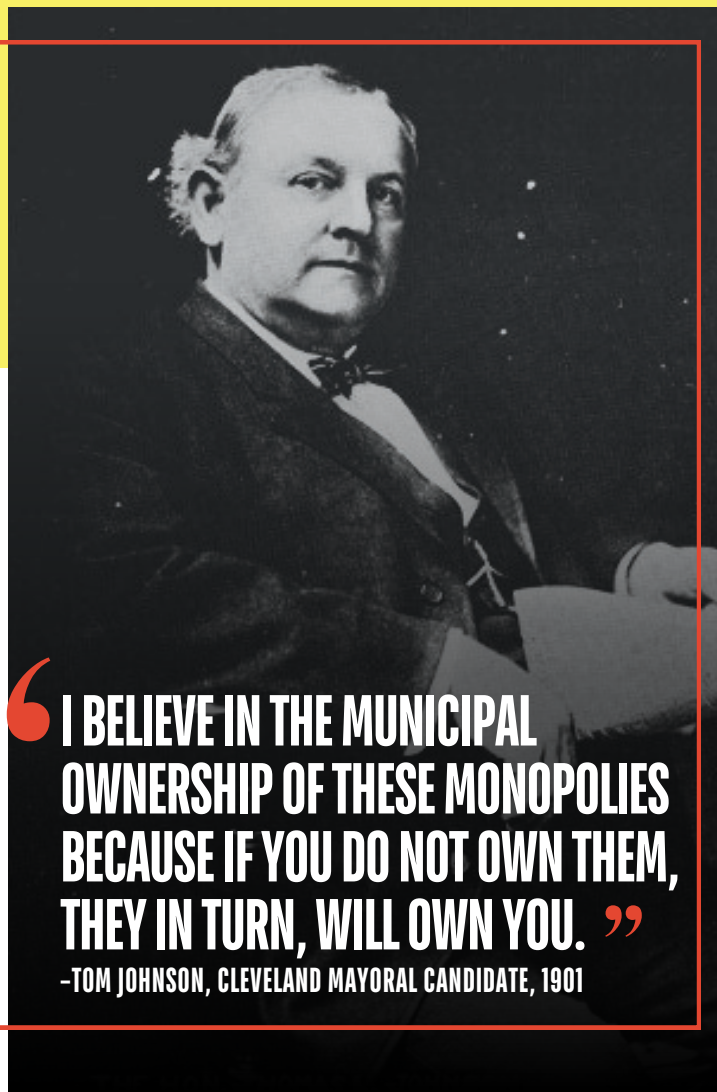


CENTRAL HUDSON'S GRID IS EXPENSIVE AND AGING—WE CAN REPLACE IT WITH ONE THAT'S RESILIENT AND NOT FOR PROFIT!



**“I BELIEVE IN THE MUNICIPAL
OWNERSHIP OF THESE MONOPOLIES
BECAUSE IF YOU DO NOT OWN THEM,
THEY IN TURN, WILL OWN YOU.”**

—TOM JOHNSON, CLEVELAND MAYORAL CANDIDATE, 1901

**Join Assemblymember
Sarahana Shrestha at a town
hall to learn more!**

Gardiner Public Library
Aug 06, Wed, at 6 PM

Olive Free Library
Aug 08, Fri, at 6 PM

Orpheum Theatre Saugerties
Aug 12, Tue, at 6 PM

Woodstock Community Center
Aug 16, Sat, at 4 PM

Starr Library Rhinebeck
Aug 21, Thu, at 6 PM

Rosendale Community Center
Aug 27, Wed, at 6 PM



RSVP to reserve a seat!
<https://bit.ly/hvpa-103>

COMPANIES LIKE FORTIS TREAT OUR ENERGY SECTOR LIKE A PIGGY BANK.

Central Hudson’s parent company, **Fortis**, is a Canadian investment company that owns a dozen utilities all over the world with the primary goal of making profits.

48% of Central Hudson’s funding comes from Fortis shareholders. Central Hudson has the **legal right** to reward these investors with profits, and it tries to make these rewards as lucrative as possible so that investors don’t take their money elsewhere.

The **remaining 52%** comes from financing debt—loans taken out on behalf of the customers. To ensure customers pay reasonable interest rates, Central Hudson needs to maintain a **good credit rating**. To do so, it must be a profitable business.

Stuck in this arrangement are the customers, who pay for everything, bear all the risks, and get little in return.

HOW CENTRAL HUDSON IS FUNDED

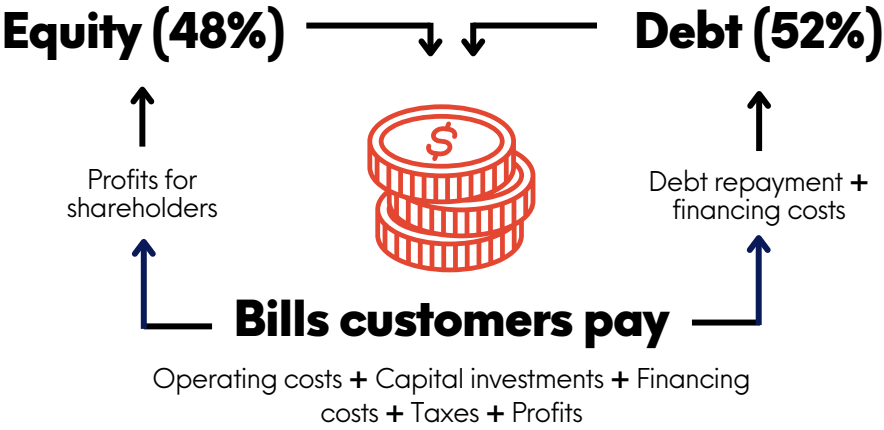


FIG 1: CUSTOMERS MUST PAY BILLS THAT ARE HIGH ENOUGH TO COVER ALL COSTS, INCLUDING THE COST OF FINANCING, PLUS PROFITS FOR SHAREHOLDERS.

In return for its monopoly status, Central Hudson agrees to provide **universal service** in its service area, and to allow the state to regulate its rates to be **just and reasonable**.

However, because the company is funded with shareholder investments, just and reasonable rates include the company’s **right to make profits** for its investors on the total value of its infrastructure. That means, the higher the value, the more profits they can collect. This model creates an industry-wide phenomenon of a

perverse incentive, where investor-owned utilities **over-invest** in capital projects to maximize profits. As a result, they spend more than what is needed and don’t incentivize efficiencies and upgrades that would save money.

The only way to keep rates as low as possible and bring the bloated old infrastructure up to date is to remove investors and their need for profits.

APPROXIMATE EXAMPLE OF HOW AUTHORIZED PROFIT IS CALCULATED

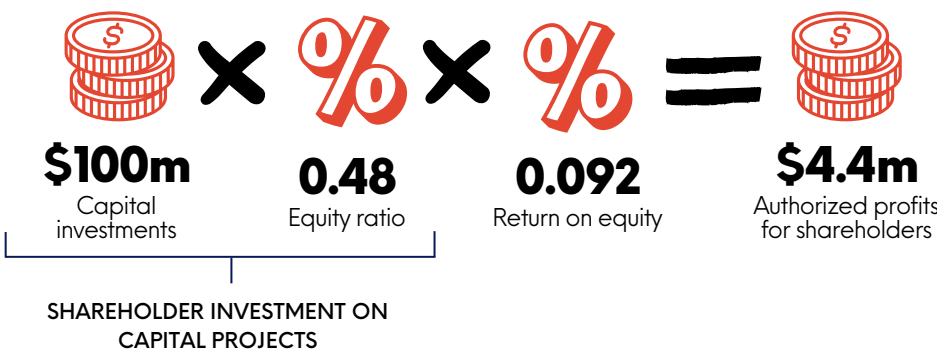


FIG 2: THE MORE INVESTMENTS CENTRAL HUDSON MAKES IN CAPITAL PROJECTS, THE MORE PROFITS THEY ARE AUTHORIZED TO COLLECT

Aren’t the rates high because of the state’s climate laws?

According to Central Hudson’s own filings, the vast majority of the increase requests—such as expenses related to cybersecurity, worker wages, uncollectible bills, financing, and replacing aging infrastructure—have nothing to do with the climate laws. In fact, in 2023, part of the increase in the electricity rate was due to expenses related to outages caused by extreme weather. This type of cost is only likely to go up if climate change worsens.

However, as a company that has a monopoly over our grid, Central Hudson does have the responsibility to maintain a resilient twenty-first century grid. In reality, decades of perverse incentives have resulted in an aging and antiquated grid, and now, every capital project they must undertake to fix it is **unnecessarily expensive**. Why? Unlike a state corporation, Central Hudson cannot access low-cost finance, is not exempt from state and federal taxes, and must partake in financial alchemy that drives rates upward to keep shareholders happy.

A publicly-owned corporation can do the same work for much cheaper, and with better protections for workers!

“ **EVERY DOLLAR OF SHAREHOLDER CAPITAL THEY INVEST TURNS INTO ROUGHLY TWO DOLLARS IN THEIR STOCK MARKET VALUE—A POWERFUL INCENTIVE TO INVEST AS MUCH AS POSSIBLE.** ”

—AMERICAN ECONOMIC LIBERTIES PROJECT, DESCRIBING HOW INVESTOR-OWNED UTILITIES OVER-INVEST IN CAPITAL TO DRIVE PROFITS

Source: <https://www.economicliberties.us/our-work/rate-of-return/>



Add your name in support of our bill to make Central Hudson a publicly-owned corporation:
<https://bit.ly/support-hvpa>

IT'S TIME TO TAKE OUR POWER BACK!

The **Hudson Valley Power Authority Act (A2127 Shrestha/S2026 Hinchey)** is state legislation to replace Central Hudson with a not-for-profit state corporation whose goal is to keep the rates low, the lights on, and invest in a resilient grid. And it does all this without needing to be funded by taxpayers!

Unlike a private utility that serves as an investment vehicle, **maximizes profits**, and **pits its workers against customers**, ours has no profit motive,

With public ownership, we'll take our grid from corporate boardrooms that line shareholders' pockets, and put it in the hands of experts and the people who rely on it.

WANT TO VOLUNTEER OR HAVE A QUESTION?

EMAIL THE OFFICE OF ASSEMBLYMEMBER SARAHANA SHRESTHA

district103@nyassembly.gov
Or visit [hudsonvalleypowerauthority.com](https://www.hudsonvalleypowerauthority.com)

Hope to see you at a town hall,

Sam



empowers both workers and customers, and is held accountable by the very public it serves.

But public ownership is not the end goal in itself—it's the means to achieve our goals: low rates, a 21st century grid, environmental justice, transparency, and good union jobs.

Isn't this legislation bad for Central Hudson workers?

No, this legislation gives Central Hudson workers more power, and the room to negotiate better terms. To start, the bill gives the union a seat on the board and two seats in the community oversight body.

Further, it gives the union the final say over the hiring of short-term contractors, protects the union's right to strike by preserving their private sector status, protects workers that would be affected by an energy transition that is bound to happen with or without our bill, and because there would be no shareholders to make profits for, more money can be put towards worker needs. Currently, because the bills are already so high, worker needs have to go through a highly politicized rate increase, which pits the workers against the customers. With no shareholders, we can prioritize the needs of both the workers and the customers!

Our bill also increases labor standards for when Central Hudson contracts with third parties to build.



Learn more about what the bill does for workers!

<https://bit.ly/hvpa-workers>

“WHERE A COMMUNITY IS NOT SATISFIED WITH THE SERVICE RENDERED OR THE RATES CHARGED BY THE PRIVATE UTILITY, IT HAS THE UNDENIABLE BASIC RIGHT, AS ONE OF ITS FUNCTIONS OF GOVERNMENT, ONE OF ITS FUNCTIONS OF HOME RULE, TO SET UP, AFTER A FAIR REFERENDUM TO ITS VOTERS HAS BEEN HAD, ITS OWN GOVERNMENTALLY OWNED AND OPERATED SERVICE.”

—FRANKLIN D. ROOSEVELT, 1932





See inside to learn how the financing of investor-owned utilities works like **financial alchemy** that drives rates upward and lets our grid deteriorate.

OVER THE LAST THREE YEARS, RESIDENTIAL
ELECTRICITY RATES FOR PRIVATELY-OWNED
UTILITIES HAVE INCREASED BY **49% MORE**
THAN INFLATION, WHEREAS THOSE FOR
PUBLICLY-OWNED UTILITIES HAVE
INCREASED BY **44% LESS THAN INFLATION**.



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IT'S TIME TO TAKE
OUR POWER BACK!

Central Hudson is owned by **Fortis**, a Canadian investment company that owns utilities all over the world with the **primary goal of making profits**. Join us at an upcoming in-person town hall to learn how we can take the energy system from corporate boardrooms and put it in the hands of experts to serve people. **See inside for details!**