

Testimony by Senator Joseph A. Griffo
Regarding the 2009 New York State Energy Plan

First, I wish to commend the New York State Energy Planning Board and Thomas Congdon, the Deputy Secretary for Energy in Governor Paterson's office, for holding these comment periods and for taking some action to develop a New York State Energy Plan. New York requires a comprehensive plan that sets meaningful, challenging goals, follows these up with strategies to accomplish critical tasks, and provides measurable objectives so that the people we serve can follow our progress in this essential area.

Four years ago, Hurricane Katrina forced all of us in government to realize that energy planning was a policy imperative. That was reinforced in the Oneida County region in 2006 when the New York Regional Interconnect project used the pretext of potential power shortages to scare up support for its now-discredited plan to traverse Upstate New York with a string of massive power lines and gigantic towers.

Now, in 2009, much has changed. We no longer call renewable energy "alternative energy," because it has moved past the state of being on the sidelines of our energy debates and into the mainstream. Green energy careers are offered as the potential for our displaced workers; from families to corporations, the concept of minimizing our carbon footprint has taken hold.

However, despite these changes, we remain driven by trends that cause us to react, instead of to set a sound policy course that can remain correct even amid the shifting sands of energy debates. Before the recession, we seemed to be near the dawn of a new age of biofuels. But when money dried up and gasoline prices went down, many of the ideas that looked promising withered and faded away.

New York State's goal is to fix its eyes upon the future, and to use the tremendous innovation potential in our research centers and colleges to inform public policy so that a state that has relied on providing low-cost power to Upstate Manufacturers can develop creative solutions that will bring even more low-cost power with the reach of the Upstate job centers that have the potential to grow. We also need to work with those businesses that have shown themselves to be leaders to look not only at what is done today, but how we can build upon the skills of hard-working New Yorkers, such as those making natural gas-powered buses in Oneida County at Daimler's Oriskany plant.

The need for a statewide energy plan is clear with every bill. Unshackle Upstate reported that "New Yorkers pay among the nation's highest energy bills; the average retail price for electricity in 2005 was more than 13 cents per kilowatt hour, the second-highest in the nation. Natural gas costs are also high for residential(11th highest in the nation) and commercial users (15th)."

How can we attract people to live here and work here when the basics of life – power and heat – are far too expensive? Coupled with the legitimate concerns of all parts of the state for a long-range supply of electricity, New York State needs to use the recent Federal Department of Energy report on bottlenecks as a guideline to identify locations for new transmission lines and

create, as it does with Empire Zones and similar programs, incentives to attract transmission providers to those routes. Those routes should be plotted with a focus on choosing locations that are the least intrusive on host communities.

Further, if we want to improve our ability to get power and to have cheaper power, we need to upgrade existing transmission lines to maximize the system's ability to deliver the power that is in the grid, and we need to seriously examine the nuclear power issue as an alternative. We all – rightfully – have safety concerns regarding nuclear energy. But it is a fact of global life that European nations rely far more heavily on nuclear power than does the United States, and they do so with impeccable safety records. Supply and demand are the major laws that govern economics. New York needs to add new generating capacity. That's a years-long process.

Aside from wind energy sites here and there, there has been no major increase in New York's generating capacity in years. We need to increase the numbers of windmills generating wind energy, jump-start the process of increasing solar panel use through consumer education and further tax credits, maximize the economic impact of the low-cost hydropower we have by targeting it for economic development and expansion, and consider new technologies that can generate energy from waste. If we need more power, we must produce more power. A plan that does not address power generation is not going to be a complete plan.

As part of that, I wish to note my concurrence with concerns expressed by the Business Council of New York State, which is a voice of reason that deserves to be clearly heard on energy issues, because energy is a critical component of economic revival. The Business Council rightly noted that in the current plan's discussion of a power plant siting law and an updating of the Article VII siting process for transmission, the focus seems to be on public participation and intervenor funding, and not on creating a fast review and approval of necessary investments. Reining in the bureaucratic process is vital if we really want anything to happen. The Business Council has advocated, and I concur, that the state adopt a fuel-neutral power plant siting law that applies current standards but that does not establish new environmental compliance standards.

We need policies and innovation to maximize the potential of solar energy. Basic research at outstanding universities such as Cornell or SUNY ESF should move us in the direction where solar collection becomes as convenient and accessible for a homeowner as the satellite TV dishes we see all over, or the old-time TV antennas – and a lot more effective in capturing the full potential of solar power and storing it for use by homeowners. In doing this, we need to make sure solar users get a break for putting power into the grid – not just a lot of bureaucratic red tape.

My District has been a hotbed of innovation since the days of the Erie Canal. Right now in downtown Utica, we have a major office building using geothermal energy. The J.K. Hage Building is saving money, helping the environment and setting the pace for other downtown buildings. Geothermal energy has tremendous potential, but requires investment and technical know-how. State policies and programs need to provide both to the businesses of our communities, and to our public buildings, to lower the cost of operations and spark innovation.

Implementing any plan is a long-range process. As we move forward with whatever vision is finally adopted, I am deeply concerned that the needs of Upstate businesses and consumers for

low-cost power be addressed now. We have a welth of programs and options, but business people and homeowners have limited time to sort through bureaucratic forms. We need a very simple energy tax credit program that rewards employers in growth sectors that create and preserve jobs; and that protects individuals from rate hikes they cannot afford – just so that they can avoid freezing in the winter.

I also call upon the administration to build upon a recent pilot program that gave gas cards to unemployed workers by doing the same thing for workers who face long-range commutes in rural areas. Men and women who put in a good day's work for an honest day's wage deserve the support of our state government. For people who live in the rural areas of Northern and Central New York, affordable gasoline is not a luxury, it is a basic necessity. All across the 47th District there are families suffering because men and women who drive 15 or 20 miles to work are being forced to pay higher prices at the pump just to survive. New York needs to deliver – now – with a gas card that these families can use like a credit card to pay for gasoline.

Right now, as I see Recovery Act Funding that is failing to fully live up to its potential, I see an outstanding potential project across New York – the installation of solar panels and similar energy production devices as well as energy efficiency actions in the many government buildings across the state. If we could save millions in power costs now spent by governments, we would not only be using less fossil fuels, we would be creating a tremendous tax savings to the taxpayers who fund New York's multiple layers of government, while also creating some employment for residents who are being trained in green careers. The public sector has an opportunity to lead – so let us be leaders, and not wish for a magic way that will never come to reduce the costs of heat and light in our public buildings.

Central and Northern New York is predominantly a rural area. That should make this the ideal breadbasket for a new generation of ethanol production that would rely on switchgrass, a North American plant that can be raised without irrigation and harvested with a low-labor process similar to mowing the lawn. It's a better energy source than corn because it costs less to grow and uses less energy to harvest. Much of Upstate New York includes land that is marginal for crops but perfect for switchgrass.

If we use the potential in the fields all around us, we can develop the vision expressed by Raymond Cross, the President of Morrisville State College: “New York fuels from New York farmers for New York users.” That is a very simple statement of mission that should be the cornerstone of all our efforts to use the untapped potential of our farm fields to transform the energy sector through biofuels.

In Central and Northern New York, transportation and distribution is a major part of our economy. So is agriculture. Call of our local economic development agencies need the ability to provide a certain number of businesses with fuel at the same contract prices paid by state or local governments. These prices are often well below rising pump prices. Insulating employers from energy cost spikes helps them preserve jobs and remain competitive. Just as we have Empire Zones to offset onerous fees and taxes, we can provide these benefits to key employers.

We need to revamp how we support mass transit, because in many small areas, the old days of large buses filled to capacity are gone and never returning. Parts of Upstate will never rely on

mass transit, but in and around our urban areas, we need to better explore connecting people not currently served by mass transit with areas not currently served, so that agencies like CENTRO have a financial incentive to provide upscale transit service for people who have —until now – never considered the options. Mass transit may never replace the car, but if we can increase ridership slightly, we make a big difference in the amount of gasoline used by commuters.

Small businesses deserve a credit on their taxes. I believe every small business with under 100 workers should be able to take a tax credit of up to \$1,000 or their largest month of energy usage, as documented by a paid utility bill, as an incentive to keep these struggling businesses alive. Small business has historically been the economic engine that drives the American economy. Investing in small business now means they can stay and grow in New York.

In addition to these specific thoughts on items and actions needed in a State Energy Plan, I believe that this is an issue we must approach in an entirely new perspective. First, let me share these words with you: *“I believe we possess all the resources and talents necessary. But the facts of the matter are that we have never made the national decisions or marshalled the national resources required for such leadership. We have never specified long-range goals on an urgent time schedule, or managed our resources and our time so as to insure their fulfillment.”*

These words launched America’s greatest scientific victory – and united Americans behind an impossible goal that became a reality.

Back in 1961, President Kennedy was talking about the moon. Here in 2009, we must use the same concept as part of a national call to arms to develop energy solutions. We need vision, courage, and commitment that this nation will become energy independent in the next decade.

Let us also accept that the consequences of putting off action on energy for 35 years, require us now – right now – to implement a major short-term effort to blunt the combination of the coming winter and high fuel costs – before we read of devastation hitting seniors, families, farmers and small businesses.

Increasing incentives to use renewable energy, flex fuel vehicles, increasing power generation, maximizing biofuels and fuels from animal wastes and taking short-term actions to limit consumer pain are all parts of today’s efforts. So, too, are putting ideas on the table that are controversial: increasing nuclear power generation; increasing oil exploration and recovery into areas not yet tapped, while also ensuring environmental protections are fully in place; and investing public funds in projects and products that can deliver real energy savings (LED streetlights, for example).

While we use what we have to endure, America must adopt a national program of basic and applied research that would dwarf the effort to put man on the moon, because we are now dealing with a crisis that has snaked its way into every corner of society. Just as the moon shot technology was not even a concept in 1961, we need a commitment to leapfrog all the ideas that fill today’s headlines.

If there is anything the experts agree on it is that no idea on the horizon today will provide the energy independence America needs in order to free ourselves from the impact of foreign decision-makers and the chains of foreign oil. America’s energy vision must unleash the power

of universities such as New York's colleges and labs to break the energy chains that are creating a culture of poverty of spirit at all income levels. From the days 60-plus years ago when Rome Lab invented latex paint, basic research has unlocked the keys to problems. It can do so again, if we have the courage to invest in our future.

As a state legislator, I know the problems we face are many – but I also know that without the creation of and funding of an Energy Freedom Administration – or whatever else we want to call it – we will never have an answer to the energy crisis – only the same question asked once again as it was after the 1973 oil embargo and every energy crisis ever since: “Why did we not act sooner?”

This issue transcends partisan politics. We can create reforms, we can reduce taxes, we can improve schools, but if we fail to surmount the energy challenge, none of us seeking office this year will fully fulfill our commitment to provide the leadership that is needed in times of trial.

I will support those who look to the future with vision to create a new birth of economic freedom so that American energy dollars promote innovation at home, not terrorism abroad.

Let us return to the words that launched America to the moon: *“This decision demands a major national commitment of scientific and technical manpower, materiel and facilities, and the possibility of their diversion from other important activities where they are already thinly spread. It means a degree of dedication, organization and discipline which have not always characterized our research and development efforts. It means we cannot afford undue work stoppages, inflated costs of material or talent, wasteful interagency rivalries, or a high turnover of key personnel.”*

I accept that challenge, and call upon every other official, at every other level, to do the same.

Our way of life is on the line. The Energy War must be won, or America as we know it is lost.