Under Governor Cuomo’s administration, aging, unprofitable coal plants have received new life through unnecessary bailouts costing New York electric customers hundreds of millions of dollars. There are four dirty coal plants remaining in New York — Cayuga, Dunkirk, Huntley and Somerset. Recent proposals are being floated for “zombie” coal plants to come out of retirement and burn dirty coal again, such as the Greenidge coal plant, which was permanently retired in 2012. The money being spent to bail out New York’s coal plants is coming straight out of the pockets of New York electric customers and has set a dangerous precedent by mandating that the state and ratepayers pay for the revival and continued operation of coal burning while the plant owners reap the profits.

New York’s coal fleet contributes an outsized share of our state’s carbon emissions, increasing climate pollution and making New Yorkers sick by emitting dangerous air pollutants that can cause asthma, lung cancer, and other respiratory illnesses. Burning coal pollutes New York’s air with smog, sulfur pollution and soot, and poisons our drinking water and streams with heavy metals including arsenic, mercury, and lead. The consequences of that pollution are borne disproportionately by the most vulnerable members of our society, including children, the elderly and low-income families.

Coal bailouts undermine both federal and state efforts to combat climate change, and transitioning off coal in the Empire State is a critical interim step to successfully meet the Cuomo Administration’s goal of reducing carbon pollution 80% by 2050. With federal rules like the Clean Power Plan about to be finalized this summer, coal bailouts are a resounding step in the wrong direction.

**DIRTY COAL IS RECEIVING EMPIRE SIZED BAILOUTS**

**Dunkirk Coal Plant, Dunkirk, New York**

- NRG, the owner of the Dunkirk Coal plant, is currently receiving a reliability support services ratepayer bailout of over $90 million to keep the plant operating through December 31, 2015.

- Governor Cuomo and his Administration approved an additional bailout for the Dunkirk coal plant which will cost New York electric customers over $200 million over the next 10 years, plus an additional $15 million from the New York Power Authority.

- According to the utility National Grid and reliability experts, transmission upgrades would have addressed reliability and allowed for the plant to responsibly retire at a far lower cost to National Grid customers at around $30 million. Transmission upgrades are still needed, making Governor Cuomo’s coal bailout deal even more costly for National Grid customers.
• Public health is at risk due to the Dunkirk bailout. The New York Department of Environmental Conservation draft air and water permits would allow NRG’s Dunkirk to:
  » Continue to pollute New York’s air with dangerous smog-causing nitrogen oxides, sulfur dioxide, and soot.
  » Revive rather than end the ability to burn coal.
  » Pollute New York’s water with mercury, arsenic, and other dangerous toxic metals.
  » Allow ongoing unpermitted toxic coal ash discharges to continue seeping into Lake Erie.
• Dunkirk PILOT payments in 2013: $8 million
• NRG recently stated at a public hearing on March 11, 2014 that Dunkirk employs (and will continue to employ) 45 people.

Cayuga Coal Plant, Lansing, New York
• The New York Public Service Commission recently approved a $155 million reliability support services agreement ratepayer bailout to allow Cayuga to continue operating until 2017. This agreement includes $42 million in capital upgrades to the plant to be financed on the ratepayers’ dime.
• The utility, NYSEG has stated that transmission upgrades are a much cleaner and cost effective solution to maintaining grid reliability at approximately $30 million, which would allow the plant to safely and responsibly retire.
• NYSEG has stated that the development of ‘distributed generation, micro-grids and clean generation’ can assist the local economy in the wake of retiring the coal plant.
• Cayuga’s owners, Upstate New York Power Producers, recently asked for another $145 million ratepayer bailout in 2015 to add gas co-firing capability to the plant, while still retaining the ability to burn coal. NYSEG responded: “Cayuga’s owners remain free to pursue repowering the Cayuga facility without customer subsidies via self-generated funding or by attracting other capital in the market place.”
• Rate increases due to these bailouts will make the region less attractive to businesses. Nucor Steel — which employs over 250 workers and provides millions of dollars of local investment in the Finger Lakes region — has filed formal comments against the bailout.
• Cayuga PILOT payments in 2013 $1.8 million
• Employees reported by Cayuga in 2014: 65

A RESPONSIBLE COAL TRANSITION FOR NEW YORK
Dirty coal should not be an economic development tool for upstate New York. Leveraging only a fraction of the money spent on recent coal bailouts New York could instead be used to develop a smart, long-term plan that provides a clear path for upstate communities in the transition away from coal. That plan can support plant workers and find new ways to address the tax base. The plan should build on the work of the current Southern Tier Solar effort and the Solar City Manufacturing plant in Buffalo to provide 21st century economic development opportunities and jobs for coal plant communities and workers. Other possible proposals include:
• New York Power Authority establishes a Retirement Contingency Planning Fund for Western New York and Finger Lakes region.
• Implement Community Support Plans for coal affected communities, as outlined in Governor Cuomo’s New York Energy Highway.
• Work through the Greenhouse Gas emissions Reduction program in coordination with DEC, DPS, NYSERDA and Empire State Development to effectively provide transition funding for affected communities linked to coal retirements in those communities, as outlined in Governor Cuomo’s New York Energy Highway.
• Coordinate with Upstate Economic Development Agencies to leverage funds for workers and affected communities and establish new community business development programs. The “Buffalo Billion” and “Upstate Revitalization Fund” are two potential areas to leverage new economic development funds. The recent Buffalo solar manufacturing plant is a good example of new economic development through clean energy that will create thousands of new jobs.
• Tap into NYSERDA worker retraining funds.
• Explore legislative allocations in districts where coal plants are seeking retirement.
• Tap into current federal funding mechanisms recently announced to support coal affected communities.