



LOCKPORT SINCE 1821 Union-Sun & Journal

SOMERSET: AES to announce major expansion (11:30 p.m. WED)

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SOMERSET— Delivering on a promise that was made months ago, AES Somerset will announce a major expansion next week.

On Tuesday, the power producer will discuss \$25 million in investment at its plant on Lake Ontario, according to a letter obtained by the Niagara Gazette.

AES won a legal battle last week when a judge ruled that the tax breaks the company obtained in October were acceptable under the law. The company's legal win opened the way for expansion.

At the time the ruling was made public, AES Somerset President Kevin Pierce said now the company can look forward to helping Niagara County grow and that he hoped to make an announcement in the next few weeks.

The new development — the exact nature of which has not been announced — will create up to 100 union construction jobs over two years and retain 150 jobs at the facility.

So far, the IDA has not received an application for benefits on the new project, said IDA Chairman Henry Sloma.

Sloma was pleased that the company appears to be following through with its promise to expand its operations once the litigation was settled.

"We created an environment for investment and they are investing," Sloma said.

The IDA granted AES a 12-year payment-in-lieu-of-taxes agreement on its existing plant. The deal created controversy in the county and a legal battle in the courts. At one point, the county Legislature voted to rescind the PILOT, even though it had already been finalized.

Calls for Sloma's resignation were a frequent occurrence on the Legislature floor, though the majority of lawmakers never agreed to fire him.

Once the PILOT was granted, AES agreed to apply for a statewide competition for a new clean coal plant.

AES lost the contest to NRG Huntley in Tonawanda, but in January AES officials said they were planning other improvements to their Somerset property, which covers 1,800 acres on Lake Ontario.

Those improvements included a port to ship products to the plant and ship out by-products as well as an expansion of its current landfill.

The company is also examining the feasibility of windmills at the site.

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