

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

**DRAFT APPLICATION FOR NEW LICENSE FOR MAJOR PROJECT -  
EXISTING DAM**

**EXHIBIT D – STATEMENT OF  
COSTS AND FINANCING**

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**VISCHER FERRY HYDROELECTRIC PROJECT  
RELICENSING**

FERC NO. 4679



**NY Power  
Authority**

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## 1 Introduction

The Vischer Ferry Project (FERC No. 4679) is an 11.8 MW conventional hydroelectric project located on the Mohawk River, approximately 14 miles upstream from its confluence with the Hudson River, and approximately 10 miles upstream of the Crescent Project (FERC No. 4678). The Vischer Ferry Project is located in Saratoga and Schenectady Counties, New York, in the Towns of Clifton Park and Niskayuna and the City of Schenectady. The Vischer Ferry impoundment is approximately 10.3 miles long and the upstream terminus of the impoundment is located at Lock E-8 in Schenectady. The Project is owned and operated by the Power Authority of the State of New York (d/b/a “New York Power Authority” and referred to as “the Power Authority”).

This exhibit is required under the Federal Energy Regulatory Commission (FERC or Commission) regulations which can be found in Title 18 of the Code of Federal Regulations (CFR), Sections 4.51(e) and 5.18(a)(5)(iii). The information provided herein covers the specifics prescribed for Exhibit D and serves the purpose of providing a statement of costs and financing.

## 2 Original Cost of Existing Unlicensed Facilities (18 CFR Section 4.51(e)(1))

Because the Power Authority is not applying for an initial (original) license for the Project, the reporting requirements of Section 4.51(e)(1) do not apply. The Project was originally licensed in 1984.

### 3 Estimated Amount Payable Upon Takeover Pursuant to Section 14 of the Federal Power Act (18 CFR Section 4.51(e)(2))

The Power Authority is a corporate municipal instrumentality of the state, a body corporate and politic, a political subdivision of the State of New York exercising governmental and public powers. The Applicant is also a municipality within the meaning of Section 3(7) of the Federal Power Act (FPA). Because it is a state subdivision, the Project is not subject to the takeover provisions of Section 14 of the FPA. Accordingly, the reporting requirements for estimated take-over costs under Section 4.51(e)(2) do not apply.

## 4 Estimated Cost of New Development (18 CFR Section 4.51(e)(3))

### 4.1 Land and Water Rights (18 CFR Section 4.51(e)(3)(i))

Because the Power Authority is not proposing to expand land or water rights as a consequence of this license application, the reporting requirements of Section 4.51(e)(3)(i) do not apply.

### 4.2 Cost of New Facilities (18 CFR Section 4.51(e)(3)(ii))

Because the Power Authority is not proposing any new development at the Project, the reporting requirements of Section 4.51(e)(3)(ii) do not apply.

## 5 Estimated Average Annual Cost of the Project (18 CFR Section 4.51(e)(4))

The average annual cost of the Project includes capital costs and annual operating costs. The average annual costs also include any costs associated with the proposed protection, mitigation, and enhancement measures. The Power Authority is a subdivision of the State of New York and pays no federal, state, or local taxes.

### 5.1 Capital Costs

[To be provided with the Final License Application.]

### 5.2 Operational Costs

Table 5-1 presents the Project's operational costs from 2011-2020. Operating costs include the costs of purchased power and related expenses, fuel consumed, operation and maintenance, and administrative expenses.

Table 5-1 Vischer Ferry Project Annual Operating Costs (Millions)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Expenditure	\$2.97	\$3.44	\$4.07	\$3.20	\$3.54	\$4.13	\$4.36	\$4.34	\$5.66	\$4.87

### 5.3 Costs of Proposed Environmental Measures

The Power Authority is still in the process of evaluating the need for potential new environmental measures.

## 6 Estimated Annual Value of Project Power (18 CFR Section 4.51(e)(5))

As with other entities active in the New York electricity market, the Power Authority participates in the New York Independent System Operator (NYISO) competitive wholesale electricity market. The NYISO, governed by FERC, coordinates energy producers' bids and utility demands to secure reliable, low-cost energy throughout New York. The Vischer Ferry Dam and Reservoir's primary function is to provide adequate water for Canal operations. The Vischer Ferry Project is operated on a run-of-river basis and contributes to the continued operation of the Barge Canal System, as well as the generation of low cost, emissions-free, renewable base load electricity.

The NYISO market also values the installed capacity (ICAP) and ancillary services provided by generation facilities. ICAP is required by the NYISO to ensure reliability of the electric system. The NYISO market rewards those generating units capable of meeting the NYISO's reliability rules.

Table 6-1 provides operating revenues for the Project from 2011 through 2020. Operating revenues include revenues from wholesale customers and market-based power sales.

**Table 6-1 Vischer Ferry Project Annual Operating Revenue (Millions)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenue	\$2.87	\$1.60	\$2.29	\$3.24	\$1.17	\$0.87	\$1.59	\$2.46	\$1.82	\$1.05



## 7 Sources and Extent of Financing (18 CFR Section 4.51(e)(6))

The Power Authority finances capital projects using a combination of debt obligations and internal funding sources. The Power Authority has adequate financial resources for the operation of the Project for the term of a new license.

## 8 Licensing Costs (18 CFR Section 4.51(e)(7))

[An estimate of the cost to develop the license application will be provided with the Final License Application.]

## 9 On-Peak and Off-Peak Values of Project Power (18 CFR Section 4.51(e)(8))

Because the Vischer Ferry Project is operated run-of-river, the on-peak and off-peak values of Project power do not apply.

## 10 Estimated Average Annual Increase or Decrease in Project Generation or Value of Project Power (18 CFR Section 4.51(e)(9))

The Power Authority proposes no changes to Project operations. The Power Authority anticipates no major changes to average Project generation or the value of Project power as both are driven by the NYISO market.