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Marcus Ferguson The Business Council of NYS SEP Comments NYSERDA. 17 Columbia Circle Albany, NY 12203-6399 RE: Interim Report of the 2009 New York State Energy Plan These comments are submitted on behalf of The Business Council of New York State, Inc. The Business Council is the state's largest statewide employer advocate, representing more than 3,000 private sector employers across New York. Our membership includes more than 1,100 manufacturers and numerous electric generating facilities all of whose business operations directly are impacted by the state's proposed energy plan. New York State businesses continue to face significant competitive disadvantages in many areas: high energy and fuel costs; high workers compensation costs; high property taxes; as well as regulatory burdens that are more stringent than imposed in most other states. In this context, adoption of a workable state energy plane is an important competitiveness issue for instate manufacturers and electric power producers. This proposed plan will have a significant impact on the ability of New York business-- including manufactures, electric power generators, and others -- to maintain their facilities, to make investments necessary to improve their competitiveness, and to respond to changing market demands. The Business Council supports sound energy policy aimed at increasing efficiency and reducing greenhouse gas emissions. We make the following recommendations. I. Promote Fuel Diversity II. Develop a Comprehensive, Fuel Neutral Siting Plan III. Maximize Use of Federal Stimulus Money for Improved Infrastructure IV. Grow the Green Economy I. Fuel diversity is an essential element in maintaining a reliable generation program for the state. Any State energy plan must promote policies that maintain and expand New York's varied generation sources including, nuclear, natural gas, coal, and renewable energy. Nuclear power provides reliable power generation that emits relatively low amounts of carbon dioxide (CO₂). The emissions of green house gases and therefore the contribution of nuclear power plants to global warming is therefore relatively little. This technology is readily available, and does not need to be developed first and it is possible to generate a high amount of electrical energy in one single plant. Thirty-one states and much of the world have embraced nuclear power as essential to meeting our electric needs. It is imperative that the Energy plan supports the continued operation of the state's existing nuclear plants, and encourages the gradual development of additional nuclear sites. These facilities will help meet the needs of a number of areas around the state. New York's heavy reliance on natural gas as a fuel source to power generating sites means that the state must take steps to ensure a reliable and more affordable supply of natural gas. The Energy Plan should consider the need for new natural gas pipelines or expanding existing pipelines. The Plan should also take into consideration the potential to draw from

sources out west in the Rockies and Appalachian shale. This shale contains largely untapped natural gas reserves. Existing coal facilities should remain a part of the state's generation program as well. Coal is readily available in the United States and in many other parts of the world. It is also a less expensive form of power generation. Being a solid, it transports easily and if it spills it rarely if ever causes notable environmental events. As long as coal facilities continue to add controls to run cleaner, they serve as an important energy source for this state's power needs.

The Energy Plan should also seek to promote and fund programs for clean coal technology. The Energy Plan should call for full funding of the Renewable Portfolio Standard (RPS) program as New York continues to promote renewable energy mainly through wind and hydro. In the next few years renewable energy is expected to account for twenty-five percent of New York's energy. Last year over \$250 million was contracted for renewable energy under the RPS. This funding must continue and be a top priority of the Energy Plan. II. New York needs a comprehensive and efficient generating facility siting law to allow it to build new facilities of all fuel types around the state. New York's previous siting law expired in 2002. Currently, the process for siting of generating facilities is governed by the State Environmental Review Quality Act (SEQRA). SEQRA governs the review of all generating facilities irrespective of size. Going forward, any new siting law must be fuel neutral. All technologies must have the opportunity to be fully reviewed by a siting board to determine the environmental compatibility as well as future availability and cost of such technology. New York must demonstrate that it is committed to developing new, efficient sources of electric generation. The Energy Plan must underscore the urgency of enacting a generating facility siting law to help facilitate the development, siting and construction of top level facilities that ensure a reliable and fuel diverse electric energy supply. III. In developing the State Energy Plan there must be a focus on addressing the needs of the State's current economic infrastructure, including the development of additional strategies to ensure not only business and job retention, but, also, expansion of existing business operations to provide a catalyst to the State's ailing economy. The Interim Report recommends restructuring of the economic development programs administered by the Power Authority of the State of New York ("NYPA"), which provide electricity to businesses throughout that State. While this is an appropriate first step the Energy Plan should greatly expand the scope of this recommendation to include the development of additional strategies and incentives to promote both economic development and job retention by current businesses and industries struggling to survive in the State. This begins with a strong investment in the state's infrastructure and energy programs. New York is expected to receive \$24.6 Billion in federal stimulus money over the next two years. The stimulus legislation delivers substantial support for infrastructure projects. New York is expected to receive at least \$1.25 billion for mass transit and \$1.1 billion for highways and bridges. New York will receive \$126 million through the State Energy Program and \$31 million in alternative energy block grants. The stimulus Plan provides \$4.5 billion for energy research and development projects nationwide. New York State is also projected to receive \$435 million from the Clean Water State Revolving Fund; \$85 million from the

Drinking Water State Revolving Fund; and \$404 million to help weatherize the homes of low-income individuals. New York must maximize as much available stimulus money as possible for rebuilding the state's infrastructure, helping business and industries grow while containing the ballooning cost of energy. Therefore, the Energy Plan should look beyond just the current economic development programs administered by NYPA, and include within the Draft Plan a recommendation to develop innovative incentives and programs, on the back of new investment in infrastructure, to be deployed throughout the State that seek to lower the cost of doing business in the State, thereby encouraging growth by existing businesses and job retention. IV. The business community in New York and around the country is faced with the challenge of adjusting to a changed energy climate due to global warming and rising fuel prices. As a result of these changes, the State and the business community will be tasked with improving energy efficiency, developing clean technology, and building more intelligent energy networks. New York needs to have an Energy Plan that fosters the health and growth of the state's economy by embracing a new "green economy." This emerging sector of business will contribute to a cleaner, more energy efficient environment. The state will need to support industry that produces goods and services that optimize the use of natural resources, while stimulating our economy by creating new green collar jobs. This green economy will foster the growth of alternative energy and power, such as wind, solar and bio-fuels, green building design, alternative fuel vehicles, and clean air and water technologies. A number of studies have been conducted that show the growth of the green economy has the potential to create thousands of new jobs in the next five years. In the coming years it will be necessary to develop the skilled workforce needed to fill the jobs created by this green economic development strategy. For all of the forgoing reasons, The Business Council believes that the 2009 State Energy Plan must be far more expansive. Moreover, the Plan should be developed with the primary goals of: 1) Promoting Fuel Diversity; 2) Develop a Comprehensive, Fuel Neutral Siting Plan; 3) Maximize the Use of Federal Stimulus Money for Improved Infrastructure; and 4) Grow the Green economy. Sincerely, MF