



NEW YORK STATE SENATOR

George M. Borrello

Senator George Borrello and Assemblyman Andrew Molitor Call on NYPA to Halt Proposed Hydropower Rate Increase

GEORGE M. BORRELLO February 3, 2025

| ISSUE: [HYDROPOWER](#), [NIAGARA POWER PROJECT](#), [RENEWABLE ENERGY](#)



Proposed hike would nearly triple rates for customers who currently benefit from cost-based electricity

Albany, NY – Senator George Borrello (SD-57) and Assemblyman Andrew Molitor (AD-150) are urging the New York Power Authority (NYPA) Board of Trustees to reconsider a proposed rate hike that would nearly triple the cost of hydropower for “preference power” customers over four years, citing the devastating impact it would have on ratepayers and businesses

across New York State.

The legislators highlighted how the rate increase—from \$12.88 per megawatt hour to \$33.05 per megawatt hour—would undermine NYPA’s longstanding mission of providing affordable, clean energy to municipal electric systems, rural cooperatives, and other entities under the Niagara Redevelopment Act.

“Communities like Jamestown in our district, one of the poorest in the state, rely on low-cost hydropower to keep electricity affordable for residents and businesses,” said Senator Borrello. “This significant rate hike would deepen the affordability crisis already driving many New Yorkers to leave the state, while robbing vulnerable communities of one of the few tangible benefits they receive from state programs.”

“I have serious concerns about NYPA’s proposed hydropower rate increase because of its adverse effect on rate-paying businesses, municipalities, and consumers in our district; New York is already one the least affordable and least business friendly states in our nation. Our Governor has recently proposed making New York more affordable. However, the massive, proposed increase in clean, renewable energy rates will make it even more expensive to do business and live in our state. I strongly encourage the NYPA board to return to the traditional rate evaluation formula and reconsider its proposed rate increase,” said Assemblyman Andrew Molitor.

Senator Borrello also noted the rate increase conflicts with Governor Kathy Hochul’s stated affordability agenda for 2025, which includes measures like an “inflation refund” and tax cuts to put money back in the pockets of New Yorkers. “The Governor’s plan to make New York more affordable will mean little if customers are forced to divert their tax savings to pay

higher energy bills,” said Senator Borrello.

The legislators emphasized the critical role that affordable hydropower has played in retaining and attracting businesses in New York’s rural and urban communities, arguing that the proposed increase would erode NYPA’s reputation as a leader in providing cost-based clean energy.

“New York must honor its commitment to keeping energy affordable for those who need it most. The NYPA Board must reconsider this proposal, which threatens to jeopardize economic stability for countless families and businesses,” said Senator Borrello.

Attached is a letter Senator Borrello sent to the NYPA Board of Trustees.