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Andrew M. Cuomo - Governor

Governor Cuomo Announces PSC Approval of Plan to Repower Dunkirk Power Plant

Agreement Restores Payments to Local Government, Provides Economic Boost to Region and Helps Improve Environment by Lowering Emissions

Albany, NY (June 12, 2014)

Governor Andrew M. Cuomo today announced that the New York State Public Service Commission has approved an agreement that will enable a repowering of the Dunkirk power plant, a decision that will improve the reliability of the electric system and provide economic benefits to Western New York. Under the \$140 million agreement between National Grid and NRG, the repowered facility is assured operation for 10 years with added capability to generate 435 megawatts (MW) using natural gas.

“This agreement is a prime example of New York State government is responding to the needs of the people,” said Governor Cuomo. “After a detailed and thorough analysis, coupled with enormous support of the community and its elected leaders, the repowering of the Dunkirk power plant is moving forward. I commend all of the involved parties for working closely together to develop a plan that resolved the outstanding issues while also creating jobs, providing a much needed tax base for the community, and helping to create a cleaner environment.”

The refueling 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 Commission’s analysis determined that repowering provides financial benefits in terms of utility deferred transmission investments, local economic benefits, and production cost savings that exceed the costs of the agreement to National Grid.

Congressman Tom Reed said, "The decision to repower NRG with natural gas is the right decision for protecting jobs, lowering utility rates for taxpayers and caring for the well-being of the entire community. As the county's largest single taxpayer, the plant's impact on the City of Dunkirk, the Dunkirk school district and Chautauqua County as a whole cannot be overstated. The community's successful team effort deserves all the credit. Repowering is the right and fair path."

"Everyone is incredibly excited and breathing a collective sigh of relief that we finally have official approval, because repowering secures our region's future. Our community came together like never before, and we are very grateful to Governor Cuomo for his strong support," Senator Catharine Young said.

Assemblyman Andrew Goodell said, "This approval to begin repowering the Dunkirk power plant is great news for our community. In addition to creating and securing jobs and a tax base for the region, it means a cleaner and stronger electrical system in Western New York. I want to thank Governor Cuomo, Senator Young, Congressman Reed, and Mayor A.J. Dolce, and the thousands and thousands of local residents who support this project. It was a strong, bipartisan team effort that proved anything is possible if we all work together."

Dunkirk Mayor Anthony Dolce said, "This power plant has been a central part of Dunkirk for years – and today's announcement means that the plant will continue to play an integral role for years to come. In addition to strengthening the local electric grid, repowering this plant secures jobs and provides a vital source of income for the City that will ultimately make Dunkirk stronger than ever. I appreciate all of the support that this issue has received – from local residents to Governor Cuomo – and can't wait to see the repowering begin."

Repowering Dunkirk provides reliability benefits and provides greater operational flexibility at the nearby Niagara Power Project, a renewable, zero-emissions hydroelectric facility. It will also increase available power resources for economic or emergency energy during high load conditions, and the congestion relief provided by Dunkirk will yield economic benefits.

With its decision today, the Commission approved National Grid's allocation and recovery of costs associated with refueling the Dunkirk generating facility. National Grid's agreement with Dunkirk anticipates the refueled facility will begin operations in the fall of 2015. The refueling provides potentially significant environmental benefits by allowing NRG to switch to cleaner-burning natural gas and provides critical local system reliability benefits for National Grid customers.

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