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**THE SENATE
STATE OF NEW YORK**



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January 28, 2025

Board of Trustees
New York Power Authority
123 Main Street
White Plains, NY 10601-3170

Dear Members of the Board of Trustees,

I am writing to express my deep concern regarding the proposed rate increase for customers who benefit from low-cost hydropower from the Niagara Power Project. This significant rate hike, which would nearly triple the current rates for “preference power” customers over the next four years, stands in stark contrast to the longstanding principles of affordability and accessibility that have defined the New York Power Authority’s mission.

As you know, the municipal electric systems, rural electric cooperatives, and other entities that rely on preference power provide an essential service to their communities by delivering clean, renewable energy at cost-based rates. Under the Niagara Redevelopment Act, these customers are entitled to purchase power from the Niagara Power Project at “the lowest rates reasonably possible.” NYPA’s proposed changes, which would increase rates from \$12.88 per megawatt hour to \$33.05 per megawatt hour, not only represent a sharp departure from historical practices but also risk imposing significant economic burdens on communities across the state.

Jamestown, a city of approximately 28,000 in my district, is one of the areas that benefits from NYPA’s hydropower. As one of the poorest communities in the state, residents there can ill afford a steep rate increase. In fact, affordable electricity generated by the Niagara Power Project has been a vital support for the residents and businesses in rural communities across upstate New York, providing one of the few tangible benefits in a state that is already among the highest-taxed and most overregulated in the nation. If this benefit is eroded, we will lose a critical tool for retaining and attracting businesses and worsen the affordability crisis that is driving many residents to other states.

Governor Hochul’s agenda for 2025 is centered on the theme of affordability, featuring measures like an “inflation refund” and a tax cut designed to put money back into the pockets of New Yorkers. However, these efforts to make life more affordable will be undermined if the money returned to residents is simply redirected to cover rising energy costs.

In closing, I strongly encourage the Board to reconsider the proposed rate increase. New York's efforts to create a more affordable future must include a strong commitment to keeping energy costs manageable for both residents and businesses; however, the proposed rate increase directly contradicts these goals and risks placing an undue burden on the most vulnerable New Yorkers and the communities that have long relied on NYPA's leadership.

Thank you for your attention to this critical matter.

Sincerely,

A handwritten signature in blue ink that reads "George M. Borrello". The signature is written in a cursive style with a large initial "G".

George Borrello
Senator, 57th District
New York State Senate

cc:

Hon. Kathy Hochul
Governor, State of New York

Justin Driscoll
President and CEO, NYPA