

WESTERN NEW YORK UPDATE

NIAGARA POWER PROJECT

NEW YORK POWER AUTHORITY COMMUNITY NEWSLETTER • SPRING 2004

WNY NOTES

- Lockport native Randy Crissman assumed the post of regional manager, Western New York, at the Niagara Power Project in January, replacing Ron Ciamaga who retired after a 30-year career with NYPA. Hired by the Power Authority in 1986 as a senior hydraulic engineer, Crissman had previously served as regional manager, Northern New York, at NYPA's St. Lawrence-FDR project.

- The Power Authority has donated more than a dozen low-speed electric-drive vehicles (EDVs) to public agencies and institutions in Western New York. Recipients of NYPA-sponsored EDVs include the Village of Youngstown, the Town of Niagara and the Village of Lewiston Police Department, which each have Ford THINK Neighbors, and SUNY University at Buffalo, which is using 10 GEMs (Global Electric Motorcars) built by DaimlerChrysler.

- The Pine Avenue Business Association presented NYPA with its Community Service Award on Feb. 7, in recognition of contributions by the Power Authority and its Niagara project to Western New York. The association cited NYPA's efforts to promote tourism in the area as well as the Authority's support for the local economy with its low-cost electricity.

POWER ALLOCATIONS PROMISE NEW WNY JOBS, INVESTMENTS

The New York Power Authority's latest partnership with state and local business leaders has triggered new allocations of low-cost NYPA power that will bring more jobs and investments to Western New York.

In February, Gov. George Pataki announced NYPA hydropower allocations totaling 3,300 kilowatts (kw) to three companies that have pledged to create 100 new jobs and invest \$13.8 million in their Western New York operations. A month earlier, the governor had announced allocations totaling 9,800 kw to nine firms that will add 245 new jobs while spending \$80 million on expansions to their facilities in Niagara and Erie counties.

The electricity to be sold to these businesses, generated at NYPA's Niagara Power Project and priced well below other sources of industrial power, has become available with the assistance of



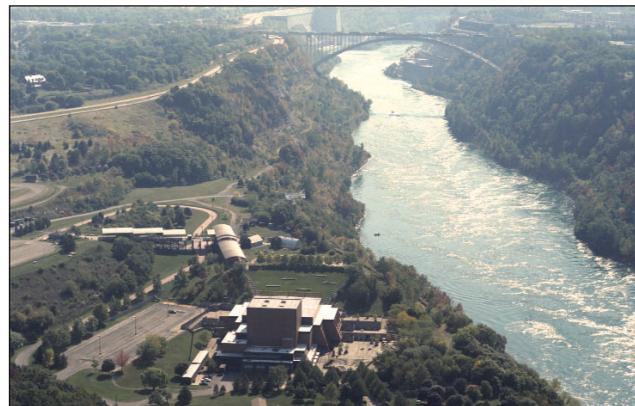
An allocation of low-cost NYPA power will help boost the competitiveness of Niagara Falls Air Force Base.

a new alliance of local business leaders, power producers and state officials. In October 2003, a memorandum of understanding was signed by the Power Authority and Buffalo Niagara Enterprise, the

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Cooperation Between NYPA and Village To Make Land Available for New Uses

Two parcels of land in the Village of Lewiston have been targeted for new use as a result of cooperation between municipal officials and the Power Authority.



The Power Authority helped create Artpark after construction of the Niagara Power Project.

The larger of the two parcels, 47 acres previously located within Artpark, is now being leased to the village for use as athletic fields and a nature preserve. Known as *The Plateau*, the site at one time was a repository for excavated material produced during construction of NYPA's Niagara Power Project.

A ceremony formally dedicating the site for village use was held in October.

In December, NYPA trustees approved changes to a deed to village-owned property, adjacent to Artpark, where the public library is located. The portion of the 3.2-acre site not developed for the library was intended to remain under public ownership or otherwise revert back to NYPA, according to the original terms of the deed.

Once details are resolved, NYPA will release its interest in the property,

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Allocations Promise Jobs, Investments

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marketing affiliate of the Buffalo Niagara Partnership, which represents local businesses. Other signatories were Empire State Development, New York's statewide economic-development agency, and Niagara Mohawk Power Corp. Representatives of the Niagara County Center for Economic Development are also participating in ongoing discussions concerning hydropower allocations.

The agreement makes Niagara hydropower available on a continuous basis, allowing greater flexibility in responding to potential business development in Western New York.

The federal legislation that authorized NYPA to build its 2,400,000-kw Niagara project in the late 1950s also earmarked 445,000 kw of Replacement Power from the project for local industries that were being served by Niagara Mohawk's Schoellkopf Power Station before it was destroyed in a 1956 rockslide. A second 250,000-kw block of electricity called Expansion Power was later established by state law, also with the intention of encouraging economic development along the Niagara Frontier.

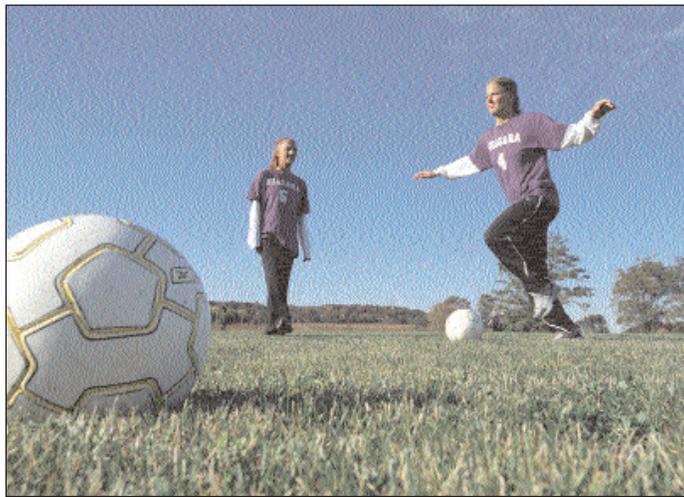
Today, nearly 44,000 jobs are linked to hydropower allocations made to more than 100 companies in Niagara, Erie and Chautauqua counties. The allocations announced in January and February include new NYPA customers—such as Sweeney Steel Service Corp., which will divide 70 new jobs between its Buffalo and Tonawanda facilities—as well as existing customers that are expanding their operations, including American Axle & Manufacturing, which will add 72 new jobs to its Cheektowaga work force.

In an unrelated action, Governor Pataki announced in December that 2,300 kw of low-cost NYPA power will be provided to Niagara Falls Air Force Base, helping to protect its 3,000 jobs and boost its competitive standing among military facilities being eyed for closure. The electricity will be sold through the Niagara Frontier Transportation Authority, which owns Niagara Falls International Airport, at which the base, Niagara County's second largest employer, is located. NYPA already provides the electricity that powers the transportation authority's light rail system. ♦

Cooperation Makes Land Available

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enabling the village to sell the undeveloped portion, which totals just over an acre, to a private developer for residential use.



A 47-acre parcel, once part of Artpark, is now being leased to the Village of Lewiston for use as athletic fields and a nature preserve.

Local officials have said they will use the revenue to be raised through the land sale to build a new public works facility within the village.

Once construction is completed, the existing public works facility, located on prime riverfront property, will be closed, with that site



redeveloped into a more accessible public-use area. ♦

STAKEHOLDER PROFILE

NIAGARA POWER COALITION

More than 100 individuals and organizations have been involved in the Niagara Power Project relicensing. Meet one of these stakeholders:

Name: Niagara Power Coalition

Founded: 1993

Headquarters: Niagara Falls, N.Y.

Chairman: Kerin Dumphrey, Niagara Wheatfield School District

Representing: 220,000 Niagara County residents in communities and school districts where the Niagara project is located, including the towns of Lewiston and Niagara, the City of Niagara Falls, and the Niagara Falls, Lewiston-Porter and Niagara Wheatfield school districts.

Quote to Note: "This relicensing has become a partnership for the future between NYPA and the host communities to create a balance between community needs and ratepayer security."

— Mark Zito, founding member and chief executive officer

ABOUT WNY UPDATE

This quarterly 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.