



NATURAL GAS MANUFACTURING PRODUCTIVITY PROGRAM

Note to state, regional, and local economic developers: If you intend to use this program as part of an overall incentive offer to a company, you must submit a written request to National Grid's Economic Development Department in advance of the project announcement.

Program Summary

Manufacturing employs over 550,000 New Yorkers and contributes \$61 billion annually to New York State's gross domestic product. Every manufacturing job creates more than 2.5 related jobs in other sectors, and every dollar spent generates an additional \$1.37 in economic activity.* Small and medium sized Upstate New York manufacturers are challenged by high costs and regulatory pressures. They must continually improve productivity and performance to remain competitive in the global economy. In order to grow, they must develop new products and improve their return on investment from sales and marketing activities by finding new customers, markets, and export opportunities. This program has been developed in partnership with the Regional Technology Development Centers ("RTDCs") from Western New York, Finger Lakes, Central New York, Mohawk Valley, North Country, and Capital regions and will be delivered in conjunction with these RTDCs. RTDC contact information is provided at the end of this program description.

**Source: Manufacturers Association of Central New York*

The **Manufacturing Productivity Program** provides matching grants of up to \$15,000 or forty percent (40%) (whichever is less) of the costs incurred by eligible applicants whose top management commits the time and resources to "lean manufacturing" projects or manufacturing assistance projects that result in eliminating waste and increasing productivity on the "shop floor" and in the office.

Further, the program provides matching grants of up to \$15,000 or fifty percent (50%) (whichever is less) of the costs incurred by eligible applicants whose top management commits the time and resources to growth-targeted activities that will result in greater utilization of manufacturing capacity.

Finally, the program provides matching grants of up to \$40,000 or sixty percent (60%) (whichever is less) of the costs incurred by eligible applicants whose top management commits the time and resources to projects that combine and coordinate the productivity and growth activities described above.

Grant awards will be funded in conjunction with RTDCs upon verification of increased productivity and capacity, improvement of the bottom-line and pursuit of additional sales with the same work force. Priority consideration will be given to projects that involve energy efficiency, energy utilization, and/or environmental solutions.

Applications for matching grant assistance must meet the following program requirements.

Minimum Program Requirements

Note: Program assistance is only available to customers in good standing, located within National Grid's Upstate New York franchise territory. Applicants must be current in payments with National Grid or have executed a deferred payment agreement with the Company.

To be eligible for this program, the **applicant** must:

- ❑ Be an SC3, SC5, SC6, SC7, SC8 or SC9 customer in good standing within National Grid's Upstate New York gas service territory;
- ❑ Be a business that is classified in the North American Industry Classification System (NAICS)¹ as Manufacturing (NAICS codes 31, 32 or 33);
- ❑ Execute an agreement that commits top management to the processes that result in the productivity and development improvements articulated in this program distribution;
and
- ❑ Provide evidence of funding from the company and other sources that is sufficient to complete the proposed project. The company must provide a minimum of twenty-five percent (25%) of the total funding from its own capital.
- ❑ Project must show evidence that a comprehensive assessment of energy efficiency measures was fully investigated and provide documentation pertaining to any completed or pending applications for energy efficiency incentives.

To be eligible for this program, the **project** must accomplish one or more of the following:

- ❑ Optimize the current facility;
- ❑ Increase machine effectiveness;
- ❑ Improve product quality;
- ❑ Reduce costs;
- ❑ Reduce lead times;
- ❑ Improve process-flow;
- ❑ Increase inventory turns;
- ❑ Expand markets;
- ❑ Develop new customers; and/or
- ❑ Develop new products.

¹ NAICS classifications can be found online at <http://www.census.gov/epcd/www/naics.html>.

Funding and Eligibility Guidelines

Program funding and parameters are established annually by National Grid. Grants are available on a continual basis until all funding is expended or until the end of National Grid's current rate agreement. Funding is released to a grant award recipient only after the recipient has met all conditions of the program. In all circumstances, funding should be viewed by the applicant as a reimbursement for work completed following grant approval in the form of an award letter.

The grant award recipient should expect to execute a Funding Agreement with National Grid. The Agreement will outline expectations of the grant program and the conditions for the release of funds.

Grant amounts listed are the maximum allowable award for each program. Each application is evaluated on a variety of factors, resulting in some not receiving the maximum grant award.

If you are applying to more than one program for the same project, you must indicate that clearly on the application.

Under no circumstance will funding be released after the expiration of the Company's current rate agreement or without prior written consent from National Grid.

How to Apply

To apply for the Manufacturing Productivity Program please:

- Complete the program application online; and
- Upload all required documentation as noted at the end of your online application.

If you need assistance in completing the application, please contact Karen Mousaw via email at Karen.Mousaw@nationalgrid.com.