

Comments on the New York State Energy Plan

from the

New York State Association of Counties



April 26, 2011

**Hon. William J. Ryan, NYSAC President
Stephen J. Acquario, Executive Director**

NYSAC is pleased for this opportunity to comment on the State's Energy Plan on behalf of New York's counties. While there are many areas of energy policy that impact County governments, these comments will address those issues that impact overall cost of energy, and urge the state to consider plans and investments that ease high costs for consumers and local governments.

Electric Transmission Congestion

NYSAC is aware of the electric transmission congestion which exists in certain areas of our State, which results in higher electric prices in the Capital region. Electric congestion and the high prices associated with it will require a proactive solution on the part of the Public Service Commission (PSC), the New York Independent Systems Operator (NYISO) and the Federal Energy Resource Commission (FERC). NYSAC urges these entities to work together to address the issues of transmission congestions which New York's Capital Region is experiencing. Transmission congestion has a real and significant material effect on local government energy costs.

Decisions regarding investment in energy infrastructure are currently driven by reliability and resiliency. NYSAC encourages the economic costs also be given appropriate weight in these decisions. Lack of electric transmission infrastructure adversely affects the cost of energy to local governments downstream from several well-known bottlenecks: the western interface, the east-west interface, and the Pleasant Valley interface. Any economic assessment of the cost of congestion and the benefits of transmission improvements must be evaluated with a fully developed cost-benefit model that takes into account the history of costly congestion. The State Plan should make a priority of economic impacts of congestion, so that the costs can be compared to the required infrastructure investment.

Planning for Energy

County planning units should be involved in any efforts to establish transmission line corridor planning. Making decisions as to where transmission lines should be run can be very controversial. These types of important and multi-faceted decisions require the input of and coordination with county and other regional planning units.

Natural Gas Interstate Transmission Capacity

Natural gas interstate transmission capacity is another issue that NYSAC urges the State to consider in the State Energy Plan. Inadequacies in the interstate system and occasional stoppages in wintertime raise costs to consumers, including county governments. NYSAC urges New York State to press FERC for action to ensure natural gas interstate transmission infrastructure to eastern New York is adequate to meet winter time needs. The existing record of Operational Flow Orders shows how frequently gas service to large accounts is either curtailed or the cost goes up significantly. With the development of new natural gas resources, as well as the addition of natural gas fired electric generation in the Capital Region and Hudson Valley, added interstate pipeline capacity will be necessary to keep consumer costs under control.

Conclusion

We urge the State Energy Board, in their planning efforts, to consider efforts currently underway in local governments to address energy demand issues. Counties are working to curtail their energy use and promote more efficient use of energy resources. Many counties are engaging in local initiatives to achieve state-wide and local goals and policy objectives. We hope that New York State will show consideration for these local initiatives and recognize the important role that county governments play as partners in planning for energy infrastructure.