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## **NEW YORK ASSOCIATION OF PUBLIC POWER REACTS TO NYPA’S NOTICE OF PROPOSED RULEMAKING TO INCREASE ELECTRIC RATES**

**ALBANY, NY** – Today, the New York Association of Public Power (NYAPP) expressed concern and alarm at the action taken by the Board of Trustees of the New York Power Authority (NYPA) in issuing a Notice of Proposed Rulemaking that would *almost triple* the rates NYPA currently charges NYAPP members for renewable hydropower from the Niagara Power Project. The rates charged to NYAPP members are to be set at the “lowest rates reasonably possible” under federal and state law.

NYPA’s Notice allows public comment on NYPA’s Rate Modification Plan, which increases current rates for power from \$12.88/megawatt hour to \$33.05/megawatt hour in year 4, before potentially declining in year 5. NYAPP notes that NYPA’s Plan also includes a change in the rate-setting methodology that has been in place for decades and is contained in NYPA’s power supply contracts. The increased costs would be passed on to the retail customers of NYAPP’s members, many of whose residents and businesses are struggling now with affordability.

Governor Hochul has stressed the importance of energy affordability during the State’s transition to a clean energy future. As the Governor said on February 15, 2024, “Energy affordability continues to be a top priority in my clean energy agenda.” NYPA’s plan to increase the rates it charges NYAPP’s members for hydropower marks a sharp departure from the goal of affordability and hinders NYAPP members ability to contribute to NYPA’s mission in the clean energy transition. NYAPP intends to participate fully in the public comment period and beyond.

NYAPP members represent twelve non-profit electric distribution utilities that serve retail customers across New York State. NYAPP members have been supporting New York’s large scale renewable hydropower resources for decades. As a group, NYAPP members supply their customers with 87% clean renewable energy from NYPA, far exceeding the State’s climate law requirements. NYAPP members’ purchases of hydropower from the Niagara Power Project are provided by the federal Niagara Redevelopment Act, which states that the hydropower be sold at the “lowest rates reasonably possible” to eligible buyers, including NYAPP’s members.

### **Francis X. Murray, Mayor of Rockville Centre, NY:**

The news that NYPA is proposing to almost triple our current rates for renewable hydropower comes as terrible news for our 100+ year-old, home-grown utility and all of its customers in Rockville Centre. Affordability is an essential element of a clean energy transition. We support NYAPP in questioning the size of the rate increase and the change in rate methodology.



**Robert T. Kennedy, Mayor of Freeport, NY:**

Our community-owned distribution utility, Freeport Electric, provides low-cost renewable energy to our residents and business customers, in partnership with NYPA. For NYPA to propose to increase rates by more than 2.5 times in these times of inflation for essential services is not acceptable for our customers and does not help advance the State's clean energy goals.

**William Acee, Mayor of Sherburne, NY:**

As Mayor of a NYAPP member, I fully support a critical review of NYPA's rate plan. The size of the increase and the change in the rate methodology in the contract are not acceptable. This increase comes at the same time the Trustees have voted to approve a new \$300 million headquarters in downtown White Plains, which is disappointing. This will force local businesses that are already marginal to close. It puts additional strain on our senior citizens already overburdened with high taxes ultimately increasing the number that are fleeing our state for low tax states.

**Charles Arnold, President of New York State Rural Electric Cooperative Association (NYSRECA):**

NYSRECA represents the four rural electric cooperatives in New York, and all are members of NYAPP. NYSRECA joins NYAPP in conveying our concerns regarding the proposed rate increase of almost three times current rates. This increase presents very serious affordability concerns for our members, many of whom are low- or fixed-income individuals. NYPA is required to provide hydropower to public power entities at the "lowest rates reasonably possible" and a full review is needed to examine the rationale for the proposal, including substantial unilateral contract changes in rate-setting methods.

**David L. Leathers, President of NYAPP, General Manager of Jamestown NY Board of Public Utilities:**

Our members appreciate our longstanding, positive and collaborative working relationship with NYPA. NYAPP and its members have been partners with NYPA for decades in addressing the requirements of federal law (the Niagara Redevelopment Act) to sell power at cost-based rates to public bodies like NYAPP members, as a "yardstick" check on the rates charged by the for-profit utilities in New York. That partnership is memorialized in long-term agreements that include an agreed-upon rate-setting methodology. NYPA is now proposing to change that cost-based methodology and increase rates by more than 2.5 times the current levels.

We understand that rates have not been adjusted in ten years and that significant capital investments will be taking place at the Niagara Power Plant. NYAPP is proud of its continued financial support for New York's existing large scale renewable projects. However, it does not



seem reasonable that a proposed change in rate-setting methodology coincides with the proposed level of increase in what must be cost-based rates. Our members and their customers are concerned about affordability and will remain vigilant and active throughout this public comment process. We are most concerned about how increased costs will continue to threaten out-migration and business losses in our communities.

### **About NYAPP**

NYAPP was created in 2005 as a non-profit, non-partisan organization operating in a complex energy market. Its purpose is to advance the interests of its members and their customers and provides services that ensure adequate and reliable electric service at an affordable price.