

⑧ Won't National Grid's exit fee be too costly?

The Mathis study takes into account an exit fee, but **by the time Syracuse is ready to leave National Grid, the fee will expire.** The Public Service Commission rate agreement that allowed National Grid to collect from municipalities leaving their system runs out in 2011.

⑨ Is bonding a problem - Syracuse is at its limit?

A Syracuse public power system would be an independent municipal authority able to issue tax-exempt municipal bonds to finance its capital investments – **its finances would be independent of and segregated from the City's finances.**

⑩ Will we lose tax revenue or jobs by replacing National Grid?

No. Local tax revenue will be preserved or enhanced because public power utilities contribute payments in lieu of taxes, transfers to the general fund, and/or free or reduced cost services for the city. **The median amount contributed by public power systems nationwide is 14% higher than those of IOUs like National Grid.**

Public power utilities typically offer jobs to existing personnel of the incumbent IOU at equal or better compensation.

COUNT ME IN!

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City _____ St _____ Zip _____

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Organization _____

I want to help: phonebank data entry research attend meetings
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My tax deductible contribution of \$_____ is enclosed (make checks out to "CNY-CAN" with "Public Power" in the memo line). **Return to:** 140 Bassett St., Syracuse, NY 13210

PUBLIC POWER for SYRACUSE:

10 QUESTIONS

① What is Public Power?

Public power is a utility that is owned by the consumers it serves, usually owned by local governments. With more than 50 community-owned electric utilities in NYS and over 2,000 in the US, they serve over 43 million people – in large cities like Cleveland and Los Angeles, and in small towns like Solvay and Skaneateles.

② Is Public Power cheaper?

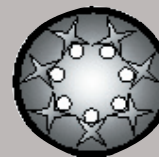
Residential customers of public power utilities pay rates that average 13% less than those of for-profit, investor-owned utilities (IOUs). New York IOUs charge the highest rates in the continental US.

Public power systems are cheaper because they:

- have rates set locally by citizen-controlled and elected boards that hold public meetings;
- are not-for-profit and do not pay dividends to stockholders;
- don't pay federal income tax and may finance improvements with revenue bonds that are exempt from federal income tax
- may have access to wholesale hydroelectric power from federal or state agencies, such as New York Power Authority (NYPA).

③ How much could I save on my bill in Syracuse?

- According to a study by Mike Mathis, a former Niagara Mohawk engineer, **Syracusans could save as much as 35%** if the city built its own generating plant. That's a \$40 million a year savings for Syracuse residents and businesses.
- According to the Mayor's consultant, 3% could be saved by taking over National Grid's electric and gas lines in Syracuse.
- Syracuse may also qualify for cheap hydropower from NYPA.



central new york
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④ What about renewable energy and conservation?

Public power systems have been leaders in green energy and conservation, because local citizens set policy.

For-profit utilities and electric generating companies have no incentive to promote green energy or efficiency because they profit by distributing and selling energy - mostly from existing plants like coal and nuclear. The more they sell, the more they make.

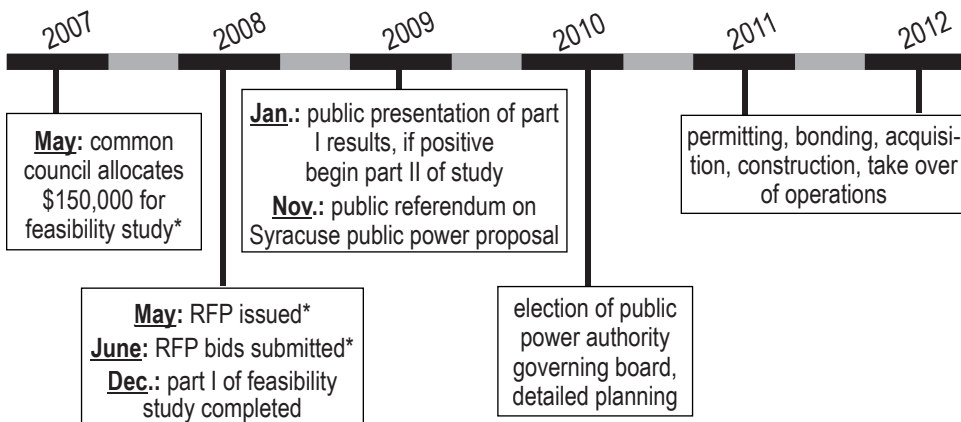
Some of the opportunities under public power include:

- building our own electric generating plants in or near the city that rely on green power like wind farms, solar thermal electric generators, and steam generators using a renewable biofuel like the willow bush that SUNY-ESF is developing
- using part of the income from electric generation to subsidize home/business energy efficiency, including insulation, energy-efficient light bulbs and appliances, solar hot water heaters, photovoltaic solar electricity, and micro-wind electric generators.

⑤ How do we get public power in Syracuse?

The Public Power Coalition formed in 2005 to advocate for public power after the Green Party raised the issue in the Syracuse Mayoral race. Below is a timeline of the steps involved.

Syracuse Public Power: Projected Timeline (*actual date completed)



⑥ What's a feasibility study? How much will it cost?

A feasibility will examine all of the factors - cost, facilities, environmental impact, administration, etc. - related to creating and operating a public power system in Syracuse.

\$50,000 is allocated for Part I of the feasibility study. It will examine the factors related to power supply and generation (wholesale power costs, power generation options, potential savings, risks, etc.).

If the first phase identifies any fatal flaws the process stops. If the first phase is positive, a more detailed study follows. Part II determines whether the city must/should acquire the transmission lines, the general condition and value of the facilities to be acquired, the cost of separating the new system's facilities from the remaining part of National Grid's system, and the costs of wholesale power purchases and/or production by generation plants built, owned, and operated by the public power utility.

The city issued a Request for Proposals (RFP) to identify a qualified engineering firm to conduct the study.

⑦ Can public power provide maintenance and service?

If villages like Solvay and Skaneateles can, so can Syracuse.

Public power systems in NY have a long record of better reliability, quality, safety, and faster recovery from bad weather. In 2007 the Public Service Commission fined National Grid for its performance.

Public power utilities respond quickly to outages because service is provided by crews and equipment located in the community. IOUs like National Grid have reduced line crews and rely on contractors, resulting in worse maintenance and more, longer power outages.

A public power system can turn to the Federal Emergency Management Administration (FEMA) for financial help in the event of a declared disaster.

Public power systems provide customer service in person at drop-in offices and on the phone. Meter reading and billing services will be provided by local staff, keeping jobs in the community.