

Comments from **Erie County Legislator Michele Iannello**
Representing the 10th Legislative District,
including the NRG Energy Huntley Plant

Comments made and submitted to New York State Budget Office during hearings
scheduled in Buffalo New York, Nov 17th, 2007

NRG Energy was awarded conditional support from NYS to build a state of the art clean coal facility on December 19th, 2006 at the conclusion of a competitive RFP. The NYS support is to include assistance from:

- The New York Power Authority (NYPA)
- NYSERDA
- NY Empire State Development

This project was to require no direct support from taxpayers, rather existing ESD and NYSERDA programs, as well as NYPA's significant financial tools as the nation's largest state owned electric utility. **NYPA uses no tax money or state credit.**

A memorandum of understanding was entered into whereby NRG would work with NYPA and others to close a price gap in the final cost of the project power. The superior environmental outcome of the selected gasification process has an additional cost, as do solar panels and windmills.

NRG has reported to the community that they have worked for nearly a year and feel they have offered a series of methods that will deliver the project at or below market rates – again with no direct cost to NYS ratepayers.

The economic impact of the project are enormous, over a 1000 construction jobs for as long as four years, over 100 permanent new jobs at the finished facility – and most importantly, fiscal stability for the host community, including Erie County and the Town of Tonawanda. Currently, the Huntley site is down to its last 2 generators that are over 50 years old; the site desperately needs new investment, and we are fortunate that NRG desires to make a multi-billion dollar investment in our community and in New York State.

In addition to the enormous economic impact to the region, NRG is also working to incorporate the University at Buffalo into the project to make it a learning lab for addressing global warming. The technology that NRG has selected is recognized in both the scientific and environmental communities as the most efficient at removing emissions, including the greenhouse gases. NRG's recognition that UB desires to grow its capacity to help grow our local economy, particularly in areas of new technology, went way beyond the original NYS RFP – they are to be commended for their vision and sensitivity to our region.

Balancing economy and ecology with coal is not just a global warming concern. Without a mix in fuels used to manufacture electricity, an over mature natural gas market is going to be relied on even more to make electricity, making both gas and electric rates go up. I believe National Fuel is predicting higher rates as we speak. If your hear to talk about budgets and fiscal stability – that fact should be of major concern to us all.

Opportunities such as this project will be the cornerstone for our future fiscal stability and growth – the type of investment every community dreams of – versus the need to come to Albany with a tin cup as we lose companies or drive potential investors away.

We continually hear how New York State is business friendly and wants to embrace new investors. The governor campaigned on a platform to help improve our local economy, and we desperately need his support on this project, before this company gives up and moves on – putting more pressure on all of our budgets.