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September 16, 2009

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New York CityThe Honorable David A. Paterson
Governor of New York
The Capitol
Albany, NY 12224

Dear Governor Paterson:

Thank you for the opportunity to share our views on your proposed State Energy Plan.

As you know, New York AREA was formed shortly after the 2003 blackout, and promotes policies that will ensure New York has an ample supply of clean, affordable and reliable electricity for decades to come. A growing alliance of more than 150 members including businesses, labor unions, environmental leaders and utilities, New York AREA achieves its mission through education, political action, engaging the press and policy makers, and by building support for energy initiatives that will sustain and enhance the economic growth and environmental health of New York State.

To begin, please accept my whole-hearted congratulations for taking the step of proposing a State Energy Plan. It was a welcome and historic development as our state hasn't had a comprehensive energy plan in 75 years. This preliminary plan is an important step towards securing our energy future and maintaining our state's quality-of-life. I commend you and your team for your leadership.

The plan has identified energy efficiency as the priority resource for meeting its multiple objectives. We heartily agree that energy efficiency and conservation are vital components of any credible energy plan. But with an overall goal of reducing energy consumption 15 percent by 2015 we feel the plan relies too heavily on increasing energy efficiency at the expense of our state's current baseload power capacity. No reasonable person could be against efficiency and conservation – it just won't be enough. Because the jobs of the future are energy-hungry, New York must look to expand clean-energy production in the near and long term.

On Long Island, we are quite pleased to see Con Edison and the Long Island Power Authority come together to propose a new windmill project off the coast of the Rockaways. Unfortunately and as I personally know full well, Long Island has always been the capital of the NIMBY's; if there is any chance that the project will be stopped due to the "not in my backyard" syndrome, it's here. I say that after watching project after project, from Shoreham to Broadwater onward, suffer the same fate. This is one reason why a new power plant siting law is needed – and why we are pleased to see the draft plan include a clear call for this legislation.

The plan also supports the further development of the Smart Grid; another welcome development. New York needs an acceleration of efforts to expand and modernize the grid and take advantage of stimulus dollars. We build wind farms across our state – and while we are harnessing the power of the wind, downstate consumers cannot tap upstate wind power due to the lack of a continuous linkage. We won't get new forms of energy being produced in this state unless the grid is upgraded. This process should have the same priority as the energy conservation effort. We also need a new power line from Canada to Long Island, and we should be espousing an accelerated effort to make this a reality for Nassau and Suffolk County.

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The Honorable David A. Paterson

Re: Draft State Energy Plan

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New York needs to keep and expand its use of clean baseload sources, particularly nuclear and hydro, which account for 53 percent of our electricity portfolio. In addition, the plan calls for development and exploration of the Marcellus Shale natural-gas formation – which would create sorely needed jobs upstate and boost the whole region's energy supplies. More supply means more price competition, which means lower prices for consumers and businesses – attracting more companies and jobs to the region. It would also make New York less dependent on external sources – such as New Jersey and Canada – for power. Refreshingly, the draft speaks about the positive impact nuclear power plays in New York's clean-energy portfolio, but at the same time calls for the closing of Indian Point. This is clearly unfortunate.

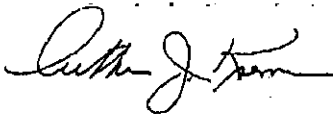
The Indian Point Energy Center supplies approximately 10 percent of the state's power and on a typical day provides a third of the power for the city and surrounding region. Not only does Indian Point produce more than 2,000 megawatts of reliable base load power – it produces this power in a virtually emission-free manner.

The draft state energy plan cites safety as the top reason for opposing the plant's continued operations. However, the federal government's independent safety experts just last month officially attested to the safety and security of the facility. They issued a favorable final safety evaluation report – a significant and important step forward in the license renewal process.

Additionally, the draft plan also cites environmental concerns related to the plant's continued operation. However, replacing Indian Point's power will require a minimum of four fossil fuel-burning plants. New fossil-fuel burning plants will increase greenhouse gases, in addition to increasing air pollution. With New York already maintaining the third-lowest, per-capita carbon emissions in the nation, this is clearly a step backward, and one that will bring about detrimental impacts throughout our state. I ask you to revisit this proposal in your final deliberations.

Governor, there is much in this plan that we clearly support, and I personally would recognize the efforts of yourself and your team in bringing this draft to fruition. However, we ask for you to revisit your opposition to Indian Point, and to put forth a final plan which utilizes the numerous benefits offered by this facility. These include clean, safe, affordable energy, a stable supply more than 2,000 MW of baseload power, a cumulative economic impact exceeding one billion dollars, and tens of thousands of jobs – many of which are unionized.

Sincerely,



Arthur "Jerry" Kremer
Chairman