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FRANK K. SKARTADOS
Assemblyman 104th District
Dutchess, Orange, and
Ulster Counties

November 13, 2013

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St., NE
Washington, DC 20426

Re: Docket No. ER13-1380-000

Dear Ms. Bose:

I am writing to encourage the Federal Energy Regulatory Commission (FERC) to reconsider its August 13, 2013, decision to approve a new capacity zone for New York's Hudson Valley region. If implemented, the new capacity zone could result in redundant and unnecessary power projects that would increase utility rates for the families and businesses I represent. Moreover, there are alternative options that should be evaluated to determine if they could alleviate power congestion without resulting in similar consequences for utility customers.

A recent analysis by the NYS Public Service Commission (PSC) and the New York Power Authority (NYPA) shows that the FERC decision, if allowed to stand, could increase annual electric bills for customers in the Hudson Valley by as much as \$350 million.¹ According to Central Hudson Gas & Electric, under the new capacity zone, hardworking families could see their electric bills increase by 10 percent, while manufacturers and other industrial users could see their bills increase by 15 percent.²

Further, Governor Cuomo's Energy Blueprint offers ideas that could help relieve power congestion in the Hudson Valley without these increases in utility rates. Central Hudson Gas & Electric, along with other utilities, are poised to form New York Transco, and together have proposed a series of four power line upgrades that would help move low-cost power past the existing bottlenecks in the electric distribution. According to an analysis provided by New York utility companies, this would save \$176 million in statewide electricity costs and avoid the potential rate hike from the new capacity zone.³

Another possibility is repowering existing plants to reduce emissions and increase capacity. The town of Newburgh is home to the Danskammer and Roseton Generating Stations. At one time, these power plants were the heart of Central Hudson's generation capacity. Today, Danskammer is slated for

¹ nypa.gov/Press/2013/092513.html

² recordonline.com/apps/pbcs.dll/article?AID=/20131023/BIZ/310230333/-1/NEWSLETTER100

³ www.nytransco.com/pdf/facts-at-a-glance.pdf

retirement due to damage from Superstorm Sandy, while Roseton is outdated and only runs part time. Repowering these stations, in conformity with current clean air standards, could provide a lower-cost alternative to building new plants and provide a stable tax base for Orange County, the town of Newburgh and the Marlboro School District.

We must also keep in mind renewable conservation initiatives being pursued by the state that may also help reduce the need for the new capacity zone. Programs like NY-Sun Initiative are helping to put solar panels on the roofs of businesses and homes and helping to add additional energy supply. Green Jobs-Green New York and the On-Bill Recovery Financing Program are helping homeowners insulate their homes and invest in renewable energy, further reducing demand on the electrical grid. NYS Smart Grid Consortium is helping to reduce peak loads on the grid and use energy efficiently.

Prior to implementation of the new capacity zone, we must consider the consequences of asking ratepayers to pay millions more at a time when a long-term solution to providing low-cost power is right around the corner. As such, I strongly recommend that FERC reconsiders its decision to move forward with the new capacity zone and evaluates possible alternatives that would avoid imposing similar rate increases.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Skartados". The signature is written in a cursive style with a large initial "F" and "S".

Frank Skartados
Member of the New York State Assembly
104th District