The City of New York (City) hereby submits suggested amendments to the proposed Scope for the 2013 New York State Energy Plan.

Attached hereto is a red line version of the Draft Scope document with suggested additions to the language therein. No suggested deletions to the Scope were made.

As a general observation, the City believes that while the 2013 Plan can benefit materially from the comprehensive analysis done in association with the 2009 Energy Plan, it is most critical that the work leading to the next iteration of the Energy Plan go well beyond the parameters of the 2009 Plan. In particular, the City believes that the next Plan should be developed and written to comprehensively address the most critical and imminent energy-related issues that are before us.

Paramount among these issues is the treatment of the Indian Point nuclear plant. Given the key role of that plant in maintaining electric system reliability, achieving critical environmental objectives of the State, and in meeting critical energy service needs in the New York City metropolitan area, the City believes that the potential implications of its continued operation, or of a cessation of operations, warrants separate treatment in the next Energy Plan. Under the direction of the amended Article VI, the Plan necessarily provides statewide treatment of a wide range of energy issues. That statutory mandate does not, however, preclude the separate treatment of critical emergent issues facing the State of New York. The fate of Indian Point can only be characterized as such a key energy issue, particularly given the fact that one half of the plant's very significant capacity is currently licensed only until 2013 – the year when the final form of the State Energy Plan now under development will be released. Accordingly, the City strongly urges a comprehensive review of all the implications of plant closure, and a thorough examination of all potential alternatives to the current energy and capacity supplied by Indian Point.

In a similar vein, the City asks that the State Energy Planning Board undertake searching assessments of other paramount issues that will undoubtedly require State action in the near term. As reflected in the City's suggested edits to the Draft Plan Scope, these concerns include the full range of issues associated with natural gas production in the Marcellus Shale; a review of the RPS program, including both the Customer-Sited Tier and the Main Tier, to explore targeted investments that will provide real and substantiated utility system benefits, while also achieving the State's aggressive renewable energy target, including the prospects for offshore wind energy development off the Atlantic coast and the potential financial means needed to develop that resource, as well as more extensive large-scale solar power including both building-mounted and ground-mounted systems; and the critical need for enhanced natural gas pipeline development in the areas of the State that are characterized both by high growth, and by the expected wider use of natural gas to help achieve the State's climate-related goals.

The City looks forward to working with the State Planning Board to meet our mutual goals, and asks that the Board take our views fully into account in establishing the direction for the development of the 2013 Energy Plan.

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City of New York – Suggested Additions
Draft Scope for the 2013 New York State Energy Plan and Public Solicitation of Comments

March 10, 2011

The 2013 New York State Energy Plan ("Plan") will provide broad policy direction to guide energy-related decision-making in the public and private sectors within New York State. The Plan will focus on meeting future energy needs, while balancing reliability, cost, environmental and public health impacts, and economic growth.

This document sets forth a Draft Scope ("Scope") for the Plan and solicits public comments. The topic areas to be developed in the Plan are guided by statutory requirements (Article 6 of the Energy Law), which are summarized in the Appendix.

The statute requires that the Plan seek to:

- Improve the reliability of the State's energy systems
- Insulate consumers from volatility in market prices
- Reduce the overall cost of energy in the State
- Minimize public health and environmental impacts, particularly those related to climate change
- Identify policies and programs designed to maximize cost-effective energy efficiency and conservation activities to meet projected demand growth

Topic Areas to be Developed in the 2013 State Energy Plan

The topic areas described below are organized to meet statutory requirements and address additional issues identified by the Board. Analysis and information from other State resources and plans, such as the Interim Report of the Climate Action Plan, the Emergency Management Plan, and transportation planning documents, will be integrated into the Plan, where appropriate.

To the extent practicable and feasible, each topic area of the Plan will assess current status and future outlook; discuss issues, challenges, and options; and provide recommendations for policy direction.

I. Overview of New York's Energy Systems

Overview. Provide an integrated overview of the State's energy systems including historic, current, and forecasted demand and prices, disaggregated by fuel and customer types. Evaluate future energy and infrastructure requirements and costs, supply options, and system reliability needs. Assess system changes, technology development, economic and population growth, technological developments including electronic and data growth trends, and environmental impacts, with focus on the potential contribution of energy efficiency, renewable energy, and distributed sources. Assess projected effects of State and municipal regulations and programs. Examine current energy prices for New York State customers, particularly for low-income consumers.

II. Meeting the State's Energy Needs and Goals with Energy Efficiency and Renewable Resources

Energy Efficiency. Assess the impacts and effectiveness of existing energy efficiency initiatives. Assess the potential for meeting future energy needs by increasing energy efficiency in the residential, commercial, industrial, transportation, and agricultural sectors, thereby driving investment in new technologies and industries that advance a clean energy economy. Discuss methodologies and metrics used to assess the net benefits and cost-effectiveness of energy efficiency activities. Assess the current and potential role of building and energy codes and appliance standards, and increased compliance, in achieving energy efficiency goals and accelerating technology implementation. Consider potential impacts of distributed generation, combined heat and power systems, demand response, and efficiency improvements in the energy transmission and distribution systems, as well as the cumulative effects of benchmarking and audits, and energy usage disclosure programs.

Renewable Resources. Assess the existing and potential use of renewable energy resources, including grid-level electricity generation (onshore and offshore), customer-sited production of electricity and heat, and bio-based fuels, for meeting energy needs in the electricity generation, residential, commercial, industrial, transportation, and agricultural sectors. Review the Renewable Portfolio Standard and other programs designed to encourage implementation of renewable resources, and their relative effectiveness in meeting State goals. Undertake review of RPS program and general incentives available for renewables to meet the State's ambitious goals, including those targets that can only be achieved by increased renewables development in urban areas. Assess equitable considerations for all regions of the State, including the environmental justice implications of energy program implementation. Discuss methodologies and metrics used to assess the costs and benefits of renewable resources. Assess transmission needs and approaches to balancing intermittency. Discuss siting issues, permit processes, and grid interconnection standards. Assess the role of regulatory coordination, market incentives, policy mechanisms, cost recovery methods, and research and development in encouraging investment in renewable energy resources. Undertake a comprehensive study of the feasibility of capturing the State's offshore wind potential, including a review of financial mechanisms needed to realize this untapped potential resource, and to integrate it into the State's electric system.

III. Meeting the State's Energy Needs and Goals for Electricity

Electricity. Provide current and forecasted electricity load, prices, and supply requirements, taking into account system and technology changes, and the potential contribution of energy efficiency and renewable resources in meeting energy needs. Assess generation, transmission and distribution infrastructure, options to modernize aging infrastructure, and impacts of siting new infrastructure. Analyze the effects on the reliability of the electric power grid as it adapts to changing needs, technologies, markets, and policies. Discuss fuel diversity, development of alternative energy resources, and system upgrades. Assess regulatory and cost recovery mechanisms for meeting transmission upgrade needs. Assess infrastructure needs, costs, and impacts associated with potential development of plug-in electric vehicles, energy storage, and smart grid initiatives. Consider the impacts of increasing reliance on out-of-state generation as well as increasing the development of in-state resources to meet growth in energy needs. Examine the State's electricity markets, costs, and linkages with neighboring regional energy markets (PJM and ISO-NE) and Canada. Analyze implications for the electric system of the carbon intensity limitation targets in the State's Climate Action Plan, and assess mechanisms to achieve the State goals established in the Plan. Examine expected impact of future State environmental regulations expected to affect electricity generation.

IV. Meeting the State's Energy Needs and Goals by Fuel Type

Natural Gas. Provide current and forecasted natural gas demand and prices. Address system reliability needs. Assess natural gas supply sources, including U.S., New York (Marcellus Shale and other geologic formations), and Canadian, as well as reliability, price, economic, and environmental impacts of production of natural gas from these sources. Discuss the inter-dependency of the electricity and natural gas systems and the contribution that LNG and biogas can make to meeting total energy needs. Examine need for strategic natural gas infrastructure projects, including interstate pipelines, to facilitate State goals, including the wider use of natural gas to advance climate related initiatives. Discuss New York's natural gas infrastructure; the regulatory, cost, and

other implications of developing and siting infrastructure and new sources; adapting to technological advancements; and assessing impacts associated with the potential expansion of use of natural gas in the building, heating, and transportation sectors, including a comprehensive assessment of the potential benefits and risks associated with shale gas extraction.

Petroleum. Provide current and forecasted demand and prices; and supply requirements for petroleum products in New York, including fuel used for transportation, residential, commercial, and industrial end-use, and electricity generation. Products include distillate fuels, gasoline, propane, residual and jet-fuels. Assess petroleum markets, including the global perspective of world production trends for crude oil as well as markets for refined products used in the State's energy systems. Assess the adequacy and security of the current infrastructure and the impacts of potential expansion.

Coal. Provide current and forecasted demand and prices. Assess the contribution of the existing coal-fired generation fleet in meeting New York's energy requirements. Discuss national and New York markets for coal, including production, reserves, and transportation. Examine issues related to existing coal-fired generation, emerging trends, and alternatives to conventional coal generation, including the use of advanced coal technologies and the potential for use of carbon capture and sequestration.

Nuclear. Assess the contribution of the existing nuclear fleet in meeting New York's energy requirements, including plant characteristics, reliability, operation and maintenance, and impact of electricity markets on operation and economics of nuclear plants. Discuss relicensing issues, including safety, operational requirements, waste storage and disposal, decommissioning, and environmental impacts associated with nuclear power. Assess nuclear technology development, including small-scale and modular units, as well as issues associated with the potential siting and construction of nuclear plants. Discuss impacts of federal energy policy on New York's nuclear plants. Review and assess all implications of potential actions related to nuclear generation, including but not limited to non-relicensure of existing plants. Undertake an examination of the full range of electric system contingencies and potential alternatives to long-term operation of current nuclear plants.

Other and Alternate Energy Sources. In addition to the discussion of renewable fuels described above (e.g. solar, wind, hydropower, and bio-based fuels), assess and discuss issues surrounding other fuels and energy sources, such as municipal solid waste, landfill gas, and hydrogen.

V. Growing New York's Clean Energy Economy

Economic Development. Assess New York's existing clean energy assets and core competencies, including types of capital (human, financial, and natural); infrastructure of buildings, industry, and transportation; public, academic, research, and training institutions; and commercial and industrial enterprises. Examine how these assets can help develop New York's energy economy. Assess the State's current and planned economic development policies and initiatives, including programs that provide low-cost electric power. Explore the effect that government action (legislative, regulatory, policy, and public-private partnerships) and increased reliability of energy systems may have on the State's efforts to attract new businesses, foster job growth and innovation, and increase access to capital.

Clean Energy Innovation and Development. Assess existing State and federal policies, programs, and funding mechanisms to stimulate energy research and development, support business and market development of emerging clean energy technologies, and bridge the gaps to full commercialization of new products. Explore how New York can accelerate the development of clean energy industries and products, facilitate coordination between universities and industries, and encourage the growth of regional technology clusters.

Workforce Development and Educational Initiatives. Assess the labor market characteristics of the State's energy sectors, including labor supply and demand, earnings, occupational trends, and growth opportunities. Focus on ensuring that there are sufficient skilled workers to support the expansion of the clean energy economy and enhance the State's economic competitiveness. Explore the workforce development and training programs, and educational initiatives needed to support the growing clean energy economy. Discuss the need for

coordinated efforts across State agencies to implement these initiatives. Discuss barriers to education and training, including those facing low-income individuals and communities of color.

VI. Climate Change and Environmental Impacts

Climate Change. Provide an inventory and forecast of New York's greenhouse gas emissions, drawing upon the Interim Report of the Climate Action Plan. Assess the potential impacts of increased greenhouse gas emissions on the State's natural resources, infrastructure, and public health. Identify strategies for increasing the use of low carbon energy sources and carbon mitigation and adaptation measures in the energy sector. Discuss existing and proposed policies, including potential impacts on New York. Examine mechanisms to address all carbon-intensive heating applications, including anticipated limitations on the combustion of fuel oil, and opportunities for fuel switching, and means to facilitate same.

Environmental Impacts. Assess the impacts of energy production and use on criteria air emissions, such as SO_2 and NO_x, air and water quality, and fish and wildlife, as well as the potential impacts of proposed environmental policies on the energy sector. Assess selected current electric system reliability rules to estimate their impact on emissions and energy prices. Assess the ability of a more efficient and reliable electric system to deliver cleaner energy.

VII. Investing in Resilient Energy Infrastructure, an Efficient Transportation System, and Smart Growth

Energy Infrastructure and Reliability. Discuss the importance of maintaining the reliability and resiliency of the State's energy systems (to be included within the topic areas for electricity and the individual fuels). Assess issues and potential impacts associated with infrastructure siting, cost recovery mechanisms and regulations, federal bulk transmission policy, and technology advancement.

Transportation. Examine the impacts and issues related to improved efficiency, utilization, expansion, and modernization of the existing system (highway, transit, rail, and other transportation modes). Assess the impacts of maintaining a state of good repair. Evaluate alternative fuel and hybrid vehicle technologies. Discuss the effect of increased electrification of the transportation system (single passenger vehicles, fleet vehicles, and public transit) on electricity demand and supply. Discuss the infrastructure required to charge vehicles. Explore the State's role in potential initiatives to encourage electric vehicles and the options for funding such efforts. Explore funding options for transportation-related energy efficiency and greenhouse gas reduction mechanisms. Identify cost-effective strategies, including technological and demand management, to reduce energy consumption, vehicle-miles-traveled, and increase transit, high-speed rail, and smart growth efforts in the transportation sector. Discuss continued integration and alignment of the State's transportation policy with the State's energy and economic development goals.

Resiliency, Security, and Emergency Planning. Review the impacts of natural, technological, and human threats to the State's energy systems, fuel supplies, and generating modes; and the need for the State to invest in resiliency of its energy and transportation systems. Explore developing robust contingency plans (e.g. emergency preparedness and redundancy planning), enabling proactive response to disruptions while maintaining critical operations. Discuss counter terrorism, emergency management and communications, cyber security, and fire prevention efforts to prepare New York for emergencies and to maintain the reliability of the State's energy systems.

Smart Growth. Assess the ability of municipal and urban planning, the integration of land-use and transportation planning, zoning and building codes, mass transportation improvements, and other approaches to reduce energy use and transportation fuel demand. Consider ways to implement smart growth principles and sustainability in planning for transportation and energy systems.

VIII. Health and Environmental Justice

Health. Assess the known and potential health impacts of energy production and use. Describe the methods, including standards and criteria, used to assess impacts of energy production and use on public health and potential strategies for reducing these impacts. Consider how use of emerging energy technologies and fuels can contribute to or mitigate potential health concerns. Consider community health concerns in the development of energy facilities.

Environmental Justice. Consider environmental justice issues as a key issue in energy planning. Examine current policies, programs, and procedures that are intended to ensure the fair treatment and meaningful involvement of all people, and identify ways to improve the health and environmental well-being of communities that are affected by impacts from energy-related industrial facilities and activities. Identify opportunities for participation in energy decision-making and planning by affected communities.

IX. Local, Regional, and Federal Action and Collaboration

Local, Regional, and Federal Action and Collaboration. Discuss the role of various levels of government in energy and climate decision making. Analyze current and proposed local, regional, and federal energy and climate policies and programs and their impacts on achieving the State's energy goals. Explore best practices of local, regional, and federal coordination in energy project development that can support economic growth and the development of a clean energy economy in the State. Discuss how to foster local engagement and training in power generation, renewable energy, and infrastructure development. Discuss enforcement of building and energy codes and equipment standards, and expansion of smart growth initiatives. Address opportunities for improving the regional flow of fuels and electricity and development of key energy infrastructures. Identify legal and jurisdictional issues that would need to be addressed in order to achieve potential benefits. Consider the regional (interstate) and national policy landscapes and identify opportunities to expand New York's position in the larger clean energy supply chain. Assess opportunities for collaborative efforts between the State and its constituent governmental entities to address specific energy issues that may benefit from a regional or segmented approach

Public Solicitation of Comments on the 2013 State Energy Plan

The Board is soliciting comments on the Draft Scope. Comments may address any aspect of the Scope including how the Board should conduct the technical and policy analyses described, as well as any additional issues that should be addressed.

Comments may be submitted electronically through the Energy Plan website at http://www.nysenergyplan.com/ or in hard copy to:

State Energy Plan Comments
NYSERDA
17 Columbia Circle
Albany, NY 12203-6399

Comments must be received on or before April 29, 2011. 6

Appendix

Summary of Statutory Requirements (Article 6 of the Energy Law)

As outlined in Article 6 of the Energy Law, the Plan will include the following elements. To the extent practicable, the elements will be provided on a statewide basis as well as for the Upstate and Downstate regions identified in the statute:

- forecasts for periods of five, ten and fifteen years of:
    - demand for electricity, natural gas, coal, petroleum products, including heating and transportation fuels, and alternate fuels, including ethanol and other biofuels, to the extent possible, for each region of the State, as well as the State as a whole, taking into account energy conservation, load management and other demand-reducing measures which can be achieved in a cost-effective manner, including the basis for such projections, including an examination of possible alternate levels of demand and discussion of the forecasting methodologies and input variables used in making the forecasts
    - energy supply requirements needed to satisfy demand for electricity, natural gas, coal, petroleum products, including heating and transportation fuels, and alternate energy sources and fuels, for each region of the State, and for the State as a whole, including with respect to electricity, the amount of capacity needed to provide adequate reserve margins and capacity needed to ensure reliability and competitive markets in the various regions of the State
    - an assessment of the ability of the existing energy supply sources and the existing transmission or fuel transportation systems, to satisfy, together with those sources or systems reasonably certain to be available, such energy supply requirements, indicating planned additions, retirements, de-ratings, substantial planned outages, and any other expected changes in levels of generating and production capacity
    - additional electric capacity and/or transmission or fuel transportation systems needed to meet such energy supply requirements that will not be met by existing sources of supply and those reasonably certain to be available, where such analysis should identify system constraints and possible alternatives available, both supply-side and demand-side alternatives, including but not limited to distributed generation, energy efficiency and conservation measures, to redress such constraint
- identification and assessment of the costs, risks, benefits, uncertainties and market potential of energy supply source alternatives, including demand-reducing measures, renewable energy resources of electric generation, distributed generation technologies, cogeneration technologies, biofuels and other methods and technologies reasonably available for satisfying energy supply requirements which are not reasonably certain to be met by the above identified energy supply sources, and will include an assessment of the contributions of current energy policies and programs to achieve long-range energy planning objectives
- an assessment of current energy policies and programs, and their contributions to achieving long-range energy planning objectives including, but not limited to, the least cost integration of energy supply sources, energy transportation and distribution system and demand-reducing measures for
- satisfying energy supply requirements, giving due regard to such factors as required capital investments, cost, ratepayer impacts, security and diversity of fuel supplies and generating modes, protection of public health and safety, adverse and beneficial environmental impacts, conservation of energy and energy resources, the ability of the State to compete economically, and any other policy objectives deemed appropriate

- identification and analysis of emerging trends related to energy supply, price and demand, including trends related to the transportation sector

- an inventory of greenhouse gas emissions over five, ten and fifteen year periods, and strategies for facilitating and accelerating the use of low carbon energy sources and/or carbon mitigation measures

- an assessment of the ability of urban planning alternative, including but not limited to smart growth and mass transportation improvements to reduce energy and transportation fuel demand

- an analysis of security issues, considering both natural and human threats to the State's energy systems

- an environmental justice analysis

- recommendations, as appropriate and desirable, for administrative and legislative actions to implement the Plan’s policies, objectives and strategies

- an assessment of the impacts of implementation of the Plan upon economic development, health, safety and welfare, environmental quality, and energy costs for consumers, specifically low-income consumers