: Vacant Space Revival

Vacant Space Revival Program: examples recently approved in 2018

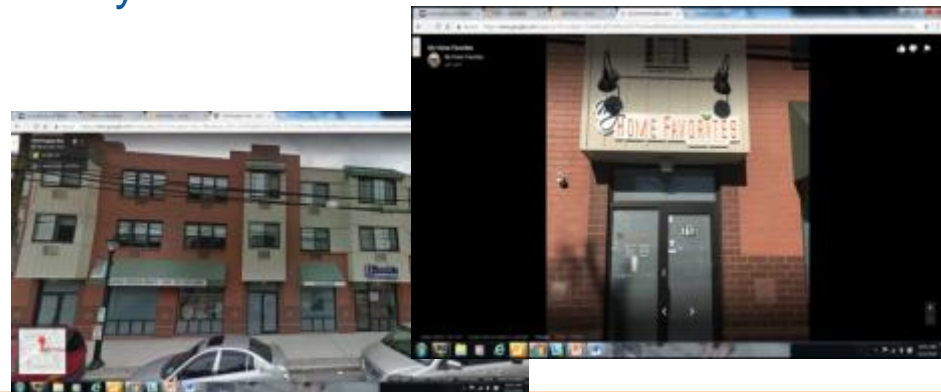
- Rosario's Pizzeria, Seaford

- Vacant one year
- Rate 280 account



- My Home Favorites, Westbury

- Ethnic food store
- Vacant six years since block revitalization project



New Program 2: Main Street Revitalization

- **Main Street Revitalization Program**

Program is designed to offer incentives with other community partners to encourage projects that will revitalize under-utilized business districts or benefit the local economy of a business district

- **Program Goals:**

- Offer financial incentives to support projects that benefit the local economy of a business district, or revitalize under-utilized properties
- Optimize the existing electric infrastructure
- Add jobs and leverage capital investment

- **Incentives:**

- Up to \$100,000
- Reimbursement of approved expenditures
- Vary based upon evaluation by a PSEG Long Island project team, according to economic benefits of each specific project

New Program 2: Main Street Revitalization

Main Street Revitalization Program

- Two approved incentives:



- Argyle Theater, Babylon

- Amount Requested: \$100,000
- Amount Approved: \$75,000
- Total Investment: \$2,750,000
- Estimated Jobs Created: 5 Construction, 38 Permanent
- Business Community Impact: \$1,000,000+
- **Press Event held May 1, 2018**

- Riverhead Business Improvement District – Grangebel Park

- Amount Requested: \$15,000
- Total Investment: \$30,000
- Business Community Impact: \$280,000
- Estimated Jobs Created: 3 Construction, 0 Permanent

Program Promotion

Downtowns get a boost

By: Adina Genn | March 5, 2018

Vacant storefronts are a drag on the local economy, but a new PSEG Long Island program may serve as the kind of antidote that brings about change.

PSEG-LI's "Vacant Space Revival Program" offers electric bill discounts to businesses moving into commercial spaces that have been vacant for more than a year.

- Continue to promote new programs:
 - direct outreach since July 2017
 - outbound email March 2018
 - e-newsletter April 2018
 - outbound direct mail April 2018
- Promote success stories:



PSEG-LI's Timothy Harris and Linda Herman (left) met with stakeholders like Mariann Dalimonte, of Greater Port Washington Business Improvement District (right), to discuss the utility's new "Vacant Space Revival Program" || Photo by Judy Walker

source: LI Business News,
3/5/2018

Next Steps

- Expand promotion of new programs to maximize success
- Monitor and revise programs as needed
- Evaluate opportunities for additional programs