

# WESTERN NEW YORK UPDATE

NIAGARA POWER PROJECT

NEW YORK POWER AUTHORITY COMMUNITY NEWSLETTER • SUMMER 2006

## WNY NOTES

■ A photographer at the Niagara Power Project has been named NYPA's Volunteer of the Year for 2006. Anne Dykstra, of Wilson, has volunteered for years with her local school district and 4-H club; she's recently become active with the Niagara County YWCA's shelter for battered women. But her most noteworthy contribution was made helping to produce *Electric City*, a multi-media 3-D presentation developed for the



Anne Dykstra, left, with NYPA Chairman Frank McCullough, Jr. and Susan Egginton, corporate support services director.

centennial anniversary of Buffalo's Pan-American Exposition of 1901. NYPA sponsored the program, which aired before 113,000 people over 18 months, in cooperation with the Buffalo and Erie County Historical Society.

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## STAKEHOLDER AGREEMENTS PAVE WAY TO RELICENSING BENEFITS

The New York Power Authority announced two new relicensing settlement agreements this summer, which will provide a range of benefits to Western New York's economy and environment while ensuring continued supplies of clean, renewable hydroelectricity from NYPA's Niagara Power Project.

In late June, the Power Authority signed a settlement agreement with the City of Buffalo, Erie County and other state and local interests. One month earlier, NYPA reached agreement with Niagara University, whose campus is adjacent to the Niagara project in Lewiston.

The Power Authority and its relicensing stakeholders have negotiated a total of six settlement agreements, which are being reviewed by the Federal Energy Regulatory Commission (FERC) as part of NYPA's effort to relicense its Niagara project for another half-century. The project's original 50-year license expires in August 2007.

NYPA submitted its license application to FERC last summer, along with an Applicant-Prepared Environmental Assessment, both of which reflect substantial input from various interested parties involved in a multi-year alternative licensing process. This summer, FERC issued a draft Environmental Impact Statement with its initial response to the many issues and concerns raised during the Niagara project relicensing (see related story, page 1).

The settlement agreements reached with relicensing stakeholders allow the Power Authority to meet its federal regulatory obligations while providing additional benefits to communities near the power project.

For example, the agreement signed with Buffalo and Erie County provides funding for revitalization of the Buffalo waterfront, creation of a Niagara River



NYPA Chairman Frank McCullough, Jr., seated left, joins NYPA President and Chief Executive Officer Timothy Carey, seated center, and other Power Authority officials in signing a settlement agreement with Buffalo and Erie County.

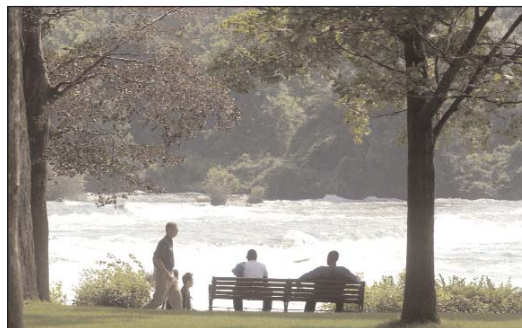
Greenway and other measures to enhance the area's economy and environment. Over the course of a new license, the Power Authority will make payments to the Buffalo Waterfront Development Fund, the Erie County Greenway Fund and the Empire State Development Corp. for future economic development programs in Western New York.

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## Niagara Project Receives Federal Environmental Review

A major milestone in the relicensing of NYPA's Niagara Power Project has been reached with the issuance of a draft Environmental Impact Statement (EIS) by federal regulators.

The Federal Energy Regulatory Commission (FERC) released the document — which reflects the Power Authority's license application, NYPA's Applicant-Prepared Environmental Assessment and various settlement agreements reached with relicensing stakeholders — for public review in mid-July. Public meetings were held in Niagara Falls in August to solicit final comments on a new Niagara project license before FERC makes its decision some time next year. The project's current operating license expires in August 2007.



The same Niagara River water that powers local industry also serves environmental and recreational purposes.

In all material respects, the draft EIS recommends adoption of NYPA's settlement agreements, proposing only minor modifications to some of the terms. For example, certain community benefits outlined in the

agreements are not considered license requirements by federal regulators.

The Power Authority negotiated a variety of improvements and enhancements it has agreed to implement even though they are not directly related to Niagara project operations. This summer, NYPA reaffirmed its commitment to the terms of all six settlement agreements it has reached with Western New

York stakeholders (see related story, page 1).

In fact, Power Authority staff members are already preparing implementation plans that will comply with

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## Stakeholder Agreements

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As part of the Buffalo/Erie County settlement, NYPA will seek a new site to store its Lake Erie-Niagara River Ice Boom, which presently occupies a 14-acre waterfront parcel when not in use. If a new site is identified, the current location will be made available for development.

The agreement with Niagara University provides the college with one-time payments to establish a new capital fund and a separate landscaping fund. In addition, the Power Authority will transfer a 24-acre parcel of vacant land to the university, and make up to 3 megawatts of Niagara hydropower available to the campus at NYPA's business rate.

Settlement agreements reached last year involve other stakeholders, including the state Department of Environmental Conservation; the state Office of Parks, Recreation and Historic Preservation; the U.S. Fish & Wildlife Service; the Niagara Relicensing Environmental Coalition; the Tuscarora Nation; and the Niagara Power Coalition.

These agreements provide funding for Habitat Improvement Projects, enhanced public access to the Niagara River, improved recreational facilities, establishment of a Niagara River Greenway and mitigation of power project impacts to local groundwater flow. NYPA has also agreed to new allocations of Niagara hydropower for host municipalities and school districts, and the Tuscarora Nation. ❖

## WNY NOTES *continued*

■ NYPA completed a \$20 million maintenance overhaul at the Niagara Power Project's Lewiston Pump-Generating Plant. Each of the plant's 12 pump-turbine units was disassembled for repairs and preventive maintenance. Completed on-time and on-budget, the overhaul will extend the life of the 300,000-kilowatt (kw) Lewiston plant's equipment. Meanwhile, a \$300 million upgrade at the project's 2,275,000-kw Robert Moses Niagara Power Plant is continuing.

■ Visitors to the Niagara Power Vista this summer enjoyed "More Cruisin' Less Fuelin'...No Foolin!" as part of a new NYPA campaign to combat soaring gasoline prices. NYPA's visitors center provided complimentary packages of energy-saving tips and information on other nearby attractions to anyone stopping by the admission-free facility. The information packets will continue to be distributed while supplies last. ❖

## New Regional Manager Is Named at Niagara

The Niagara Power Project has a new executive in charge of its operations, following the appointment of Horace Horton as NYPA's regional manager of Western New York.

Horton, who joined the Power Authority in 1992, has served in various positions in NYPA's



Power Generation and Transmission business units. Most recently, he was regional manager of Central New York at NYPA's Blenheim-Gilboa Pumped Storage Power Project in the northern Catskills.

Niagara's new resident manager replaces Randy Crissman, who was promoted to a recently created position of vice president of business development and asset management, based in the Power Authority's administrative office in White Plains.

"With a \$300 million upgrade at the Niagara project almost complete, Horace's great interpersonal and leadership skills are the right combination for leading this vital generating project as we look forward to the federal government's issuance of a new 50-year operating license in 2007," said Ed Welz, NYPA's senior vice president and chief engineer.

Horton and his wife, Jayne, relocated to the Youngstown area this summer. They are the parents of three grown children. ❖

## Federal Review

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the terms of a new Niagara license and the associated settlement agreements. Timetables and budgets are being drawn up so that improvement work can begin shortly after a new license is issued; in some cases, initial payments for specific projects and funds have already been made to stakeholder representatives.

Once the last round of comments has been solicited and all regulatory reviews are completed, a final EIS will be issued, probably by the end of the year. The Power Authority is hopeful that it will have a new federal operating license for its Niagara project well before next August so that New York State's largest hydroelectric facility can continue producing uninterrupted supplies of clean, renewable energy well into the 21st century. ❖

## UPCOMING EVENTS AT THE POWER VISTA:

**September 23-24**

*21st Annual Wildlife Festival*  
10 a.m. to 5 p.m.

**October 28**

*Halloween "Spooktacular"*  
10 a.m. to 4 p.m.

**December 2**

*Deck the Halls Holiday Event*  
10 a.m. to 4 p.m.

## 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 Joanne Willmott, community relations manager, 716-286-6651.