

**Congress of the United States**  
**Washington, DC 20515**

July 21, 2014

Cheryl LaFleur, Acting Chairman  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Dear Chairwoman LaFleur,

We are writing to reiterate our concerns with the new capacity zone in New York's Hudson Valley and request that FERC immediately rescind its approval of this zone. As you know, over the last year we have joined with many of our constituents, small businesses, and local elected officials in opposition to the new capacity zone designation. Despite this concerted and unified effort to prevent it, the capacity zone was implemented and our constituents and local businesses have now seen major rate hikes across the board.

Because FERC continued to ignore public outcry on this misguided decision, we recently worked together on bipartisan legislative efforts during consideration of H.R. 4923, the FY 2015 Energy and Water Development and Related Agencies Appropriations Act. Our amendment (see attached) easily passed, and represents the opposition of the House of Representatives to this designated capacity zone. In addition to this amendment, the legislation's report also included the language below:

The Committee is concerned with recent reports from localities experiencing dramatic increases in their electricity costs for January 2014 due to transmission charges, with some localities reporting increases of more than one hundred percent over their estimated charges. The Committee appreciates FERC taking note of these impacts and hosting a technical conference on Winter 2013–2014 Operations and Market Performance in Regional Transmission Organizations and Independent System Operators. The Commission shall provide to the Committees on Appropriations of the House of Representatives and the Senate a report on the causes of these increased costs, the impacts on localities and residents, and any authorities and actions that have been or potentially could be used to address these issues.

However, the Committee urges the Commission to be more proactive in addressing the concerns of ratepayers. In particular, when the Federal Energy Regulatory Commission considers a request for approval of a new capacity zone, the Committee expects the views of local and state officials, regulators, and business leaders to be taken into account during the process. Further, the Committee also expects that the process will include considerations such as costs to ratepayers in addition to electrical reliability and availability.

As further confirmation that valid concerns about this process are widespread, we were encouraged that FERC officials, including yourself, committed to reviewing the designation during the confirmation proceedings in the United States Senate. For these reasons, we respectfully request that FERC follow the intent of this amendment and vacate their decision on the new capacity zone which has led to significant rate hikes. Additionally, upon consideration of future decisions, we ask that due consultation and consideration be given to the concerns of local communities, individuals, officials, and businesses through a more public and education-based process in order to improve the American public's confidence and partnership in the process.

Thank you for considering our request. Should you have any questions, please do not hesitate to reach out to either of our offices.

Sincerely,



---

Chris Gibson  
Member of Congress (NY-19)



---

Sean Patrick Maloney  
Member of Congress (NY-18)