

COMMENTS OF ACE NY DRAFT SCOPE OF THE 2013 STATE ENERGY PLAN

The Alliance for Clean Energy New York (ACE NY) offers these brief comments on the draft scope for the 2013 State Energy Plan, in addition to the verbal discussion held with the staff of the State Energy Plan earlier this month. We also encourage the staff to review the comments submitted by ACE NY during the 2009 State Energy Plan (SEP) process as our views have changed very little. New York still needs to undertake aggressive steps to combat climate change and to spur investment in our clean energy economy, especially now when such investment and the jobs it creates are critically needed.

First and foremost, we believe the scope should be altered to emphasize a forward-looking approach appropriate to an actual energy *plan*, as opposed to reflecting an approach more appropriately called an *assessment*. Assessing the State's current energy infrastructure is an important baseline but is insufficient to meet the State's energy planning needs. The goals for the State should be more explicit and should be the guide for the plan's recommendations. In particular, we believe the State's energy plan should prioritize increased reliance on clean energy resources, including renewable energy, energy efficiency and demand response. The SEP can and should be the blueprint for ensuring an environmentally sound and economically secure future for New Yorkers.

Detailed implementation steps were insufficient in the 2009 plan and should be included in the 2013 plan, and clean energy resources should be prioritized. There should be:

- Detailed action plans with interim milestones for each recommendation;
- Required reporting – at least annually – on progress by the appropriate implementing entities; and
- Disclosure to the public in an accessible, web-based format of progress in meeting identified goals or recommendations.

We also strongly encourage state government to lead by example. The State can help influence public behavior and public support for clean energy through its own efforts and the actions of its leaders. In addition, the State can encourage private investment in New York by making it clear that clean energy businesses are welcome and a state priority. The Plan should encourage this by, for instance, by suggesting the State:

- Immediately comply with Executive Order 111, and amend it to require that state government be carbon neutral within ten years;
- Create a visible presence in support of clean energy investment in New York through discussions, actions and statements by the Governor and senior staff, including speaking at conferences and other business gatherings, as well as

- and encourage investment in our in-state clean energy manufacturing and energy producing supply chains;
- Explicitly endorse offshore wind initiatives and actively engage the appropriate federal agencies with offshore wind permitting responsibilities; and
- Direct State authorities to continue their investments in clean energy. In particular, LIPA and NYPA should aggressively procure renewable resources, beginning with action on NYPA's outstanding RFPs for solar energy and offshore wind energy, as well as further RFPs by LIPA.

Models and plans are only as good as the assumptions upon which they are based. It is therefore imperative that the plan use as realistic assumptions as possible regarding fuel prices and the likely achievement of the State's clean energy goals. The plan should not err on the side of wishful thinking. It is clear that the State is not likely to meet its "45 by 15" goals and the plan should therefore include explicit recommendations for what needs to change in order to rectify the situation and get New York back on track in meeting its renewable and efficiency targets. In particular, ACE NY suggests that the State Energy Plan:

- Recommend aggressive, binding clean energy goals;
- Suggest authorization of Power Purchase Agreements (PPA) with clean energy resources. While ACE NY supports the competitive wholesale power market administered by the NYISO, we also believe it is appropriate for the PSC to approve PPAs between clean energy generators and load-serving entities to ensure reliability, adequate capacity, and least-cost development of clean energy resources;
- Explore options for meeting the State's goals or at least clarify that state agencies should do so;
- Push for immediate establishment of a Generation Attribute Tracking System compatible with neighboring systems and capable of tracking wholesale and behind-the-meter attributes;
- Suggest revisions to NYSERDA programs, specifically the RPS, EEPS, and SBC, to ensure its programs support clean energy systems of all sizes. In particular, the RPS and SBC are not currently able to provide adequate support for larger wind installations on the customer side of the meter, nor larger CHP fuel cells;
- Explore policies (such as pending legislation) to support greater investment in photovoltaics given the RPS is not structured nor funded to jumpstart this sector and New York is rapidly losing ground to other states;
- Explicitly discuss demand response and support policies to increase its use in all markets; and
- Call for more aggressive implementation of the EEPS programs, legislation mandating more efficient appliances, and more stringent building codes.

The State Energy Plan should prioritize our aging transmission infrastructure and should advocate for policies to upgrade transmission lines to facilitate the use of clean energy resources. As the NYISO points out in its recent assessment of the New York markets, New York's

infrastructure is aging and also needs to be able to accommodate the retirement of dirtier fossil fuel plants and the potential retirement of the Indian Point nuclear plant. Therefore the State Energy Plan should:

- Suggest a study of transmission needed to bring upstate wind resources to downstate regions;
- Support new/upgraded transmission that facilitates clean energy resources and not polluting generation; and
- Support development of transmission needed to develop offshore wind resources.

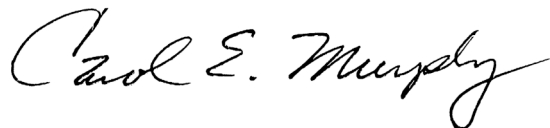
As was noted in the previous State Energy Plan, New York's power plant siting law expired almost a decade ago. While ACE NY's preference would be for a new siting board, we do believe there are steps that can be taken to improve the permitting process immediately. The State Energy Plan should:

- Call for consistent and supportive decision making in the permitting of clean energy projects. In the absence of legislation establishing a state siting board, state agencies need to rise to the challenge of providing private investors an environment where proposals can be considered and evaluated fairly and in a timely manner;
- Advocate for creation of a "one-stop shop" for permitting of new generation and suggest that in the absence of a state law, the agencies that had a role on the previous siting board, which are part of this State Energy Plan process, should outline how they can coordinate their permitting roles and agree to a time table for decisions on permits for new, clean energy generation; and
- Ensure that guidelines for siting of clean energy resources include real stakeholder input, are not overly burdensome, and are consistent.

ACE NY appreciates and supports the Draft Scope's focus on clean energy and environmental issues. However, we believe there are several specific statements that are misleading, and also feel that the priority of clean energy resources should be made clear. First, while the section on efficiency and renewables is listed as the first topic, it should be made clear that these resources are first because they are preferred and are to be aggressively pursued. They are not merely second-class citizens to the resources discussed in the section on meeting the state's needs by fuel type. A related concern is the choice of terminology used in the scope. ACE NY urges the State Energy Plan to reject the term "alternative" to refer to clean energy resources. They are not alternative – they are imperative – and also mainstream. Furthermore, in Section II the plan states it will assess approaches to balancing intermittency. This perpetuates the falsehood that the New York cannot accommodate wind and solar resources. The New York Independent System Operator (NYISO) has studied the addition of significant wind energy (8,000 MW) and found it can be accommodated. In addition, solar resources are coincident with peak demand and should not pose an intermittency issue.

We appreciate the opportunity to comment and look forward to offering more input during the stakeholder and public comment process.

Respectfully submitted,

A handwritten signature in black ink that reads "Carol E. Murphy". The signature is written in a cursive style with a large, looping initial "C".

Carol E. Murphy, Executive Director
Alliance for Clean Energy New York, Inc.

April 29, 2011