



**HEATHER C. BRICCETTI**  
Vice President of Government Affairs

July 15, 2008

Energy Plan Comments  
NYSERDA  
17 Columbia Circle  
Albany, New York 12203-6339

Dear Sir/Madam:

On behalf of The Business Council, thank you for this opportunity to participate in the state's renewed energy planning process, and to comment on the draft scoping document.

The Business Council's diverse membership reflects virtually all aspects of the energy sector: generators, suppliers, transmission & delivery, equipment suppliers, researchers, consultants, and perhaps most important, commercial and industrial end users.

The cost, availability and reliability of energy systems are the most significant competitiveness issues facing the state's business sector.

From the perspective of the state's business community, the state's energy needs, and therefore its energy planning process, should focus on three principle concerns:

- Assuring the adequacy of energy supplies,
- Preserving and improving the reliability of energy delivery networks, and
- Reducing the cost of energy to end users.

In addition, we recognize that the state's energy strategy needs to address several closely related objectives,

- Reducing adverse environmental impact from energy production and use; and
- Promoting energy efficiency, to help reduce energy costs, increase competitiveness of our private sector, and address environmental concerns.

In addressing these objectives, there is a wide range of issues that need to be evaluated and included in the state's energy planning process. These issues, and the extent to which they are addressed in the draft scoping document, are discussed below:

- The draft scoping document proposes a technical assessment on future demand. It is essential that it include *realistic* projections of future energy



demands, which could include baseline projections and projections under alternative market and regulatory options. Past state energy plans have often included unrealistically low baseline projections of both total and peak demand growth.

- Developing new/improved procedures for state approval of significant energy projects, including power generation facilities, and energy transmission and distribution infrastructure. It is essential that the state adopt a new siting law for base load power generation, and to streamline its review process for upgrading transmission facilities. These issues are properly included in the draft scoping document.
- Assuring adequate investment in energy infrastructure, including electric power generation and distribution; natural gas transportation and distribution; and others. This includes assuring that regulated energy utilities have sufficient means and incentives to raise and invest capital for the upgrading, maintenance and expansion of distribution infrastructure. The draft scoping document proposes a technical assessment of infrastructure needs which focuses on physical plan and new technologies. This assessment should also explicitly address financing issues related to infrastructure development.
- Promoting fuel diversity, both in electric power generation and in the end use of energy, in order to assure adequate supply, and to help insulate the state from disruptions in energy supplies and significant spikes in specific energy sources. In addition to developing fuel diversity objectives, evaluate how both the design and implementation of state regulatory programs influence fuel diversity in the state. Of particular interest to us is the future role of coal and nuclear power. Past state energy plans have emphasized the need for fuel diversity. While this issue is included in the Executive Order, it is not addressed in either the proposed technical assessments or the issue briefs. We believe an assessment of our historic fuel use patterns, future fuel use projections, and the consequence of our fuel diversity should be fully assessed as part of the planning process.
- Evaluate factors that influence the absolute and relative cost of energy to end users in New York State, including: market design factors; source and cost of fuels; state and local government imposed costs (taxes & fees, environmental regulations, PSC regulations, others); and others. The draft scoping document proposes to evaluate the impact of energy costs, and to compare in-state costs to costs in other states. However, this assessment should go further to evaluate the market and policy factors that are driving energy prices in New York State.
- In addition to assessing cost impacts, the planning process should also assess how the state can use its energy and/or financial resources to promote economic competitiveness. The draft scoping document proposes an issues brief on "energy costs and economic development," which references a consideration of NYPA power. This assessment process should further evaluate whether we are making the best use of NYPA and

other state resources to promote the state economic development, in addition to its energy, objectives.

- Evaluate the impact of current and potential federal programs on New York's current energy market and the state's energy future. In particular, the state's energy process should evaluate the possibility of new federal environmental regulatory requirements, including national carbon regulations. New York should consider what, if any, federal statutory or regulatory changes could promote achievement of the state's energy objectives. The current and potential impact of federal – or international – energy and/or environmental policies, and potential recommendations on how those policies can promote achievement of the state's energy objectives, should be part of this assessment.
- Evaluate sector-specific opportunities for increased energy efficiency, and possible governmental and/or market incentives to promote energy efficiency. Evaluate the efficacy of existing state and private sector efficiency incentives. The draft scoping document states that efficiency will be addressed in a technical assessment, but provides no details as to its content. In addition to assessing sector-specific opportunities, the assessment should evaluate the efficacy of existing government and private sector efficiency programs.
- Evaluate the roles that private and public entities can and should plan in helping achieve the state's energy objectives, including power production, development of alternative energy supplies, promoting energy efficiency, and others. This is a cross-cutting issue that applies to a number of the technical assessments and issue briefs proposed in the draft scoping document.
- Evaluate the state's regulation of in-state energy sources, including development of in-state natural gas supplies, the potential for additional hydropower, and others. It is unclear whether this specific issue will be addressed in any of the technical assessments or issue briefs. It should; New York should be looking at opportunities for increased domestic production of traditional, as well as renewable, energy sources.
- Evaluate the role and effectiveness of the state's "energy agencies," including PSC, NYPA, LIPA, NYSEDA, and the ISO. The draft scoping document does not include an assessment of the state's energy regulatory structure.

I appreciate the opportunity to submit these comments on the draft scoping document. I look forward to the opportunity to work with you, and to bring additional Business Council members to the table, as the Administration moves forward on its energy planning effort.

Sincerely,

