COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES: HUMAN RESOURCES OVERSIGHT SELECT REVENUE MEASURES

Congress of the United States

House of Representatives

Washington, DC 20515

September 25, 2013



WASHINGTON, DC OFFICE

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The Honorable Audrey Zibelman Chairwoman New York State Public Service Commission 3 Empire State Plaza Albany, NY 1223-1350

Dear Chairwoman Zibelman,

I write in support of two energy proposals that would greatly benefit the Southern Tier and Finger Lakes region of New York. I extend my strong support for the proposal by NRG Energy, Inc. to repower the Dunkirk Generating Station in response to the February 19, 2013 Dunkirk Repowering Request for Proposal from National Grid. I also stand in support of the proposals submitted to the Public Service Commission by Upstate New York Power Producers to repower the Cayuga Power Plant in Lansing with natural gas. I have made my position on both of these matters available in the public record for Case 12-E-0577. As with your predecessor, I am available to be a resource to you on this important matter.

As the public comment period has ended, I encourage you and the Public Service Commission to bring the parties in each repowering scenario together in order to come up with a solution which best suits the current needs of the community and the long-term opportunities which an efficient and reliable electric grid in New York State will promote for homeowners, businesses and industry.

The proposal to repower the Dunkirk Generating Station will continue the facility's significant contributions to the local tax base. If the facility closes down, the City of Dunkirk and the Dunkirk School District will see a combined revenue loss of about 42 percent. These losses would have a severe impact on the local education system, the municipality's ability to offer services and the local economy at large. In addition to the facility's contribution to the local tax base, repowering the Dunkirk Generating Station may reduce electricity rates by up to five percent for ratepayers. Furthermore, the option offered by NRG will utilize a Combined Cycle Gas Turbine (CCGT) which will make the generating unit the most efficient gas-fired turbine in New York State, adding high-quality power to the grid.

The New York Power Producers plan to repower the Cayuga Power Plant with natural gas will allow the current plant site to be repurposed through a number of options, ranging from repowering the current boilers with natural gas to installing state-of-the-art combined cycle natural gas electric generating units. These changes will help the state meet its energy needs and benefit the region in several ways. The project would keep 90 permanent, high-skilled jobs in the community while creating over 500 additional jobs during the construction phase. The Cayuga Power Plant would also benefit the Lansing School District, the Town of Lansing and Tompkins County, contributing to 10.5 percent of the school district's revenue, 6.9 percent to the town and 1.3 percent to the county.

I encourage your approval of repowering the facilities at Dunkirk and Lansing with natural gas. The impacts these facilities have on the region and state will serve benefits for decades and generations of New Yorkers. I appreciate your consideration of the economic, environmental and reliability benefits both

CORNING DISTRICT OFFICE 89 WEST MARKET STREET CORNING, NY 14830 PHONE: (607) 654–7566 GENEVA DISTRICT OFFICE 433 EXCHANGE STREET GENEVA, NY 14456 PHONE: (315) 759–5229 OLEAN DISTRICT OFFICE 1 BLUEBIRD SQUARE OLEAN, NY 14760 PHONE: (716) 379–8434 JAMESTOWN DISTRICT OFFICE 2 EAST 2ND STREET, SUITE 300 JAMESTOWN, NY 14701 PHONE: (716) 708–6369 ITHACA DISTRICT OFFICE 401 EAST STATE STREET, SUITE 304–1 ITHACA, NY 14850 PHONE: (607) 222–2027 projects provide. Please do not hesitate to contact me or Drew Wayne on my staff, at 202-225-3161, if I can be of any further assistance on this matter. We look forward to working with you in your new role.

Sincerely, fom Reed

Member of Congress

CC:

The Honorable Andrew Cuomo The Honorable Patricia Acampora The Honorable Gregg Sayre The Honorable Garry Brown The Honorable Diane Burman Michael Corso, Director of the Office of Industry and Governmental Relations (ii) years provide Prease do not besitete to contract me or Draw. Wayno on my starif, at 202-225-3161, 411 and be of day fundret assistance on this matter. We look forward to working with you in your reveale.

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