

WESTERN NEW YORK UPDATE

NIAGARA POWER PROJECT

NEW YORK POWER AUTHORITY COMMUNITY NEWSLETTER • FALL 2003

WNY NOTES

WATERPOWER CONFERENCE COMES TO BUFFALO

With the Power Authority helping to organize and sponsor *Waterpower XIII*, an international conference for hydropower professionals, at the Buffalo Convention Center



in July, NYPA Chairman Louis P. Ciminelli was asked to deliver the welcoming remarks. Below are excerpts:

"I am proud to say that [NYPA's hydro] projects not only protect the environment by producing emission-free, renewable energy—they also enhance it with acres of beaches, parks, campgrounds and picnic areas for the public's enjoyment. Our programs, I'm told, helped set the standard for hydroelectric projects across the nation."

"It's clear that Niagara hydropower is absolutely critical to strengthening the economy on the Niagara Frontier and setting the stage for future growth. Our ability to use the power for these purposes will depend in large part on what happens in the [Niagara project] relicensing process."



NYPA PARTNERS WITH BUSINESS LEADERS FOR NEW HYDROPOWER ALLOCATION PLAN

Since producing first power in 1961, the New York Power Authority's Niagara Power Project has provided some of the least expensive electricity in the nation to Western New York firms.

For the past four decades, these allocations have been made under provisions of federal and state laws and agreements between NYPA, other utilities and local business interests.

This year, however, a cooperative agreement reached between NYPA, one of the region's two private utilities and state and local economic-development officials has the potential to make hydropower allocations even more effective in attracting and retaining business investments in Western New York.

The initiative is the outgrowth of extensive discussions with Buffalo Niagara Enterprise, the marketing affiliate of the Buffalo Niagara Partnership, which represents 3,200 local employers, with a total work force of more than 200,000. In 2001, the partnership established a goal of increasing the availability of low-cost hydropower as one of nine initiatives critical to



An international treaty preserves the beauty of Niagara Falls while making water available for hydropower production.

improving the region's competitiveness for private-sector investments and jobs.

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"A Great American Tradition Continues"



The second annual Historic Lewiston Jazz Festival had it all: gourmet delights, vintage cars, antiques vendors and perfect weather to enjoy cool jazz throughout the day and blazing fireworks on Saturday night. Organizers of the Aug. 22-24 event, co-sponsored by NYPA, estimated that a crowd of about 26,000 generated some \$500,000 in business for local merchants and restaurants.

Niagara Project Relicensing Enters New Phase As Scoping Ends and Studies Commence

The Alternative Licensing Process now under way to relicense NYPA's Niagara Power Project is entering a new phase, as public comments are considered and studies proceed on the hydroelectric facility's operations.

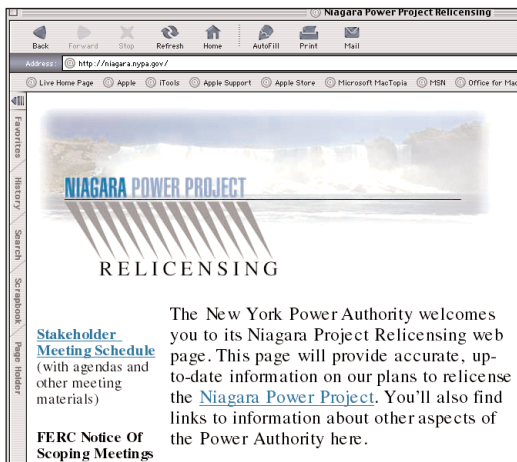
The Federal Energy Regulatory Commission (FERC) held two public meetings on a relicensing report known as Scoping Document 1 at Niagara Falls High School on Aug. 13. Approximately two dozen people attended each of the sessions, and their comments—along with input provided by more than 100 stakeholders who have been meeting since the beginning of the year—are being used to determine the scope of studies on the project and its role in Western New York.

Some studies actually began last year as a result of local concerns raised during the Power Authority's initial outreach efforts. About 20 other studies started more recently, with another 10 set to begin later this year. A few more will commence early next year, with the results to be presented in reports.

Information from these reports will be used to develop an Applicant-Prepared Environmental Assessment, which NYPA expects to submit to FERC with a license application by 2005. The Niagara project's original 50-year license expires Aug. 31, 2007.

For now, however, much of the work done by the stakeholders has concluded, although some individuals and organizations may be consulted for additional input on some studies. About 800 issues were identified by stakeholders during this

year's scoping sessions, which established the need for most of the studies undertaken as part of the relicensing. The studies cover a range of topics, including environmental, socio-economic, recre-



Scoping Document 1, stakeholder issues, meeting schedules and much more information about the Niagara project relicensing can be found at: <http://niagara.nypa.gov>

ational and cultural issues, and will incorporate both literature reviews and field research.

By the middle of next year, the Power Authority plans to compile its study results and use that information to begin settlement discussions with stakeholders with the goal of reaching a comprehensive agreement, one of the last and most important steps toward a new license for the Niagara project. ❖

New Hydropower Allocation Plan

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Other participants in this effort are Empire State Development, New York's statewide economic-development agency, and Niagara Mohawk Power Corp.

Under the terms of the agreement, Niagara project hydropower will now be available on a continuous basis, allowing greater flexibility in responding to potential business development on the Niagara Frontier.

In July, NYPA announced that it was seeking applications for the allocation of more than

40,000 kilowatts of hydropower; the Authority expects to announce the availability of hydropower on a regular basis as a result of the initiative.

Power Authority Chairman Louis P. Ciminelli hailed the cooperative spirit that made the new streamlined process possible. "Making Niagara hydropower available on a continuous basis is the most effective way for us to use this power as a tool for new business development and existing business expansion in Niagara and Erie counties," he said. ❖

STAKEHOLDER PROFILE

POWER FOR ECONOMIC PROSPERITY

More than 100 individuals and organizations have been involved in the Niagara Power Project relicensing. Meet one of these stakeholders:

Name: Power for Economic Prosperity (PEP)

Founded: August 1998

Chairman: Kelly Brannen, managing director, Niacet Corp.

Representing: 22 large manufacturers that are longtime users of Niagara Power Project electricity

Quote to Note: "Low-cost hydropower is the lifeblood of industry in Western New York. Our organization's name describes our purpose in participating in the Niagara project relicensing and in working to maintain economical hydropower allocations for Western New York businesses."

— Kelly Brannen, PEP chairman

ABOUT WNY UPDATE

This quarterly newsletter reports on Power Authority activities in Western New York, particularly those associated with NYPA's Niagara Power Project.

We welcome your comments. To contact us, call Joanne Willmott, community relations manager, 716-286-6651.