



STATE OF NEW YORK | EXECUTIVE CHAMBER

ANDREW M. CUOMO | GOVERNOR

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GOVERNOR CUOMO ANNOUNCES DUNKIRK POWER PLANT TO BE REPOWERED AND EXPANDED TO COST EFFECTIVELY MEET RELIABILITY NEEDS, RESTORING PAYMENTS TO LOCAL GOVERNMENT AND PRESERVING JOBS

Public Service Commission Facilitates Deal to Expand from Current 75 MW to 435 MW Under 10 Year Agreement

Governor Andrew M. Cuomo today announced a \$150 million agreement has been reached to repower and expand the Dunkirk Power Plant from coal to a 435 megawatt (MW) natural gas facility. Under this agreement, the facility, which will be in service by Fall 2015, will improve the reliability of the electric system and bring lower electric supply costs to consumers. The agreement assures the operation of the plant for 10 years.

“Today’s announcement is another example of government working for the people,” Governor Cuomo said. “This agreement will result in a larger, cleaner power plant at Dunkirk that will meet reliability needs, reduce costs for consumers, create jobs and stabilize the local property tax base. Thanks to the Dunkirk community, which brought the information and facts to the table and worked with the state and local governments, and the PSC staff who directed NRG and National Grid to develop a more cost-effective project, we have arrived at a win-win solution.”

Under this agreement, NRG and National Grid will agree that three coal units at the facility with a capacity of 435 MW will be repowered with natural gas. Currently only one 75 MW unit is operating on coal. The repowering provides an environmental benefit by switching to cleaner-burning natural gas and provides critical local system reliability benefits for National Grid customers. The project will also help relieve transmission bottlenecks in the region and will reduce electricity supply costs to consumers. The project also will provide an opportunity to convert the plant to an advanced combined cycle facility if future market conditions warrant.

The repowering plan will create approximately 50 construction jobs, preserve permanent jobs at the site, and restore tax payments to local governments to their previous level of approximately \$8 million annually. The plan will approximately double the number of permanent jobs in the proposal endorsed by local labor groups and maintain the existing 68 jobs at least through mid-2015.

The terms of the deal must be submitted to the Public Service Commission for final approval.

Senator George Maziarz, Chairman of the Senate Energy and Telecommunications Committee, said, “Making prudent investments in modernizing our electric generating fleet in New York State is vitally important as we look to protect jobs and local tax bases while strengthening grid reliability and reducing emissions. This investment, to convert the Dunkirk Coal plant to natural gas, will not only have a positive impact on the local economy, but will also serve as a model approach to these issues across our region and our state moving forward. I congratulate Senator Young on her strong advocacy for this project and thank Governor Cuomo for his leadership in ensuring that the Dunkirk repowering plan can move forward.”

Senator Catharine Young said, “There are tears of joy in Dunkirk today. The Governor’s announcement that the NRG coal plant will be repowered into a clean natural gas plant is the fantastic news the community has been anxiously awaiting. It’s our Christmas miracle. NRG is the largest taxpayer in Chautauqua County. Closure of the plant would decimate the tax base and devastate the community. Repowering the plant is our salvation. It stabilizes the tax base, saves and grows jobs, preserves reliable electricity, and gives us cleaner air to breathe. We are grateful to Governor Cuomo for his bipartisan leadership. He brought all of the stakeholders together to work out a positive solution. Our people came together with one voice like never before to advocate for our community. We sincerely thank Governor Cuomo for listening to us. Dunkirk has been saved, and we have a bright future.”

Assemblyman Andy Goodell said, “Governor Cuomo's support of the NRG project is incredibly important for the City of Dunkirk and the County of Chautauqua. This is the single most important economic development project for our county and Governor Cuomo's commitment moving this project forward will ensure the continued employment at the NRG plant and a long-term stable tax base for the City of Dunkirk. I look forward to working with Governor Cuomo on other key economic development projects for this area.”

Dunkirk Mayor AJ Dolce said, “Governor Cuomo has rescued Dunkirk from the brink financial disaster with the announcement that the NRG plant will be allowed to make its multi-million dollar conversion to natural gas. I am tremendously excited that 40 percent of Dunkirk’s budget has been saved, thanks to the concerted effort of the community and the leadership of Governor Cuomo. Our residents, schools, businesses and our local workforce will all benefit from this decision.”

Todd Trantum, President and CEO of the Chautauqua County Chamber of Commerce, said, “It took a team effort to save the NRG plant and today that effort is being celebrated with an important victory for the community. This project will be the single largest economic development opportunity in Chautauqua County in a long time. Governor Cuomo’s leadership has preserved the tax base, given us jobs, and allowed the plant to continue to provide electric power generation that is needed throughout New York State.”

David Wilkinson, business manager for IBEW local 106, said, “This project will both preserve existing jobs and create new jobs during the construction phase. I am proud to be a part of the support group that worked toward this common goal, regardless of political or personal differences. Governor Cuomo has brought an important economic victory to the entire

community.”

“As the local energy provider in Western New York for more than a century, National Grid’s role is to reliably deliver electricity to our customers at a reasonable cost. Our goal from the beginning of this process was a balanced outcome and this agreement allows us to deliver electricity to this region at a much, much lower cost than earlier electric generation proposals. We look forward to continuing to support the local Dunkirk community by providing safe, reliable power and responsibly managing power costs,” said Ken Daly, president of National Grid New York.

“We are proud of the high performance of our Dunkirk employees during this uncertain period and are extremely happy to continue to be part of the Dunkirk community,” said Lee Davis, NRG Executive Vice President and President of the East Region. “NRG thanks Governor Cuomo for his leadership and the entire Western New York community for their support of this important initiative.”

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