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**December 10, 2009**

**Thomas Congdon, Chair**  
**State Energy Planning Board**  
**Deputy Secretary for Energy**  
**Office of the Governor**  
**Albany, New York 12224**

**Re: Comments on Draft State Energy Plan**

**Dear Mr. Congdon:**

I write as the Senator for the 48<sup>th</sup> NYS Senate District and Chair of both the Senate Committee on Energy and Telecommunication and of the Senate Committee on Agriculture to offer my comments on the 2009 Draft State Energy Plan.

First, I commend Governor Paterson for using his authority to initiate this energy planning process by Executive Order. For state government this is an undertaking of compelling and timely importance. I also commend the staff of the Planning Board and the participating agencies for their outstanding efforts and expertise in the development of the Draft Plan.

The Governor is also to be commended for signing into law S.2501-B / A.5877-B, re-codifying the state energy planning process beginning with the next four-year cycle in 2012. This important legislation will ensure that the critical work of comprehensive periodic state energy planning and analysis will continue into the future without interruption and without having to depend on the discretionary actions of future administrations.

The provisions of the Draft Plan are appropriately extensive. I am generally supportive of the many recommendations it encompasses and will not attempt to comment in detail on most of them here. I do, however, offer the following specific comments on some of the broader themes and items of special interest or importance:

- Goals and Strategy –

To most elected officials, it is clear that the public generally has three overriding concerns with respect to energy: 1) it must be reliable - the energy must be there; 2) it must be affordable; and 3) it should be clean and provided in ways that are sustainable. The Draft Plan's overall policy objectives and strategies for achieving these objectives appear to be on the mark in terms of the emphasis on: 1) reliability; 2) affordability; 3) reduction of greenhouse gasses and health and environmental risks; and 4) emphasis on developing indigenous energy supply resources.

A significant challenge is likely to be reconciling the costs of achieving important environmental, "green jobs" and infrastructure investment objectives while trying to make energy more affordable for residential and business customers, particularly in the near and mid-term until savings from new efficiencies and technologies can be brought to bear.

- Efficiency –

I am particularly encouraged by the emphasis on efficiency as a strategic centerpiece and overarching theme of State energy policy. Greater energy efficiency and conservation always makes good sense, but all the more so at a time of strained resources, financial hardship for so many, and concern over carbon emissions and climate change. Finding ways to simply use less energy is the single most positive approach to take in addressing costs, economic and job development, energy independence, and environmental impacts, all at the same time. Efficiency and conservation give us the biggest and easiest "bang for the buck" and can be implemented for homes and businesses in thousands of ways, both large and small.

Efficiency is a major reason why the Green Jobs / Green NY legislation (S.5888/A.8901 – Aubertine / Silver), passed earlier this year with bi-partisan support, was a major focus of the Senate Energy Committee. Green Jobs / Green NY, using a portion of the proceeds generated by New York's participation in the Regional Greenhouse Gas Initiative program, and administered through the New York State Energy Research and Development Authority (NYSERDA), will establish workforce training programs in conjunction with the state Department of Labor to prepare thousands of New Yorkers to begin working toward the program's goal of making one million homes, businesses and not-for-profits statewide more energy efficient. Home and business owners in communities throughout New York State will be eligible for loans which will be repaid out of the savings realized by making buildings more energy efficient. This will be particularly beneficial for the many New Yorkers who have not previously qualified for other government supported programs to help with their energy costs.

For these reasons, I strongly support the Draft Plan's recommendation to make energy efficiency a "priority resource for meeting multiple objectives" as well as the list of specific recommendations to further this strategy. The Draft Plan correctly recognizes that to achieve its efficiency goals the State will need to utilize all the resources at its disposal. Each of the major players in the energy sector, NYSERDA, the Public Service Commission (PSC), the regulated delivery utilities, NYPA, LIPA, private energy service companies, and others, have unique strengths and responsibilities. Getting all these "oars in the water" and pulling together in a coordinated effort will be critical to optimizing what the State can achieve.

- Infrastructure Investment –

Investment in the State's energy delivery infrastructure is not only essential to the maintenance and enhancement of the energy reliability that is fundamental to the State's economic well-being, it now offers an opportunity for substantial system-wide efficiencies that will serve all of the State's energy goals. Therefore I support the Draft Plan's recommendations to encourage development and deployment of smart-grid and advanced metering technologies, supported by rate designs that encourage the investment in and use of those technologies.

- In-State Supplies –

Even if the State achieves its ambitious energy efficiency goals it will not "fill the bucket" that represents all of New York's future energy demands. New additional sources of energy are needed. Again, the Draft Plan takes the correct approach in encouraging the development of relatively clean, in-state sources of energy.

Clean renewable energy, for both distributed and central-station electric generation and other applications, remains one of the most desirable options and the many State directed efforts to support and promote the application of those technologies need to be continued and enhanced as economic circumstances permit.

Development of New York's substantial indigenous natural gas resources, particularly the Marcellus Shale formation, holds enormous potential economic and energy benefit for the entire state and particularly economically hard-pressed regions of upstate. As is suggested in the Draft Plan, these resources should only be developed with carefully and thoughtfully developed environmental safeguards in place so that in facilitating the development of one valuable commodity we do not jeopardize others, particularly that most valuable of all resources for homes, farms and other businesses, clean abundant water.

Because of its potential to add significant, affordable, carbon-free electric generation, new nuclear electric generation must be among New York's range of energy options in the future. Therefore we are encouraged by and strongly support the Draft Plan's recommendation that "(g)oing forward, nuclear power generation should be encouraged within New York where safety, security, and environmental conditions favor its deployment and operation, and retained where it can be demonstrated that the safety and security of its operation can be maintained and its adverse environmental impacts minimized." The proposed 4<sup>th</sup> reactor in Oswego County with a planned capacity of 1600MW is such a facility.

In addition, I support the Draft Plan's recommendation for the enactment of a power plant siting statute for electric generation facilities that provides greater certainty for investors, enhances public input, and recognizes the need to address environmental justice concerns. Further, in order to have a meaningful impact, such a statute should also provide for siting such facilities, as appropriate, on an expedited and fuel neutral basis. I will continue to make the adoption of such a statute a legislative priority.

- Needs of Agriculture –

In the development of the final State Energy Plan (SEP), the Energy Planning Board should recognize the energy needs of New York's agricultural community in the development of all of its policies and recommendations. Agriculture is one of New York's largest economic drivers, particularly upstate. A highly energy intensive industry, farmers often operate on precariously thin margins and even small fluctuations in energy costs can make the difference between economic survival or failure for many operations. Wherever appropriate, energy strategies implemented by the State should reflect this reality and make a particular effort to apply the State's resources and help reduce the energy costs of agricultural operations. This is particularly true as agriculture is being counted on to provide an increasing share of the State's renewal energy supply.

- Economic Benefit Programs –

I also ask that the Board take cognizance of, the Legislature's "Powering New York's Future" initiative. With my colleague Kevin Cahill, Chair of the Assembly Energy Committee, I have been leading lawmakers in an effort to develop a long term approach to using low cost power to create and sustain jobs. Throughout the fall we have been are now engaged in gathering public input through a series of hearings and roundtables. This is a statewide conversation about the future of economic development here in New York State and the best way to use low cost power to create and sustain good paying jobs for hard working New Yorkers.

When the Power for Jobs (PfJ) program was extended earlier this year, we committed to this process and to create a long term plan for not only for PfJ, but all economic development tools that use low cost power to preserve and create jobs. The goal is to build on the success of these programs by assuring that they are themselves efficiently structured, streamlined, equitable, transparent, and accountable. This effort and its outcome should be fully integrated with the economic development strategies supported by the SEP in order to optimize the State's economic development efforts.

- Goals and Affordability –

Lastly, it is important to reiterate that even though New York has made many positive, forward looking energy policy choices in the past, and will continue do so under the recommendations contained in the State Energy Plan, it must be recognized and acknowledged that those choices often create added energy costs, particularly in the near and middle terms. Even absent New York's decision to be aggressive in pursuit of progressive energy and environmental policy, replacement of the aging infrastructure, even with conventional technology, and a range of other national and global economic factors, were likely to increase the bottom line cost of energy in the State going forward. To make the necessary investments with "smarter, greener" technologies that will have an array of benefits in the long run, it will be likely in the near run to create greater costs for the public than would otherwise be the case. As the Planning Board goes forward with the SEP and all its future efforts and recommendations, it needs to be cognizant of the cumulative cost impact of the full array of energy and policy choices made by the State and do all that it can to mitigate those impacts.

I look forward to an ongoing dialogue on these issues and to continuing to work with the Board and staff of the respective agencies to develop and implement energy policies designed to provide clean, reliable, affordable energy to all New Yorkers.

Sincerely,



Darrel J. Aubertine  
State Senator