

December 21, 2016

The Honorable Andrew M. Cuomo
Governor of New York State
The New York State Capitol
Albany, NY 12224

Dear Governor Cuomo:

For the past six years, the state budget has shown an unprecedented commitment to fiscal discipline. Spending growth has been held to two percent or less, which has eliminated the need for new revenue measures and allowed the state to instead adopt income, business and estate tax reductions.

Now is the time for the state to commit to reducing state assessments on energy users. The undersigned organizations, representing numerous interests in New York, urge you to reject any proposal to extend the Temporary State Energy and Utility Service Conservation Assessment (often referred to as 18-a). Unless current law is amended, the temporary assessment will be phased out in March 2017.

In 2009, Public Service Law Section 18-a was restructured resulting in a dramatic increase in the fee. Specifically, the 2009-2010 Budget increased the permanent assessment from one-third of one percent to a full percent of a utility's annual gross intrastate operating revenue and included a new two-percent "temporary state energy and utility service conservation assessment". In doing so, the state extended its misguided legacy of layering state taxes and assessments on the energy sector and its consumers.

This temporary assessment was scheduled to expire in March of 2014. In 2013, after extensive negotiations, the final 2013-14 state budget included an extension of the assessment, but committed the state to a full phase-out of the temporary assessment scheduled by the aforementioned March 2017 date.

There was an explicit promise made to New York resident and business ratepayers that the energy assessment would not be permanent. New Yorkers should not be asked to continue to pay this unnecessary assessment. The Section 18-a energy assessment must be allowed to sunset as scheduled.



