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Deputy Mayor: Mark Harris
Trustee: James M. Caiola
Trustee: Peg Maneen
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Village Treasurer:
Village Attorney: Karl Manne
Fire Chief: Matthew R. Palumbo
Superintendent of Utilities: Michael Irons

Village of Frankfort

February 17th, 2026

Dear Village Utility Customers,

Village of Frankfort Power & Light would like to make our customers aware of a situation that will significantly impact their Electric bills that come out in March 2026. This is a more detailed explanation in addition to the note on your utility bills last month. We buy our power at the lowest prices possible and deliver that power to our customers, we do not have the ability to generate power. Our regular rates have not changed since 1998.

We have a hydro allotment from the New York Power Authority (NYPA), any supplemental energy purchased is done through the New York Municipal Power Agency (NYMPA). NYMPA is responsible for trying to buy all the supplemental energy needed by most municipal electric systems in New York State on the open market. Their goals are to keep prices as low as possible without big fluctuations in cost. In January 2026, our system received roughly 2,428,030 kWh of hydro electric power and needed an additional 1,863,234 kWh in supplemental energy from NYMPA.

In January 2026, the open market for electricity had skyrocketing prices due to the extreme cold gripping the state and the country. Several other contributing factors to the rising costs include, increased electrification, production not keeping pace, increased congestion, green initiatives, and AI data centers. The cost of buying our power is recouped each month using the PPAC (Purchase Power Adjustment Clause). The PPAC fluctuates each month based on several factors including; total cost of NYPA, NYMPA and National Grid Non-Utility bills and usage data.

Our February 2026 power bills are the highest we have had, which will lead to a very high PPA and significantly higher than normal electric bills in March 2026. Our rates, even with these high PPAs, will still be lower than National Grid customers and the market is expected to return to normal levels. We encourage all customers to reduce consumption, seek programs to help with insulating your home or upgrading of heating sources, and pursue nonelectric heating sources as an alternative if possible.

Thank you for your patience and understanding,

Village of Frankfort Power & Light

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NEW YORK MUNICIPAL POWER AGENCY

MEMORANDUM

TO: NYMPA Member Systems
FROM: Jim Stokes, General Manager
RE: January Energy Prices
DATE: February 5, 2026

While the cost of purchasing and transmitting electricity to our member systems has been rising in recent years, the month of January 2026 produced some very cold weather and previously unseen impacts on New York State's wholesale electricity markets. Depending on your utility's billing practices, you may not see the full impact of this for a month or two, but at some point, each customer will be impacted by the extremely high market prices we saw in New York State for electricity last month, and in particular, the last week of January.

First, some basics about your customer bills. Our municipal electric utility systems are distribution systems only. Each system must purchase (for your system, through the New York Municipal Power Agency) electricity produced by independent generators, and must pay other parties for transmission and other related costs associated with getting that electricity to your community. As a distribution system, your local utility has no control over energy prices, transportation costs or the other associated expenses of procuring the electricity consumed by customers.

Each utility has locally set base rates set forth in the system's tariffs that are approved by the NYS Public Service Commission. These rates are intended to cover the costs of operating your local distribution system, but for the most part these base rates do not cover the cost of the electricity actually consumed by customers. The cost of generating the electricity distributed to customers and transporting it to your local system is primarily recovered through the monthly purchase power adjustment (PPA) that is calculated each month and included on bills as a pass through to customers. This part of the monthly customer charge fluctuates from month to month and will be particularly impacted by January's market prices, although, customers may not see this impact until the utility bills they received in March.

Memo to NYMPA Members

February 4, 2026

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Energy prices in New York are determined in the regulated market operated by the New York Independent System Operator. The weather has become a very dominant factor in New York State's energy markets. Prices are determined based upon supply and demand. During cold weather conditions, demand rises significantly. The NYISO has warned that the narrow margin between overall statewide electricity demand and available generation poses potential system reliability concerns. It also has created market conditions whereby relatively minor deviations in temperatures (colder than normal in winter / warmer in summer) are causing significant increases in market energy prices. We saw such a swing on steroids the last week of January. Cold weather also causes loads (energy consumed) to increase significantly at the same time prices are rising, creating a double whammy for customers.

A significant portion of your system's total electricity consumed is low-cost hydro power supplied by the New York Power Authority. But as market prices spiked in January, so did the costs associated with transmitting that hydro power to your system, along with the cost of purchasing and transporting the additional supplemental electricity needed to fulfill your community's demands, not to mention other state-mandated surcharges and assessments that also comprise part of the monthly PPA charge to customers.

To put January's market prices into perspective, wholesale electricity prices in New York State were averaging nearly \$600 per megawatt hour (**\$0.60 per kilowatt hour**) the last week of the month. For the month of January 2025 (which was a fairly cold month relative to average) prices averaged \$103 per megawatt hour (**\$0.103 per kilowatt hour**), and in January of 2014, the infamous polar vortex year, prices averaged \$127 per megawatt hour (\$0.127 per kilowatt hour) in 2014 dollars, or roughly **\$0.18 per kilowatt hour** in 2025 dollars.

As a member of the New York Municipal Power Agency, your local utility benefits from NYMPA's supply management practices under which fixed quantities of electricity are purchased months and/or years in advance at pre-determined prices significantly below current market prices. Yes, as hard as it may be to believe, the prices our customers see for their January electricity supply costs could be as much as 30% higher were it not for NYMPA's management of your system's electricity supply. And while it may be of limited comfort when you pay your bill, keep in mind that your municipal electric utility bills are in a range of 1/3 to 1/2 of that paid by customers served by the major utilities in New York State. While this information may not dampen the pain of paying high electricity bills, we hope you will find it helpful in at least understanding why those bills are so high this winter.