Public hearing held at the State University of New York at Buffalo, Center for Tomorrow, Amherst, New York, on August 24, 2009, commencing at 10:13 a.m., before THOMAS CONGDON, Chair, State Energy Planning Board.
STATE ENERGY PLANNING BOARD MEMBERS:

THOMAS CONGDON, Chair,
State Energy Planning Board;
Deputy Secretary for Energy,
Office of the Governor.

GARRY BROWN, Chair,
State Public Service Commission.

PETER IWANOWICZ,
Assistant Secretary for Environment,
Office of the Governor.

JARED SNYDER,
New York State Department of Environmental
Conservation.

ROBERT CALLENDER,
New York State Energy Research and
Development Authority.

PRESENT: SARAH OSGOOD, Executive Director,
State Energy Planning Board;
Assistant Secretary for Renewable Energy,
Office of the Governor.

SUZANNE M. BAKER, Outreach Coordinator,
State Energy Planning Board;
Executive Assistant, New York State
Energy Research and Development Authority.

LORI K. BECK, CSR, RDR, CRR,
Court Reporter.

MEMBERS OF THE PUBLIC
MR. CONGDON: Good morning, everyone. My name is Tom Congdon, and I am the Chair of the New York State Energy Planning Board.

I'd like to welcome you to the third public statement hearing on the draft State Energy Plan. Like to thank our hosts at UB, and I'd like to thank the other members of the Planning Board who are here with me today:

From my far left, Bob Callender from the New York State Energy Research and Development Authority; Garry Brown, the Chairman of the Public Service Commission.

To my right, Peter Iwanowicz, the Deputy Secretary -- I'm sorry, the Assistant Secretary for the Environment in Governor Paterson's office; and Jared Snyder from the Department of Environmental Conservation.

But most importantly, I'd like to thank all of you. We are here to listen to you.

For the past year and a half, the Planning Board has worked with the staffs of ten agencies and authorities to develop the draft State Energy Plan. The Planning process commenced in April of 2008 when Governor Paterson issued Executive Order Number 2 creating the Planning Board and charging
On August 10th, the Planning Board released the draft State Energy Plan on its website, nysenergyplan.com, and commenced a 60-day written comment period and this public hearing phase of the development of the final.

Written comments are due on October 19th, and we will release the final Plan by the end of the year.

The Plan's objectives are to, first, ensure our energy systems are reliable over a ten-year planning horizon; second, to reduce greenhouse gas emissions; third, to stabilize energy costs and improve economic competitiveness in the State; four, reduce public health and environmental risks associated with energy systems; and fifth, to improve the State's energy security.

The Plan modeled and considered various approaches to achieving these objectives and arrived at a number of strategies.

First and foremost, the Plan identified energy efficiency as a priority resource to meeting our multiple public policy objectives.

The Plan also seeks to develop in-State energy resources, largely renewable resources, and
also in-State natural gas resources in an
environmentally responsible manner.

The Plan also projects infrastructure needs
both to support the clean energy technologies of
the future and also to ensure reliability.

Fourth, the Plan identifies opportunities to
capitalize on existing academic and research
strengths in the State and to facilitate
connections between academia and industry to speed
up the rate of innovation in energy technologies.

We believe this will create jobs in the State, and
we also identify work force needs to transition to
this clean energy economy.

Lastly, the Plan recognizes that none of
this can be fully achieved without working with
other levels of government and with communities to
achieve our goals.

The public -- this public hearing is a
testament to the desire to work with and learn from
the community that is affected by energy decisions
and energy policies. This is one of nine public
hearing sessions we are holding around the State to
hear your comments, and a full hearing schedule is
available on our website.

The process today is simple. Those who want
to comment at this hearing have been asked to sign
in upon arrival today, and I have that list with
me.

Your name will be called one at a time to
speak. Please come to the microphone here on my
right when your name is called.

A court reporter is here to prepare a
verbatim transcript. It is very important that
only one speaker come up at a time and speak at a
time so the reporter can hear clearly.

Speakers should address their comments in
the direction of the microphone and please make an
effort to speak clearly and slowly.

It is also very important that those in
attendance be courteous to the speaker so his or
her comments can be transcribed accurately.

All speakers are asked to focus on issues
that pertain to the draft Energy Plan. Your
comments should be as succinct as possible so we
can hear from as many people as possible in the
time we have.

We set a five-minute deadline for that
purpose, but, of course, after everyone has had a
chance to address the Board, repeat speakers may be
afforded another five minutes.
One of my colleagues, Sarah Osgood, is sitting next to the microphone with a timer, and she will gently remind you if you're going over your five minutes.

Formal presentations like PowerPoint are -- are not allowed. Those who want to comment but do not want to speak publicly or do not get a chance to do so can also submit written comments via the State Energy Plan website, and again, that's www.nysenergyplan.com.

If you decide to submit written comments, please do so as soon as possible so that they can be carefully considered.

All public comments, whether stated at a hearing like this one or sent to the website, will be reported to the Energy Planning Board for its consideration. They all count equally, regardless of how they were received.

Before we get started, does anyone have any questions about the process?

Yes, sir?

DAVE BRADLEY: I also submitted comments online where you can basically link to more extensive things.

Are those going to be included?
MR. CONGDON: Yes. If you've submitted comments online, those are considered by the Board, and they're also posted online for other stakeholders to -- to review as well.

DAVE BRADLEY: Okay. Because this is a very, very abbreviated format.

MR. CONGDON: Okay. Thank you.

Our first public statement is by Assemblyman Sam Hoyt.

Thank you, Sam.

STATEMENT OF SAM HOYT, NEW YORK STATE ASSEMBLY, 144TH ASSEMBLY DISTRICT

ASSEMBLYMAN HOYT: Thank you. I want to first thank the members of the committee for allowing me to speak today.

I'm Assembly Member Sam Hoyt. I represent the 144th Assembly District, which contains the west side of Buffalo and the Town of Grand Island.

I come here today in a number of different capacities: as the chair of the Assembly Local Governments Committee, which has responsibility over parkland alienation; as an environmentalist who has made a commitment to our great State's open
spaces and protected places; and as an Assemblyman whose constituents are committed to preserving the beauty and ecological integrity of our State parks.

The Energy Plan in many respects represents a huge step forward for New York in preserving our environment and accessing sources of renewable energy. Unfortunately, even the very best of documents can contain flaws, and I believe this Plan does.

Without criticizing the good, I would like to take a few minutes to draw our attention to one such flaw in the hopes of convincing others to look at alternative approaches and chart new directions for meeting our State's energy needs.

First, let me commend the emphasis placed throughout the Plan on energy efficiency. Reducing use is, of course, an effective step that we can and must take as a State to tackle climate change. I, therefore, want to praise the thoughtful discussion of this topic in the Plan.

I also think that the Plan's components which deal with exploiting untapped renewable energy sources is the kind of dynamic shift in thinking that we need. I commend all of you and Governor Paterson for that.
Our economy is driven by the price of fuel and fuel transportation, and the negative effects of the situation have recently become all too clear. Localized renewable generation, if coupled with Smart Grid technology, can provide both better energy supplies for surrounding communities and more balanced cost with only negligible environmental impact.

Where I do take issue with the report is in its allowance for the process known as hydrofracking in Marcellus shale. This State may have vast, untapped reserves of natural gas and other fuels trapped in that formation, and there are some who see multiple reasons for tapping into it.

One is that Marcellus presents an opportunity for the State to make a profit. Another revolves around regional energy independence.

Let me address the regional energy independence idea first. It is false that tapping Marcellus means energy independence for upstate. Just like any other community, the market will drive where the gas is sold, and no map-based border will prevent
its going to the highest bidder, regardless of location.

In what would be a sad corollary to the Niagara Power Project, the region impacted by the ills of the gas production might not ever realize the benefits.

The ends of energy independence are not realized, much less justified, by the means of tapping Marcellus.

The other reason for drilling -- the potential profit to New York -- must be balanced against the high cost to the quality of our water, air, and health. That cost stems from the process known as hydrofracking.

A cursory description of it may sound harmless: the use of water to create fissures in the shale to tap the gas and the oil.

But the waste, the chemicals employed, disposal methods, transportation requirements, and lack of research in areas such as radioactivity all point to a process that is poorly understood and has the potential for grave environmental damage.

Current methods for disposing of the wastewater are inadequate. Steps to prevent leakage are not always employed, and toxins
released from the 300-million-year-old shale are
unknown, all of which ensures that the public's
health and safety would be jeopardized for a
relatively small and unknown gain.
I encourage the Commission and the
Governor's office and all of you to think twice
before employing and allowing for the whole
hydrofracking technology and technique to be used
and included in the master Plan.
One final comment:
Many of you know that prior to me serving in
the State Assembly, my father was a State
Assemblyman as well.
He chaired the Energy Committee, and one of
his last acts as a legislator -- in fact, he passed
away while serving in the Assembly, literally on
the floor of the Assembly, while meeting with staff
on this topic -- was preventing the State of New
York from entering into a contract with the
Province of Quebec to buy large amounts of
hydropower from Hydro-Quebec.
It would have resulted in massive flooding
of thousands and thousands and thousands of native
lands in Canada. The Cree and other tribes were
strongly opposed to it.
It's my understanding that we are reconsidering such a proposal today.
The battle and the arguments made back when my father served still apply today. We ought to require and insist on by statute that a full environmental impact statement be required even if we're purchasing this power from another state or another country.

And so as we go forward, I hope we keep that in mind as well.

Thank you all very much.

MR. CONGDON: Thank you, Assemblyman.

Our next speaker is Douglas Champ.

STATEMENT OF DOUGLAS CHAMP

First of all, I've been in the energy business for over 30 years, and I'm a retired utility manager, thermal energy systems.

AUDIENCE MEMBERS: Can't hear you. Can't hear you.

Is the PA on? Doesn't sound like it's on.

MR. CHAMP: Can you hear me now?

AUDIENCE MEMBERS: No. No.

MR. CHAMP: How about this? Can you hear
AUDIENCE MEMBERS: Yes.

MR. CONGDON: Great.

MR. CHAMP: I'll repeat that again.

My name is Douglas Champ. I've been in the energy business for well over 30 years. I'm a retired utility manager, primarily thermal energy systems.

And in your Plan I want to propose a concept which our friends from NYSERDA are well aware of. It's community energy systems, which integrate thermal energy in a community using all types of energy sources.

The prime example is the one I managed in Jamestown, New York, which provides hot water heating and, in fact, cooling to a whole variety of buildings.

This concept is not new. It's been around since -- Birdsill Holly actually initiated it in Lockport, New York, in the 1800s, and we have systems existing in New York like Con Edison and a variety of other ones and other campuses and -- and big industrial complexes.

But the importance of this system is that it can integrate all types of energy sources. It
creates efficiency. The tie-ins and renewables are all in place. Everything can be done.

So in looking at how communities can be heating and cooling, I think you ought to look at community energy systems as a viable process that will combine all of these sources in one location, plus creating economic stabilization by building this utility as a complement to other sources.

So my thought in this is that this could be an accurate way for you to actually do all of these things together in a viable way within our communities.

Buffalo, New York, has a system. It hasn't really grown very much since the time it was put in. I think that can continue in other areas of the State.

So my thought in this is really for you to look at community energies and district systems as being a viable way in the future to integrate geothermal, biomass, wind power, solar power, and a form of storage that can connect to these systems and do everything that we feel are necessary to move this State forward.

In addition to that, you're looking at sequestration of CO2, but I see no utilization of
CO2 in terms of a viable byproduct which we are then
going to take and to bury it underground.

Now, in Canada, whole industries are
connected to CO2 generation in greenhouses.

A whole new industry could be part of this
process in New York State as part of the fuel
delivery system where you have CO2 as part of the
fossil fuel greenhouse gas allocation.

So I would look at you to take a look how CO2
could be utilized versus sequestering it.

That poses a lot of problems, and it poses a
lot of costs. I know that the amount of CO2 in the
generation process is extreme in some cases, but
nevertheless, it should be utilized in a more
effective way.

That will end my brief presentation, but I
look forward to this Plan being implemented. Many
times plans are not implemented. They are thought
about, they are looked at, but we never have the
end result, and everything goes down the scale.

So I appreciate your efforts in pulling this
together.

And one last word:

I'm also the chairman of Chautauqua County's
Energy Conference in the fall, the 23rd and 24th,
with -- one of your Board members will be here, Steve Hammond, giving a presentation.

I invite all of you, and I'm also going to invite Mr. Tom Congdon to come and present that Energy Plan, if he has the time.

MR. CONGDON: I think we have just one follow-up.

MR. BROWN: Just one. Is this on? Hello.

You were -- on the community energy systems, did you have any specific recommendations?

Are there barriers out there or lack of incentives to make this happen?

MR. CHAMP: Yes, there have been in the past. The startup application's difficult.

The feasibility studies are there. I know NYSERDA and I have worked for many, many years at trying to get and promote this.

I think the Jamestown system is a prototype. It's known all over the world. I have been involved with international conferences on that.

I've given speeches and talks all over the country when I was -- when I actually ran the system.

And the barriers are typical barriers in cities: cost, economics, the construction application.
But now is the time to reexamine this. Now is the time to integrate community energy within a viable way, because we have wind power over here, we have solar power over there, we have a variety of fractionations going on that aren't integrated together.

And with storage now, you can do these things in an effective way, and some of the facilities in the State of New York actually could be generators for the development of these community energy systems.

So I think if we can finance a way for these to be done along with partnerships, private and public, I think you create a whole new opportunity in the State of New York to create these systems on site, whether they're in a community of a large basis or they're larger complexes like industrial parks or they're complexes like State University systems.

They're doing it now, but they're doing it internally, and I think you have a good opportunity to promote this, and I'd be happy to help that process.

MR. BROWN: Thank you.

MR. IWANOWICZ: The date, again, of your
Mr. Champ: 23rd and 24th of October.

It's a very unique conference. Last year we had about a thousand people. It's on all types of topics, and I think this Board would be appreciative of the effort that this county's trying to make to follow your opportunities and your Plan.

Mr. Congdon: Great. Thank you very much.

Our next speaker is Joe Brown from the Boilermakers.

STATEMENT OF JOE BROWN, BOILERMAKERS LOCAL 7

Mr. Brown: Good morning. I don't know if -- good morning. I'm Joe Brown, Business Manager, Boilermakers Local 7. We're the primary craft that builds power plants throughout the State.

Thank you for holding your hearings at SUNY Buffalo.

The preliminary Plan, even in draft formation, is a welcome development. This is an important step towards supporting the growth of
communities such as Jamestown, Lackawanna, and Wheatfield, as well as supporting a brighter future for local labor, small business, and for all New Yorkers.

First and foremost, I salute all of you for making the Jamestown BPU carbon sequestration project a priority under the proposed Plan. The project will create 400 construction jobs over 36 months, nearly 1500 ancillary jobs, and, once operational, about 30 permanent positions.

The facility would utilize resources such as coal, petroleum coke, and wood coal for fuel while capturing 95 percent of the carbon dioxide emitted from production, a win for the environment.

This Plan will be able to file for financial assistance through the federal stimulus money available for energy infrastructure upgrades.

Secondly, I recognize the Plan for supporting the reauthorization of the power plant siting law. We now have the opportunity to address both New York's energy shortfall and bring much-needed jobs and economic development to Western New York.

The time has come for our lawmakers to heed your call and pass a new law that would expedite
Joe Brown, Boilermakers Local 7

the siting process to build a new generation of
clean, efficient power plants. This will create
hundreds, if not thousands of well-paid union jobs
and will help fortify our State's aging energy
infrastructure.

Thirdly, I would offer my support for a
number of other initiatives that have been laid out
and are sprinkled throughout the draft Plan, such
as increased focus on conservation and efficiency,
renewable energy research and development,
utilizing right-of-way to grant new transmission
corridors for maintaining our base load of supplied
hydropower.

All of these proposals will not only fortify
our energy future as a region and a State but will
create new jobs and put our families back to work.
I commend the Board for supporting the
creation of the new reactor at Nine Mile Point in
Oswego and for keeping existing upstate nuclear
facilities such as our own Ginna station online and
active.

However, even though the facility's more
than 300 miles away, you're focusing -- excuse
me -- your focus on closing Indian Point will have
a negative effect on all New Yorkers, not just
Hadley Horrigan, Buffalo Niagara Partnership

Indian Point supplies nearly ten percent of the State's power, nearly one in every ten homes within New York State. It produces over 2,000 megawatts of clean, reliable, safe power and does it without producing harmful greenhouse gasses.

The Nuclear Regulatory Commission just last week attested to the facility's safety by publicly acknowledging that the facility has met the stringent safety requirements issued by the federal government.

As a boilermaker who has worked at Indian Point, I know the value of organized labor to the facility, and I would ask why anyone would close a plant that produces ten percent of the State's power in a clean manner while employing thousands of union workers.

In closing, I commend you for your hard work, dedication, and focus on securing our future. Our State will be a better place thanks to each of you.

Thank you for your time.

MR. CONGDON: Thank you, Joe. Our next speaker is Hadley Horrigan from the Buffalo Niagara Partnership.
JACK W. HUNT & ASSOCIATES, INC.

1420 Liberty Building
Buffalo, New York 14202 - (716) 853-5600
STATEMENT OF HADLEY HÖRIGAN, BUFFALO NIAGARA PARTNERSHIP

MS. HÖRIGAN: I'm Hadley Horrigan, Vice-President of Public Affairs at the Partnership, and I'm here today on behalf of about 2500 members who are regional employers of more than 200,000 people.

Thank you for your thoughtful work on the draft Energy Plan and for the opportunity to provide comment today.

Let me begin by providing the context from which the partnership's perspective comes.

About 40,000 local jobs currently depend on the expansion and replacement power contracts that NYPA has with companies in our region. Replacement and expansion power is absolutely vital to the economy of Buffalo-Niagara.

Our sister organization, the Buffalo Niagara Enterprise, working in concert with local and State economic development partners, has developed a robust attraction effort that takes advantage of the unique advantages we have in the form of Niagara Power Project hydropower.
In particular, and consistent with the goals of the draft Energy Plan, the Buffalo Niagara Enterprise has made great strides working with solar panel and wind turbine manufacturers who have expressed interest in our region because of our proximity to both customers and supply chain in addition to this hydropower.

Currently, the BNE has nine active projects. These are good projects with real interest in our region. They come from renewable energy industries, other advanced manufacturing sectors, and also include things like brownfield cleanup and really strong private sector job investments.

Together these projects represent potential private sector investments of up to $4.7 billion here and 5500 new jobs.

To land these projects, we as a region currently have about 40 megawatts of replacement and expansion power available, while these projects would likely require allocations closer to about 200 megawatts.

So the bottom line is we really need more low-cost power, and we stand ready to help the State with its strategy to meet these energy needs.

And there's two specific proposals the
partnership strongly endorses to get our region closer to meeting these energy needs. First, we believe hydropower currently supplied for rural and domestic uses within the franchise territories of three upstate utilities should be redeployed for upstate-wide economic development over a period of three years. The residential savings I receive at my home are about $2 per bill, and it's a bit higher for some of my co-workers who are in different franchise territories, but I think, you know, I and my co-workers would agree that a $40,000-a-year job for one of our neighbors would outweigh this benefit, as well as the buying power that job creates in the community.

So that said, we do believe a mechanism should be established to assist non-corporate farmers and those low-income households as defined by HEAP that currently do benefit from the hydropower.

Second, we worked closely with Assemblyman Dennis Gabryszak and Senator Bill Stachowski this year on bills they introduced that would allow our region to get more out of our regional asset, that is, replacement and expansion power, which I
Hadley Horrigan, Buffalo Niagara Partnership

1 mentioned a moment ago.
2 When that power's not being utilized -- so
3 when a plant is not drawing on its full allocation,
4 or when a company has received a block of power but
5 is not yet up and running, or when power remains
6 unallocated -- the NYPA sells that power on the
7 open market and retains those proceeds.
8 And the Gabryszak and Stachowski bills would
9 instead create a Western New York economic
10 development fund that would keep those proceeds
11 derived from the regional hydropower assets within
12 30 miles of the Niagara Power Project, and that
13 local fund would be used for projects such as site
14 preparation and infrastructure improvements,
15 brownfield cleanups, adaptive reuse of existing
16 structures, and to entice private sector
17 investments in Buffalo-Niagara.
18 And now on to a couple specific points of
19 your Plan.
20 It's important that all State agencies that
21 have a hand in economic development uniformly
22 develop criteria that would provide carrots for
23 energy efficiency measures.
24 And moreover, your Plan's objectives need
25 some form of accountability, and so for targets
such as energy efficiency, would you consider
meeting efficiency targets, renewable targets, and
other infrastructure-related objectives under a
regulated environment via the upstate utilities,
because this presents an opportunity for
appropriate and measurable incentives.

Manufacturing companies in the renewable
energy industry like to do business with -- in
states that are actively working to support
renewable energy generation, and so your Plan helps
us and other communities attract such companies to
our region.

But I also want to urge some caution, and
that is, that the State's employers need affordable
power, so we encourage a blended approach, so
renewing Article X, encouraging the construction of
new electric generating capacity, electric and
natural gas transmission and distribution
facilities, and with a focus on building generation
facilities where demand is greatest, particularly
Downstate New York.

While I'm on the topic of affordable power,
I have to note that the recent increase in 18A
assessments is a clear example of inappropriate
increases in regressive taxation that impacts the
competitiveness of business.

Please take the message back to Albany that the $600 million burden on New Yorkers needs to be rolled back immediately. Good energy policy should rely on real costs to the degree possible, and elimination of artificial price components must begin as quickly as possible.

Was that the buzzer?

MR. CONGDON: That's okay. If you want to wrap up.

MS. HORRIGAN: On the development of Marcellus shale, it's a critical matter of importance for Upstate New York, so I'll urge you to expedite a rational DEC permit process for hydrofracture drilling. Any overregulation would only serve to hurt possible increases in domestic supply, and I have to note that New York is already at a competitive disadvantage with Pennsylvania.

I think reliability and your efforts to promote effective infrastructure investments could serve as a competitive advantage for New York State.

And finally, your collaborative approach to developing future energy policy is something we certainly appreciate, and both the partnership and
Unshackle Upstate would stand ready to support your efforts.

MR. CONGDON: Great. Thank you.

Our next speaker is Stephen Lynch.

MR. LYNCH: I'm going to be providing written comments.

MR. CONGDON: Okay. Okay. Thank you.

Written comments, please.

Our next speaker, then, is Dave Bradley from Buffalo Wind Action Group.

STATEMENT OF DAVE BRADLEY, BUFFALO WIND ACTION GROUP

MR. BRADLEY: Thank you very much for allowing me to speak.

I'm glad to see that New York State is actually trying to command for a better energy future. It's a welcome change; however, we still have a long way to go.

In particular, we have really blown it with regards to peak oil, peak gas, and also with your renewable energy plans.

You have nice plans for them, but you just have no viable ways of achieving those goals, and
we would really like to see viable ways to
achieving these goals.

Mostly that relates to the fact that
renewable energy has to be profitable to be able to
be developed. You have no mechanism in here for
making renewable energy profitable except by
further quotas, subsidies, and in a State that's
bleeding tax dollars because of peak oil induced
recessions, you're never going to get there,
because you don't have the money to do this.

So you need to change to a system that
doesn't require massive subsidies.

So anyway, peak oil. And there's basically,
you might say, two horses of the Apocalypse coming
your way. One of them is peak oil, peak gas, and
the other one is global warming.

Global warming is caused by CO2 pollution,
basically the burning of fossil fuels.

Peak oil and peak gas are basically a result
of huge increases in fossil fuel consumption and
production and the fact that we have a finite
supply of these things, and your treatment of that
basically is really inadequate, to say the least.

This affects future prices something fierce,
because as supply and demand become balanced, the
price needed to basically crowd out future users becomes astronomically increasing, and we saw just a touch of that in 2007, 2008. And anyway, that caused a huge recession, slash, depression, which is a dreadful thing, but that's what happens when you have oil price spikes. That's going to happen again in around 2010 or 2011 as the current supply destruction caused by oil depletion and the current supply destruction caused by lack of investment when oil prices crash coincides with increased demand or at least a stable demand. Anyway, it's very short-sighted. New York has no coal, no oil, and really modest natural gas aside from the Marcellus, which we'll get to in a second, and basically, the only way around that is to either get more efficient or substitute renewable electricity. We have very large, significant renewable electricity supplies, but you have to realize the amount of renewable electricity available is a function of the price that you pay for that. At the current collapsed electricity price of two and a half cents a kilowatt hour, the only renewable energy supplies you'd have are the
existing hydropower plants.

If you go to 10 or 15 cents a kilowatt hour, you'd have more than enough renewable electricity -- largely from wind, also some tidal, run or river, and biomass -- to supply all of New York State and to replace all of our polluting sources, which in that category are coal, oil, natural gas, and nuclear sources.

But anyway, until you actually get around to the price -- to the place where renewable energy can be profitable, it's never going to happen.

And in 2009, for example, we have a certain quota for renewable energy which is embodied in the RPS. It's supposed to be 136 megawatts delivered.

It will never happen, because even with the one-and-a-half-cent kilowatt hour bonus from the RPS, it's never going to be enough to make up for the low price and the collapse in the price of electricity.

The collapse in the price of electricity is kind of a function of the NYISO gambling system. And I'll call it a gambling system. You never know what your price of electricity is going to be with NYISO with the locational-based marginal pricing.

And when the recession came about, it
basically crashed demand by about five percent. That caused electricity prices to drop anywhere from 50 percent in Western New York to 70 percent in the New York City area. And that's because electricity is a price-inelastic material. Slight increases or changes in demand mean huge increases in price, and what you need for renewable energy development is stable prices so that with stable prices you can have a stable cash flow. With a stable cash flow, you can actually go get financing. Right now the situation that we have in the State is just ludicrous, because you're asking people to go to bankers and borrow hundreds of millions of dollars, and when you tell the bankers, you know, what the cash flow is going to be, you have no idea. I mean, that's just ludicrous, especially in a post, you know, collapsed -- credit-collapsed world. So New York has approximately $130 billion worth of investments needed to replace all of our polluting electricity sources, and you'll never get there unless you have reliable prices. And a way to do that is how they did that in
Ontario with a Green Energy Act or what they use in Germany called the feed-in law tariff, and unless you actually do that, all the renewable energy plans are nice plans, but they're just driving nowhere fast.

MR. CONGDON: Thank you.

AUDIENCE MEMBER: Marcellus shale.


MR. CONGDON: Our next speaker is Brian Smith.

STATEMENT OF BRIAN SMITH, CITIZENS CAMPAIGN FOR THE ENVIRONMENT

MR. SMITH: Good morning, and thank you for the opportunity to provide comment today.

Again, my name is Brian Smith, and I'm the Western New York program director for Citizens Campaign for the Environment, or CCE. We're here today on behalf of our 80,000 members.

We applaud the Energy Planning Board for moving forward with this process, releasing the draft report, and involving public comments and feedback.
Brian Smith, Citizens Campaign for the Environment

1 We're going to provide some priority
2 principles today, but we'll be giving more
3 extensive written comments before the end of the
4 comment period.
5 CCE and our 80,000 members support an energy
6 plan that stabilizes energy costs, creates new
7 jobs, and increases our energy independence by
8 investing in energy efficiency and renewable
9 energy, not new coal or expensive nuclear energy.
10 Many thousands of citizens signed petitions,
11 more than 5,000 members of the public wrote
12 individual comments in support of these principles
13 during the comment period on the scope of the Plan.
14 We're very pleased that the draft Plan puts
15 such a strong emphasis on energy efficiency and
16 renewable energy development. The best kilowatt of
17 energy is a kilowatt of energy that we never use.
18 Energy efficiency and conservation are the
19 first and most important strategies to reducing
20 costs and saving ratepayers money, reducing
21 pollution, and benefitting the environment as well
22 as benefitting national security. We strongly
23 support the Governor's '15 by 15' plan and the many
24 recommendations in the draft Plan for efficiency
25 beyond 2015.
While energy efficiency is critical, increased renewable energy production is also necessary to meeting demand. We support the Governor's '45 by 15' goal -- and that's supported in the Plan -- and many of the recommendations that push renewable energy beyond the 2015 timeline.

New York State has great renewable energy potential that must be realized to fight climate change, increase energy independence, and benefit local economies and create great jobs. The draft Plan indicates that it is technically and practically feasible to generate more than 75 percent of New York's electricity from hydro, solar, wind, and biomass by the year 2018.

In particular, New York State is a wind-rich state with tremendous potential to generate clean, renewable wind energy. We support policies and actions that will develop -- help wind reach its potential, both on land and off shore in the ocean and the Great Lakes.

And while all energy sources have an impact on our environment, wind produces no harmful air or water pollution, and potential adverse impacts could be largely mitigated with careful planning.

We believe that all wind projects must stand up to
Brian Smith, Citizens Campaign for the Environment

rigorous environmental review prior to construction and advocate for continued post-construction studies to increase our understanding of the impacts of wind development and how further to mitigate these impacts in the future.

We do have some significant concerns with some of the recommendations in the Plan as well.

First, the draft Plan does support drilling in the Marcellus shale formation for natural gas.

Drilling in Marcellus shale will require a process known as hydrofracturing, a process which poses serious potential adverse impacts to ground and surface waters and uses millions of gallons of water per well.

Extracting natural gas and other natural resources should be done very carefully as to not adversely impact quality and quantity of drinking water and surface water.

CCE supports rigorous environmental review, public involvement, and full disclosure of the risks to our environment and public health.

In addition, the State Energy Plan should explicitly state that sensitive and unique areas should not be drilled. In particular, the amazing Allegany State Park sits atop the Marcellus shale
Brian Smith, Citizens Campaign for the Environment

formation and is currently threatened by proposals
to drill there.

Drilling in this sensitive ecosystem would
be devastating to the health of the ecosystem.
Trucks, spills, noise, road building, tree removal,
all these things associated with drilling would
adversely impact wildlife, water quality, public --
and public enjoyment of the park.

Allegany State Park and other natural
treasures in the State should not be exploited for
drilling.

The draft Plan supports new nukes in New
York State.

No nuclear power plant has been built and
become operational in our country in decades. It
is no wonder why, as high risk, high cost, and
legacy waste come along with nuclear energy
production.

The legacy of toxic waste that persists from
the use of nuclear energy threatens to contaminate
our drinking water and land for future generations.

Today, Western New York residents are struggling
for a full cleanup of West Valley, a nuclear
reprocessing site, contaminated a half century ago.
Radioactive waste from the site is migrating
Brian Smith, Citizens Campaign for the Environment

towards our precious Great Lakes.

In addition, waste does not make our nation more energy independent as the vast amounts of -- the vast majority of uranium currently used for nuclear energy is imported from other countries, such as Russia.

Also want to mention very quickly that the Plan supports an unnecessary coal plant. The improvement of the technology of carbon capturing and storage and the promise of this, which ultimately may be beneficial down the road, should not be used to justify an unnecessary coal plant in Jamestown.

Lastly, CCE strongly urges the Board to develop a strong plan for implementation in the final report which is lacking in the draft report. While a report with great information, recommendations, and goals is important, without a clear plan for implementation, it lacks effectiveness.

Thank you very much.

MR. CONGDON: Just a word about the implementation. A few other folks have commented on the need for a good implementation plan.

We do not want this Energy Plan to just sit
on a shelf, and it is our intention to have a
detailed implementation plan with milestones and --
and -- and accountability.
So we do want this to be an actionable Plan,
so I appreciate the comment.
The next speaker, David Flynn from Phillips
Lytle.

STATEMENT OF DAVID FLYNN, PHILLIPS LYTLE LLP

MR. FLYNN: Good morning. My name is David
Flynn, and I'm a partner at Phillips Lytle, a local
law firm, a regional law firm.
I've met several of you in different
 Capacities, and I applaud you for coming here this
 morning to hear some comments from all of us.
One of the key cornerstones of the Plan, as
I read it, is efficiency, and I'm all for increased
efficiency.
But I'm very concerned that there may be an
undue reliance on efficiency going forward, and
that comes at great peril, I think, to our State.
I'm hopeful, as everyone, I believe, in this
room would be, that we can increase efficiency as
we go forward in terms of how we use energy --
whether it be electricity or gas or any other form
of energy -- going forward, but we can't, I think,
bank on that at this point in time.

We are at a point where capacity is starting
to bump its head. We have an old, if not among the
oldest fleets of generating capacity in the United
States, and to sit back and hope and pray at the
end of the day that efficiency will make up for
significant gaps in the capacity of generation and
in replacing older, outdated, and highly polluting
generating capacity, again, I think, comes at great
risk.

I think we should have a meaningful
commitment, a very significant commitment to
efficiency, but we can't -- and we do at great
risk -- plan around efficiency and bank on
efficiency as meeting a key component of our energy
needs going forward.

Renewable energy. I am involved in a number
of renewable energy projects essentially across the
State, and I think renewable energy holds great
promise for our State.

I don't see it replacing significant base
load generating capacity in the State, but I do see
it filling a very important niche and need in our
energy demand and requirements going forward. I would encourage you to look closely at closed-loop biomass. Biomass, as most are familiar with, looks at various feed materials as fuels, and the federal government and the DOE programs create a special incentive for closed-loop biomass. In New York we are blessed with space and opportunity to encourage closed-loop biomass, and we, in fact, in this State have generated a number of genetically superior and modified willow species and other types of material, plant material, which can form, I think, a very important niche in our energy supply infrastructure. And if we can encourage financially the development of closed-loop biomass in New York as the federal government is doing, I think we can see some great promise from that.

I note that the Plan looks and focuses extensively on the use of natural gas going forward to replace some of our older, more polluting base load generating capacity. I applaud that. I think what we need to do in addition to some of the other opportunities that are being explored for increasing domestic supply of natural gas within the State is to focus on gasification
within New York as a meaningful component of
natural gas supply.

I am working and others in this room have
been involved with some significant proposed
gasification facilities which would produce very
significant quantities of pipeline-quality natural
gas, which would strongly support repowering and
expansion of the use of natural gas as a fuel for
generating capacity.

What's holding that back right now is a
cogent plan on the part of the State to manage CO2.

Having looked at the Governor's proposed
legislation for CO2 and kind of earmarking the
Jamestown BPU project as a potential test may make
some sense, but I encourage everyone involved in
this process to come forward now with a meaningful
CO2 regulatory program that will essentially open
the gates for a number of very significant
programs.

The folks that I'm dealing with are not
against CO2 sequestration. They understand that
that's the way, at least in the near to mid-term,
to manage CO2, but our ability to move forward is
very limited because of the inability of the State
to come forward with a cogent plan.
Another opportunity I see is in solar.

Unfortunately, Western New York has one blessing, and that is a large number of landfills which have been closed over the years. These strike me as opportunities for innovative solar applications.

Of course, as you might expect, energy developers and finance -- financial partners are loath to get involved with landfills because of potential liability concerns. If the State were to take a position that a solar energy developer involved in a landfill solar project had no liability or no concern for historic environmental contamination, I am confident that that would open up a very significant opportunity for a number of landfill applications.

Economic development. Economic development. No one has spoken about this yet today, but I think economic development that can flow from an emerging green economy in this region is very substantial.

I was a participant at a BNE seminar, the Buffalo Niagara Enterprise, which essentially brought a number of manufacturers and service providers together to see who could -- who could fit into the wind energy industry as a component manufacturer.
We had close to 300 people attend that presentation, all looking at opportunities where they could morph into a green economy, and I think we can see other opportunities of that.

One suggestion I would make is effectively using the State's brownfield program to encourage renewable energy. I was involved with the Steel Winds project in Lackawanna, and one of the key components in making that project go was the fact that it was a brownfield and that the State's brownfield cleanup program came into play not just from a liability limitation perspective but also from a financial incentive perspective.

And if we take our brownfield program and encourage within it the use of brownfield sites for renewable energy, I think we will make a significant inroad.

Thank you.

MR. CONGDON: Great. Thank you very much.

Oh, one follow-up.

MR. BROWN: Just one comment on your first point on undue reliance on efficiency.

I think we very much agree that we can't just kind of blindly hope that efficiency gets us
where we want to go, and I think it's -- kind of an underappreciated part of the Plan is the insistence on proper evaluation, measurement, and verification of efficiency programs so that there's as much engineering involved in that as there is in the power plant so that we really can rely on that in the future.

So your points are well taken.

MR. FLYNN: I -- I appreciate that. I'm just -- my concern is that the lead time for many of these projects is in the five- to 10- to 15-year horizon for new generation capacity, and by the time we find out that efficiency may not be making the inroads that we hope it will be making, I think we may find ourselves in very much of a pinch.

Thank you.

MR. CONGDON: Okay. Thank you.

The Board is going to take a five-minute break, and we will reconvene right in five minutes.

Thank you very much.

(A recess was then taken.)

MR. CONGDON: Our next speaker is James Scerra.

And if any of you providing statements today have a written copy of your statement, if you could
provide it to our court reporter, that would assist
her in making sure that she transcribes your
comments accurately.

Thank you.

STATEMENT OF JAMES SCERRA, POWER FOR ECONOMIC
PROSPERITY GROUP

MR. SCERRA: Good morning --

MR. CONGDON: Good morning.

MR. SCERRA: -- and thank you for the
opportunity to address you today.

My name is James Scerra. I'm from FMC
Corporation here in Tonawanda, New York, and I'm
also the co-chairman of the Power for Economic
Prosperity or PEP Group.

PEP is a coalition of 19 manufacturing
companies that receive low-cost hydropower from the
Power Authority's Lewiston project.

I'm here today because this power is vitally
important to our business operations. It is fair
to say that many of the PEP member companies came
to this area because of hydropower and remain here
today because of hydropower.

PEP applauds the State Planning Board for
making the retention of manufacturing in New York a policy objective and recognizing the importance of the New York Power Authority economic development programs in achieving this objective.

The draft Plan provides that the State remains focused on maintaining and expanding its industrial base, and it states that the manufacturing base in the State is highly valued for the manufacturers' level of investment in plant and equipment, a supply of good-paying jobs, and the ability to sell products in national and international markets.

PEP urges the Planning Board to ensure that the importance of retaining manufacturing is a policy objective in the final Plan.

The final Plan also should recognize, as the draft Plan does, the importance of the Power Authority economic development programs to manufacturers in this State. As the draft Plan states, more than 75 percent of the NYPA program participants are in the energy-intensive manufacturing-based sector, and approximately 90 percent of the manufacturing companies participating in NYPA programs are hydropower customers.
The draft Plan recommends that the State continue to support the retention of New York's commercial and industrial base through the use of the State's low-cost power programs. PEP urges the Planning Board to include this as a policy objective in the final Plan.

With the global economic downturn and the State's financial crisis, it is critically important to the State and to the region that the Western New York manufacturers that receive NYPA hydropower stay in New York. They are the industrial backbone of Western New York. As the draft Plan recognizes, it is essential that the State's energy policy encourage the retention of the manufacturing base.

Thank you.

MR. CONGDON: Thank you very much.

Our next speaker is Darin Hughes.

STATEMENT OF DARIN HUGHES, HUGHESCO OF BUFFALO, INC.

MR. HUGHES: How you all doing today? I'm Darin Hughes from Hughesco, Incorporated.

We are a very green company. We work
Darlin Hughes, Hughesco of Buffalo, Inc.

1 through NYSERDA's Home Performance with Energy Star
2 programs doing energy audits on homes. We've
3 performed over 12,000 educational processes to
4 teach people how to go super energy efficient and
5 green in their home, and we've renovated over 4,000
6 homes in the Western New York area to date.
7
8 We also have a green-friendly store where we
9 do appliances, lighting fixtures, all different
10 kinds of lighting, all kinds of gadgetry to go
11 super energy efficient along with solar --
12 solar kids' toys that teach kids how to plant and
13 go green by growing food again.
14
15 Back in World War II, people used to have
16 Victory Gardens. That would be a victory to me.
17 People would grow their own food, just eliminate
18 the shipping, shut them out to go green and reduce
19 their cost to live in a home.
20
21 Our experience has proven to us by using
22 energy efficient products as a comprehensive idea
23 of doing products as lighting, appliances, along
24 with, for instance, insulation is -- is looking at
25 a comprehensive package.
26
27 At an average cost of 8- to $12,000 a home,
28 we can reduce our energy consumption in the average
29 home, depending on the size and the age of the
home. For the average home, from 8- to $12,000 you
could reduce the energy consumption by 50 percent.
That's proven through the Home Performance with
Energy Star program, my company, who was the
company going after everything all at one time.

Educating the customer, teaching them how to
live in their homes smarter, okay, can reduce the
cost. It's probably the most effective way to
reduce load in the peak load times and reduce load
that we can think of today. In our company, we
really try to educate the customer on shutting
their house down during the day to reduce peak load
time, because that's the best thing we can do.

I really believe this program's a huge
success for companies that really address it as a
belief overall, and I believe that there could be a
lot of other incentives with a lot of feedback from
a lot of customers.

People wonder why they can't get
incentivized for saving more energy just on the
educational portion. You know, why doesn't the
State incentivize us to use less power, in other
words, a reduction in cost beyond -- after doing
load reduction work?

So everybody understands this, that average
cost per month in a $30,000 mortgage would be $40 a
month to reduce your cost by $150 a month. So this
works for, you know, HUD and affordable housing.
This works for load reduction and utility -- just
waste. This works for comfort and health and
safety.

Health and safety is addressed very heavily
in this program. Just to do a product rebate
compared to doing a fully comprehensive energy
assessment with health and safety testing before
and after changing homes over completely, the whole
idea of really educating the customer and taking
everything into effect works very well as a whole.

What we're finding today is -- and this
should be a good education -- people don't buy,
though, for only the energy savings. More people
buy for comfort, because we're Americans. We're
looking out for ourselves.

But we find more people buying for comfort
and get things paid for, and it's very funny, but
it still accomplishes all of our goals, okay?

And so the message is -- is in education.

That's one thing we've done very heavily in Western
New York is we've educated the marketplace on how
to be super energy efficient and how to live
Darin Hughes, Hughesco of Buffalo, Inc.

1 smarter in the home.
2 NYSERDA's given us an award for our
3 educational style of -- of doing this Home
4 Performance idea, and it's all about education,
5 awareness.
6 People don't really know how to be green. I
7 was sitting here and I got an e-mail how to be
8 green for some green thing from a stereo company.
9 I mean, come on. It's -- everybody's
10 talking green. Al Gore robbed it a few years ago
11 and did a movie, and there's a lot of people in
12 this room that have been in the green for a long
13 time.
14 Anyway, it's overexploited. I think the
15 message needs more than the word "green" in it. It
16 needs an education, and I think that's where we've
17 failed miserably.
18 I also believe, when we talk about creating
19 more power -- I think we have plenty of power. I
20 think it's all in load reduction and transferring
21 our savings over while we're growing and we're
22 doing other things.
23 We need to make -- we need to stop making
24 more power. We need to reduce our consumption and
25 reduce peak load times. That's the answer.
And then we replace old, unhealthy, or unenvironmentally friendly powers with renewables. Solar is taking off like crazy. Heard some people talk about solar and wind, but you guys incentivize -- New York State incentivize with the federal government in solar at a huge level. I mean, it's about a 20th of the cost overall for residential or commercial to go solar, which is huge.

The next thing to implement, which we hope to see, is realtime metering so people can pay at time of use for power. So homes shut down their power during the day when it's most expensive, buy back in the evening at night at the cost that it should be.

I think this will incentivize electric cars and everything else, which helps with the environment and the cost to live, because we can buy that power late at night for a fraction of the cost that we buy it now on an average-use cost.

These are -- these are really simple ways I see to really reduce loads, make things more affordable for people, and to promote renewable energies. Reduce the load in half first, and then -- then we have renewable energies. Replace
unhealthy products or unhealthy energies and then move forward from there.

You know, I just believe it's a very simple process. I think all's it needs is a good kick. I think a lot of things are in place, and I think the rest is all awareness.

So.

MR. CONGDON: Terrific. Thank you very much.

MR. BROWN: Your excitement is an indigenous energy resource in itself.

MR. CALLENDER: Thank you for being a Home Performance participant.

MR. CONGDON: Thank you very much.

And as you're reading your statements and you hear that little beep, that does mean five minutes has gone past, and so if you could wrap up when you hear that beep, we'd appreciate it.

The next speaker is Mike Parks from VP Supply Corp.

STATEMENT OF MIKE PARKS, VP SUPPLY CORPORATION

MR. PARKS: My name's Mike Parks, VP Supply Corporation. We are a wholesale company that is
supplying contractors with training and supplies for renewable energy.

I'm proud to be able to work in the State of New York that offers such good rebates for the State, and now that the federal's stepped up, it's really boomed up a lot.

I do understand some of the concerns the utility has with the net metering. They're saying, you know, if you bought something on e-Bay and it didn't fit, you sent it back, you still paid to ship it, so they're out the shipping loss on the net metering.

I think one of the ways that the utility company could capitalize on that is come up with a net metering loss tax. They could tax everybody on what -- they know what their amount of power is going to be produced by their net metering, what they're going to lose by that, so you can take that loss and turn it back into a tax.

I think NYSERDA ends up with what, $194 million, and they only charge two one-hundredths of a penny per kilowatt, so, I mean, it doesn't take a big tax to cover that net metering loss.

And the same thing with people who are concerned. They go, "Well, the utilities should
have to pay for power."
I don't agree with that, right? You
shouldn't -- the utility company shouldn't be
responsible to provide something they didn't ask
for you to make.
So I'm more with the utility company. I
think they're headed in the right direction. I
just think there's some tweaking we can do.
NYSERDA does an excellent job with the
program. They are very understaffed. I think
increasing that system benefit charge so that they
could hire more people to help implement the
programs that they do have out there would be good.
I'm very against reducing the cost of
energy. If you give somebody free heat, you rent
an apartment, you go up there in the wintertime,
they'll be wearing shorts, the windows will be
open, and the heat will be cranked on.
Gas is $5 a gallon, all of a sudden you
start seeing SUVs parked. People start thinking,
"Oh, yeah, maybe I will drive something a little
more economical."
So by lowering the cost of energy isn't
going to solve the problem. You need the cost of
energy high.
What we should do is take the excess cost of the energy and put it into a program back to people that can't afford to do energy reduction and help them get their homes sealed up, help reduce energy. So instead of lowering the cost and making it more affordable, we need to force people into using less energy, taking the leftover funding and putting it back into a program like NYSERDA to help implement these programs for people that can't afford it.

And that's all I'll take up of your time.

Mr. Congdon: Thank you very much. Our next speaker is Craig Prince from Mason Trenching Company.

Craig?

Mr. Prince: I'm Craig Prince. I'm a contractor in Upstate New York. We installed our first wind turbine about 30 years ago. We've just gotten back into it again now that New York State has really made a lot of incentives and things have turned around a lot. First off, I want to express my happiness
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Craig Prince, Mason Trenching Company

with the State's Energy Plan. As far as renewables, I think we're one of the leaders in the country.

My interest is in renewable energy, such as wind, solar, and small hydro.

I'd like to see the removal or at least increasing the limits of net metering for both residential and commercial projects. To limit clean power that will be — that will be produced, no matter how small, seems counterproductive for our overall goals, and I think that, you know, they're only going — the customer is only going to be using so much power, and if he was to produce twice that much power than he was going to produce and getting it back to the utility is a benefit for everybody.

Solar and PVs are also sales tax exempt. I'd like to see water and wind also sales tax exempt.

And finally, I'd like to see the SBS charge slightly increased to help further fund NYSERDA and incentives.

Thank you.

MR. CONGDON: Thank you very much.

Our next speaker is Art Klein.
STATEMENT OF ART KLEIN, SIERRA CLUB - ADK

MR. KLEIN: Thank you. I appreciate the State of New York undertaking this task here. I've been involved with the public interest review since 1973, and I'm fascinated with New York State. I'm just hoping that this also doesn't follow a lot of other plans in getting on the shelf down in Albany there, and I'm sure you're aware of that. I think you're obviously sensitive to it, and I'm sure that this is going to bring some implementation.

I'm a member of the Sierra Club and the Adirondack Mountain Club conservation committees, and we'll be submitting documentation relative to this or -- I don't have written preparation today; however, I've been working on a specter of what happens with bad energy programs on West Valley down below Springville there.

And we have millions of tons of radioactive waste buried in the bank above the creek down there, and it still is hovered under -- over our public interest in Western New York and
threatens our waterway, Lake Erie, very seriously, and we're very concerned about that.

The public hearing period is about to close in September, and they're going to make a -- supposedly going to make a decision. However, for 30 years nobody's been able to make a decision on this vast problem, and I hope we're going to.

And the second thing I want to emphasize today is that all the water we have in the world is the water we've always had, and we keep infecting it with results of our industrial base with other things, and now I'm very concerned.

I just saw a report the other day from Pavilion, Wyoming, the State of Wyoming, whereby the EPA has identified that hydrofracking is affecting the groundwater and the surface water in the State and affecting their agricultural problems.

I -- now we have -- we're faced in New York -- we have three draft plans going simultaneously: an Energy Plan, Allegany State Park draft plan, and the DEC Marcellus shale draft plan, all three under way.

I hope we're going to keep our eye on the ball on all three of these -- in all three of these
draft plans and make sure there isn't some gaps in understanding or gaps in grasping the extent of the problem and making sure it's part of a plan. I mean, with energy we have to have a plan.

And you're on your way to a very good Plan, I think. I just hope that we have all the elements -- we're sensitive to all the elements and we have satisfactory implementation to solve the problems.

Thank you.

MR. CONGDON: Thank you very much.

Ellen Gibson is our next speaker.

STATEMENT OF ELLEN GIBSON

MS. GIBSON: Thank you.

I am speaking as a citizen, but, like Art and many others in this room, I'm a member of numerous environmental organizations who are extremely concerned about the fate of our beloved Allegany State Park.

For those of you on the panel who are not from around here, Allegany is sort of like our Adirondacks. We recreate and our children recreate in Allegany State Park because of its beauty, its
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forests, its clean water, its incredible
wildlife-viewing opportunities.
We also recreate in the Allegheny National
Forest just south of our border where,
unfortunately, we're beginning to witness
unbelievable destruction from this hydrofracking
process that many have already spoken about today.
The danger to the surface in terms of the
wildlife habitat from roading, from chemical
pollution and what have you is probably very small
compared to what's going on underground where
chemicals will be injected and enormous amounts of
water infected, you might say, with the chemicals
necessary to make hydrofracking work.
I urge the rep from DEC to not use any
old-fashioned, outdated, generic environmental
impact statements when it comes to looking at any
proposed applications for drilling in Allegany
State Park or any of our State lands.
New York has an enormous population, and at
this end of the State, there's not all that much
public land for us to use. Our State forests and
our parks -- Letchworth, Allegany -- are very
precious to us up here, and Allegany perhaps is a
very sad case, being located, apparently, on top of
this Marcellus shale that everybody's after now. So I urge the DEC to use the utmost of strictness when it comes to EIS review of -- of any proposed activities in Allegany State Park. I am aware through my organizations that there is great concern at the highest levels of both the Office of Parks and DEC about this issue, and I can only urge that this be continued and that no undue influence from corporate interests could possibly make any difference in this, that it is a straightforward process with the public good and the special value of our parks always held at the highest regard.

So I wish you well with the Energy Plan. I'm glad we're having one in New York, and I'm -- it's interesting that these three other -- or that the two other plans are going forth at the same time.

I -- I will keep my eye on Allegany, and many others in this room and around Western New York always have our eye on Allegany. It just seems like it's a magnet for trouble, whether it's logging and now this.

So good luck to you, and we'll be watching. Thank you.
MR. CONGDON: Thank you, Ellen.

MR. IWANOWICZ: Ellen, and others in the room, I just have a quick comment to make about outdated environmental impact statements regarding Marcellus shale.

As many of you might know, the DEC is undertaking the creation of a new draft environmental impact statement for gas drilling in New York. We expect that to be out in about a month's time.

It will be out again for public comment, so we hope that you'll take a look at that draft generic environmental impact statement and make your comments at that time about the analysis the department is going through right now to put it out there.

So, again, look for that draft generic environmental impact statement in about a month.

MS. GIBSON: Thank you.

MR. CONGDON: Our next speaker is Jay Wopperer.

Sorry if I mispronounced your name.

MR. WOPPERER: No, you did fine.

MR. CONGDON: Okay. Thanks.
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Jay Wopperer, Adirondack Mountain Club

STATEMENT OF JAY WOPPERER, ADIRONDACK MOUNTAIN CLUB, BUFFALO AUDUBON

MR. WOPPERER: When I was in the Army, it was a lot worse.

Jay Wopperer of Clarence, New York. I'm familiar with various environmental organizations also, Adirondack Mountain Club, Buffalo Audubon.

Also a lot of my comments would be what Ellen had said, and I won't repeat a lot of that, because she just eloquently spoke on that.

But I can just go and say to you that probably Allegany State Park is partly what my character and what I am made of and a lot of us in Western New York. It's very dear to us.

And this just kind of came about in a month and a half. It's been stunning when you start looking at this fracking process, and the recommendations you make are going to be for the future.

I heard this one gentleman, and he could be correct about our competition, but does this mean that -- if you go online and look at Bradford, Pennsylvania, and the problems of their subsurface water through the fracking process, if that's what
we're looking for, I don't think people in New York
would support this kind of process of extraction.

The particular area that they're looking to
drill in, U.S. Energy Development Corporation, on
your three -- I think it's five exploratory
wells -- would be the Black Forest Trail, Quaker
Area, and the Science Lake area.

I've been blessed to know some of the
best -- best environmentalists that have taken us
probably 30 times on that trail, and you cannot
imagine the prolific area that this is.

This is an area they're talking about
drilling in: 20 different kinds of ferns,
amphibians that I never knew we had here --

AUDIENCE MEMBER: Can't hear you, Jay.

MR. WOPPERER: -- the many -- I'm sorry.

-- the many different amphibians and the
warblers that nest in this area here.

And actually, it's a very unique area,

because you can be on New York State like this and
hop over a rock which says New York and PA and
you're in PA.

And the sad thing is now you can look over
that rock and see a platform on the PA side that is
now there.
We're talking two-acre plots, so I understand, that you need to drill and that you need to cut these trees down.

Some are old growth trees. You have a very different, unique forest that you just do not see in other places.

So I don't think any risk is worth it for something to lose a jewel like this. It's the people's park. It's your park. We'd love to show it to you sometime.

And there's appropriate places maybe for this energy policy that we -- that you are going to have to make these recommendations on, but this is one spot we should preserve for everybody's children for future generations, and they won't have to deal with that infrastructure that would have to go in for taking either oil or gas out of there.

Thank you.

MR. CONGDON: Thank you very much, Jay.

Our next speaker is Marcy Reed from National Grid.

STATEMENT OF MARCY REED, NATIONAL GRID
MS. REED: Good morning. I think I can still say good morning.

I'm Marcy Reed. I'm the senior Vice-President of Public Affairs for National Grid, and I'm really happy to be here today representing the 900 or so employees we've got in Western New York, so thanks for letting us be here.

We are so pleased to see that the draft Plan surfaces a number of issues that are important to New York's energy and environmental future, and we share the Governor's vision for a robust and innovative clean energy economy that will help stimulate investment, create jobs, protect public health and the environment, and meet the energy needs of businesses and residents that we serve safely and reliably.

National Grid supports the energy resource priorities established in the draft report, notably increased energy efficiency, renewable energy, and the pursuit of greenhouse gas reductions in the energy portfolio.

Achieving the State's goals will require leadership, however, from both policy makers and utilities that provide energy to the New York customers.
And today we wish to comment on three items. They are energy efficiency, clean energy, and infrastructure investment.

Many people have spoken about energy efficiency today, and as we all know, it is the most cost-effective way to both help customers manage their costs and reduce our carbon footprint. It's a win-win solution for everyone involved, and I'm actually quite pleased to see so many people speaking about it today. It's a real testament.

Achieving New York's ambitious energy savings goal will require a partnership of policy makers and regulators, the State's utilities, our friends at NYSERDA, and the energy service companies.

We need an "all hands on deck" approach where NYSERDA, the utilities, and the energy service companies work together to reach these targets.

We need to streamline the energy efficiency program approval process so that we can all bring energy savings to our customers as quickly as possible. Customers are quite eager to take advantage of these programs.
And we need flexibility in the implementation of new energy efficiency programs so that utilities and other providers can work effectively with customers to achieve our '15 by 15' goal.

Secondly, I wanted to talk about clean energy. As the State Energy Plan recognizes, renewable energy is another important priority for New York.

National Grid fully supports the State's efforts to promote renewable energy as another way to improve New York's energy security and combat climate change. It will be important for our customers to support renewable energy in as cost-effective a manner as possible.

Something to consider would be utility deployment of solar and other renewable energy resources as well as entrepreneurial and other private sources.

Second, investing in transmission to deliver these renewable energy sources from remote locations to customer load centers is absolutely critical for ensuring that customers can take advantage of the benefit of New York's renewable energy development.
Transmission is, after all, the backbone that moves this clean energy from one point to another. New York's State Energy Plan should give due consideration to the issues around financing, permitting, and building transmission projects to deliver wind, solar, and other -- other aspects of renewable energy.

And investing in Smart Grid is also key to tapping the opportunities for clean energy in New York. You may know that recently we applied to the United States DOE for funding for a New York Smart program that will target approximately 82,000 customers in the State. It will help us enable our customers to manage their energy costs better and learn how to integrate renewable sources and electric vehicles and the like into the energy grid.

As the Plan notes, clean energy development in New York presents an economic development opportunity and the potential for new jobs, and National Grid stands ready to work with the State and local communities to help make this a reality.

And my third point is:

As the draft Plan recognizes, achieving New York's energy and environmental goals will require
Marcy Reed, National Grid

1 considerable investment in the State's energy
2 infrastructure. A few folks have mentioned that
3 today as well.
4 New York's policy and regulatory framework
5 must provide for timely recovery of costs and
6 industry standard returns in order to attract the
7 investment needed to achieve the goals articulated
8 in the Energy Plan.
9 And before I close, I just thought I would
10 highlight a few of the local aspects of how some of
11 these issues come to light on a day-to-day basis.
12 Here in Western New York we are just days
13 away from the start of a more than $30 million
14 project to upgrade and enhance one of our major
15 north-south transmission lines. This is one of
16 four or five major transmission projects in the
17 development stages in the region.
18 You may also be aware that NYPA is
19 undertaking a study of using winds on Lake Erie and
20 Lake Ontario, and we've committed to helping the
21 Authority with transmission.
22 We believe a comprehensive Energy Plan for
23 New York will create economic and job
24 opportunities. We need well-trained, highly
25 qualified engineers and scientists to help bring
energy systems to the market.

To further that, we recently announced a partnership with the University of Buffalo, where we're standing today, to promote science and engineering education to the City of Buffalo schools.

And there's much more, and I thank you for your time.

MR. CONGDON: Thank you, Marcy.

Robert Ciesielski, please, from the Sierra Club.

Is Robert still here?

AUDIENCE MEMBER: No, he is not.

MR. CONGDON: Okay. Thank you.

Our next speaker, then, is Toby Beahan.

STATEMENT OF TOBY BEAHAN

MR. BEAHAN: Thank you for your time this morning.

My name's Toby Beahan. I'm a concerned citizen, and I'm here to speak for myself, my family, and my friends, who value and love Allegany State Park as well as our natural environment.

I'm here specifically to express my feelings
on using public land, especially Allegany, for
drilling for natural gas.

In the Plan it suggests safe and responsible
drilling.

Let's not be naive. Any drilling that we
use is going to cause tremendous long-term damage
to our natural environment.

The energy crisis in the U.S. and in New
York is caused by our dependence and our addiction
on fossil fuels. By tapping into possible deposits
in Allegany and other public State -- public lands,
we're only feeding that addiction to -- to fossil
fuels.

Let's take the time now to refocus on
renewable energy and make a responsible plan for
the future that's going to protect our State lands,
our beautiful resources in Allegany, and not -- not
degrade that environment beyond what we'll be able
to use.

Just briefly, in closing, don't make an
irresponsible, short-term decision that will cause
long-term and irreversible consequences to a
beautiful natural treasure that we have in
Allegany.

MR. CONGDON: Thank you very much.
JACK W. HUNT & ASSOCIATES, INC.

1420 Liberty Building
Buffalo, New York 14202  -  (716) 853-5600
Lawrence Beahan. Dr. Beahan? Thank you.

STATEMENT OF LAWRENCE BEAHAN, SIERRA CLUB

DR. BEAHAN: Thank you very much for convening this session.

My name is Larry Beahan. I am the conservation chair for the local Sierra Club, and I'm the secretary of the local Adirondack Mountain Club.

Both organizations appreciate the Governor and your effort in developing a -- an Energy Plan, a much needed Energy Plan, that will provide renewable, clean energy and -- but unfortunately, there are a couple of parts to the Plan that are of concern to us.

The -- the exploitation of the Marcellus shale all across this --

AUDIENCE MEMBERS: Can't hear you. Just raise it up.

DR. BEAHAN: The exploitation of the Marcellus shale across the State on State lands is -- is a problem for us.

The lack of adequate protection for Allegany State Park is -- is another extremely important
problem for us.
The State forest, the reforestation areas that you are considering using to tap the Marcellus shale, these are virtual parks at this point. They -- they're -- they're used for the Finger Lakes Trail that crosses the State and -- which is part of the North Country federal trail, and local people who live near them use them for hunting, fishing, snowmobiling, and it's an important natural resource, and it would be a terrible shame to destroy them by putting these huge wells down into them.

We do appreciate the fact that the State's duty to protect parks is recognized in -- in the Plan; however, the protection offered to Allegany State Park is far from adequate.

It's unfortunate that half of the mineral rights to Allegany State Park are owned privately. Allegany State Park is a -- a hundred-square-mile park. It's a huge area, and it is the largest State park outside of the Adirondacks. It's a hilly, well-forested park. The trees there are from a hundred to 350 years old.

Thank you very much, Jay.

And -- and it is an extremely important
resource to organizations like ours that are interested in preserving the environment and are interested in preserving recreational resources. It is a truly frightening thing to hear that a corporation like U.S. Energy is claiming the ownership of 3,000 acres of mineral rights in that beautiful park. For -- for years we have argued that the State should buy the mineral rights that are not owned under the park. Half -- half of the park, those mineral rights are in private hands.

I would leave you with, again, a strong urging that the State acquire these rights; that they -- there are funds available in the Environmental Protection Fund.

The -- these rights have been on the list of the DEC to acquire for open space for years. Let's get a hold of them now before some other company steps in and buys up the rest of them.

I -- I have in my hand here a list of 300 violations that the U.S. Energy Corporation committed in Pennsylvania over the last two years and for which they were forced to stop all operations in Pennsylvania.

Unfortunately, they've -- they've arrived at some sort of deal with Pennsylvania so that they're
back in business, but this -- this corporation is
now threatening to come into Allegany State Park
and make the terrible beginning nest of industrial
roads and wells that they have made of Allegheny
National Forest.

So buy those rights for us. Thank you.

MR. CONGDON: Thank you very much.

The next speaker is James Hufnagel.

STATEMENT OF JAMES HUFNAGEL

MR. HUFNAGEL: Good morning, gentlemen. It's
an honor to address you this morning.

My name is James Hufnagel. I'm from Wilson,
New York, and I'm a frequent visitor to Allegany
State Park.

And I am going to have some specific
comments about oil and gas drilling in the State
park, but I'd like to first kind of put it in an
overview of Governor Paterson's public policy with
regards to Western New York.

For example, Governor Paterson vetoed a bill
to Sunset, the CWM plant up in Niagara County, thus
consigning thousands of tons of toxic waste to
Western New York for the next generation.
Governor Paterson swept a half a billion dollars out of NYPA, money that could have been spent in this area for economic development, and he basically moved that money out of NYPA.

We have the Robert Moses Parkway along the Niagara Gorge, and this cuts off the City of Niagara Falls from the Niagara Gorge, and Governor Paterson has stonewalled the very first scoping hearing that we've been asking for for ten years.

And originally, the State announced that the first scoping hearing was being held in November of last year, then it was moved to January, then it was moved to midsummer.

And we have letters and documents stating all three dates, and now September is next week. We still haven't had a scoping hearing on the Robert Moses Parkway.

How does Robert Moses Parkway relate to energy?

Well, the Robert Moses Parkway goes straight through the Niagara Power Project. That is a terrorist risk to the Niagara Power Project. It would be very easy for a terrorist to load a semi truck with dynamite, drive it into the middle of the Niagara Power Project, detonate it there, and
destroy or severely disrupt this power facility.

We've notified numerous people in the Paterson Administration about this vulnerability. We have not gotten an answer on it.

Furthermore, Niagara Falls State Park. Millions and millions of dollars are diverted from Niagara Falls State Park and sent to Albany, and the City of Niagara Falls has one of the highest poverty indexes in New York State, higher poverty index than New York City.

So now we get to the Allegany -- Allegany State Park, and as previously stated, there's three plans. There's a confluence of plans right now, and it -- it seems like more than mere coincidence that these plans all have kind of a -- the language of these plans say that it's very feasible we could be drilling in Allegany State Park.

The oil and gas that could be claimed from Allegany State Park is a tiny, tiny fraction of our energy needs. It's not worth it to ruin the State park.

And we all know drilling means ruining, because you have to build a road to each well. The road has to be 30 feet wide. You have to clear another 30 feet on either side of the oil access
road to get to these wells.

The wells have spills. They've had numerous oil spills in the national forest just over the border.

This is not something we want to do. This is not somewhere we want to go.

Outside a couple of hours ago now,

Mr. Congdon, I believe you were addressing the crowd out there. I appreciate that. Thank you.

But a couple of comments you made about disrupting pipelines or pipelines could be disrupted, thus -- and since New York State's dependent on other areas for our natural gas.

And it just kind of confused me. I didn't know what you meant by that.

Like, if a pipeline is disrupted in the Ukraine, is that going to affect us here in New York State? Or a pipeline in Pennsylvania? Is there an Al Qaeda threat to pipelines here in the U.S. that we don't know about?

I don't understand why you were raising this kind of -- you weren't very specific about it. You just said pipelines could be disrupted.

What was that about?

MR. CONGDON: Let me just clarify.
MR. HUFNAGEL: Please.

MR. CONGDON: Our -- our -- 95 percent of our gas used in New York State is imported from as far away as the Gulf of Mexico and Central Canada. Following Hurricanes Katrina and Rita, those supplies from the Gulf were disrupted, so there was a temporary disruption of a -- of a large percentage of our natural gas supply.

That's just as an example of one of the vulnerabilities of being reliant on natural gas sources that are from a long distance away.

So that -- that was the point.

MR. HUFNAGEL: What percentage of our natural gas that we use here in New York could conceivably come from Marcellus shale?

MR. CONGDON: I want to avoid a Q&A of the Board, but I will just explain that in the Plan we estimate that our current production of five percent of -- of State needs could be doubled to about ten percent over the ten-year planning horizon.

MR. HUFNAGEL: Okay. Thank you.

I would urge you gentlemen to very closely consider this letter that Dr. Beahan sent to Mr. Grannis and Parks Commissioner Carol Ash with
the three alternatives at the end, the eminent domain option and the other two options.

And we need to protect this park from oil and gas drilling. This is something that is really just going to ruin this park.

I mean, I'm sure you're familiar with the Allegheny National Forest. If you've ever been through those areas and seen the devastation that's been wrought in the national forest, and now we're staring down the throat of having this happen to Allegany State Park.

I mean, you know, it's an overused word, but to my mind it's a no-brainer. I don't even know why we're discussing this, quite frankly.

The State should act to protect this park, and we will be making this a campaign issue in 2010.

Thank you for the opportunity to address you.

MR. CONGDON: Thank you, sir.

Our next speaker is Russ Crispeil.

STATEMENT OF RUSS CRISPEIL, UNIVERSITY AT BUFFALO

MR. CRISPEIL: Actually, the name is Russ
Russ Crispell, University at Buffalo

Crispell. I'm the director of outdoor pursuits for the University at Buffalo right here on this campus, the North campus, and the city campus. In addition to that, I'm also a licensed New York State guide for the DEC, just so you have an idea of who I am.

I teach backpacking, I teach canoeing, and I teach a lot of other outdoor-pursuits activities, and the reason why I'm standing up here today is I really wanted to address this panel to sort of go back to their childhood days of frolicking out in the fields when they were young men.

Maybe some you have may have served in the Boy Scouts. Some may have been participating in other activities.

And I'm encouraging all of you -- not just here on the panel but anyone in the audience -- that if you haven't had an opportunity to actually take those walks out into the forested areas, take a walk along the creeks, along Minister Creek up in the Allegheny National Forest at Minister Creek, and actually see what some of the history was left. There's old pipelines that are still exposed, numerous pipelines still exposed from previous oil activity that was done 50, 60, 70
And it's pretty tragic. It almost looks like an antique shop at some places there, and it's an antique shop of what people don't want to -- they didn't want to clean up after their messes.

And I guess that's one of my major concerns that I have with regards to the Allegany State Park.

That is one of our venues that we do use, as well as venues of the Adirondacks and other State lands, and I guess what I'd like to encourage anyone sitting on this panel, that if you -- you know, Tom had stated that this isn't a time to do a Q&A, which I basically wanted to ask whether there's -- any of you sitting on this panel have any actual personal experience in outdoor recreation, whether you're hikers, canoeists, kayakers.

And the reason why I say that is because when you sit in a canoe and you paddle along a stream and you see dead fish floating up from a toxic spill that came from upstream, it's not a pretty sight.

Or, at the same time, to be going down, having taken a nice long hike, knowing that you
have to fill up your water bottle with the
stream -- I mean, I don't know if any of you have
ever taken your -- you had a -- you have a -- I
don't know, is that a sea bottle or --

BOARD MEMBER: Refillable bottle.

MR. CRISPELL: -- or a refillable container.

If you've ever dipped down into a stream and
filled up that water to drink that water because
you're thirsty, at that -- at that moment is when
you realize the impact of decisions that are made
by people who are at this time wearing suits.

This is my uniform, and, you know, I'm proud
to say that, you know, you have to not just talk
the talk, but you have to walk the walk.

And I'm asking if any of you are not
backpackers or canoeists, I would be more than
willing to volunteer to take you anyplace you need
to go to make an informed decision.

Thank you.

MR. CONGDON: Thank you.

Our next speaker is Janet Kurasz.

STATEMENT OF JANET KURASZ

MS. KURASZ: Wow. Thank you.
I don't know if I really even need the mic.

I was a cheerleader for four years.

I'd like to thank you guys and thank you for spending time this afternoon.

I commend everybody that has spoken about Allegany State Park, and that is why I am here.

I am going to give you some literature about Allegany State Park, and I have more than ample family history.

My great-uncle came from World War I and was on the Army Corps of Engineers, I do believe, as the story goes. He helped build some of the cabins that I and my family had stayed in.

My other uncle that was a Marine, my grandfather didn't know what to do with him. He was just crazy and a bad kid.

He sent him to Allegany to also help build the cabins.

My father has been taking me there, rest his soul, since I was three years old. I'm 47.

I have now established taking my son since -- I'm a single mom. I've been taking my son there. He knows the Red House Area like the back of his hand.

I am a hunter, New York State licensed and
registered. I am a bow hunter, shotgun hunter.

I take my son there. I take him there with the Wild Turkey Federation for Jake's Day.

If you guys aren't familiar with that, that means that you can take your son or daughter of the age -- I do believe it is 14 -- for the day prior to turkey season opening and go and spend the weekend.

You can go hunting on Saturday. Sunday hunting is not allowed in the park.

And the one -- I think his name was Larry -- was saying about Science Lake. I have a picture here of my son and a friend of him -- of his when he was two years old next to a beaver tree, a tree that was eaten from a beaver.

You guys come in and -- I know all about destroying property and the whole bit. I live on a National Grid road in Boston, New York. I grew up in Buffalo, lived in Amherst for ten years, just recently went through cancer, moved out to Boston Hills, bought my own property.

I live on a nationally owned road by National Grid. They're coming in to redo the power towers. I am losing two 60-foot pine trees, 37 beech trees, a number of flowering plants,
everything like that, because of widening the road.
That's just in my yard, okay?
The bears. We used to go to the dumps.
Pile in the station wagon back in the '60s and '70s, pile in the station wagon singing country songs, singing Boy Scout songs.
I'm a committee chair for the Boy Scout troop. We go camping there. The bears were nonexistent for 30 years. They're back.
This 4th of July I took my grown nephew and his fiancee. We had bear that was five feet from us. I told him, "Go away."
He thought the marshmallows were more interesting. I respected that fact.
That's his living room. You don't go in there and start destroying things and start making demands on the animals.
I've seen a wolf there. Popular to the naturalists that are in Allegan that tried to tell me that I didn't see a wolf, I saw a wolf.
There's cougars. There's cougars in Boston, New York, okay? There's bobcats.
All these animals are going to be displaced.
There was a black bear that was killed on the 90 going in to Buffalo. Why was he there?
Because everybody's building in Orchard Park, Amherst, things like that.

There's bear killed out here in Amherst.

They travel 110 miles a day maximum to go find forage and food.

Leave Allegany alone.

My dad and I were the -- we were the first two people to ever swim in the Quaker Lake, okay?

I have a number amount of family history.

I really appreciate New York State trying to implement the energy-efficient programs. Me as a single mom, I'm disabled, I have taken advantage of some of the power impact programs. I have gone green in my house.

I'm now trying to -- I just met the guy from Hughesco. I'm going to try to get my home so energy efficient that I don't need to depend on any other resource than God, sun, and wind, okay?

That's what I'm trying to do.

So instead of trying to -- like the last gentleman said, that little amount of gas that you could possibly get from that shale area, I -- I'm not that well educated. I took horticulture.

Larry, I think his name was.

I patterned my life from living in Allegany.
I wanted to become a New York State park ranger, but when they told me I had to live up in a 400-foot tower in Washington for two weeks, I said no.

So I took horticulture, got married, became a seamstress, but still I volunteer in Allegany. I just volunteered in Gowanda.

You guys have to understand. Get out of the city. Go camping. I mean, it's phenomenal.

Now, there -- I know I'm over the time limit, but Saturday, July 6th, fossil hunt, Site 19.

Old Quaker Shore Museum is open. Tour of the bear caves. Edible wild plants. Tour of Thunder Rocks.

Thunder Rocks. If you're not familiar with Thunder Rocks, massive rocks the size of half this room. Story goes the Native Americans used that as a spiritual place where I think that they, like, did their peyote, that kind of thing, and got in tune with the environment.

All this is going to be lost.

I have met people from England, students from -- foreign exchange students from China, from Africa, and I help them develop and inquire about
Janet Kurasz

Allegany.
I took my first honeymoon to Allegany State Park I love it so much.
So I just wanted to -- this is just kind of what I put up, and I wanted to leave you with some information.

And there is a very nice saying in here, and I do believe Allegany State Park was started by a New York State Senator here in New York, Mr. France, which there is a brook call France Brook, and that is all natural. Like I said, lot of people hunt there.

And this man states: In fact, educational, rightly considered, is recreation, and that man who deserve this and makes his recreational education has found a source of true happiness. To give to more and more persons this source of happiness is a far greater achievement than to give them recreation alone.

Anybody can have a town park, but go to Allegany. I taught my son how to look for fossils. I looked for fossils. I looked at salamanders and lizards there.

The study of nature and all its forms, for which Allegany Park is well equipped, is one of the
very best of such educational recreations.

Saunders, A.A., 1937.

That park today is still an impeccable --

the only thing that I have a problem with was them putting in a bike path.

Now, I enjoy a bike path, but the bike path is not 30 feet wide with 30 more feet losing, okay?

The parks -- the -- the lakes in the Red House and the Quaker, in over a hundred years this park has been there, there is not any motors that are allowed in the lakes because of contamination. Not at all.

So I'd like to leave some information with you. You guys can see what kind of environmental studies that have been done.

The -- some of the kids that are going for their teaching degree, they go to Allegany, and they provide this thing called the Raccoon Rangers. You send your kids there, and you go do the edible plants and you go look at bear prints and things like that.

Go out. Go camping.

MR. CONGDON: Thank you.

MS. KURASZ: It's -- it's awesome.

MR. CONGDON: Thank you.
MS. KURASZ: Here's some information about the park.

Thank you so much.

MR. CONGDON: Thank you.

Christopher D. --

MR. JOYA: D. Joya.

MR. CONGDON: -- Joya.

STATEMENT OF CHRISTOPHER D. JOYA

MR. JOYA: My name's Christopher D. Joya, J-O-Y-A. I'm a UB student here. I'm going into my junior year, and I'm taking biology, focused on ecology, minor in environmental studies, so you know what I'm going to be doing in about 10, 15 years.

After listening to many of the comments, I'm pretty sure that you're already beaten down about Allegany. I'll just say just give up on Allegany. Don't drill in there.

My father has taken me there so many times I can't even count, and he's taken me to different places in Allegany.

It's a beautiful place, and it's -- I can't see it with oil wells or smog or anything. Hell, I
saw my first shooting star there, and to see
another one there with the haze from the oil wells,
that's -- no, I don't want to see that.
Going off from that, instead of going into
natural gas, we're trying to go into a greener
future, more earth friendly, environmentally
friendly.
Try thinking about other solutions instead
of natural gas. Try maybe solar panels on top of
every roof building in the city.
There's probably thousands, hundreds of
thousands of square feet. If you put solar panels
on top of those, it pretty much runs the city by
itself.
For energy efficiency, instead of -- let's
say some of these buildings you can't put solar
panels on them. Paint the tops white. They
reflect the sunlight, produces heat, and reduces
the urban heat island effect.
And reroute the hydropower that's going from
Niagara Falls and going to other sources. Reroute
it back home. Bring it back to Buffalo. Bring it
back to Western New York, and you'll probably see a
lot more people happier about that.
That's -- really that's all I wanted to say,
but, like, really look at other solutions. Rather than going from fossil fuels through baby steps, which we should probably do, try looking at other ideas that are not that conventional.

Look at it -- look at it from a slightly weirder way, and you'll probably find something that works.

So that's just my suggestion.

MR. CONGDON: Thank you very much.

MR. JOYA: You're welcome.

MR. CONGDON: Our last speaker that we have up here, Mark Casell.

STATEMENT OF MARK CASELL

MR. CASELL: Hi. Thank you for your time.

My name's Mark Casell, and I come here representing -- just as a citizen of New York, but I'd like to speak to the State's ability to possibly change where that 450 megawatts that go out to the -- that are distributed amongst the utilities in New York from the hydropower plant.

The partnership talked about it earlier, and I think there is a way that we can build on that 450 megawatts and at the same time promote
conservation in the State.

Currently, the mechanisms for receiving the cheap hydro for industries and commercial are based on operational increases for employment and their facility operations.

While working as a facility manager at a local manufacturing facility, I led an initiative to reduce energy, and our reward for conservation was the forfeiture of a megawatt of that cheap hydropower that we saved through innovative efficiencies.

Another company that I'm familiar with recently received more hydro allocation because of their expansion, and so that they could use that electric, they chose -- at very probably not the most efficient means to boil hot water, they chose an electric hot water boiler when there are many other more efficient options available.

Neither of those indicate that the programs currently in place really promote conservation.

Those are the expansion and replacement programs, which I know the State doesn't have a lot of sway in those federal programs, but one thing the State does have authority over is the 450 megawatts that go out to -- to the homeowners and small
businesses.

And to reallocate that 450 megawatts, there's an opportunity to double its economic benefit and effectiveness.

First, use the stimulus money, the money from the RGGI, Regional Greenhouse Gas Initiative, and also continue to use the systems benefits charts money to make available conservation improvements to the area homes.

And as Mr. Hughes spoke to, increases in insulation, weatherizing homes could save a lot of money, a lot more than the possibly hundred dollars that is seen saved from the hydro allocations that they benefit from. They could get four or five or more hundred dollars in reductions to their annual heating and cooling bills.

This promotes ongoing conservation, creates green-collar home improvement jobs, and reduces the State's greenhouse gas emissions.

The most economic benefit, though, would be to take the 450 megawatts and reward businesses that conserve with increased savings through cheap power.

If a company that has held on and weathered the challenges of operating in Western New York
make their operations more efficient, reward them
for their efforts by further reducing their
business costs.

This conservation-focused approach is
self-propagating and a win for all parties in the
area, especially the existing local small
businesses that provide the majority of regional
employment opportunities, and will be instrumental
in both the State's economic expansion and
achieving the goals of reduced energy use and
greenhouse gas emissions.

Thank you for your time.

MR. CONGDON: Thank you very much.

We're going to take another five-minute
break and see if any other folks have signed up to
speak.

And if there are none after that five-minute
break, we're going to conclude today's hearing.

Thank you very much.

(A recess was then taken.)

MR. CONGDON: Our first speaker is Bert
Spaeth from RS Energy.

STATEMENT OF BERT SPAETH, RS ENERGY SOLUTIONS
MR. SPAETH: Thank you for giving me the opportunity. I didn't come prepared to do a presentation, but after hearing some of the speakers earlier, I thought of a couple of comments. A couple weeks ago I just did a presentation to the Northeast DGCHP, and it was on biomass, renewable energy, and biogas projects. I've also done some activities and work in the Southwest -- in Texas, Arizona, New Mexico -- with some of these opportunities in solar. And just a couple of quick thoughts. And I know you folks have got a lot of information to take back with you, but, you know, hearing all the impassioned pleas about Allegany State Park and everything, I mean, I've enjoyed that. I've skied there, had outings, whatever, but I think we're missing the point. If we don't come up with some energy sources, we can do a lot with energy conservation. For years I worked for companies like Siemens, and I've worked for utilities where we did a lot of energy conservation, and that can handle a lot of the problems, but it's not the sole solution.
The Marcellus gas, it's not only in Allegany State Park. It's along the whole Southern Tier of New York. So I think if we just focus on one small geographic area, we might be missing the boat. It can bring a lot of extra revenue into the State that we certainly need, and I have been told that there's 17 years' worth of natural gas in the Southern Tier, 17 years' worth to supply the entire United States. That's how much gas is potentially there. So we're not focusing on a small Allegany State Park. I mean, I would say leave that pristine. Let's go to the private lands and -- and develop it. But more to the point, energy conservation can do quite a bit, but we need to seriously take a look at biomass. New York State is 68 percent forest, and then we have a lot of private lands. We have the farms, and many of the farms are in financial difficulties because of current milk prices and everything. They could be producing a lot more biomass. One of the things that I talked about at
Bert Spaeth, RS Energy Solutions

1. this conference up in Albany two weeks ago was the fact that we have all these dairy farms. We can make methane from that.

2. We can also make methane from the landfills, as somebody mentioned, and the potential there is quite large.

3. We have a lot of food processors in this State, and again, the food wastes can all be turned to methane. I think that's one viable alternative that we can use.

4. Solar and wind is wonderful. I live in Wyoming County. I'm surrounded by windmills. Everybody asks me, "Are they noisy?"

5. And I say, "No, I can't hear them."

6. But the problem with them is that they only run about 30 percent of the time.

7. And everybody thinks that we're going to be able to shut down all these coal plants because of the windmills. Well, the reality of it is a coal plant can't be shut down like this, and neither can a nuclear plant, so what we have happen is that alternatives like turbines and everything need to be ramped up quickly when the wind dies down.

8. So the wind provides resources, provides energy, but it's not the sole solution.
So what we need to start developing and thinking about is something like a biomass where you know you're going to get a known quantity and you can produce a certain amount of megawatts to put on a grid day after day after day.

The sun, it can vary. Western New York, we're on this end of the Great Lakes. We have a lot of cloudy days. We don't have sun all the time, and obviously, 20 -- you know, 12 hours a day, if you average it, is the maximum you're going to get.

The wind, like I said, the operational time, I think, is probably more like 30 percent.

So the renewable, the biomass is something that could be more sustainable. We need to develop that.

And again, I don't think we should throw the -- or close the door on the shale oil, because it can provide a lot of resources. And I hope those comments shed some light.

Again, my perspective, I'm a consultant, and I've worked in the -- all aspects of the energy field, and those are things that I think need to be developed.

Thank you.
MR. CONGDON: Thank you very much, Bert.

Our last speaker for today is Mayor Paul Dyster from the City of Niagara Falls.

Thank you so much for coming down.

STATEMENT OF PAUL DYSTER, MAYOR, CITY OF NIAGARA FALLS

MAYOR DYSTER: Thank you very much.

I'd like to start by commending not just this group but by commending the Governor, the administration, and, in particular, someone that I've had an opportunity to work with here in Western New York, Richard Kessel, New York Power Authority, for taking on a very difficult set of issues at what is a politically difficult time.

People might have expected, with the difficult political circumstances in Albany in recent months, that the State would be incapable of undertaking major new policy initiatives.

But clearly, with regard to the question of the State's energy policy, time is of the essence, and again, I commend the administration's vision and courage and being willing to move forward on this very critical set of issues. I think that
Paul Dyster, Mayor, City of Niagara Falls

might end up being a very important and lasting legacy of this particular period in the history of New York State government.

And there is very much to be commended in the -- the Plan upon which you've asked for comments. I can already see that a lot of grassroots sentiment that's been developed here in the Western New York area -- in particular with regard to issues such as energy conservation, development of renewable energy, and so on -- has found its way into the Plan already.

So it seems as though you've got your ear to the ground. You're listening to what people at the grassroots level have to say. There's very strong grassroots support for a forward-looking energy policy here in Western New York, and you folks seem to have picked up on that, so I commend you on that.

A few specific comments from the perspective of the Mayor of the City of Niagara Falls.

I think it's very, very important that, as we move forward with our energy policy, we have the courage to maintain its strategic focus in terms of the use of our resources, in particular the renewable energy resources that we have available
to us here in Western New York, hydropower from the
Niagara Power Project currently online.

Other potential sources of renewables are
coming online in the future. Some, as a result of
projects that are just being undertaken today,
represent an opportunity for us to achieve the
double leveraging or what in Europe they sometimes
call green-to-green, that is, using our renewable
power resources in order to advance the manufacture
of devices that are going to allow us to create
additional renewable power from other increasingly
diverse sources in the future.

One of the examples of double leveraging you
have in the report already. On Page 72 there's
discussion of a project we're very proud about in
Niagara Falls, the Globe Specialty Metals project
where we're reopening the old poly-silicon plant to
produce materials for the solar power industry.

We're doing so using an allotment of clean
NYPA hydropower. We're using a former industrial
site. We're reusing a lot of transportation and
other infrastructure that's already on the site.

We think that project is a model for how a
renewable energy industry could be developed here
in the State of New York and, in particular, in
Western New York in the future.

I guess our message would be let's keep doing things like that over and over again, because each time that we do that, we achieve an exponential increase, you know, since we're not burning, you know, carbon resources from fossil fuels to build solar panels, right?

So we get that much further ahead on some of the goals we're all trying to achieve together.

In terms of strategic use of resources, it's not just a very wise strategic use of NYPA hydropower that's important. Empire State Development's various economic incentives like initiating the brownfield cleanup program and so on all can be used to try to leverage those projects, those sites that -- those initiatives that are most important to the future.

This is not the time for division of benefits by pork. We need to get on the point of attack for the State as a whole in terms of creation of a sustainable energy future.

Some of the areas that we need to concentrate on -- the previous speaker made note of the fact that some of our more sustainable types of power for the future, like solar and wind, may be
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1 intermittent, and therefore, I would commend you on
2 the efforts already and would encourage additional
3 efforts for development of Smart Grid technology.
4 Also, we need a very strong investment in
5 research, development, and deployment of approved
6 energy storage, since that's critical.
7 The ability to store energy when energy is
8 being produced to use it when we need it and then
9 the ability to get it there with the lowest
10 possible loss of efficiency along the route is
11 going to be critical in the -- in the future.
12 In terms of strategic focus, I'd like to
13 echo what sentiment I think you've heard already.
14 I came into political life out of the
15 environmental movement. One of the reasons for
16 moving to renewable energy is to try to protect
17 places like the Allegheny Forest, and I believe
18 it's very compatible with the long-term goal of
19 environmental preservation to move forward in the
20 area of renewable energy.
21 I was a little disappointed not to see more
22 about alternative transportation in the Plan.
23 There's a certain brief mention of that, but I
24 think some further referencing of, for example, the
25 State's rail plan would be in order. More
discussion about the future of light rail and of --

of public transportation generally, I think, would

be appropriate.

Here in Western New York you hear a lot of

complaints -- and within the existing energy

situation -- that we don't receive enough of the

benefits of the hydropower that we generate here in

Western New York, and oftentimes, this is advanced

as a sort of political justice argument.

I think that in the context of the Plan,

Western New York has a very strong and strictly

economic argument to advance, that this region of

the State can be a leader in the development of a

renewable energy industry for the State of New York

in the future.

The availability of clean, renewable

hydropower, but also things like trained work

force, brownfield sites available for

redevelopment, proximity to the Canadian border and

to Canadian markets for devices that might be

manufactured here, existing transportation and

other infrastructure and existing strategic

partners among industries that have already been

through this first generation of, you know, post

fossil fuel form of their manufacturing processes
Paul Dyster, Mayor, City of Niagara Falls

make this, I think, a good place for future investment by the State.

And I think it would be not just a great economic driver for Western New York but that Western New York can help lead economic recovery for the State of New York focusing on this renewable energy area.

Finally, one last comment.

Again, I'm commending you for something that the State has already undertaken. Very apropos, perhaps, at the site where we're located, there is some reference in the Plan for the need to create and to sustain markets, and I'm very much in agreement with that.

My previous background was as a professor of international relations. I worked on national security, and in case you haven't figured it out, the people in the Middle East that sell us our oil know that we're trying to do all these things to make ourselves energy independent, and they manipulate prices and markets in order to drive, you know, the break-even point for capital costs, you know, further and further into the future.

Every time we think we're ready to do something, we develop the political will, they
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Paul Dyster, Mayor, City of Niagara Falls

increase the flow of oil a little bit, drop the
price, and try to change the economics on our end.
Therefore, I think it is very wise and is a
policy that needs to be adopted in all various
areas relating to alternative energy that the State
has, for example, not looked principally at the
question of, you know, the -- you know, the
anticipated payback date for projects like the
solar energy project that's going to take place
right here outside Center for Tomorrow.
We're going to have to create markets for
alternative energy. We're going to have to be able
to sustain some sort of a price level if we want
these industries to develop.
We know it has to happen. It's an
investment that we have to make, and again, I would
commend the New York Power Authority for their
willingness to purchase a hundred megawatts of
solar energy into the grid. It's an example of
exactly the sort of thing that we need to be doing
over and over again.
So a lot of positive work, I think, being
done already by the State of New York, and I pledge
the support of the City of Niagara Falls in trying
to maintain the forward momentum of the progressive
Paul Dyster, Mayor, City of Niagara Falls

1 elements of this policy.
2 Again, I guess the key here is that we're dealing with a situation where oil prices are lower this summer than they were last summer, maybe more people are filling up their gas tanks and coming to Niagara Falls than were -- were last summer, but the fact that there's been some moderation in oil prices shouldn't deceive us as to the long-term trend.
3 We're in an energy crisis, and we need to behave as though we're in a crisis. We need to focus -- there's still very considerable strategic resources we have in the State of New York in order to achieve the outcome that we want not just in our lifetime but for our kids and grandkids.
4 And I think you've got a good start in the Plan in that direction.
5 So thank you very much.
6 MR. CONGDON: Thank you, Mayor.
7 That concludes today's public hearing on the draft State Energy Plan. Our next hearing is tomorrow in Binghamton.
8 And I want to thank everyone for your participation today and -- oh, I'm sorry, did you want to have --
MR. CHAMP: Am I allowed --

MR. CONGDON: Of course.

MR. CHAMP: -- follow-up, as long as I got all these guys here?

STATEMENT OF DOUGLAS CHAMP

MR. CHAMP: My name is Doug Champ, again, and just being here I just thought I'd bring up some points that didn't really get addressed and having to do with basically smart growth and development within the State of New York and its filtering down to our communities.

Most of what goes on in the communities now has limited knowledge regarding how energy use and development can be moved on to the smart growth concept in terms of planning overall economic development planning, where the investment strategies are going to go for our cities and our counties.

So that's something that should be looked at and how you want to integrate that through the State Department. It's important that these be part of the overall Energy Planning process, because growth rarely occurs, and sometimes it's
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too late to change things.

The other thing is uniform energy conservation code standards. There's been no mention about code standards in terms of what energy is going to be done in new residential and commercial construction. That needs to be uniformly placed and approved and enforced within our communities.

This is another topic that was -- system benefit charges are not available to municipal systems. They've geared up on this now, but there ought to be some kind of parallel arrangement on the State level for muni systems to take advantage of some of the NYSERDA programs which they're not eligible for.

And the last thing is passive heating and cooling applications. This is a theme that's been lost in construction, using natural construction and physical construction to augment natural passive cooling and heating.

The old engineering standards, the old architectural standards have been lost. It's there. It can be used, and it has low-cost, no-cost applications sometimes.

Thank you.
MR. CONGDON: Thank you very much.
And that concludes our public hearing on the
draft State Energy Plan. I want to thank everyone
for your attendance today and participation.
And again, if you have further comments
you'd like to make, you can -- you can submit
written comments through October 19th on our
Thank you all.
(Proceedings concluded at 1:04 p.m.)

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