

**FINAL**

**MINUTES OF THE  
NEW YORK STATE ENERGY PLANNING BOARD MEETING  
HELD ON AUGUST 29, 2013**

Pursuant to notice dated August 23, 2013, the ninth meeting of the New York State Energy Planning Board (“Board”) was convened on August 29, 2013 at 1:00 p.m. at the Albany office of the New York State Energy Research and Development Authority, 17 Columbia Circle, Albany, New York. A copy of the meeting Notice is annexed as Exhibit A.

The following Energy Planning Board Members or their designees were present:

- Francis J. Murray, Jr., President and CEO of the New York State Energy Research and Development Authority and chair of the Board
- Garry Brown, Chairman of the NYS Public Service Commission
- Joe Martens, Commissioner of the NYS Department of Environmental Conservation
- Kenneth Adams, Chairman and CEO of Empire State Development (Jim Held, designee)
- Joan McDonald, Commissioner of the NYS Department of Transportation (Lynn Weiskopf, designee)
- Peter Rivera, Commissioner of the NYS Department of Labor (Frank Surdey, designee)
- Jerome Hauer, Commissioner of the Division of Homeland Security and Emergency Services (Tom Lockwood, designee)
- Dr. Nirav Shah, Commissioner of the NYS Department of Health (Kevin Gleason, designee)
- Cesar Perales, Secretary of State (George Stafford, designee)
- Darrel Aubertine, Commissioner of the NYS Department of Agriculture & Markets (Geoff Palmer, designee)
- Stephen Whitley, President and CEO of the New York Independent System Operator (Pat Curran, designee)
- Assemblywoman Amy Paulin (Stephanie Amann, designee)

Also present were Hal Brodie, Counsel to the Board and NYSERDA General Counsel; Janet Joseph, NYSERDA's Vice President for Technology and Strategic Planning; John Williams, director of the Board's Working Group and Director of NYSERDA's Energy Analysis program; and staff from various entities on the Board as well as members of the public.

Mr. Murray stated that the meeting is being videotaped and that the video would be placed on the Energy Planning Board website within the next few days. He added that although the Board meeting is open to the public, the Board will not be accepting comments from members of the public during the meeting.

Mr. Murray welcomed the Board Members and advised that activities were ongoing to complete the draft of the State Energy Plan. Mr. Murray stated that there was a short agenda. After some introductory remarks, the Board would review the minutes from the prior meeting. Next, the Board would hear from staff on the status of the Draft State Energy Plan.

#### Introductory Remarks

Mr. Murray discussed several items outside the direct work of the Board that have impacted the schedule for developing the draft Energy Plan. First, Mr. Murray discussed the Energy Highway Task Force which produced a Blueprint focused on key issues facing our electric system infrastructure. Many activities have been undertaken at the various agencies implementing Blueprint strategies, all of which are helping to shape the needs and direction of our energy policy. The Board had decided it best to await the completion of the Energy Highway Blueprint to better inform the policies and recommendations of the Draft Energy Plan.

Second, Mr. Murray discussed the significant impact of Superstorm Sandy on the State's energy and critical infrastructure systems. This unprecedented event caused Governor Cuomo to convene the Ready, Response and 2100 Commissions, all of which identified key issues regarding the resiliency of our energy systems, and provided key recommendations for State consideration in future planning activities. Mr. Murray explained that, given the imperatives of the Energy Planning Law to account for security issues, the Draft Energy Plan should consider the lessons learned from the Sandy recovery as well as the wisdom provided in the three Commissions' reports.

Third, Mr. Murray stated that several big new policy initiatives, such as the Green Bank, NY-Sun and Recharge NY, will also influence the Board's planning process going forward. As such, these initiatives will guide the Board's policy approaches in the Plan's clean energy program and policy strategies.

Mr. Murray acknowledged that staff from the various Board entities has been working diligently on preparing a draft for the Board's consideration, informed by the events of the last year.

## Minutes from August 2012 Meeting

Mr. Murray stated that a copy of the draft Minutes of the August 30, 2012 meeting was provided to Board Members on August 23, 2013. Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the Minutes of the August 30, 2012 meeting were approved.

### Update on the Draft State Energy Plan

Mr. Murray introduced John Williams, Director of NYSERDA's Energy Analysis Program, to facilitate staff presentations of the outline for the new draft State Energy Plan. After some introductory remarks and assurances that all Board Member agencies' concerns will be incorporated, Mr. Williams reiterated the factors that have impacted the schedule of producing the draft Energy Plan: the work of the Energy Highway Task Force; analysis of recent hurricanes and Superstorm Sandy; and new programmatic initiatives such as NY-Sun and the Green Bank. Mr. Williams stated that the draft Energy Plan will build on this work and take these new considerations into account, within the framework of statutory goals: improving reliability; costs to consumers, including overall cost and price volatility; minimizing public health and environmental impacts; and maximizing cost-effective energy efficiency. Mr. Williams then introduced Jill Anderson, from the New York Power Authority, to present the vision of the draft Energy Plan.

Ms. Anderson explained that key attributes of the vision for New York's future energy infrastructure are that it be: reliable and safe; flexible and adaptable; clean and sustainable; and affordable and competitive. The themes set forth in the draft Energy Plan will be: empowering customers and communities; stimulating private sector investment; improving system efficiency; enabling markets and market participants; investing in strategic infrastructure; protecting the environment and public health; and capturing economic opportunity.

Ms. Anderson then discussed the following examples of proposed metrics:

- CO<sub>2</sub> emissions per energy
- Economic productivity per BTU consumed
- Energy rates and total bill costs
- Energy consumption and peak demand
- Number of customers relying on oil for heat
- Alternate vehicles registered
- Number of alternate fueling and charging stations
- Direct and net jobs created and retained
- Air quality standards met state-wide.

Next, Mr. Williams presented an outline for the proposed chapter of the draft State Energy Plan relating to end-uses, which would include sections on energy use and cost; building and industry energy efficiency; transportation; and growing the clean energy economy. Energy end-use and cost analyses would include: historical and forecasted energy use by sector and fuel type, as required by statute; historical energy expenditures by sector and fuel type to help inform our relative competitive position; and fuel price forecasts for selected fuels and the impact on consumer and policy choices.

Next, Mr. Williams presented the 2011 New York State Energy Flow chart produced by NYSERDA to illustrate the focus areas of the end-use chapter. Mr. Williams explained the chart, showing the flow of primary fuel types by end-uses and pointing out the magnitude of conversion and loss, which provides a large opportunity for technological and efficiency solutions. Mr. Williams paid particular attention to the reliance on the transportation sector on one fuel type, petroleum, and stated that Superstorm Sandy demonstrated how vulnerable this leaves the State. The Energy Plan may address ways to work towards diversification of fuel type and systems to ensure that the State's transportation systems remain robust and economically productive.

Mr. Williams then turned to the section on building and industry energy efficiency, which would include an update on energy efficiency programs and achievements across the State, examine building codes and appliance standards, and discuss the potential for additional energy savings building upon a recent study conducted by NYSERDA. Next, the section on transportation would discuss transportation energy use and costs, as well as transportation efficiency and alternative fuels. Finally, the section on growing the clean energy economy will examine comprehensive initiatives, building on New York's clean energy assets, the role of innovation and research and development, and workforce development.

Mr. Williams then introduced Jeff Cohen, of the New York State Department of Public Service, to present the framework for the chapter of the draft Energy Plan examining the sources of energy, including electricity, natural gas, petroleum products, and renewable resources. Mr. Cohen addressed each of these sections. The section on electricity will contain an industry overview, and then review capacity and generation by fuel type; transmission and distribution systems and planning; and markets and prices. In particular, Mr. Cohen explained that the State traditionally had a diverse generation profile, but has recently become increasingly dependent on natural gas, similar to the rest of the United States. Mr. Cohen also pointed out that New York has taken a fresh look at transmission and distribution through the Energy Highway planning effort, as well as through the State Transmission Assessment and Reliability Study undertaken by the State's investor-owned utilities, LIPA and NYPA.

Next, Mr. Cohen outlined the section on natural gas, which will examine production and supply, including unconventional reserves; North American demand (23% of total energy consumption) and New York demand (4<sup>th</sup> highest state consumer); infrastructure siting and expansion; and the cyclical nature of production costs and prices and its effect on consumption. The section on petroleum products will discuss historic and current demand, with special focus on the transportation sector; and infrastructure and distribution networks. This section will also compare the different types of products, such as distillate, residual, propane and gasoline. Finally, the section on renewable resources will examine the value and contribution of renewable resources (currently approximately 20% of total mWh), the potential of renewable energy, technology assessments, and the Renewable Portfolio Standard Program.

Mr. Williams then introduced Jared Snyder, of the New York State Department of Environmental Conservation, to present the chapter of the draft State Energy Plan relating to impacts and other considerations, including climate change and environmental impacts; public

health; environmental justice; smart growth; and security and resiliency. Mr. Snyder further explained each of these elements, in turn. The section on climate change will include a greenhouse gas emissions inventory (transportation sector is by far the largest emitter), assess projected impacts, evaluate costs, and review key policies and programs. In particular, Mr. Snyder demonstrated, by way of a chart, that economic output has been steadily decoupling from power sector greenhouse gas emissions.

Next, Mr. Snyder explained that the section on environmental resources will look at impacts from pollutants other than greenhouse gases resulting from electricity generation, transportation, stationary uses and energy distribution; and will review policies and programs. Mr. Snyder stated that the State is making substantial progress on reducing air pollution. By way of example, Mr. Snyder reviewed a chart showing that the ambient air concentration of benzene has been significantly reduced during the period from 2000 to 2012, though the State concentration is still above U.S. guidelines.

Mr. Snyder then discussed the public health section, which will examine New York State health status, health effects associated with carbon-based fuels, health concerns by energy sector, and the role of health in energy planning. The environmental justice section will review burdens affecting environmental justice communities, considerations of environmental justice in permitting, and environmental justice policies and programs. By way of example, Mr. Snyder reviewed a Queens County map showing that Title V power generation facilities were overwhelmingly located in lower income communities within the county.

Next, Mr. Snyder reviewed the section on smart growth, which will consider the impact of land use and development patterns, especially sprawl, on energy use in transportation and buildings and will then examine programs and practices that promote smart growth. Finally, Mr. Snyder stated that the section on security and resiliency will examine the vulnerabilities of the energy system, including from cyber-attack, and will look at how to develop energy system resiliency relative to climate change and otherwise.

Ms. Anderson then discussed the process for completing the draft Energy Plan. A core team has been formed to draft chapters, with input from various state agencies and others, including businesses, academia and the utility sector. In addition, Arch Street Communications has been engaged to assist with graphic design. There will also be an electronic version for the State Energy Plan website to help with outreach to stakeholders and the general public.

Looking forward, Mr. Williams next explained that the draft Plan is targeted to be presented to Board and then issued to public in the Fall of 2013. This will be followed by a written public comment period that may include website and new media-based comment submission. It will also include a minimum of six public comment hearings (three “upstate” and three “downstate”). Mr. Williams explained that in the past Board Members were generally requested to participate in the public comment and outreach. Public comments are compiled, reviewed, and then potential changes to the Energy Plan are considered. Mr. Williams then stated that the final Energy Plan is targeted to be presented to the Board for adoption in the Spring of 2014.

In conclusion, Mr. Murray thanked the presenters as well as the broader agency staff who have participated in the process thus far. Next, Mr. Murray underscored the critical importance for the staff of Board Member entities to be engaged going forward so that the Energy Plan addresses issues comprehensively and utilizes the expertise of the various agencies. Mr. Murray then reiterated the importance of broad participation by Members of the Board in the public hearing process. Mr. Murray also stated that the presentation materials shown throughout the meeting would be available on the State Energy Plan website.

Other Business

The final agenda item was other business. There being none, upon motion duly made and seconded, the meeting was adjourned at about 2:10 pm.



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Valerie S. Milonovich, Secretary to the Board  
Senior Counsel, NYSERDA

**Exhibit A**

**New York State Energy Planning Board**

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Albany, New York 12203  
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August 23, 2013

**NOTICE AND AGENDA**

TO THE MEMBERS OF THE NEW YORK STATE ENERGY PLANNING BOARD:

PLEASE TAKE NOTICE that a meeting of the New York State Energy Planning Board will be held at the Albany office of the New York State Energy Research and Development Authority,

17 Columbia Circle, Albany, New York, on Thursday, August 29, 2013, commencing at 1:00 p.m., for the following purposes:

1. To consider and act upon the draft minutes from the August 30, 2012 meeting.
2. To receive an update on the draft State Energy Plan process.
3. To transact such other business as may properly come before the Board.

Members of the public may attend the meeting.

NYSERDA will be posting a video of the Board meeting to the State Energy Plan website (<http://www.nysenergyplan.com>) within two business days of the meeting.



Francis J. Murray, Jr.  
Chair