



July 8, 2008

NYS Energy Plan Working Group
Energy Plan Comments
NYSERDA
17 Columbia Circle
Albany, NY 12203

Dear NYS Energy Plan Working Group:

The members of the Energy Smart Park Initiative (ESPI) Steering Committee appreciate the opportunity to comment formally on the scope of the State's Energy Plan effort. ESPI is a multi-stakeholder collaborative which seeks to reduce energy use and the carbon footprint in Adirondack Communities. ESPI has been working towards this goal for approximately three years and has developed a set of region-wide strategies which we are now working to implement across the Adirondack Park. Those strategies have been compiled in ESPI's work plan which has been shared with the staff of the Energy Plan Working Group.

Here are our comments and recommendations concerning the draft energy plan scope that your group issued for public comment:

Regional Energy Planning. New York's energy use varies substantially from region to region. The State's Energy Plan should incorporate these regional differences and the strategies that will help each region address the energy challenges that are unique to their circumstances. For example, in the Adirondack Park, most counties are extremely dependent on petroleum-based fuels (residential reliance on these fuels ranges from 50-70% in most Adirondack counties) with limited capacity for fuel switching to electric or natural gas. We also have significant potential for using biomass resources. That energy mix is very different from the energy mix in Western New York where natural gas pipelines are more common and reliance on home heating oil and kerosene is less common than it is in the North Country.

Demand Forecasts. The draft scope proposes 10-year demand forecasts for electric, natural gas, petroleum, and coal. We ask you to also include a 10-year demand forecast for biomass (see the proposed addition of an issue paper in this regard, below).

Supply Requirements. We request that the State Energy Plan scope explore the extent to which regions of the state are particularly vulnerable to supply disruptions and price spikes. For example, in many counties in the Adirondack Park, commutes are long and many households and businesses heat with home heating oil and kerosene which leaves our region particularly vulnerable to price and demand fluctuations in the petroleum market. Our region relies on wholesale racks in Albany, Syracuse, Utica, Montreal, and Ontario for our home heating oil and kerosene supply. Supply disruptions due to extreme weather, labor issues (such as the recent Canadian rail strike) and other market disruptions will impact where and whether the oil dealers in our region can get the product that they (and we) need.

Recently, USA Today published an article on the impact that the energy-pricing crisis is having on rural communities like ours. That article quoted the Oil Pricing Information Service which surveyed consumer credit card transactions and found that rural households spent as much as 16.02% of their monthly family income on gasoline while urban households spent as little as 2.05%. The same article noted that the Federal Highway Administration had determined that the average age of a vehicle in an urban household at 7.9 years versus 8.7 years for rural household vehicles. What this means is that rural commuters are particularly vulnerable to increases in gas prices for two reasons: our commutes are longer and our cars are older.

Assessment of Existing Generation, Transmission and Distribution, Storage Facilities. Exploring the gaps in reliability and the existing infrastructure is absolutely critical. Disruptions in service tend to be underreported in our area because of the way that New York measures reliability. Often, outages that we experience impact too few people or for too short a period of time to be counted in the reliability reporting systems. That does not change, though, the negative economic impact that those outages have on households, businesses and local governments throughout the region. The costs to these customers include: families that may lose all of the food in their refrigerators and freezers multiple times during a year due to power disruptions, businesses which must close the doors several times per year because they can't operate without power, and municipalities which must reset water and waste treatment systems multiple times per year as they are tripped in outages. The costs to address these challenges are substantial and not considered in the economics of reliability.

Projections of energy prices over forecast periods. While it is relatively easy to project energy prices over a set forecast period for transportation or the built environment, it is very difficult to accurately depict the impact that energy prices have on other goods and services. It is also difficult to accurately assess the costs of the trade-offs that customers will make to address substantial increases in transportation or home/commercial energy costs. For example, North Country Public Radio reported on July 7 that St. Lawrence County is considering using its Environmental Clean-up Fund to cover the gap that it's highway department is facing because it has used its \$650,000 transportation fuel budget in less than seven months.

In some Adirondack towns, family-owned convenience stores are considering ending gasoline service due to the cost and the difficulty they are having in paying up front for the commodity. When the up front payment was \$25,000, one local convenience store could figure out their gasoline financing. Now that it has increased to \$40,000-\$50,000 per load, they are struggling.

For some Adirondack families, the answer to high cost home heating oil and gasoline will be to drain the pipes and leave for the winter-or permanently. And when that happens, our region will be less for it. We need the talents of all of our residents, young and old.

Assessing the potential for clean and renewable technologies, energy efficiency. We commend you on making clean and renewable technologies and energy efficiency a critical part of the energy plan scope. E\$PI believes that the Adirondacks and New York State require strong efficiency AND strong renewable technology strategies. We also believe that it is absolutely critical that those strategies are available for all customer classes in every community. While we understand the need to get the "biggest bang for the buck" and go after the energy world's low hanging fruit, we also believe that there is a clear public benefit to making sure that energy efficiency and renewables are universally available. Equally critical is the need to communicate in every community the need to do efficiency FIRST.

Impacts of Energy Use and Electric Production on Public Health. One area, which should be included in the scope of the State Energy Plan, is the use of wood stoves and related equipment. With the price of energy increasing rapidly, many households in our region are converting to wood and wood pellet technology. While we support the conversion to woody biomass fuels generally, we are concerned about the re-installation of older wood stoves which are both inefficient and high emitting. As this heating equipment is used and particularly where it is used by multiple households in more populated areas, it may create an air quality issue. Safe installation and operation of this equipment is critical.

We are particularly worried about low-income households, which may not have the resources to purchase and use efficient, low-emissions equipment. We are also concerned that these same households may face increased respiratory illness and the costs associated with that as they try to save money by burning wood.

We also ask that the scope of the State Energy Plan include consideration of service terminations. While New York collects data on electric and natural gas service terminations, that data has not been readily available and it should be. Anecdotally, we are hearing that shut-offs are increasing and our colleagues in other states are finding that this is so. This is a public health issue because we are likely to see households facing eviction and potential loss of custody of their children due to their inability to maintain safe housing and adequate electric service. This is a threat that has always faced low-income households and it is more likely to be an issue as energy prices continue to increase. Recently, the City of Denver conducted a study of homelessness and discovered that inability to pay utility bills was one of the top three reasons for homelessness in that city.

Inventory of Greenhouse Gas Emissions and Carbon Mitigation. One of the items in E\$PI's work plan is to benchmark the carbon footprint of the Adirondack Park. The Wild Center has agreed to launch a carbon footprint study, which is underway now.

Rural regions like the Adirondacks are often not the first priority in the climate change and energy efficiency policy dialogue. The potential for major energy use reductions is limited and the economies of scale are often not what they would be in a more urban area. At the same time, by virtue of their extensive open space and vegetation, regions like the Adirondacks can and should be a significant part of the State's carbon mitigation strategies. This role ought to be viewed as the significant public benefit that it is.

Transportation. We urge you to include in the State Energy Plan scope a review of the unique transportation challenges facing rural New Yorkers. Typically, our commutes are longer and our cars are older than for residents in other areas. Public transportation is generally not available which makes us more vulnerable to price and commodity disruptions in the gasoline market. It also makes it harder for rural communities to reduce their transportation-based carbon and emissions. The Energy Plan could offer an important venue for exploring solutions to these challenges.

Clean Energy as an Economic Development Strategy. New York is making a substantial investment in clean energy through the System Benefits Charge programs, the Energy Efficiency Portfolio Standard and the Renewable Portfolio Standard. These resources should be available in every community. Clean

Energy is a powerful economic development strategy that will work in every community.

Work Force Development. The State offers significant incentives for improving energy efficiency through the New York Energy Smart Program. Many of these programs can only be accessed through specially certified contractors. There is a dearth of such contractors in the North Country region and throughout many rural counties. We encourage you to include in the scope of the energy plan a section on the development of this capacity in underserved areas. Investment in training energy professionals to delivery energy efficiency services will improve the quality of life for many North Country residents, create jobs and increase economic output in the region.

Comparison of Electric and Natural Gas Prices Concerning the Ability of New York to compete with other states for businesses. We ask that the scope of this element be expanded to explore other energy sources (biofuels, bulk fuels, solar and wind) so that New York is clear about how all of its energy sources compare with those in other states.

Environmental Justice. Environmental Justice (EJ) in New York has generally been related to power plant sitings and brown field mitigation. E\$PI believes that energy may be the ultimate environmental justice issue.

We encourage you to view EJ more broadly where energy is concerned and to include in your thinking the impacts of energy insecurity. According to Dr. John Cook of the Children's Sentinel Nutritional Assessment Program, children in households which are energy insecure (struggling to pay their energy bills) are much more likely to have significant medical and developmental issues. There is a significant societal cost to that insecurity. Households whose incomes are in the lowest 20% are now spending 40% or more of their incomes for energy. That includes many households across New York and many in the Adirondacks.

Many Adirondack counties have populations which are older, more likely to be disabled and more vulnerable to the effects of energy insecurity. For them, environmental justice is a matter of survival. We are concerned that the social coping capacity of many of our communities will be compromised by the impacts of high energy costs and the loss of basic services (voluntary and paid). That should be an environmental justice issue that New York should care about.

E\$PI believes that reliability is also an environmental justice issue. When a household or business in the Consolidated Edison territory (New York City and surrounding counties) has a loss due to a substantial power outage, they are

compensated for their losses. That doesn't happen for Adirondack households. There are parts of the park where the power goes out regularly and the households impacted lose all the food in their refrigerator. Many are not insured for this type of loss so their losses go uncompensated.

The need for safe, energy efficient, affordable housing inside the Adirondack Park remains critical. Much of our housing stock is 50 years old or more and housing quality issues are significant. Few Adirondack communities (like communities throughout the State) are actively implementing their local building and energy codes well. That effort needs to be strengthened.

Administrative and Legislative Actions. There are many things that the State can do to encourage more effective energy planning and use. Among these:

Incenting municipalities to strengthen their local energy codes and to implement them.

Developing a state energy assistance program to extend the impact of the federal Low-Income Home Energy Assistance Program.

The Governor's Economic Security Cabinet, Environmental Justice Task Force and Energy Planning Working Group should meet jointly to ensure that their solutions meet the needs of all New Yorkers.

Include the State Emergency Management Office (SEMO) and regional and local emergency management agencies in the Energy Planning dialogue. Their involvement will be key as New York plans to address the challenges of a changing climate.

Issue Papers and Technical Briefs. Please add to your list of issue papers, a paper on the unique energy challenges facing low-income households and communities. This paper could also explore the potential for allocating some of the inexpensive NY Power Authority Power for low-income households across New York.

Please consider developing an issue paper that assesses the potential of the Adirondack region to provide a sustainable flow of woody biomass as a renewable source of carbon-neutral fuels for area residents and for other markets in the region. While the members of E\$PI generally support such sustainable uses of our natural resources, we are concerned that biomass production not become an end in itself, without regard for the role of our farms and forests to

produce food and fiber, to provide myriad recreational opportunities, to underpin our tourism and forest-based economies, and to provide a host of ecosystem services such as clean water, abundant and diverse wildlife, flood control, and carbon sequestration.

Other Issues. Participating effectively in the State's Energy Planning dialogue will continue to be a challenge for the average New Yorker. E\$PI recommends that New York consider establishing a system of intervenor funding to allow for citizen participation in activities like the Energy Plan, and proceedings like that established for the Energy Efficiency Portfolio Standard.

The State Energy Plan should include in its scope the development of capacity at the regional level for effective building and energy code implementation as well as the technical skills for implementing New York's clean energy strategies. While many at the state and local level are looking at the question of how to expand this capacity, building a discussion of it in the scope of the State Energy Plan would go a long way towards validating its importance.

Finally, E\$PI would like to recommend that the scope of the State Energy Plan be expanded to include a section exploring the role that municipal utilities play in providing energy services to the communities they serve. These "muni" communities do not contribute to and do not have access to system benefits charge programs as other communities do. Although the municipal utilities have created a joint fund to begin to fill this gap, we are not sure that it is resulting in the kind of access to energy efficiency and renewable technology that these communities really need. The Village of Lake Placid has been a leader in making this technology available to municipal customers inside the Adirondack Park. Their approach to reducing energy use and greening the Village's energy use has been an inspiration to E\$PI and to other municipalities around the State. Their efforts have included everything from a partnership with local Boy Scouts to encourage residents to change out their light bulbs to compact fluorescents to upgrading their municipal energy code to a pioneering effort to convert the municipal fleet to hydrogen-based vehicles. They continue to innovate and we continue to learn from them. We encourage New York to do the same in its energy planning efforts.

Thank you for considering our suggestions for the scope of the State Energy Plan.

The members of the Energy Smart Park Initiative Steering Committee

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