

HVPA MYTH VS FACT



LOWER RATES

CLAIM:

A new study from NewGen Strategies & Solutions estimates the Hudson Valley Power Authority will save \$15 million in Year 1 and \$210.5 million by Year 30.

REALITY:

Concentric Energy Advisors conducted a cost analysis of the proposed takeover of Central Hudson by the Hudson Valley Power Authority. The findings of the study show that the takeover costs could be as high as \$12.2 billion. A further analysis of these findings indicates that the takeover could increase customers' delivery bills by as much as 36%.

Additionally, proposed government savings that are promised decades in the future rarely if ever materialize. There are hundreds of examples, including here in NY when Governor Cuomo promised MTA reforms that would save billions of dollars. These savings never materialized and rates continue to increase for train, subway and bus passengers.



CLEAN ENERGY

CLAIM:

Central Hudson has a slow pace of renewable energy integration and privately owned utilities are an impediment to a just energy transition.

REALITY:

Central Hudson is a state leader in interconnecting distributed renewable solar energy generation, as well as facilitating the installation of clean electric heat pumps.

Central Hudson clean energy incentive programs have saved customers over \$107 million since 2009 and avoiding nearly 1.3 billion pounds of greenhouse gas emissions annually.

Under current regulations, investor-owned utilities are barred from building, owning, and operating new generating facilities, including renewables.



COMMUNITY BENEFITS

CLAIM:

With no profit motive, municipally-owned utilities can serve as anchor institutions that invest in community benefits.

REALITY:

Central Hudson contributes more than \$70 million to area school districts, towns, and counties through property and sales taxes each year. It is not clear how that lost revenue would be replaced by a municipal-owned utility. Municipalization risks reducing investment in the system, leading to job losses and potentially compromising service reliability and compliance with New York's climate laws. Additionally, Central Hudson employees and shareholders contribute hundreds of thousands of dollars annually to local non-profit agencies, offer grants to support local businesses, and facilitate job growth, which could be jeopardized if municipalization proceeds.

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RELIABLE SERVICE

Q CLAIM:

Municipally-owned utilities have the highest track record of reliable service as they're able to prioritize service over profits.

✓ REALITY:

Service reliability for Central Hudson is at its highest level in 10 years, due to substantial investments made in replacing aging infrastructure, expanding tree trimming along power lines and deploying new smart grid technologies that improve reliability, enhance system efficiency and enable higher levels of interconnected renewable resources. In addition, Central Hudson has received seven Emergency Response awards from the Edison Electric Institute, a prominent electric utility trade organization representing companies nationwide, for well-coordinated and timely power restorations in the aftermath of severe storms. The most recent accolade recognizes Central Hudson's exceptional response to a major ice storm, winter storm Landon, impacting much of Ulster County in February 2022.



LABOR PROTECTIONS

Q CLAIM:

Investor-owned utility workers are pitted against ratepayers. Municipally-owned utilities can invest in workers without always passing costs to its ratepayers.

✓ REALITY:

Central Hudson demonstrates a commitment to labor protections for its workers by employing members of IBEW Local 320 union and providing a range of comprehensive benefits to full-time employees including generous health and retirement benefits, tuition assistance, employee assistance program, etc. Unlike the legislators who introduced the HVPA bill, Central Hudson has no plans to terminate its employees who work in the fossil-fuel side of the business.



TRACK RECORD OF PUBLIC POWER TAKEOVERS

Q CLAIM:

We can look at existing examples of public power in NY State to see why they are preferred to a private utility.

✓ REALITY:

The **Long Island Power Authority** was created to acquire Long Island's private utility decades ago, and nearly 30 years later customers are still paying interest on the borrowing costs for that purchase, while having some of the highest electric rates in the nation.

NYPA is often touted as a model for a successful state-run power authority, but comparisons between NYPA and traditional distribution utilities are misleading. Distribution utilities have hundreds of thousands or even millions of end-use customers, whereas NYPA operates large power generating stations with much fewer customers.

Massena, NY's public power authority, cited by HVPA proponents, has 9,000 customers in a small footprint; by comparison, Central Hudson serves hundreds of thousands of customers spread across 2,600 miles.