

RIVER NEWS

NEW YORK POWER AUTHORITY COMMUNITY NEWSLETTER • SPRING 2008

NEW ALCOA AGREEMENT IS HAILED AS KEY TO REGION'S ECONOMY

Elected officials, business leaders and union representatives have overwhelmingly endorsed the news of NYPA's agreement in principle with Alcoa, announced in late December.

The Power Authority and Alcoa have begun a multi-year process intended to continue power allocations to the North Country's largest employer for at least 30 years. In exchange, the aluminum manufacturer has agreed to invest approximately \$600 million for a major overhaul of its Massena East smelter and to maintain hundreds of jobs between its two area facilities.

As a first step, NYPA trustees ratified the agreement in principle with Alcoa at their January meeting. For its part, Alcoa has begun a two-year engineering study, expected to cost \$20 million, to evaluate the proposed modernization project, which would include efficiency and environmental improvements to the company's operations.

Alcoa currently receives 478 megawatts of low-cost hydropower from NYPA's St. Lawrence-Franklin D. Roosevelt Power Project, an allocation that represents about 60 percent of the hydro *continued on back*



Alcoa officials have begun a study to evaluate plans for a \$600 million improvement at the company's Massena East smelter.



Assemblyman Darrel Aubertine, since elected to the state Senate, speaks at the Alcoa press conference last December as NYPA Chairman Frank McCullough, Jr., left, and President and CEO Roger Kelley look on.

NYPA Re-commits Support For Recreational Sites

As part of the relicensing of its St. Lawrence-Franklin D. Roosevelt Power Project, NYPA has completed almost \$8 million in improvements at local recreational facilities within the hydro project's boundaries.

But the Power Authority's commitment does not end there. Earlier this year, NYPA signed agreements with four municipalities to provide funding for continued operation and maintenance at more than a dozen sites along the St. Lawrence River.



Youngsters play in the water at Massena Town Beach, which has seen increased attendance since NYPA improvements were completed at the riverside park.

As a result, the Power Authority expects to spend more than \$300,000 each year on recreational facilities in the Town of Massena, the Town of Louisville, the Town of Waddington and the Village of Waddington. Each municipality



Whittaker Park in the Village of Waddington has many new improvements, including an informational kiosk.

will be reimbursed for the costs that are incurred to operate and maintain sites that include Whalen Park, Massena Town Beach and Island View Park.

Since 1991, the municipalities had received lump sum payments at the end of each year for their upkeep of recreational facilities built as part of NYPA's St. Lawrence-FDR project. Under the *continued on back*

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Chamber Marks NYPA Milestone

Building a vibrant North Country economy presents just as significant a challenge today as constructing a major hydropower project did more than 50 years ago, NYPA President and CEO Roger Kelley told a recent gathering of North Country business leaders.

Kelley's Feb. 7 speech came on the night the Greater Massena Chamber of Commerce commemorated this year's 50th anniversary of the start of operations at NYPA's first generating facility, the St. Lawrence-Franklin D. Roosevelt Power Project, on July 17, 1958.



NYPA President and CEO Roger Kelley, center, with Michael Gleason, executive director of the Greater Massena Chamber of Commerce, and Vicki Garcia, of the St. Lawrence Seaway Development Corp., at the Chamber's February dinner.

Kelley pointed to NYPA's agreement in principle with Alcoa, continuing power allocations to the region's largest employer for at least 30 years, as just the latest in a half-century of benefits to the North Country. The relicensing of the St. Lawrence-FDR project in 2003

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Alcoa Agreement Hailed

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project's output. Although the present contract does not expire until 2013, negotiations for a new agreement began about four years ago, reflecting the significance of Alcoa's presence in the North Country.

The press conference to announce the agreement in principle was held at Alcoa's Massena West facility before an audience that included many company employees. Speaker after speaker described a bright future for the North Country.

"With this agreement in principle, the framework is now in place to ensure Alcoa's long-term operation in Massena and the protection of vital North Country manufacturing jobs," said NYPA Chairman Frank McCullough, Jr. "Alcoa was the Power Authority's first customer and continues today as the cornerstone of the region's economy."

Roger Kelley, NYPA president and CEO, said, "We have reached a fair and comprehensive agreement with our partners at Alcoa in the face of some very complex and challenging issues. We want to ensure that Alcoa remains an essential and thriving North Country industry."

The agreement contains several innovations including, for the first time, firm job commitments that Alcoa must meet in return for its hydropower allocation. The company has agreed to a total employment level of between 900 and 1,065 jobs over the 30-year term of the contract.

Another feature is a flexible pricing plan that links Alcoa's power rates to the price for aluminum on the world market.

Additionally, Alcoa has agreed to fund a \$10 million North Country Economic Development Fund, jointly administered by NYPA and another entity specified by the governor, to create jobs and capital investments in the region. ♦

Recreational Support

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new agreements, each municipality will submit an annual budget and work plan to the Power Authority in September. They will then be reimbursed for their actual costs, which may vary from year to year.

Local municipal officials will be responsible for maintaining parking areas, trails and

landscaping as well as the operation, repair and reconstruction of facilities within the parks. They can also use their NYPA funding to replace recreational equipment at the sites.

The renegotiated agreements were executed at the request of the municipalities during their participation in the hydro project relicensing, which culminated with the issuance of a new 50-year license from the Federal Energy Regulatory Commission in 2003.

The relicensing has resulted in many other benefits to the North Country, including some \$11 million in improvements to the Robert Moses and Coles Creek state parks.

"Each year, these recreational facilities are utilized by thousands of local residents and tourists visiting the North Country," NYPA President and CEO Roger Kelley said. "The operation and maintenance agreements with the local municipalities will ensure that these facilities continue to provide quality recreational opportunities for years to come." ♦



During warm weather months, children enjoy new playground equipment at Waddington Town Beach, also known as Howard Park.

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has resulted in many more gains for the region, including environmental and recreational enhancements enjoyed by local residents and tourists alike. (See related story, front page.)

"Now our challenge is not to tame a mighty river, but to harness the churning forces of a global economy," Kelley said. "It is not to make a temporary home for an army of construction workers, but to create a permanent home for our children and grandchildren—one with jobs and the quality of life that will enable them to stay and raise their own families here in Northern New York."

After his speech, Kelley received a commemorative plaque from the chamber's executive director, Michael Gleason, and a framed photo from Vicki Garcia, public information officer for the St. Lawrence Seaway Development Corp.

"To be recognized by our North Country neighbors, in the place where the Power Authority got its start, is the finest tribute we could receive," Kelley said. ♦



Family-friendly films will be shown free-of-charge during Spring Break (Friday, April 11, and the week of April 14-18). Movie times will be 10 a.m., noon and 3 p.m. Visit www.nypa.gov for movie titles and details on other special events. And, this summer, our movie series resumes with four different films shown every Tuesday, beginning on June 24 and continuing until Aug. 26. No reservations are needed, and popcorn will be served! ♦

ABOUT RIVER NEWS

This newsletter reports on Power Authority activities in Northern New York, particularly those associated with NYPA's St. Lawrence-FDR Power Project.

We welcome your comments. To contact us, call Jill Chamberlain, Community Relations, 315-764-0226, ext.300.