

DOWLING

C O L L E G E

September 14, 2009

The Honorable David A. Paterson
Governor
Executive Chamber
The Capitol
Albany, NY 12224

Dear Governor Paterson:

Thank you for the opportunity to offer my views on your proposed State Energy Plan.

For background, before my academic career I spent over 40 years within the energy and utility sectors. This included service as the CEO of Nashville Electric Service, one of the 10 largest public utilities in the nation and the founding President and CEO of the Midwest Independent System Operator, the largest ISO in the United States. In addition, I also held the position of Senior Vice President of Operations and Engineering at the Long Island Lighting Company

As my first observation on the proposed State Energy Plan, I have to acknowledge that it offers a number of positive initiatives that are good for all Long Islanders. These include a revitalized, comprehensive new power plant siting law, support for competitive electricity markets, recognition of re-powering as a viable alternative, development of the smart grid, construction of new transmission infrastructure that utilizes existing rights-of-way and additional investment in research and development of renewable energy and workforce training for a new generation of green-collar jobs. These are bold, positive recommendations that will make a difference for Long Islanders – and all New Yorkers.

On the other hand, there are a number of points expressed within the plan that are questionable and require further consideration.

First, it is a concern to me that, with its goal of pursuing clean and cost effective energy, the plan does not sufficiently take into account the role of large baseload projects such as a Broadwater LNG facility. Equally troubling, at the same time it seriously considers the removal of more than 2000 mw from the electric grid by closing Indian Point. In my view both such sources are absolutely necessary to economically satisfy existing and growing demands for energy while protecting the environment. Even though I fully support cost effective conservation and efficiency programs, it is not credible to assume, as the plan does, that they are sufficient to substantially offset the need for baseload facilities.

Second, I would point out that the NYISO has continued to forecast growing energy demands for nearly a decade – even when conservation efforts are factored into the equation. Although the plan recognizes this to a degree, it places too much reliance on the capability of conservation and efficiency programs to temper growth, while to begin with, not fully appreciating the uncertainties of demand projections.

Third, I would point out that wind energy is an intermittent form of electric generation – and while it is reasonable for LIPA and Con Edison to partner in studying a wind farm off the coast of the Rockaways, the addition of wind power to the grid cannot – and should not be considered enough to make up or substitute for the loss of baseload power generation under the scope of the proposed plan.

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Finally, I want to briefly expand upon the issue of Indian Point in the context of the plan.

Indian Point has been a key to New York's success under the Regional Greenhouse Gas Initiative – and will be a critical factor towards ensuring compliance under federal cap and trade legislation. It produces more than 2,000 megawatts of clean, virtually emissions-free energy and is a critical component to New York achieving the distinction of having one of the lowest per-capita carbon emissions counts in the nation.

The plan explores replacing Indian Point with a combination of conservation and efficiency programs and natural gas fueled combined cycle generation. It is not realistic or credible to assume that enough conservation and efficiency can be achieved nor a combined cycle unit, depending on a speculative supply of natural gas, permitted and built to offset over 2000 mw of clean and economic electricity. The State Energy Plan must recognize that Indian Point's power cannot be replaced without dire consequences resulting from increased greenhouse gas emissions, higher utility costs and a weakened, less-stable baseload power supply.

In conclusion, Indian Point-aside, I would commend the members of your planning board for conducting a relatively open, transparent process for soliciting public input on the proposed plan. Your collaboration and open ear will result in a stronger blueprint for moving our state forward.

As you sit and construct the final plan, I urge you to take a good, hard look at our transmission assets, our intellectual capital, and our region's growing energy demands. And then I encourage you to construct a final plan that builds on many of the positive initiatives that are outlined in the draft report, while also correcting those certain proposals that would not contribute to a successful outcome.

Sincerely yours,



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