

WESTERN NEW YORK UPDATE

NIAGARA POWER PROJECT

NEW YORK POWER AUTHORITY COMMUNITY NEWSLETTER • FALL 2007

WNY NOTES

Hydropower, Benefits Have Begun to Flow

One of the most important gains Western New York has realized as a result of the Niagara project relicensing can't even be seen. It is the 32 megawatts of low-cost hydroelectricity that stakeholder groups started receiving on Sept. 1, the date that NYPA's new 50-year license took effect.

The new allocations, approved by Gov. Eliot Spitzer in August, are for the seven municipal members of the Niagara Power Coalition—Niagara County, the City of Niagara Falls, the towns of Lewiston and Niagara, and the school districts of Lewiston-Porter, Niagara Falls and Niagara Wheatfield—along with Niagara University and the Tuscarora Nation.

Stakeholder groups will use the power allocations in a variety of ways, depending on their needs and preferences. Some will use the electricity in public facilities, lowering municipal costs, while others will share their portion with local residents and/or economic development projects. Together, the nine new allocations are expected to provide hundreds of millions of dollars in savings

continued on back



NEW LICENSE HERALDS NEW ERA

September 1 marked the start of 50 more years of service for the New York Power Authority's Niagara Power Project and another half-century of energy-related benefits for Western New York. On that date, a new federal license took effect, setting in motion commitments with a total value of \$1 billion that NYPA will meet as part of its license obligations and associated settlement agreements. Here's a look at some of the latest developments.

NYPA's Longtime Commitment to WNY Bears Fruit

Power Authority officials believe that NYPA's longtime role as steward of the state's large hydropower resources helped federal regulators decide in March to issue a new 50-year license for the Niagara Power Project five months before the facility's original license expired.

For the last five years, Power Authority staff and consultants have worked with Western New Yorkers to reach agreement on key issues related to the relicensing of the Niagara project. But for the last 50 years, NYPA has sought to be a good neighbor in the communities around its biggest hydropower facility.

That half-century of service, combined with the cooperative efforts made as part of the five-year Alternative Licensing Process, seem to have assured the Federal Energy Regulatory Commission that the Niagara project should continue to be owned and operated by New York's statewide public utility for another 50 years.

"The Niagara project has been integrally tied to the economy of Western New York and the state-at-

large since it first began operating in February 1961," Power Authority Chairman Frank McCullough, Jr. said. "And it is sure to continue in that role for decades to come thanks to the new license and a recently completed upgrade to replace turbines and other key equipment."

Roger Kelley, NYPA's president and chief executive officer, acknowledged the time and effort invested in the relicensing, adding there is still much work to be done by the Power Authority and local communities.

"No doubt this has been a time-consuming and exhaustive process for which we devoted considerable time and resources in evaluating the Niagara project's role in Western New York and ensuring the facility continues to provide tremendous value for the region

and the entire state," he said. "Now the focus of our relicensing efforts shifts to the wide-ranging commitments under the settlement agreements."

Kelley added that some of the relicensing benefits have already begun (see related stories). ♦



NYPA President and CEO Roger Kelley, left, at an August check presentation with, from left, Chuck Rosenow, president of Erie Canal Harbor Development Corp.; Assemblyman Mark Schroeder; Mark Boyd for state Sen. Antoine Thompson; Erie County Executive Joel Giambra; Buffalo Mayor Bryon Brown; Assemblyman Sam Hoyt; state Sen. William Stachowski; and Bill Collins, of ECHDC.

Events Help Attract Tourists and Businesses

The impressive natural resources of Western New York, combined with the diverse quality of its work force, are two potent incentives being used to attract tourists and businesses to the region. And, on several fronts, the Power Authority is helping to lead these efforts.

NYPA, for example, was the first sponsor for "Explore Buffalo Niagara 2007," an economic development forum that attracted business representatives from around the world for three days in September. During a breakfast meeting held at the Power Vista, the Niagara project's visitors center, NYPA President Roger Kelley told the international audience how low-cost hydropower can play a "critical and decisive role" in the investment decisions of companies interested in locating or expanding their operations in Western New York.

"I've lived in this area for the past 15 years, so I know firsthand of its many advantages," Kelley



This year's Historic Lewiston Jazz Festival was again successful in attracting crowds of music lovers to the village.

said. "And the presence of this hydroelectric project—which produces some of the least-expensive electricity in the United States—is among the most significant

continued on back

Attracting Tourists and Businesses

continued from front



As part of its relicensing, NYPA will contribute nearly \$180 million toward revitalization of the Buffalo waterfront.

of those advantages for businesses considering sites at which to locate or expand.”

Niagara hydropower helps support more than 44,000 jobs at about 125 Western New York businesses, and an additional 77 megawatts is now available for new allocations in the region through a streamlined review process NYPA developed with public and private input.

Kelley said recreational and environmental enhancements related to the relicensing can lead to economic improvements for local communities. Over the course of the project’s

new 50-year license, NYPA will contribute nearly \$180 million for revitalization of the Buffalo waterfront and \$450 million for development of a 35-mile Niagara River Greenway.

As part of that commitment, Kelley presented a ceremonial check for \$2 million to representatives of the Erie Canal Harbor Development Corp. (ECHDC) in August. On hand for the presentation, which was the second in a series of annual payments to the ECHDC, were several local

officials supporting efforts to improve and promote the Buffalo waterfront.

Also in August, NYPA again sponsored the Historic Lewiston Jazz Festival, now in its sixth year of drawing scores of top musicians and tens of thousands of visitors to village streets for the free, three-day extravaganza. In past years, organizers have reported close to \$1 million in economic stimulus from the jazz festival, which continues to grow in size and popularity since NYPA served as a founding sponsor for the event in 2002. ❖

Benefits Start to Flow

continued from front

for recipients over the 50-year term of the Niagara project license.

Another relicensing benefit already in effect is the new scholarship program for Tuscarora students funded by the Power Authority. Like low-cost power allocations, investment in college educations can have far-reaching and long-lasting impact on individuals and communities.



Tuscarora scholarship winners Nicholas Smiedala, left, and Brooke Patterson, with NYPA Chairman Frank McCullough, Jr.

This year’s recipients, announced by the Tuscarora Scholarship Committee, were Brooke Patterson and Nicholas Smiedala, both of the Turtle Clan. Patterson, who plans to study radiology, graduated from Niagara Wheatfield High School in 2001. Smiedala, who wants to major in digital media, graduated from the same high school this year. Both students are now attending Niagara County Community College.

NYPA will provide two scholarships annually—for academic excellence and community service—as part of a relicensing settlement with the Tuscarora Nation. The scholarship program will run for the entire 50-year life of the new license. ❖

Construction Workers Reunite at Niagara



Almost 50 years ago, construction began on what was then the largest hydropower project in the Western World. This summer, the “Hard Hats of Niagara” held a reunion at the Power Vista to reminisce and celebrate their monumental achievement. About 25 former workers came from across the U.S. to attend the event, organized by Ken Glennon of South Bend, Ind., who is writing a book on firsthand accounts of the Niagara project construction. ❖

ABOUT WNY Update

This 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 Community Relations at 716-286-6651.