

RIVER NEWS

ST. LAWRENCE-FDR POWER

PROJECT RELICENSING UPDATE

FALL 2002

LICENSE APPLICATION REVIEW PROCEEDS AS GOV. PATAKI STARTS FUND PAYMENTS

Even as federal officials continue their review of the New York Power Authority's application for a new 50-year license for the St. Lawrence-FDR

Power Project, benefits have begun to arrive in the North Country.

Gov. George E. Pataki on May 22 presented 10 municipalities and school districts in St. Lawrence County with a \$4 million downpayment from an estimated \$115 million community enhancement fund NYPA will establish as part of its power project relicensing.

The 10 entities, represented during NYPA's relicensing proceedings by the Local Government Task Force, are St. Lawrence County, the towns of Lisbon, Louisville, Massena and Waddington, the villages of Massena and Waddington, and the Lisbon, Massena and Madrid-Waddington school districts.

Governor Pataki's visit to the North Country came just days

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Gov. George E. Pataki, second from right, was presented with a book about Lisbon's history during his North Country visit in May. With him are, from left, State Sen. Jim Wright, NYPA Chairman Louis P. Ciminelli, Lisbon Councilman Jesse Donaldson, Assemblywoman Dede Scozzafava and Lisbon Town Supervisor Roger Watters.

HYDRO LICENSE TERMS, BENEFITS TO BE SPELLED OUT IN ACCORD

With a little more than a year left on the original license for NYPA's St. Lawrence-FDR Power Project, the details of a new operating license are being finalized this fall.

Since hand-delivering its four-volume license application to the Federal Energy Regulatory Commission (FERC) in Washington, D.C., on Oct. 31, 2001, Power Authority staff members have been hammering out five separate agreements with groups and individuals involved in the multiyear relicensing process for NYPA's Massena hydro project.

One legally binding document called the Comprehensive Relicensing Settlement Accord will formally spell out all of the community benefits agreed to by federal, state and local officials, as well as all of the environmental research and mitigation measures intended to protect and enhance North Country ecology.

The five smaller agreements will be part of the overall settlement accord, whose stated purpose is to establish the Authority's obligations for the protection, mitigation and enhancement of ecological, environmental, cultural and recreational resources affected by the power project under a new license issued by FERC.

Signers of the accord, expected to be filed with FERC this fall, will include representa-

tives of the Power Authority; the U.S. Fish and Wildlife Service; the state Department of Environmental Conservation; the state Office of Parks, Recreation and Historic Preservation; the state Department of State; the St. Lawrence Aquarium and Ecological Center; New York Rivers United; and the Local Government Task Force, representing St. Lawrence County, the towns of Lisbon, Louisville, Massena and Waddington, the villages of Massena and Waddington, and the Lisbon, Massena and Madrid-Waddington school districts.

Details of the five settlement agreements will mirror proposals listed in NYPA's license application, which was described in the Winter 2001 issue of *River News* (available online at: www.stl.nypa.gov).

In what Gov. George E. Pataki described at the time as "an unprecedented level of community support," the application was endorsed by a wide range of interests, including local municipalities, industries, labor unions and environmental groups. Members of the Local Government Task Force unanimously approved the license application; St. Lawrence County legislators also voted to support the application.

"The many benefits included in our license application reflect conceptual agreements that resulted from years of discussion with North Country elected officials and

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Progress Is Being Made By Federal Reviewers

A major step forward in the Power Authority's bid to relicense its St. Lawrence-FDR Power Project came on May 17, when the Federal Energy Regulatory Commission (FERC) formally accepted NYPA's license application and laid out a tentative schedule for acting on the submission.

This federal agency is now taking the lead in handling NYPA's request for a new 50-year license for its Massena hydroelectric facility.

As part of its review, which will continue into next year, FERC staff members requested additional information from the Power Authority on various aspects of St. Lawrence-FDR project operations and their impact on surrounding areas. This information was provided to FERC during the summer.

With NYPA's compliance with this information request, the license application is now considered complete and ready for environmental review by FERC staff. The next milestone will be FERC's

release of a draft Environmental Impact Statement (EIS), expected by the end of this year, which will be available for public review and comment.

After all public comments have been received, a final environmental statement will be prepared. This is expected to occur in the spring of 2003. Ultimately, NYPA hopes to secure a new operating license for the project prior to the expiration of its original 50-year license, on Oct. 31, 2003.

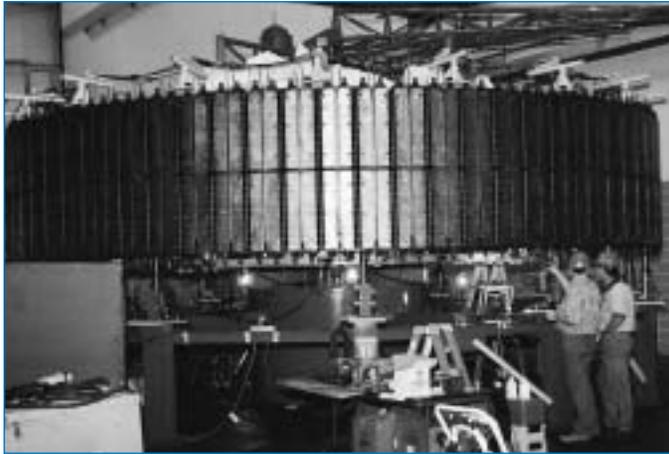
NYPA's license application and all related documentation are posted on the FERC website: www.ferc.fed.us/online/rims.htm (the project number is P-2000-036). Further information and assistance is available by calling FERC's project manager, Ed Lee, at 202-219-2809. ♦



The Robert Moses Power Dam

MODERNIZATION PROJECT REACHES MILESTONE

The Life Extension and Modernization (LEM) at NYPA's St. Lawrence-FDR project achieved a major milestone earlier this year when the first refurbished turbine-generator unit re-entered service.



Workers at St. Lawrence-FDR with a rotor that has been disassembled as part of the project's LEM.

Plans call for the Power Authority to replace or renovate almost all of the equipment at its Massena hydro project over the next 11 years, at a cost of more than \$250 million. Of primary importance in this "water-to-wire" overhaul is the replacement of all 16 turbine-generators in the project's Robert Moses Power Dam by 2013.

The Power Authority initiated the LEM at the St. Lawrence-FDR project to improve its efficiency and extend its operating life, ensuring abundant supplies of clean, low-cost electricity well into the 21st century.

On April 6, the first turbine-generator unit to be renovated at St. Lawrence-FDR resumed continuous electricity production. Preliminary testing indicated the expected improvement in the unit's efficiency; tests will continue through the fall.

Two days later, the second unit scheduled for replacement was taken out of service. NYPA workers hope to complete work on the unit by early 2003, with the remaining units scheduled for replacement at a rate of three turbine-generators every two years.

Power Authority Chairman Louis P. Ciminelli said of the construction project, "We take great pride in knowing the lion's share of the work was performed by NYPA employees who are representative of the high quality work force in the North Country." ♦

COMMUNITY FUND *continued*

after the Federal Energy Regulatory Commission (FERC) formally accepted NYPA's license application, filed in October 2001 after more than five years of studies and negotiations relating to the hydroelectric project's operations. The commission is proceeding with an extensive review that is tentatively scheduled to result in a decision before NYPA's original license expires on Oct. 31, 2003.

"This is just the beginning of the benefits the North Country will enjoy as a result of this important agreement," the governor said, including "enhanced recreational opportunities and additional compensation from NYPA for years to come. This agreement will help to ensure a brighter, more prosperous future for the North Country."

Once FERC issues a new license for the St. Lawrence-FDR project, NYPA's community enhancement fund will provide \$2 million annually over the life of the license. These funds will be distributed by the Local Government Task Force.

Apart from NYPA's license application, a supplemental funding mechanism, called the High Water Flow Adjustment, has been designed to produce additional financial

benefits for the North Country. It would be implemented when annual net generation at St. Lawrence-FDR exceeds 7 million megawatt-hours and could produce an additional \$10.9 million for the government entities over the next 50 years, based on previous water flows.

Besides the community enhancement fund, NYPA's relicensing proposal will provide a number of other benefits, all pending FERC approval, including the conveyance of project land to local jurisdictions and the implementation of various environmental and recreational improvements, as well as enhanced tourism. ♦

SETTLEMENT ACCORD *continued*

community leaders," explained Power Authority Chairman Louis P. Ciminelli. "We are now finalizing a settlement accord that will take those concepts and translate them into legally binding terms and conditions that will satisfy local, state and federal requirements related to the continued operation of our St. Lawrence-FDR project. We expect that the result will be both short- and long-term benefits for the North Country that include uninterrupted supplies of clean, low-cost hydroelectricity." ♦



NYPA sponsored a concert by the Orchestra of Northern New York and fireworks on July 9 to help mark the Massena Bicentennial.

THE NEW YORK POWER AUTHORITY—The New York Power Authority is the nation's largest state-owned public power organization. Its 21 generating facilities and more than 1,400 circuit-miles of transmission lines provide a quarter of the state's electricity. It sells power to job-producing companies; to municipal electric systems and rural cooperatives; to government agencies; to private utilities for resale, without profit, to their customers; and to neighboring states, under federal requirements. A non-profit, public benefit corporation, the Power Authority does not use tax revenues or state credit.