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July 15, 2013

Dear Community Leader and Elected Official:

On July 15, 2013, the New York State Public Service Commission will hold an informational forum and public statement hearing to seek public comments on whether the coal-fired Cayuga generating station in Lansing, New York should be "repowered" by converting the facility to natural gas, or New York State Electric & Gas Corporation (NYSEG) should be directed to implement transmission solutions to help ensure electric system reliability. *A summary of the plan is provided in the attached fact sheet.*

The Commission recently announced that it will hold the public statement hearing to hear the views of the public on **Case 12-E-0577 – Repowering Alternatives to Utility Transmission Reinforcements** in the villages of Cayuga and Dunkirk. The date, time and location for the informational forum and public statement hearing are as follows:

Lansing
Monday, July 29, 2013
Informational Forum at 6:00 p.m.
Public Statement Hearing at 7:00 p.m.
Lansing Middle School Auditorium
6 Ludlowville Rd

The enclosed fact sheet also provides detailed information on how to participate in the public statement hearing and available options to submit comments on the case. I would appreciate your assistance in making people in your area aware of the hearings.

Thank you.

Sincerely,

Douglas Elfner
Director
Office of Consumer Policy

Enclosure



Summary of Case 12-E-0577

Proceeding on Motion of the Commission to Examine
Repowering Alternatives to Utility Transmission
Reinforcements

PSC Seeking Public Comment Re: Repowering of Cayuga Generating Station

The New York State Public Service Commission (Commission) seeks public comments on whether the coal-fired Cayuga generating station in Lansing, New York should be "repowered" by converting the facility to natural gas, or New York State Electric & Gas Corporation (NYSEG) should be directed to implement transmission solutions to help ensure electric system reliability.

Opportunities to comment include a public statement hearing, which will be held before an Administrative Law Judge. Prior to the hearing, a one-hour informational forum will be held which will feature a summary of the proceedings to date and an overview of the PSC's decisional process, as well as brief presentations by the operator of the Cayuga generating station and NYSEG on their respective proposals. There will also be an opportunity for questions and answers.

It is not necessary to be present at the start of the hearing, to make an appointment in advance, or to present written material in order to speak at the hearing. Persons will be called to speak after completing a request card.

All comments received in this case, together with all statements transcribed at the public statement hearing, will become part of the record, will be posted for public viewing on the Commission's website, at www.dps.ny.gov, and will be reported to the Commission for its consideration. The hearing will remain open and will continue until everyone wishing to speak has been heard or other reasonable arrangements have been made. A verbatim transcript of the hearing will be made for inclusion in the record.

Disabled persons requiring special accommodations may place a collect call to the Department of Public Service's Human Resources Management Office at 518-474-2520. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711. Individuals with difficulty understanding or reading English are encouraged to call the Commission at 1-800-342-3377 for free language assistance services regarding this fact sheet.

**Public Statement Hearing
Informational Forum
July 29, 2013**

Lansing Middle School Auditorium
6 Ludlowville Rd
Lansing, NY

Informational Forum at 6:00 p.m.

Public Statement Hearing at 7:00 p.m.

Background

In October 2012, the New York State Energy Highway Task Force recommended to Governor Cuomo that electric utilities be required to analyze repowering as an alternative to transmission system upgrades when a facility needed for reliability proposes to retire. The Commission has noted in other proceedings that careful planning for generator retirements is important for the maintenance of reliability at reasonable cost.

On January 18, 2013, the Commission issued an Order Instituting Proceeding and Requiring Evaluation of Generation Repowering (Order). The Order:

- Recognized that the New York State Energy Highway Task Force Blueprint noted reliability concerns with the potential retirement of the Cayuga Generating Station and identified it as a potential candidate for repowering;
- Directed NYSEG to file the cost of transmission upgrades needed to maintain reliability, and solicit bids from the current owners of the Cayuga plant for the cost of out-of-market support needed to repower their plant, at least at the minimum capacities needed to maintain reliability; and
- Directed NYSEG to evaluate all alternatives in terms of reliability and impacts on ratepayer costs, the environment, the economy, electric market competitiveness and any other relevant factors – and to file its recommendations.

NYSEG provided that requested information to the Commission. The filings are now being reviewed by Staff of the Department of Public Service. The Commission is expected to determine whether the Cayuga plant should be repowered, or if the transmission alternatives proposed by NYSEG should be adopted.

Other Methods for Commenting on the Case

- **Via the Internet or In Writing:** Those who cannot or do not wish to attend a public statement hearing may submit comments electronically to Hon. Jeffrey C. Cohen, Acting Secretary, at secretary@dps.ny.gov or by mail or delivery to Acting Secretary Cohen at the Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350. Comments may also be entered directly into the case by locating the case via the home page of the Commission's website, www.dps.ny.gov, by clicking on "Search," and entering 12-E-0577 in the "Search by Case Number" field. In the open case, enter comments in the "Post Comments" located at the top of the page. Comments should refer to "Case 12-E-0577 - Repowering Alternatives to Utility Transmission Reinforcements in the villages of Cayuga and Dunkirk."
- **Toll-Free Opinion Line:** Individuals may choose to submit comments by calling the Commission's toll-free Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. Callers should press "1" to leave comments about "Case 12-E-0577 - Repowering Alternatives to Utility Transmission Reinforcements in the villages of Cayuga and Dunkirk."

In order to ensure consideration prior to the Commission's vote, comments should be submitted, via any means described above, by August 16, 2013.