

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

DRAFT 2009 NYS ENERGY PLAN
PUBLIC HEARING

Date: September 15, 2009
Time: 10:00 a.m.
Location: Legislative Office Building
Albany, New York
Before: Thomas Congdon, Chair
NYS Energy Planning Board
Robert Callender,
NYS Energy Research and
Development Authority
Judy Lee,
NYS Department of Public Service
Pete Grannis, NYS Department
of Environmental Conservation
Robert Chinery,
NYS Department of Health
Judy Enck,
Deputy Secretary for Environment

1 MR. CONGDON: Good morning, everyone. My
2 name is Tom Congdon, and I am the Chair of the New York
3 State Energy Planning Board.

4 I would like to welcome you all to Albany to
5 the seventh public hearing on the draft State Energy
6 Plan. I would also like to thank the other members of
7 the planning board who are here with me today.

8 On my far left is Bob Chinery, from the
9 Department of Health; Pete Grannis, the Commissioner of
10 the Department of Environmental Conservation; Judy Lee,
11 Department of Public Service, Judy Enck, Deputy
12 Secretary for Environment, and Bob Callender is here
13 from the New York State Energy Research and Development
14 Authority.

15 I would like to thank all of you for coming
16 today because it is you who we are here to listen to and
17 to hear your thoughts on the draft State Energy Plan.

18 For the past year and a half, the planning
19 board has worked with staffs of 10 agencies and public
20 authorities to develop the draft State Energy Plan.

21 The planning process commenced in April of
22 2008 when Governor Paterson issued Executive Order
23 Number 2, which created this State Energy Planning Board
24 and charged us with developing the energy plan.

1 On August 10th, the planning board released
2 the draft State Energy Plan on its website,
3 www.nysenergyplan.com, and we commenced a 60 day written
4 comment period and this public hearing phase of
5 developing our plan.

6 Written comments are due by October 19th and
7 we will release our final plan by the end of the year.

8 The Plan's objectives are to, one, ensure our
9 energy systems are reliable for a 10-year planning
10 horizon.

11 Second, to reduce greenhouse gas emissions.

12 Third, to stabilize energy costs and improve
13 economic competitiveness in the State of New York.

14 Fourth, to reduce public health and
15 environmental risks associated with our energy systems.

16 And fifth, to improve the state's energy
17 security systems.

18 The plan modeled and considered various
19 approaches to achieving these objectives and we have
20 arrived at a number of strategies.

21 First, energy efficiency is clearly a
22 priority resource to meeting our multiple objectives.

23 Second, the plan seeks to develop in-state
24 energy resources, largely renewable resources, and also

1 in-state natural gas resources in an environmentally
2 responsible manner.

3 Third, the plan projects infrastructure needs
4 both to support our clean energy goals, and also, to
5 ensure reliability.

6 Fourth, the plan identifies opportunities to
7 capitalize on existing academic and research strengths
8 in the state and to facilitate connections between
9 academia and industry to seek innovation in energy
10 technologies.

11 The plan also identifies needs for clean
12 energy workforce training and economic development
13 strategies to help the state thrive in a carbon
14 constrained economy.

15 Lastly, the plan recognizes that none of this
16 can be fully achieved without working with other levels
17 of government and communities to achieve these goals.

18 This public hearing is a testament to the
19 desire to work with, and learn from, the community that
20 is affected by our energy decisions and our policies.

21 This is one of nine public hearings we are
22 holding around the state to hear your comments and a
23 full hearing schedule is available on the website.

24 My job today is to gather information for the

1 planning board to consider as we develop the final plan.
2 Again, we are very appreciative of your attendance
3 today.

4 The process is simple. Those who want to
5 comment have been asked to sign in upon your arrival.
6 Your name will be called one at a time to speak. So,
7 please come to one of two microphones when your name is
8 called.

9 A court reporter is here to prepare a
10 verbatim transcript, and it is very important that there
11 be only one speaker at a time. Speakers should address
12 their comments in the direction of the microphone, and
13 please make an effort to speak clearly and slowly. It
14 is also very important those in attendance be courteous
15 to the speakers so that the court reporter can
16 transcribe accurately.

17 All speakers are asked to focus on issues
18 that pertain to the draft plan. Your comments should be
19 as succinct as possible so that we can hear from as many
20 of you as possible.

21 We have set a five-minute deadline to make
22 sure all the people can speak. My colleague is here to
23 track that and we will have a bell that rings as a
24 reminder if you run into that five minutes. When you

1 hear that bell that means you are at the end of your
2 five minutes and please wrap it up.

3 Formal presentations aren't allowed. Those
4 who want to comment but who do not want to speak
5 publicly, or do not get a chance to do so, can also
6 submit written comments via our State Energy Plan
7 website. If you decide to submit written comments,
8 please do so as soon as possible so they can be
9 carefully considered.

10 All public comments, whether stated at a
11 hearing like this or sent to the website, will be
12 reported to the Energy Planning Board for its
13 consideration. They all count equally regardless of how
14 they were received.

15 Before I call the first speaker, does anyone
16 have any questions about the process before we get
17 started?

18 Commissioner Grannis did remind me that if
19 you have more to say after the five minutes you can
20 request your name be put at the end of the list and
21 after we get through everyone who has asked to speak we
22 will call you again. And anyone who wants to submit
23 written comments to submit by October 19th.

24 Also, if you are reading from a written

1 statement, please provide that written statement to our
2 court reporter. That will help her make sure that she
3 is transcribing comments accurately.

4 With that, our first speaker today is John
5 Caroselli from National Grid.

6 MR. CAROSELLI: Good morning. My name is
7 John Caroselli. I'm delighted to be here representing
8 National Grid today. Thank you for the opportunity to
9 address the board.

10 We really appreciate the time you are
11 spending traveling around New York State to capture
12 input and ideas on this plan.

13 National Grid congratulates the State Energy
14 Planning Board on its issuance of the draft State Energy
15 Plan. The draft plan represents a monumental effort by
16 the board and its staff with input from hundreds of
17 stakeholders. We appreciate the transparency and the
18 inclusiveness of the process. Thank you.

19 The State Energy Plan should provide an
20 excellent roadmap of New York State's energy future.
21 National Grid is very pleased to see the draft plan
22 surfaces a number of issues that will be critical to New
23 York's energy environmental future.

24 We share the Governor's vision for a robust

1 and innovative, clean energy economy that will stimulate
2 investment, create jobs, protect the public health and
3 the environment, and meet the energy needs of businesses
4 and residents reliably, safely and affordably over the
5 next ten years.

6 National Grid supports the energy resource
7 priorities established in the draft plan, notably,
8 increased energy efficiency, renewable energy, and a
9 pursuit of greenhouse gas reductions in the energy
10 portfolio.

11 Achieving the state's goals will require
12 leadership both from policymakers and the utilities that
13 provide services to New York's customers. In our case,
14 we represent over 3 million customers across the state
15 and we think there are a lot of benefits to those
16 customers.

17 National Grid stands ready to take action to
18 help the state achieve its energy and environmental
19 goals. Today, we wish to comment on three issues that
20 we think are critical to the successful implementation
21 of the state's energy and environmental objectives.

22 The first one is energy efficiency. Draft
23 plan identifies energy efficiency as the priority
24 resource for meeting its objectives, and sets the 15 by

1 15 goal for reducing electricity use to 15 percent below
2 the forecast levels by 2015.

3 As you all know, energy efficiency is the
4 most effective way, both to help customers manage their
5 energy costs, and to reduce their carbon footprint.
6 They tell us that every day when we are dealing with
7 them. It's a win/win solution for our customers and for
8 the environment.

9 Achieving the state's ambitious energy
10 savings goals will require a partnership of policymakers
11 and regulators, the state's utilities, NYSERDA and
12 energy services companies.

13 We think we need three things. First, all
14 hands on deck -- NYSERDA, the utilities, and energy
15 service companies -- working together to reach the
16 target. We very much appreciate NYSERDA's leadership in
17 this area.

18 Secondly, streamlining the energy efficiency
19 program approval process so we can all bring energy
20 savings to our customers as quickly as possible. Our
21 customers are eager to take advantage of the programs.

22 Third, flexibility and implementation of new
23 energy efficiency programs, that utilities and other
24 providers can work effectively with their customers to

1 achieve the 15 by 15 goal.

2 The second topic I would like to talk about
3 is clean energy. As the State Energy Plan recognizes,
4 renewable energy is another important priority for the
5 state.

6 National Grid fully supports the state's
7 efforts to promote renewable energy as another way to
8 improve the state's energy security and combat climate
9 change.

10 It will be important for our customers to
11 support renewable energy in as cost effective a manner
12 as possible.

13 We believe the plan should support solar and
14 other renewable energy resources as one way of reducing
15 the cost of these new technologies for customers.
16 Investing in transmission to deliver renewable energy
17 from remote locations to customer load centers will be
18 critical for ensuring that customers can take advantage
19 of the benefits of New York's renewable energy
20 development.

21 Transmission is the backbone that moves
22 clean, reliable energy from its point of generation to
23 the customer's door.

24 New York State's Energy Plan should give full

1 consideration to the issues of financing, permitting and
2 building transmission projects to deliver wind and other
3 remote clean energy to New York customers.

4 Investing in the Smart Grid is also key to
5 tapping the opportunities for clean energy in New York.
6 National Grid recently applied to the United States DOE
7 for a Smart Grid program that would serve approximately
8 82,000 customers in the Syracuse and the Albany-Capital
9 areas. This program will enable us to help customers
10 manage their energy costs, and learn how to integrate
11 renewable resources and electric vehicles into the
12 energy grid of the future.

13 We encourage the plan to develop action plans
14 that will bring the benefits of new technology and
15 renewable energy to our customers in the most cost
16 efficient way.

17 As the plan notes, clean energy development
18 in New York presents an economic development opportunity
19 and the potential for new jobs, and we stand ready to
20 work with the state and local communities to make this a
21 reality.

22 Our area is infrastructure investment. As
23 the draft plan recognizes, achieving New York State's
24 energy and environmental goals will require considerable

1 investment in the state's energy infrastructure.

2 New York's policy and regulatory framework
3 must provide for timely recovery of costs and
4 industry-standard returns in order to attract the
5 investment needed to achieve the goals articulated in
6 the State Energy Plan.

7 In conclusion, thank you very much for your
8 attention and time today. National Grid looks forward
9 to working in partnership with the board, the state,
10 other utilities, stakeholders, and most importantly, our
11 customers, to implement the Governor's vision for New
12 York State's clean energy and environmental future.

13 Thanks for the opportunity.

14 MR. CONGDON: Thank you.

15 Our next speaker is Jackson Morris from
16 Environmental Advocates. Following Jackson will be
17 Carrie Cullen Hitt.

18 MR. JACKSON: Good morning. My name is
19 Jackson Morris. I serve as the Air and Energy Program
20 Director at Environmental Advocates of New York.

21 Environmental Advocates' mission is to
22 protect New York's air, land, water and wildlife and the
23 health of all New Yorkers. On behalf of Environmental
24 Advocates, I would like to begin by recognizing the

1 leadership Governor Paterson has shown by reinstating
2 the state energy planning process through Executive
3 Order Number 2 after years of inaction by the New York
4 State Legislature.

5 However, this year both Houses have passed
6 legislation to reinstate the Energy Planning Board and
7 process in statute, which was recently delivered to the
8 Executive. Environmental Advocates strongly urges
9 Governor Paterson to sign this bill and ensure the
10 continuity of the planning process under future
11 administrations.

12 We commend the hard work of NYSERDA, DEC,
13 members of the State Energy Planning Board and Energy
14 Coordinating Working Group, as well as the staff at
15 other state agencies and authorities who produced the
16 draft State Energy Plan.

17 It is clear that an enormous amount of time
18 and effort has gone into the draft plan, as for the most
19 part it successfully summarizes New York State's energy
20 markets, sources and impacts. But Environmental
21 Advocates has serious concerns regarding the plan's lack
22 of specific timelines and milestones.

23 While in its closing pages the draft states
24 that such details will be included in the final version

1 released later this fall, such an approach denies the
2 public an opportunity to comment on those critical
3 components of the plan.

4 After all, without such action items,
5 deliverables and deadlines, the document reads more like
6 an encyclopedia of our current energy resources than a
7 strategic roadmap to meet New York's energy needs in the
8 years ahead.

9 The following are our brief comments on
10 specific aspects of the draft.

11 Implementation. The draft plan repeatedly
12 highlights the Governor's 45 by 15 energy efficiency and
13 renewable energy platform, and rightly so. These
14 targets are among the strongest in the nation.

15 However, unless the pace at which these
16 initiatives are implemented is dramatically increased,
17 New York stands little chance of meeting them. Per
18 modeling by the New York State Independent System
19 Operator, only 27 percent of the overall goal will be
20 achieved.

21 In addition, the Public Service Commission
22 has only approved collections and funding for the
23 initial phase of the 15 by 15 target through the end of
24 2011. While we recognize the importance of learning

1 from the first phase before initiating the second, with
2 so much of New York's energy future hinging on the
3 successful and timely implementation of 15 by 15, we
4 strongly urge the PSC to begin proceedings in short
5 order to approve the collections through 2015.

6 Looking beyond 2015, New York must be
7 prepared to reassess the findings of the 2008 Optimal
8 Study that generated the megawatt hour targets for all
9 potential cost effective efficiency.

10 While 15 by 15 seeks to achieve the bulk of
11 that potential, when carbon costs \$25 to \$30 a ton, the
12 metric of cost effective is inherently altered. The
13 state must adopt a policy, and 15 by 15 is a great
14 start, to achieve all cost effective energy efficiency
15 that is updated to reflect changing energy prices and
16 technologies.

17 A similar situation exists with regard to the
18 renewable portfolio standard. While Governor Paterson
19 has announced his intention to pursue an increase of the
20 RPS from 25 percent in 2013 to 30 percent in 2015, that
21 official proceeding has yet to begin.

22 We strongly urge the PSC to initiate that
23 proceeding without delay, thereby increasing the state's
24 chances of meeting the target. This expansion must also

1 include full funding for the RPS over the long term,
2 thereby providing the marketplace the regulatory
3 certainty required to invest in New York on the scale
4 necessary.

5 Also, with regard to the issue of
6 implementation, Executive Order No. 111 was issued eight
7 years ago. Due to a lack of coordinated reporting and
8 aggressive action on the part of the state, we have
9 failed to meet its efficiency target of reducing energy
10 use 35 percent below 1990 levels in state buildings by
11 2010.

12 State government must lead by example. If
13 New York cannot successfully tighten up its own building
14 stock over an eight-year period, how can the state ask
15 the private sector and New York households to do so?

16 Environmental benefits of reduced energy
17 demand aside, every day that passes without making these
18 buildings more energy efficient costs taxpayers real
19 dollars in wasted energy. At a time when New York faces
20 a \$2 billion budget deficit, such a scenario is
21 unacceptable.

22 Environmental Advocates also urges the
23 Governor to amend Executive Order 111 which requires
24 state buildings to be carbon neutral within ten years,

1 through the installation of efficiency measures, on-site
2 renewable installation, or purchases of renewable
3 energy.

4 Climate action plan. Environmental Advocates
5 strongly supports Executive Order Number 24 establishing
6 a Climate Action Council and Plan for New York. We are
7 particularly pleased that the draft energy plan further
8 outlines the specific near- and mid-term targets of a 25
9 percent reduction from 1990 levels in 2025.

10 We call on the Governor and the Chair of the
11 Climate Action Council Director of Operations Valerie
12 Grey to engage stakeholders from the energy and
13 environmental non-governmental community early and often
14 in a substantive manner throughout the drafting of the
15 climate action plan, convening an advisory panel, and
16 prescribing definitive timelines and processes for
17 involvement at regular intervals to ensure the plan is
18 as strong as possible.

19 Codes legislation. We strongly support the
20 draft plan's recommendation to amend Article 11 of the
21 State Energy Law to allow for the adoption of more
22 stringent building codes and fully fund code enforcement
23 statewide. We look forward to working with the Paterson
24 administration and the state legislature to pass such

1 legislation in the coming months.

2 Net metering. In 2008, Governor Paterson
3 signed into law legislation that many, including
4 Environmental Advocates, assumed would expand net
5 metering in New York. Unfortunately, the implementation
6 of that statute has run up against significant
7 roadblocks, undermining the intent of the Legislature
8 and the Executive.

9 We are pleased to see the draft plan
10 recognizes this problem and supports a fix for it. We
11 will continue to aggressively pursue net metering
12 legislation, again, to correct this problem and ensure
13 that non-residential customers are permitted to net
14 meter on-site renewable systems sized to meet their
15 annual energy use of up to two megawatts.

16 Again, thank you for your time and look
17 forward to working with the administration.

18 MR. CONGDON: Carrie Cullen Hitt.

19 MS. HITT: Good morning. My name is Carrie
20 Cullen Hitt. I am President of the Solar Alliance. The
21 Solar Alliance is a coalition of the world's leading
22 solar PV manufacturers, developers and financiers, and
23 many of my members do business in New York and are
24 active here and kind of create a solar market.

1 I just have a few comments this morning. We
2 will be filing more comments on October 15th as well.

3 First, we do applaud the state planning board
4 for recognizing the multiple benefits of renewable
5 energy sources, and specifically solar PV, and its
6 important role in contributing to New York State's
7 future economic and environmental welfare.

8 Further, we support the board in aspiring to
9 make New York's indigenous renewable energy resources an
10 essential and growing part of our state's overall
11 electricity supply mix.

12 However, the draft State Energy Plan falls
13 short as a blueprint to fully exploit the energy
14 security, job creation, long-term rate stabilization and
15 climate mitigation potential of New York's abundant
16 solar resource. The draft State Energy Plan fails to
17 outline a bold, specific, coherent and comprehensive
18 vision for developing a solar energy market.

19 The Solar Alliance believes the draft State
20 Energy Plan overstates the barriers and costs of
21 transforming New York's solar marketplace, and that
22 largely by leveraging existing institutions and
23 programs, there are a number of cost effective measures
24 that the Paterson administration can take to jump-start

1 economic activity and promote investment in New York's
2 clean energy economy.

3 We have the following recommendations. I
4 will elaborate a little on the first one and the others
5 I will list in the interest of time and submit more
6 detail in our written comments.

7 First, establish long term solar targets. In
8 recent years, New York has been overtaken by several
9 neighboring states which have committed to building
10 long-term, stable and self-sustaining solar markets
11 through public policy support.

12 New York's 100 megawatt by 2011 target is an
13 important milestone, but lacks the longevity and
14 predictability over the long-term necessary to attract
15 in-state investment by solar manufacturers, developers
16 and allied industries.

17 Such capacity can and will develop rapidly in
18 the face of adequate incentives, as seen in New Jersey,
19 where several hundred new, qualified solar electric
20 installers and thousands of installations have developed
21 in the past five years.

22 As part of the long term energy planning
23 process, New York should commit to the sustained and
24 orderly development of the solar PV market by setting an

1 interim. We recommend there be a goal of 700 megawatts
2 by 2015 and a decadal goal of 2000 megawatts by 2020.

3 In addition, we recommend the state institute
4 a stable incentive program. We believe New York should
5 support an incentive mechanism that supports solar
6 market transformation.

7 Also, we support a diverse solar market
8 addressing all market segments. It is critical that the
9 PSC and NYSERDA work collaboratively to correct this
10 situation by extending incentives to systems up to at
11 least two megawatts. There will be more detail in
12 written comments

13 As you heard from previous speakers, we
14 recommend fixing the net metering issue here in New
15 York. If you recall, the recommendation called upon
16 lawmakers to remove the current capacity limit for
17 commercial PV systems that is based on a customer's peak
18 demand, and instead limit system size to a customer's
19 annual electricity consumption.

20 We believe the state should also commit to
21 large scale procurement. As documented in the draft
22 SEP, the two major New York State power authorities have
23 signaled their interest in making distributed solar a
24 more significant part of their respective supply mixes.

1 LIPA has issued a 50 megawatt RFP and is
2 currently in negotiations with the winning bidders. For
3 its part, NYPA has issued a Request for Expression of
4 Interest, suggesting a purchase of energy, capacity
5 and/or renewable energy credits from 10 to 100 megawatts
6 of solar plants. The state's authorities should take
7 the next step towards fulfillment of their stated
8 commitment to solar by undertaking the following.

9 First, LIPA should quickly execute contracts
10 pursuant to its most recent 50 megawatt RFP round, and
11 issue a separate RFP for another 50 megawatts for 2012
12 to '15 deployment.

13 Second, based on feedback received from solar
14 developers under the RFEI, NYPA should issue a 100
15 megawatt RFP for solar power and related energy for 2010
16 to 2012 build out.

17 Finally, we recommend the board move forward
18 on a geographically targeted PV program for congested
19 areas. The Solar Alliance concurs with the State Energy
20 Planning Board that there are valid reasons for
21 justifying a heightened emphasis on renewable
22 development in high cost New York City load pockets.

23 Unfortunately, while the SEP discusses
24 off-shore wind and tidal power, no mention is made of

1 the quintessential renewable peak resource -- solar PV.

2 As analysis demonstrates, given the very
3 close correlation between PV resource availability and
4 peak demand in downstate wholesale zones, increased PV
5 deployment could offer significant energy and capacity
6 value in these high price markets.

7 The SEP should establish soft targets of 175
8 to 250 megawatts by 2015, and 500 to 600 megawatts by
9 2020 for New York City of the overall statewide solar
10 goal, and provide commensurate incentive support.

11 Thank you for your time this morning.

12 MR. CONGDON: Thank you.

13 Our next speaker is Dan Conable from the New
14 York Biomass Energy Alliance. Following Dan will be
15 Thomas Pritchard.

16 MR. CONABLE: Good morning. I'm Dan Conable,
17 and I represent the New York Biomass Energy Alliance.

18 We are a coalition of individuals,
19 organizations and companies that are committed to
20 developing biomass energy. We represent a family of
21 technologies with a common theme is we are working with
22 wood, with perennial grasses, and with the biogenic
23 portion of the state's enormous waste stream to produce
24 energy for this state.

1 We congratulate the authors of the draft on a
2 clear, well written report, and we endorse all of its
3 goals, but -- there is always a but -- we are
4 disappointed that biomass energy receives only a passing
5 mention in this draft report, with hardly any role in
6 the recommendations, even though a major goal of the
7 plan is to develop in-state energy resources.

8 We think that biomass energy represents a way
9 to make a slightly more intensive use of millions of
10 acres of available land in ways that are highly
11 complementary to its current uses, recreation and other
12 environmental services, and forestry and agriculture.

13 Our written submission includes eight
14 specific suggestions which we believe are doable and
15 that fit well with the general thrust of the plan, but
16 rather than go into those recommendations here I would
17 like to make a general point about how we get to the
18 kind of biomass energy industry that this state and its
19 citizens deserve.

20 Over the past couple years we have heard
21 people say bioenergy is okay as long as it's done right.
22 Done right. So, how do we get to done right? Is it an
23 individual's idea? Obviously not. Did we get a panel
24 of experts together and they study it for a few years

1 and then come up with a general prescription?

2 In other words, do we support biomass energy
3 if it meets some Olympian standard of perfection?
4 Because if that's what done right means, then we are not
5 going to make much progress in using the state's
6 abundant biomass resources. We will keep on bringing in
7 coal from West Virginia and hydro from Quebec and oil
8 from Pennsylvania.

9 But there's another way of looking at done
10 right, and that concept of right is the cleanest, most
11 efficient, most sustainable technology available today.
12 If that's the standard, then the people that my alliance
13 represents are already doing very well. I think maybe
14 better than many of the people in the room may be aware.

15 Do we have perfect technologies? No, of
16 course we don't, but we don't turn off the wind turbines
17 until we figure out the back problem and we don't cancel
18 photovoltaics until we lose electricity.

19 We trust that the people in those industries
20 will keep solving those problems through the real world
21 experiments, investments and commitments that they are
22 making to implementing a very important part of the
23 state's energy future.

24 And all we are asking is that the state's

1 approach to biomass energy follows the same pattern.
2 So, we are looking forward to a final plan which
3 recognizes that 20 percent of this state's energy could
4 be coming from biomass in a clean, sustainable and
5 dependable way. We are looking for a final plan that
6 creates a policy environment that will help us all get
7 there.

8 Thank you very much.

9 MR. CONGDON: Next speaker is Thomas
10 Pritchard, Sustainable Otsego. Following Mr. Pritchard
11 is Gabriel Vincelette.

12 MR. PRITCHARD: Good morning and thank you
13 for this opportunity. I represent a number of different
14 constituencies this morning on behalf of Sustainable
15 Otsego.

16 As most of you know, Marcellus shale was
17 talked about in the press and public hearings, both by
18 the DEC, as well as a series of presentations of
19 independent gas and oil producers in New York State.
20 Presented one last week at SUNY Oneonta that was well
21 attended with a lot of curiosity.

22 I would observe to you that a gold rush
23 mentality has appeared to grip most of the Southern
24 Tier, both by the landmen trying to procure, as well as

1 other property owners. There are property owners who
2 have signed agreements to sell mineral rights. This has
3 pitted neighbor against neighbor.

4 The DEC has provided good on-line resources
5 for our landowners to understand what their rights are
6 when dealing with landmen. Unfortunately, it suggests
7 that very few property owners have taken the time to
8 avail themselves of those tools.

9 Negotiations then take the course of
10 individual piecemeal negotiations. We are now seeing
11 landowner organizations being formed in certain
12 municipal levels, and some municipal and cross municipal
13 level situations, trying to get themselves organized so
14 that when they are approached by the landmen they can
15 negotiate on a group basis instead of being picked off
16 one by one.

17 I would suggest that any time that we
18 perceive in the future, based on history of extracting
19 resources from our geology that we live on top of, or
20 try to infuse things back into that geology, such as
21 carbon sequestration. We are dealing with very
22 sensitive and unknown issues.

23 We have been given assurances that our
24 aquifers will be safe, that casing for the wells being

1 drilled for hydraulic fraction will be sufficient and
2 adequate.

3 We have looked at the experience on the shale
4 in Texas. We have heard horror stories coming out of
5 Colorado. With all due respect with respect to
6 Commissioner Grannis, we have grave reservations about
7 the capacity of his field staff to be sufficient to
8 monitor all of the drilling activities that are
9 proposed, especially in the times of fiscal constraint
10 on the part of the state and state budget we keep
11 hearing about.

12 My wife and I moved to properties in New York
13 State. When she retires we are considering moving to
14 the mid-south because taxes are lower, cost of living is
15 less, and we are not likely to have our aquifers
16 disrupted by hydraulic fracturing.

17 One thing people forget about the Marcellus
18 shale, the reason they call it Marcellus is it's the
19 ground in Marcellus, New York. It tends to be lower, a
20 little shallower. When it comes to the surface, Cherry
21 Valley, the escarpment off of route 20, and over to the
22 Mohawk Valley and the Adirondacks to the north, that
23 same Marcellus shale reaches surface there.

24 They tell us the IOGA and other industry

1 advocates tell us that they are going to be drilling 3-,
2 4-, 5-, 7,000 feet to get to natural gas. We don't
3 think it's quite as far they say. It's going to be in
4 Otsego County. We are at the northern edge of shale
5 place that starts down in Tennessee and Virginia.

6 So, I just wanted to share with you the
7 concerns among many people in the Southern Tier who are
8 concerned about the environmental dynamics, how we
9 proceed forward to produce the energy necessary for the
10 state to thrive, and citizens will have the energy they
11 need to live in a reasonably comfortable manner.

12 One side issue I want to mention on the
13 carbon sequestration is the issue of how much coal is
14 used to generate electricity. It's around 50 percent on
15 a national basis. That is expected to continue to
16 sustain right up through into the 2030 time period while
17 that demand for electrical energy increases from 37 to
18 47 percent. That's an awful lot of carbon to keep
19 burning and trying to find a place to put GHD.

20 Thank you very much for your time.

21 MR. CONGDON: Our next speaker is Gabriel
22 Vincelette, followed by Carol Murphy.

23 MR. VINCELETTE: Thank you for the
24 opportunity for the public comment on the 2009 State

1 Energy Draft Plan. This plan will not only promote one
2 of the most aggressive and innovative renewable energy
3 policies for the state, but will also be an example for
4 other states to follow and us, as a company, is ready to
5 help with that process.

6 New England Wood Pellet is the largest
7 distributor and manufacturer of wood pellets in New York
8 State. Created in 1992, the company has grown
9 30 percent per year to meet consumer demand in New York
10 and in the Northeast.

11 Today, three plants represent \$35 million in
12 capital investment. We currently announced the
13 purchasing of Norbord, a composite wood product company
14 in Deposit, New York. The facility will be repurposed,
15 saving jobs, logging work and expanding the product
16 available in the Southern Tier.

17 Currently, over 30,000 households in New York
18 State and businesses heat with pellets manufactured by
19 our Schuyler facility in Utica, New York.

20 Wood pellets are created from wood chips and
21 falloff shavings generated by local lumber and
22 manufacturing operations. Much of this wood waste is
23 discarded on site and left releasing carbon with no
24 energy benefit before our plant was built in New York.

1 Wood wastes today are delivered to our
2 bio-refinery to be compressed into small pellets. As
3 pellets, this former wood waste is now a uniform
4 structure which can be stored, transported and fed into
5 a burn pot for renewable heating in high efficiency
6 pellet units.

7 Supporting renewable energy heating through
8 wood pellets is significant for the regional economy,
9 green jobs and a creation of sustainable markets for
10 low-grade wood, which supports logging operations in New
11 York State.

12 Pellets also support less dependence of
13 fossil fuels for heating, use of locally sourced
14 renewable products, and mitigating of carbon emissions,
15 as wood pellets are considered to be carbon neutral.

16 I strongly agree with the draft plan's policy
17 objectives; however, the inclusion of biomass thermal
18 application in structures and high efficiency boilers is
19 non-existent. This plan does not represent accurately
20 the growing markets, green jobs and capital investment
21 which have already been happening in New York for
22 renewable energy high-efficiency biomass heating.

23 This is surprising, as pelletized biomass
24 usage in thermal applications meets the highest

1 environmental standards by utilizing conversion
2 technology already commercially available and being
3 currently used inside the state.

4 Organizations like the Empire State Forest
5 Product Association in Rensselaer currently has a boiler
6 installed; Clarkson University Walker Field is a NYSERDA
7 sponsored boiler for air emission testing. Another
8 center is the Wild Center in Tupper Lake. The Museum of
9 the Adirondacks is also a NYSERDA sponsored project
10 combined with solar thermal to demonstrate that
11 technology.

12 The draft report targets other renewable
13 energy sectors, like wind, biofuels and PV. Statements
14 regarding wood burning for heat have been lacking the
15 true representation and potential markets on the ground,
16 yet, the expectation remains or the report stipulates
17 that the BTU usage of wood will triple over the next
18 years. Much of this heat generated is from cord wood
19 being burnt in inefficient stoves.

20 The pellet industry is a young market which
21 has demonstrated itself to be sustainable for loggers,
22 environmentalists, manufacturers and building green
23 jobs. Europeans pioneered renewable space heating with
24 pellets starting in the 1980s.

1 Governments realized in the 1990s that the
2 inclusion and the support of renewable high efficiency
3 heating from biomass was a necessity to meet their
4 aggressive carbon reduction and renewable energy
5 targets.

6 I see the same scenario taking place in New
7 York State, and New England Wood Pellet and the pellet
8 industry stands ready to help.

9 My recommendations or the company's
10 recommendations: Include in the final 2009 plan
11 renewable heating from pelletized biomass as a viable
12 solution to heat structures while reducing our
13 dependence on fossil fuel, lowering greenhouse gasses,
14 and creating green jobs.

15 Talk, educate and support usage of pellets in
16 high efficiency boilers for renewable space heating in
17 public spaces, schools and government buildings who have
18 access to pellets through bulk delivery.

19 Give renewable heating equality by matching
20 the funding levels found in wind, solar and liquid
21 biofuels. Fundamentally realize using solid biomass
22 pellets for structure heating completes your renewable
23 energy targets and carbon emission standards under
24 budget and on time, lessening the burden on taxpayers.

1 Understand the pellet market is not new.
2 Europe has created green jobs and tax revenue while
3 demonstrating proactive forest management policies
4 benefitting all parties involved.

5 Traditional burning of cord wood is not like
6 burning pellets. Treat wood pellets as a different
7 technology with greater efficiencies, higher net energy
8 balances, and much lower emission. There is no need to
9 be regulated like traditional wood burners for emissions
10 and heat output, as NYSERDA demonstrates.

11 Support the recommendations presented by New
12 York Biomass Energy Alliance, ACT Bioenergy and
13 hopefully other competitors and people in the industry.

14 Thanks for your willingness to hold the
15 public hearings. New England Wood Pellet is honored to
16 represent pellet manufacturers as an industry leader in
17 the 2009 plan. Our company stands willing to assist and
18 looks forward to coming up with opportunities to discuss
19 and offer feedback, comments and solutions.

20 Thanks.

21 MR. CONGDON: Thank you.

22 Our next speaker is Carol Murphy.

23 MS. MURPHY: Good morning. Thank you for the
24 opportunity to come and present before the State Energy

1 Planning Board.

2 My name is Carol Murphy. I'm the Executive
3 Director of the Alliance for Clean Energy New York and
4 we are a non-profit organization whose mission is to
5 promote the use of clean, renewable energy electricity
6 technologies and energy efficiency in New York State.

7 Our members include non-profit environmental,
8 public health, economic development and consumer
9 advocacy organizations, academic institutions,
10 consultants to the clean energy sector, and private
11 companies that produce or sell renewable energy
12 technologies or energy efficiency in New York State.

13 We applaud the Governor in his commitment to
14 clean energy and combatting climate change, as evidenced
15 obviously by his support, and also the previously issued
16 Executive Order 111 directing state agencies to
17 implement efficiency measures and use renewable
18 resources, and his issuance of Executive Orders 2 and
19 24.

20 As a participant in the Governor's Renewable
21 Energy task force, I'm pleased to see that many of the
22 recommendations we made in the task force final report
23 are also in this draft State Energy Plan.

24 In the spirit of making the draft plan

1 better, we offer the following suggestions for
2 incorporation into the final state plan. I will just
3 touch on five areas very briefly: Implementation
4 planning, state leadership, renewable energy,
5 transmission and siting, efficiency and demand response.

6 We, too, share the concern that the plan
7 falls short on specifics for implementation of the key
8 findings. The rhetoric must be accompanied by detailed
9 action plans, milestones to measure achievement of
10 goals, suggestions on how to accelerate progress when
11 interim goals are not being met.

12 This is especially important given the number
13 of entities -- including state agencies and authorities
14 -- that must be involved in the implementation of the
15 recommendations.

16 If New York truly is to create that robust
17 and innovative clean energy economy it must prioritize
18 the energy options at all levels of government and
19 follow through on commitments in a timelier manner.

20 So, within the State Energy Plan, the final
21 version we believe needs to have detailed action plans
22 with interim milestones for each recommendation;
23 required reporting, at least annually, on progress by
24 the appropriate implementing entities; and disclosure to

1 the public in an accessible web-based format of progress
2 on meeting the goals.

3 State leadership. State government must lead
4 by example through complete compliance with Executive
5 Order 111, and also show the way in implementing the
6 recently issued Executive Order 24 reducing carbon
7 emissions significantly by 2050.

8 To do that, the state needs to implement
9 aggressive energy efficiency and renewable energy
10 measures to reduce the carbon footprint of its own
11 operations.

12 The state must at least fulfill Executive
13 Order 111; and should also strengthen its commitment and
14 go beyond Executive Order 111 to help meet the recently
15 issued Executive Order 24 goals.

16 The state government can be carbon neutral,
17 and to do that we really do need to implement cost
18 effective efficiency measures, and then meet the
19 remaining energy needs through the installation of
20 on-site renewable energy or the purchase of renewable
21 energy.

22 And, again, full transparency and
23 accountability is key to using a transparent reporting
24 process and government wide energy management system to

1 help ensure agency compliance.

2 Renewable energy. The state's commitment to
3 renewable energy needs to be reiterated forcefully if we
4 are to maintain our progress in attracting private
5 investment that increases our energy security,
6 reliability and supports in-state economic development.

7 A number of concrete steps that can be taken
8 to further the state's renewable energy goals include:
9 Provide continued funding for the RPS program and
10 encourage agency permitting coordination. Progress in
11 meeting New York's clean energy goals had stalled,
12 primarily because of lack of funding for the RPS and
13 ever changing permitting requirements at the state and
14 local level.

15 The customer-sited tier program for solar
16 installations has endured boom and bust cycles and a
17 lack of main tier funding has resulted in companies
18 focusing their development efforts in other states.

19 New York needs to show that its stated
20 commitment to the RPS program will be matched by
21 sufficient funds to meet these goals. Agency
22 coordination and support for the permits necessary for
23 project development is crucial. The marketplace needs a
24 clear signal that New York remains committed to

1 supporting the RPS goals.

2 I also want to cut my remarks short just to
3 include a couple key things. One is to support and
4 advocate for the legislation to ensure commercial class
5 customers can net meter. The draft State Energy Plan
6 points out that the recently enacted law to expand net
7 metering is not able to function and the legislative fix
8 is necessary. The Executive branch and the draft Energy
9 Planning Board's plan to continue support for this
10 endeavor is very important. I was happy to hear that
11 National Grid supports solar and is looking at
12 integrating solar and wind resources and how to do that
13 within their Smart Grid program and investment, so we
14 look forward to working with them.

15 Just last, transmission and siting, very
16 important. We talked a little bit about Smart Grid. We
17 look forward to working with the utilities as they
18 implement their Smart Grid.

19 And also one stop shop permitting for new
20 generation. Reinstatement of a siting board is
21 important and that's key.

22 Efficiency and demand response, you heard
23 about the efficiency portfolio standard. Let's get that
24 moving and get that going forward.

1 And finally, demand response is also a very
2 efficient and effective option, and it's a way to also
3 mitigate price and pollution impact.

4 So, thank you very much. You've done a great
5 amount of work in a short period of time. We look
6 forward to helping you implement it.

7 Thank you.

8 MR. CONGDON: Thank you, Carol.

9 We agree with your assessment that the plan
10 needs to have a strong implementation plan and
11 specifics, and part of our hope is that through these
12 public hearings and the public comment period folks like
13 you that are on the ground, making investments in
14 technology, call for specifics for us to consider as we
15 go to the final plan. So, thank you.

16 Our next speaker is Barbara Warren, followed
17 by Paul Mendelsohn.

18 MS. WARREN: Good morning. Thank you very
19 much for all your hard work on this energy plan. I'm
20 Barbara Warren, Citizens Environmental Coalition
21 Executive Director.

22 An astonishing thing happened as the reality
23 of global warming became apparent. The response from
24 the private sector has been to propose hundreds of new

1 power plants across the nation.

2 Duh? Unlike this bizarre, counterproductive
3 response, New York State's response was extraordinary
4 with ambitious energy efficiency goal of 15 percent by
5 15. Energy efficiency is actually at the top of the
6 sustainability ladder with environmental, economic and
7 social benefits accruing to our communities and
8 businesses.

9 In addition, the 30 percent goal for clean
10 renewables is an important commitment. While we don't
11 have time to focus on everything we would like to say
12 today, we will be submitting additional comments on a
13 number of issues.

14 We believe the state must critically
15 differentiate between clean and dirty regarding
16 renewable energy. Some people mentioned various
17 Executive Orders regarding Executive Order Number 4 and
18 its importance in achieving the goals in the energy
19 plan.

20 Unfortunately, New York State as a whole has
21 the highest electric rates in the nation and the goals
22 for efficiency and renewables play an important role in
23 controlling future costs.

24 As a result of these significant goals and

1 our critical benefits to the state, we are surprised to
2 see the state simultaneously proposing new nuclear
3 power. There is three key reasons we want to give for
4 that.

5 One, it is the most expensive energy option.
6 Even with federal subsidies, which the state doesn't
7 have to get involved in, clearly, the taxpayers do.

8 Two, any construction of new nuclear power
9 plants, or any power plants, as a matter of fact, will
10 hinder the achievement of the energy efficiency and
11 renewable goals. The effect is to increase the
12 denomination so it means you have more trouble reaching
13 the goals that you have set.

14 Finally, the problem no one wants to handle
15 -- nuclear waste. I guess it's too hot to handle. In
16 fact, there's no solution for the problem of nuclear
17 waste, which the government assured us over 50 years ago
18 was easily solved.

19 Instead, New York has nuclear waste sites
20 that are not cleaned up and nuclear power plants with
21 inherent dangers. West Valley, New York is home to the
22 only commercial processing venture and its failure,
23 where the feds promised to commit a fund adequate for
24 clean up and didn't, where nuclear waste is buried over

1 a sole source aquifer at a site subject to severe
2 erosion which threatens to uncover and release
3 radioactive waste to the adjacent creeks and the Great
4 Lakes, a drinking water source for millions of people.

5 So, while we have many additional things to
6 say about the energy plan, we do want to leave you with
7 one message. If you have no solution for nuclear waste
8 and it's not cleaned up, what we have in the state, and
9 that has posed dangers for the public communities, state
10 clean up budgets as well as workers have been damaged.
11 Nuclear power plants cannot be seen as an energy option
12 for New York.

13 Thank you very much. We will be submitting
14 additional comments.

15 MR. CONGDON: Thank you.

16 Our next speaker is Paul Mendelsohn, Action
17 Otsego and Sustainable Otsego, followed by John
18 Schnebly.

19 MR. MENDELSON: I would like to, first of
20 all, thank you very much for the opportunity. I do
21 appreciate the difficult decisions that you people are
22 charged with.

23 You may be aware that the EPA has finally
24 begun to test the drinking water aquifers of residents

1 living alongside high pressure horizontal hydrofracking
2 gas, after many reports of fouled water and health
3 problems in several states.

4 A couple of weeks ago, 11 out of 39 water
5 wells tested in Pavilion, Wyoming revealed dangerous
6 levels of chemicals consistent with gas drilling.

7 I would like to talk for a moment about how
8 the costs in health problems, real estate values, and
9 other business prospects are about to be externalized to
10 all New Yorkers.

11 Residents have routinely been told that no
12 evidence of contamination from drilling has ever been
13 detected. No, no one can prove that our aquifers are
14 contaminated because chemicals we might test for remain
15 classified information, and they are injected beneath
16 the homes of those signing leases, and those neighbors
17 forced to sign under compulsory integration, and
18 everyone else living over an aquifer which is unmapped
19 and undefined.

20 Earlier estimates showing roughly 70 percent
21 of fluids to be reclaimed are now as low as 9 percent,
22 according to an industry presentation last week. The
23 rest remaining below our aquifers, separated only by
24 casings of concrete and steel, which will last for a few

1 decades, but not indefinitely.

2 We do not have adequate facilities for the
3 disposal of the millions of gallons of toxic fluids to
4 be withdrawn, each well requiring in the millions of
5 gallons for each well.

6 How can an industry that has promised such
7 enormous sums of money to the state coffers be unable to
8 limit their fracking additives to non-toxic,
9 biodegradable formulas? Could they not make a profit if
10 they revealed to local residents exactly what is pumped,
11 at up to 8000 per square inch under our homes, with the
12 defined goal creating many new passageways?

13 Federal regulations, as of 2005, have
14 exempted this industry alone, which is ironic, given the
15 great fear trumpeted by Washington that some foreigner
16 might try to slip a few gallons of some dangerous
17 substance into our reservoirs.

18 Today, we are required to accept chemicals
19 below our aquifers associated with cancer, endocrine
20 disruptors, nerve agents and birth defects, not to
21 mention that preexisting heavy metals and normal
22 radioactive materials may be blocked at the surface.

23 So, we've been asked to put our faith in the
24 regulations of the DEC, an agency already grossly

1 understaffed and underfunded. Clearly unable to
2 provide, with about 18 inspectors, enforcement of the
3 regulations they have already got on the far simpler
4 vertical wells.

5 Industry lobbyists, again, crying poverty,
6 successfully killed a severance tax on gas, which exists
7 in most other states, which might have provided the
8 necessary funds for this oversight. Drillers do pay
9 local taxes based on figures self reported by the
10 industry. Local government has been given no role at
11 all.

12 We have been assured that the kind of
13 incidents we have seen in Pavillion or Dimock,
14 Pennsylvania and Shreveport, Louisiana are only 2 to 3
15 percent of frac jobs, and depend on the skill and the
16 scruples of the individual driller, but even an accident
17 rate of 2 percent on the tens of thousands of wells
18 proposed would still result in hundreds of problems for
19 thousands of homeowners.

20 Water, we are told, will be the oil of the
21 21st century. New York and the northeast are unique in
22 our supply of abundant, fresh water as this resource is
23 steadily diminished by other manmade activities
24 elsewhere.

1 We know that we will be depending on more
2 localized food, and tourists are steadily discovering
3 the natural beauty of New York. New York City has
4 successfully fought drilling within a perimeter of their
5 reservoirs. Will the rest of us, particularly those
6 with private wells, be abandoned by our lawmakers?

7 Your scope includes health impacts,
8 environmental justice, environmental impact and
9 regulation of energy systems.

10 In closing, I would just like to ask that you
11 include the public costs to New Yorkers before tallying
12 up the private profits which would temporarily swell the
13 coffers of New York State.

14 Without adequate accountability, the required
15 best practices of the banking industry has brought a
16 great deal of ruin to all of New Yorkers. And we will
17 recover from that, but should we have the same lack of
18 regulation over our water? I don't think we will ever
19 recover from that.

20 Thank you.

21 MR. CONGDON: Thank all the speakers for
22 keeping their statements to five minutes.

23 Our next speaker is John Schnebly, from US
24 Energy Consortium, followed by David Dungate.

1 MR. SCHNEBLY: Good morning. This marks the
2 35th year I have been reading these kind of reports.
3 The first one I read was from President Nixon. Remember
4 him? Project Independence? They are all the same.

5 They come up with environmental
6 recommendation and reviews of market trends and you're
7 supposed to be all -- and they never, ever get
8 specifics.

9 So, obviously, I am disappointed in the
10 report. However, I hope by the end of the year you guys
11 will integrate the data coming out of Washington, over
12 \$30 billion guarantee program from the Obama
13 administration using the ARRA stimulus funding.

14 If you do a little bit of math, \$30 billion
15 national program, with New Yorkers being about
16 6.6 percent of the population of America, that's 2
17 billion for us. The problem is you can't get it unless
18 you have full stamped drawings with public approvals by
19 the deadline date of September 1, 2011.

20 Is it any shock to us the federal government
21 wants to see the money spent and one year later
22 September 1, 2012, election year?

23 Now, I wonder in the time it took to put this
24 plan together whether our esteemed New York State

1 government will have the ability to facilitate the
2 required approvals for any project.

3 Mine happens to be massive, goes from the
4 boroughs of New York all the way to South Troy. I don't
5 have any approvals on any project. Everybody will have
6 to approve some sort of letter. Certainly, DEC, Pete.
7 Certainly Department of Health, DOS, the Board of
8 Engineers. And one in Columbia, recycling waste to
9 fuel. And of course the RPI program, Center for Future
10 Energy Systems and Biotechnology, School of
11 Architecture.

12 Can I expect any help from my New York State
13 government? I cede the rest of my time.

14 MR. CONGDON: Thank you.

15 Next speaker is David Dungate from ACT
16 Bioenergy, followed by Gavin Donohue.

17 MR. DUNGATE: Thank you for the opportunity
18 to present today. My name is David Dungate, I'm the
19 President of ACT Bioenergy.

20 We are a manufacturer of high efficiency wood
21 pellet and chips systems based in Schenectady. We have
22 supplied boiler systems throughout New York State to
23 Clarkson University, SUNY School of Environmental
24 Science, to the Natural History Museum in the

1 Adirondacks and US Army.

2 The reason that our customers are interested
3 in advanced wood boiler technologies is that they can
4 receive reliable, low cost heat with the greenhouse gas
5 friendly system at a low level of emissions, and that
6 they can achieve a payback on systems of two to six
7 years, which is very attractive for renewable technology
8 today.

9 ACT has received significant support from
10 NYSERDA through the competitive bidding process to help
11 us to vet our technologies, both economic, environmental
12 performance and energy performance. We really
13 appreciate that.

14 So, what I want to say with relationship to
15 the energy plan objectives, we fully support the five
16 policy objectives in the plan but we want to ensure --
17 ACT wants to ensure the strategies outlined in the plan
18 do not miss out on the significant contribution that
19 solid fuel biomass thermal system can provide to help
20 the plan achieve success.

21 Since most state and national renewable
22 energy policies and programs to date have focused on
23 transportation and electricity; it is not surprising
24 that thermal has been left out of this plan largely to

1 date, but it is a shame, since thermal energy is about a
2 third of the total energy use, the primary energy used
3 in building, and therefore heating and cooling.

4 And specifically in the case of biomass, the
5 renewable energy assessment as part of its plan
6 identifies that nearly 20 percent of existing primary
7 renewable energy comes from biomass, and that's
8 scheduled to triple within the next ten years.

9 And it's very -- there is almost nothing on
10 biomass. They were not in the plan.

11 So, you have already heard from New England
12 Wood Pellets. That's not the only company that's
13 manufacturing pellets here. There is Moreau, Massena,
14 there's other plants on the road. Fuel side is very
15 actively moving forward.

16 On the appliance side, there's ourselves,
17 there's Alternative Fuel Boilers in Dunkirk, there's
18 Thermo Control System in the Catskills, and there's
19 other companies very interested in this market. And
20 it's bringing existing customers with almost no
21 government incentives for support to date.

22 Just to take a step back in why we are so
23 excited about this new opportunity for high efficiency
24 wood combustion, is that we looked to Europe, and over

1 the past 15 years in Europe, and specifically countries
2 like Austria, Sweden and Germany, they have been
3 advancing technology that's highly efficient, 80 to
4 90 percent efficient. It's clean burning and comparable
5 with conventional oil and gas and it's a climate neutral
6 fuel, biomass fuel.

7 In fact, in Austria right now they sell more
8 wood boilers than oil boilers, and in the upper Austria
9 region they have committed to a hundred percent
10 renewable heating by 2030 and it's primarily with
11 biomass thermal, with solar thermal systems.

12 So, to back step on that, the International
13 Energy concluded in a recent 2007 report that solar,
14 water, heat, biomass for industrial and commercial
15 domestic heating, and geothermal pumps are amongst the
16 lowest cost option for both reducing CO2 emissions and
17 fossil fuel dependency.

18 So, all these factors should say this has to
19 be included in the plan. And to just explain that on a
20 very basic level, when you create fuel from a wood chip,
21 about one percent of the energy is used to make the one
22 chip. To make a wood pellet, about two percent. When
23 they make a fossil fuel, it's 10 to 12 percent.

24 So, already, efficiency is lost in your fuel

1 production. When you're producing ethenol it's about
2 60 percent and when you're producing electricity from
3 biomass it drops down. You lose 65 to 70 percent of the
4 energy in the refining process before you even get out
5 the door. So, that's why biomass, they were low hanging
6 fruit that's highly efficient. When you burn it at 85
7 to 90 percent efficiency, it's a no brainer.

8 In New York State, we are blessed with a
9 biomass energy resource. In the last hundred years the
10 energy has increased -- or sorry -- the land level of
11 forest increased from about 25 percent to 61 percent
12 today and that actually managed to produce high value
13 fuel.

14 In fact, there is a million tons right now of
15 residue that are the bi product of harvesting and are
16 not currently utilized.

17 So, in my summary I have three specific
18 suggestions that I will submit, but the key one I think
19 you can understand that biomass thermal is a key part of
20 the plan and requires specific attention.

21 Thank you.

22 MR. CONGDON: Thank you very much.

23 Our next speaker is Gavin Donohue,
24 Independent Power Producers of New York. He will be

1 followed by Donna Wadsworth.

2 MR. DONOHUE: Thank you. Good morning. I'm
3 going to do a different approach. I'm going to start
4 with conclusions and work back.

5 First of all, IPPNY is very encouraged the
6 draft plan contains provisions that will support and
7 help achieve the primary focus by: One, acknowledging
8 the importance of competitive markets and competitive
9 solicitations for the acquisition of new supply;
10 supporting the re-enactment of a fuel-neutral power
11 plant siting law, and continuing the state's support of
12 the RPS program and making strides to provide its
13 benefits available to all renewable energy resources.

14 IPPNY recommends that this primary focus
15 could be achieved by better clarifying provisions of the
16 draft plan by, one, including a more cumulative
17 evaluation of all environmental programs affecting the
18 energy sector and their impacts on energy policy,
19 including cost, reliability, fuel diversity and economic
20 development; removing contradictions about the role of
21 nuclear power in the state's energy future by accepting
22 all of the state's existing facilities and encouraging
23 the prudent development of nuclear facilities in the
24 future; three, making a top state priority the enabling

1 of a private sector company to demonstrate carbon
2 sequestration in this state; four, articulating more
3 clearly how the state will maintain and enhance fuel
4 diversity, in concert with the state's proposed actions
5 for addressing the impact of climate change.

6 Moving to specific recommendations, I would
7 like to go through some comments. IPPNY continues to
8 stress that nuclear energy provides reliable, virtually
9 emission-free base load power, and therefore, it is
10 imperative that the energy plan supports the ongoing
11 operation of the state's existing nuclear facilities, in
12 addition to encouraging the development of additional
13 nuclear resources.

14 It is clearly our concern that the state
15 fails tremendously to recognize the huge negative impact
16 that the closure of nuclear facilities, such as Indian
17 Point, would have on the state. Closing such a facility
18 would be counterproductive to reaching the state's
19 environmental, economic and reliability goals.

20 Strangely, the plan contradicts itself by
21 simultaneously touting the benefits of nuclear
22 generation, while also describing the state's opposition
23 to the license renewals of Indian Point units 2 and 3 as
24 an essential facility to maintaining electric

1 reliability to downstate residents.

2 The state will be making a recommendation
3 that will result in greater emissions, increased energy
4 prices and less reliable service. For example,
5 according to the Westchester Business Alliance, closing
6 Indian Point will result in the price of electricity in
7 the region increasing over 150 percent.

8 In addition, replacing Indian Point with a
9 fossil fuel based power plant likely will create a
10 significant rise in CO2 emissions, a 19 percent jump in
11 NOX emissions, and an 11 percent hike in SO2 emissions.

12 In the New York City region, Indian Point's
13 2,000 megawatts of clean electricity account for as much
14 as 40 percent of the regional energy supply for New York
15 City.

16 Carbon capture and sequestration. The draft
17 plan indicates that the successful demonstration of CCS
18 technology in New York, as an operationally and
19 economically viable means to mitigate coal generation,
20 greenhouse gas impacts, could allow New York to retain
21 coal in its generation mix in a way that is consistent
22 with the state's greenhouse gas reduction goals.

23 The draft plan also acknowledges that various
24 environmental control technologies have been added to

1 the state's coal facilities to meet increasingly
2 stringent environmental regulations.

3 IPPNY maintains that, due to the state's
4 ample supply of relatively less expensive coal, existing
5 economic and environmentally compliant coal facilities
6 should remain part of the state's generation portfolio.

7 Among the recommendations advanced by IPPNY,
8 to preserve and enhance fuel diversity, as CO2 targeted
9 environmental initiatives move forward, was for the plan
10 to foster the development of CCS technology to enable
11 facilities, such as those powered by coal, to remain in
12 the state's fuel mix.

13 Another issue again acknowledges your efforts
14 on the power plant siting law. The comments were found
15 to be responded to well by my membership, and I'll spend
16 a moment about the whole issue of regulatory
17 uncertainty.

18 The draft plan recognizes that regulatory
19 uncertainty will impact the future of the state's
20 infrastructure, especially in areas such as the
21 authority to site generation as well as environmental
22 requirements and associated cost of compliance.

23 However, although it states that the need to
24 eliminate or minimize such uncertainties is an

1 appropriate state policy objective, the plan fails more
2 specifically to address the requirements of the
3 Governor's Executive Order Number 2 for a cumulative
4 evaluation of all environmental programs affecting the
5 energy sector and their impacts on energy policy,
6 including cost, reliability, fuel diversity and economic
7 development.

8 IPPNY continues to emphasize that the full
9 assessment required by the Governor's Executive Order
10 Number 2 is crucial for the future development of sound
11 environmental, energy, and economic development
12 policies.

13 And I urge the board to focus its attention
14 on the cumulative impacts that result from the layering
15 of these regulatory initiatives on the electricity
16 industry, and most importantly, the increased cost of
17 and potentially decreased reliable supply of energy for
18 the state's businesses and residents.

19 In written remarks I also have more
20 information on the competitive market segment. And I
21 also want to thank you for including gas in the energy
22 plan. And some of the other things Carol touched on,
23 not to be redundant, but some of the same message points
24 will be in my testimony.

1 Thank you very much. Appreciate the
2 opportunity.

3 MR. CONGDON: Thank you.

4 Our next speaker is Donna Wadsworth,
5 International Paper.

6 MS. WADSWORTH: Good morning. My name is
7 Donna Wadsworth. I am the Manager of Communications and
8 Environmental Departments at International Paper's
9 Ticonderoga mill. The Ticonderoga mill employs 600
10 people in the production and distribution of high-end
11 opaque and technical paper which is distributed
12 throughout the United States.

13 Key markets include New York financial
14 entities and the important print industry in our state.
15 The mill is the largest private employer in Essex
16 county.

17 Additionally, some 600 to 700 independent
18 loggers and truckers directly earn their living by
19 providing wood fiber to our mills. These upstate New
20 Yorkers are located in every hamlet, village and town in
21 a vast region which includes the Adirondack Park.
22 Growing, harvesting and delivering wood to make paper is
23 a legacy industry that had provided a way of life to
24 generation of North Country families, and paper making

1 has a long history in our state.

2 The Ticonderoga mill traces its routes to the
3 Ticonderoga Pulp & Paper Company, established in the
4 late 1800s. Proximity to substantial, sustainable
5 managed forests is an important factor to our success
6 and the economic stability of the North Country.

7 The economic impact of the Ticonderoga mill
8 is significant. Total mill annual spend is
9 approximately \$240 million, including \$45 million in
10 wages and benefits; \$29 million in logs and wood chips,
11 and \$22 million in goods and services purchased in New
12 York.

13 The Ticonderoga mill has successfully
14 positioned itself in a value-added market. We are
15 weathering this recession and have kept a full workforce
16 in the face of competition and market challenges.

17 However, the high cost of energy needed to
18 run the mill is a significant challenge to remaining
19 competitive. We are proud of the fact that currently
20 53 percent of our energy comes from renewable resources
21 -- wood chips, bark and black liquor, a liquid biomass
22 product of the kraft pulping process. However, the
23 balance of our energy comes primarily from fuel oil,
24 poses a significant cost disadvantage and vulnerability.

1 We have seen the Ticonderoga mill fuel oil
2 costs rise from \$18 million in 2004 to nearly \$38
3 million in 2008. During the same five year period, fuel
4 oil consumption has actually been reduced by 22 percent
5 through energy efficiency projects and optimization of
6 operations.

7 You can easily see why it is essential for us
8 to reduce our dependency on fuel oil. So, when we see
9 in the New York State Energy Plan a strategic objective
10 to "encourage the development and use of sustainable
11 biomass to replace oil" we immediately find common
12 ground with the state's goals.

13 We are currently working with NYSERDA to
14 achieve both energy efficiency improvements and fuel mix
15 optimization. One key project which has been identified
16 is upgrading our power boiler and biomass feed system to
17 enable us to utilize more bark, wood chips and wood
18 waste.

19 We currently burn on average 350 tons per day
20 of this material. This project would enable the mill to
21 double this amount. Keeping in mind that a ton of
22 bark/chips displaces approximately one barrel of fuel
23 oil, you can see the immediate benefits of this project.

24 Enhanced pollution control associated with

1 the project and increased biomass use will have both
2 environmental and economic benefits.

3 As state programs are developed to deliver on
4 the strategies outlined in the energy plan, we urge you
5 to consider funding assistance criteria with provisions
6 for existing facilities to optimize fuel mix by
7 increasing the use of biomass.

8 The Ticonderoga mill's energy costs are among
9 the highest in our company. Energy efficiency
10 improvements are one way to narrow the gap and become
11 more competitive. Capital limitations are a significant
12 obstacle to achieving all that we could in this arena.

13 We are pleased to see a commitment in the New
14 York energy plan that addresses the need for improving
15 energy efficiencies. We look to our partnership with
16 NYSERDA and their staff of experts to assist us in
17 achieving even greater energy efficiency.

18 The employees at International Paper's
19 Ticonderoga mill are proud to be part of an industry
20 that contributes in significant ways to the protection
21 of working forests, forests that are harvested according
22 to the principles of the Sustainable Forestry initiative
23 and the Forest Stewardship Council, third party
24 certifications ensuring the continual planting, growing

1 and harvesting of trees while protecting wildlife,
2 plants, soil, air and water quality, forests which play
3 a critical role in carbon sequestration.

4 In closing, I encourage the decision makers
5 and agencies involved in authoring and delivering on the
6 strategies and objectives outlined in the State's Energy
7 Plan to place high value on securing the future of
8 legacy industries in our state, including the forest
9 products industry.

10 As we work together, I am confident that we
11 can find common ground in shared objectives. We look
12 forward to continuing to work with NYSERDA, Empire State
13 Development and other state agencies with a vested
14 interest in the success of International Paper's
15 Ticonderoga mill.

16 Thank you for your consideration.

17 MR. CONGDON: Our next speaker is Shaun
18 Chapman.

19 MR. CHAPMAN: Good morning, I'm Shaun
20 Chapman, East Coast Director of Campaign for Vote Solar.

21 Vote Solar is a 501(c)(3) not-for-profit,
22 whose mission is to bring solar power to the mainstream,
23 working in over 15 states with a wide coalition of
24 partners to make solar electrical generation a key

1 component of energy portfolios. We have offices in San
2 Francisco, California and Brooklyn, New York.

3 In general, Vote Solar believes the draft
4 report accurately and properly assesses the gravest
5 energy challenges facing New York State in the years and
6 decades ahead. However, Vote Solar does not believe the
7 report adequately incorporates solar photovoltaics into
8 the plan.

9 In order to achieve full market deployment of
10 solar electrical generation, New York must pursue an
11 aggressive solar strategy encompassing of, at least,
12 2000 megawatts or two megawatts of solar PV by 2020.

13 Along with this verbal testimony, Vote Solar
14 is happy to provide supporting material. Please find:
15 Written comments, which we submitted to the Public
16 Service Commission on May 29, 2009, a draft of our Jobs
17 and Economic Development Impacts Model work.

18 While we understand it is the intention of
19 the draft SEP to point New York State down the right
20 path of sustainable energy planning, Vote Solar feels
21 the plan is far too incrementalist and does not
22 adequately capture the unique opportunity New York State
23 has to be a leader in clean energy, with a particular
24 focus on solar PV.

1 A robust solar program in New York will bring
2 numerous benefits to the citizens of the state,
3 including local grid congestion relief, long term energy
4 cost reduction, and electricity price stabilization,
5 improved air quality and improved energy security for
6 the state.

7 And since the state's peak demand correlates
8 well with solar insolation, an investment in increased
9 solar generation saves all ratepayers money by reducing
10 the most expensive wholesale electricity purchases.

11 To these benefits, add two more: Jobs and
12 economic development. In addition to the environmental
13 and grid benefits, an investment in a solar market
14 development program for New York will provide
15 significant economic opportunities to the state.

16 Vote Solar has modeled a two gigawatt
17 program, evaluating costs and benefits. Our analysis
18 shows that this goal can be achieved with less than
19 \$2 billion in investment, with an average ratepayer
20 impact of about three quarters of a percent, equivalent
21 to an average monthly cost of \$0.82 a month on the
22 residential utility bill. So, much less than a cup of
23 coffee.

24 Vote Solar has also spent time working with

1 the PV Jobs and Economic Development Impacts model,
2 which will soon be released by the National Renewable
3 Energies Laboratory. Vote Solar has found that an
4 investment of two gigawatts of solar could result in
5 between 7,565 and 9,687 new in state jobs and \$10.5
6 billion in economic output by 2020.

7 Due caution and note that this model will be
8 released very soon in the future. It's not an official
9 model just yet.

10 While environmental considerations provide
11 the imperative to transition away from fossil fuels, the
12 development of new renewable energy industries will also
13 provide significant economic opportunity to New York.

14 The gross cost of the program is
15 significantly less than net benefit, \$2 billion compared
16 to \$10.5 billion. Adding to the importance of immediate
17 action is the declining cost of solar equipment and the
18 availability of federal money from the American Recovery
19 and Reinvestment Act.

20 Before closing, we add that there are a
21 number of states moving forward with aggressive solar PV
22 programs. While California certainly shines as the
23 nation's leader, even our neighbors are stepping up to
24 the challenge.

1 New Jersey, Massachusetts, Connecticut,
2 Vermont, Delaware, Maryland and Pennsylvania, all RGGI
3 states, come to mind. In fact, this past year was in
4 some respects an historic year for solar in New York.
5 For the first time in recent memory, the state fell out
6 of the top five in installed capacity. New York fell
7 out of the top ten in installed capacity per capita.

8 Our neighbors with a far smaller population
9 density and peak load demand are doing far more for
10 solar PV.

11 We have three specific immediate
12 recommendations. First is to fix net metering. Vote
13 Solar was encouraged to hear that smart, forward
14 thinking utilities are hoping to invest in clean energy
15 technologies. We see this as further evidence that our
16 grid is prepared to handle renewable energy supply.
17 Thousands of New York State businesses are also prepared
18 to answer that call.

19 Two more recommendations. That is to secure
20 funding through the NYSEERDA program through 2009 and '10
21 and immediately encourage the Public Service Commission
22 to open a docket to provide for that two gigawatts 20 by
23 20 goal.

24 Thank you for this time.

1 MR. CONGDON: Thank you.

2 Jeremy Snyder, RPI Lighting Research Center.

3 MR. SNYDER: Thank you very much for the
4 opportunity to speak. Just want to introduce you to the
5 Lighting Research Center. If you're not familiar, it's
6 located at the Rensselaer Polytechnic Institute and
7 employs over 30 full-time faculty, staff and graduate
8 students.

9 LRC does a substantial amount of research.
10 We grant master's degrees and PhDs related to solid
11 state light and heating, but almost everything we do
12 actually relates to energy efficiency. And we were
13 founded in 1988 so we've been at it for awhile. And
14 over the years we have appreciated the support from
15 NYSERDA's vision and partnerships.

16 So, overall, we definitely agree with the
17 finding in the report that energy efficiency offers the
18 opportunity for a large amount of energy savings in the
19 state, and also that it's the most cost efficient and
20 one of the most cost efficient solutions that offers a
21 very fast pay back period.

22 The funding is supported by studies that LRC
23 has done and also findings by the International Panel on
24 Climate Change, an international agency.

1 I want to make two comments about the report.
2 One is that a lot of the energy efficiency figures in
3 the report reference the Optimal Energy 2008 document;
4 however, when we tried to obtain this document from
5 Optimal Energy we found it wasn't available to the
6 public. It's difficult for people reading the draft
7 plan to track down methodologies and assumptions coming
8 from that, so, it's appreciated if we can get that.

9 The other specific comment I would like to
10 make is that the amount of energy savings available from
11 roadway lighting actually may be underestimated in the
12 report. Most roadway lighting in New York State is
13 through high pressure sodium lamps -- yellow, orange,
14 blue.

15 Turns out that roadway lighting illumination
16 is sensitive to lighter white light sources, including
17 LEDs, reduction lighting and metal halide, by switching
18 to sources that cut down roadway energies from 30 to
19 50 percent, with the amount of energy going into roadway
20 lighting an estimate, say, over one gigawatt hour of
21 energy per year.

22 The LRC did a large amount of research and
23 quantifying if you have this much lighting from RPS you
24 need this much lighting from white light source to

1 achieve the same visual performance. And these
2 quantitative effects are being credited by the CIE
3 International body that works in lighting standards.

4 So, again, just want to say thank you for the
5 opportunity to comment and the LRC is happy to support
6 in any way possible.

7 MR. CONGDON: The Optimal is the update of
8 the previous report, I believe, and that is public.
9 Many of the assumptions are the same and the final
10 Optimal report will be updated and available shortly.

11 MR. GRANNIS: The LRC I worked when I was a
12 legislator on light pollution and relied a lot on the
13 work you do. Thank you. Obviously like to move forward
14 on it.

15 MR. CONGDON: James Carr, Independent Oil and
16 Gas Association, followed by Ken Pokalsky, Business
17 Council of NYS.

18 MR. CARR: Good morning, members of the
19 board. Jim Carr, here on behalf of the Independent Oil
20 and Gas Association of New York, and with the firm
21 Hinman Straub Advisors in Albany. We are grateful for
22 this opportunity to be here today. I am reminded of the
23 quote by William Blake, English poet, energy is an
24 internal delight. Not sure we agree all the time, but

1 we appreciate the opportunity to be with you here today.

2 Our message really today is a simple one,
3 that in recognizing the potential that expanded natural
4 gas exploration can bring to New York, the draft plan
5 got it exactly right.

6 We believe the prospect of developing the
7 Marcellus shale as an energy resource for the state
8 aligns very favorably with the Governor's directives in
9 Executive Order 2.

10 In part, "This resource presents an
11 opportunity for the state to unlock substantial economic
12 value while helping to achieve a key energy policy
13 objective of importance to the state's energy security.
14 Natural gas extraction would create jobs, create wealth
15 for upstate landowners, and increase state revenue from
16 taxes and landowner leases and royalties".

17 It would be difficult for me to overemphasize
18 the scale of the opportunity in the Marcellus shale
19 formation for our state. Increasing production of this
20 clean burning and abundant natural resource can improve
21 the economy, can result in increased tax revenues and
22 jobs, and improve New York's and America's energy
23 independence.

24 An economic study released in August by the

1 Pennsylvania State University for the Marcellus Shale
2 Committee and the Pennsylvania House Natural Gas Caucus
3 estimates that Marcellus shale development will pump
4 \$14.17 billion into that state's economy next year and
5 create more than 98,000 new jobs, while generating \$800
6 million in state and local tax revenues.

7 We believe New York can and should realize
8 economic benefits. IOGA has been in the perhaps unusual
9 position of not asking for an appropriation or other
10 economic development assistance typically provided to
11 other industries, nor a reduction of taxes or fees.

12 Instead, our purpose has been only to ask
13 policymakers' support for a compelling economic
14 development opportunity, one which will likely benefit
15 the state and localities significantly for many years to
16 come.

17 As important to New York's political leaders
18 and their constituents is the capital infusion and job
19 growth that can result from the exploration effort for
20 this clean-burning domestic fuel. And the associated
21 job creation can have enormous economic benefits with a
22 minimal environment footprint.

23 These benefits will be increased
24 exponentially as local companies will serve other needs

1 resulting from new natural gas exploration. The help of
2 many local businesses, large and small, will be needed.
3 Consider the impacts on local shops, auto dealers,
4 restaurants, surveyors, engineers and many others, as
5 well as gas pipelines such as Millennium, which will
6 bring New York produced gas to New York users.

7 Again, the draft SEP very accurately assesses
8 the need for New York produced natural gas in the future
9 that can easily meet these future needs, but without
10 Millenium Pipeline and companies like them, this gas
11 will move to out of state pipelines, to Pennsylvania and
12 other states.

13 The state has been conducted for many years
14 with very exemplary environmental records. The first
15 well drilled in New York State was in 1821, and we have
16 a history of 14,000 currently active companies who have
17 worked very, very hard over many years to work in
18 concert for the environment and under a rigorous
19 oversight by the State Department of Environmental
20 Conservation continue to do so.

21 In the days to come, we are looking forward
22 to the Department of Environmental Conservation's
23 issuance of a generic environmental impact statement
24 that will guide the Marcellus development. Our

1 companies intend to comply with all regulations and
2 permit requirements, as we have in the past. We
3 likewise believe NYSDEC needs additional staff resources
4 to appropriately administer this process, and we will
5 advocate for new staff.

6 Let me suggest that this is a rare moment in
7 our state's recent history, one in which a truly new and
8 exciting and important prospect for economic resurgence
9 now presents itself.

10 We truly believe that the interests of
11 environmental protection can and should be balanced with
12 an ability to safely foster and support this effort
13 toward energy self sufficiency in New York.

14 We are grateful for the board's
15 consideration, and stand ready to assist in whatever way
16 we can.

17 Thank you.

18 MR. CONGDON: Ken Pokalsky from the Business
19 Council of NYS, followed by Karyn Burns from MACNY.

20 MR. POLASKY: Good morning. On behalf of the
21 Business Council and our 3,000 members, I appreciate
22 this opportunity to comment on the draft energy plan.
23 In the brief time available today, I will high light
24 issues this morning and submit more detailed comments in

1 writing before the close of the hearing process.

2 The Business Council represents a diverse
3 group of statewide members representing generators,
4 distribution utilities, and businesses focused on
5 various aspects of green energy - equipment
6 manufacturers, generators and others. Several of the
7 members are also on the agenda today and will be
8 focusing on specific aspects of the draft plan.

9 Increasingly, our members are focusing on
10 energy and carbon efficiency, and participate in state
11 and utility assistance and incentive programs, including
12 those provided through NYSERDA and the regional
13 utilities.

14 For the vast majority of our members,
15 however, the energy issues of greatest concern are
16 adequacy and reliability of supply, and, most important,
17 cost.

18 Year after year, the cost of energy is
19 identified by our members as one of the most significant
20 competitiveness issues facing New York State's business
21 community. Per kilowatt hour prices range between 40
22 and 60 percent of the national average.

23 We are also concerned about 2008. For
24 example, industrial gas prices in New York remained

1 about 35 percent above the national average, and
2 continue to be well above national averages through
3 2009, even with significant declines in well head
4 prices, with commercial prices averaging about 8 percent
5 above national rates.

6 We estimate that bringing the commodity costs
7 of electric power and natural gas for industrial
8 customers into line with national averages would produce
9 aggregate, annual savings of close to \$1 billion for our
10 energy intensive manufacturing sector, and more likely,
11 broad reductions would achieve industry wide savings
12 over \$5 billion.

13 While it may be unachievable to bring those
14 costs that low, reducing the cost of electric power, the
15 focus on the impact of state imposed costs on energy
16 falls well short in terms of the strategy to lower
17 energy costs with increased energy efficiency.

18 While we certainly support the state's
19 efficiency initiatives, even with full achievement of 15
20 by 15, that strategy will only produce about 10 percent
21 reduction in power costs.

22 And cost reduction target, even with its
23 reliance on the 15 by 15, the plan recognizes the
24 challenges of achieving this objective, saying that it

1 would require a nearly five-fold increase in energy
2 savings by 2015.

3 The draft plan recognizes 15 by 15 is not
4 cost free, saying that its achievement could require
5 doubling of our current per-kwh costs for efficiency
6 programs.

7 Likewise, even though the plan provides at
8 least passing recognition of the impact that state and
9 local taxes have on energy prices, it says little about
10 the array of recent state imposed energy fees and
11 assessments.

12 On top of our high energy commodity prices,
13 New York has added other cost burdens on energy
14 consumers, including RGGI, energy efficiency portfolio
15 standard, and recently increased Public Service Law
16 Section 18-a assessment, which collectively cost New
17 Yorkers about \$1.5 billion annually.

18 We believe that the State Energy Plan at
19 least should commit to a moratorium on new energy
20 surcharges, levies and assessments, while honoring
21 commitments to existing, cost effective initiatives
22 designed to stimulate infrastructure investments.

23 And moreover, we need to reduce these add on
24 costs as soon as possible. We applaud Senator

1 Ranzenhofer and Assembly Members Hawley and Calhoun for
2 introducing legislation to repeal the ill-conceived \$500
3 million increase in Article 18-a assessments.

4 In addition to this array of taxes, fees and
5 assessments. The state has implemented or will
6 implement a host of new regulations. These measures
7 include SO₂, NO_x, CO₂ and mercury emissions; more
8 stringent New Source Review requirements and regulations
9 for cooling water intakes; and a new policy for
10 considering greenhouse gas emissions and energy use
11 under SEQRA.

12 We find that neither the plan nor the
13 environmental impact issue paper accompanying the plan
14 provide the detailed assessment of the impact of
15 environmental regulations on the energy sector called
16 for in Executive Order 2. For example, the plan barely
17 mentions the state's restrictive new source review
18 program, which will hamper efficiency investments in
19 both the generation and industrial sectors.

20 Overall, we believe the state needs to ensure
21 that all existing energy efficiency, demand response and
22 environmental emission reduction programs and policies
23 are cost effective, and we need to evaluate the
24 cumulative impacts of the existing programs and

1 initiatives on system reliability and energy prices.

2 Towards this goal, we support Governor
3 Paterson's Executive Order 25 and believe that a high
4 level process for reviewing the cost and benefits of
5 significant regulatory initiatives is overdue.

6 On other issues, the draft plan highlights a
7 number of energy policy issues we support, including the
8 need to develop long term alternatives for jobs;
9 encouraging in state energy production, including the
10 Marcellus shale and others.

11 Again, we appreciate the time available to us
12 today and will be submitting more detailed written
13 comments in the future.

14 MR. CONGDON: Next speaker is Karyn Burns,
15 MACNY, followed by Peter Smith.

16 MS. BURNS: Thank you. On behalf of MACNY,
17 the Manufacturers Association, thank you for the
18 opportunity to speak today, and to allow public comment
19 on the New York State Energy Plan

20 As you may know, MACNY is a trade association
21 representing over 330 companies with over 55,000
22 employees across 19 counties in upstate New York. With
23 the majority of our membership comprised of energy
24 intensive industrial manufacturing, a large focus of our

1 advocacy efforts revolves around lowering the costs of
2 energy for the statewide manufacturing community.

3 In the limited time I have available today, I
4 will be addressing MACNY's concerns with the energy
5 plan's inevitable impact on state-imposed costs to
6 electricity, and focus on the need for more diversified
7 sources and programs as a way to reduce already high
8 costs.

9 In its current format, the energy plan draft
10 promotes its main cost reduction strategy to be by
11 increasing energy efficiency, with a goal of 15 percent
12 reduction in usage through efficiency by 2015. While
13 this number is aggressive, it lacks any assurances that
14 costs to electricity that which are already high will
15 not see impacted increases as part of the solution.

16 While MACNY and its comprised membership has
17 always advocated for energy efficiency standards, in
18 order to have full support by MACNY and its membership,
19 a plan moving forward would need specific statements
20 that existing energy efficiency, demand response and
21 environmental emissions reduction programs and policies
22 remain at minimal cost to manufacturers and businesses
23 alike.

24 MACNY believes further research and analysis

1 of the impacts on both outcome and cost need further
2 investigation before going forward.

3 High energy costs in New York affect all
4 consumers, from residential to industrial businesses
5 alike. Recent information collected from the Energy
6 Information Administration's data indicates that New
7 York's energy prices for industrial customers are two to
8 three times higher than in some other states, states
9 that compete with New York for attracting and retaining
10 manufacturing jobs.

11 Much of this has to do with current fuel
12 sources. In recent years, New York's industrial sector
13 has relied primarily on oil, followed by natural gas and
14 coal. Reliance on a confined portfolio of fuel sources
15 for electricity production makes prices unpredictable,
16 limiting a manufacturer's ability to react to or control
17 energy costs.

18 Another significant portion of the energy
19 cost disparity is due to the costs imposed to fund
20 statewide energy efficiency and environmental
21 initiatives.

22 The regional greenhouse gas initiative, the
23 energy efficiency portfolio standard, the renewable
24 portfolio standard, the systems benefit charge and the

1 Public Service Law 18-a assessment are all concrete
2 examples of past enacted electricity initiatives that
3 will be costing upwards of \$1.5 billion annual to New
4 York State taxpayers.

5 In moving forward, which MACNY believes
6 energy efficiency standards are an integral part of a
7 full and comprehensive energy plan, additional resources
8 are in need of being identified, or at least utilized in
9 the best interest of New York State residents, if they
10 already exist.

11 One such method that was addressed in the
12 State Energy Plan that addresses available sources is in
13 the creation of a long term economic development power
14 program to replace the current short term program.

15 MACNY has long lobbied for the creation of
16 long term economic development power program, one that
17 which would address high electricity costs, energy
18 efficiency standards and available resources. The
19 energy plan recognizes the long overdue need to do away
20 with the short term power programs and create a long
21 term solution.

22 MACNY supports the statements, such as
23 phasing in the current economic development power
24 programs into a single, state-wide comprehensive

1 economic development power program.

2 Another mention is the need for a new siting
3 law for electric generation. New York's Article X
4 Siting Law expired in December 2002, halting plans to
5 construct much needed new electricity facilities.
6 Various versions of the Article X proposal were brought
7 to the table, yet nothing has been settled on, halting
8 the process for another year.

9 The plan's focus on the Siting Law tends to
10 focus more on public participation and intervenor
11 funding and less on the specific approaches needed to
12 expedite review and passage into law.

13 MACNY would like to thank the energy board
14 for its hard work and dedication to drafting reports. I
15 hope these points are recognized in solid energy
16 initiatives going forward for New York State.

17 Thanks.

18 MR. CONGDON: Thanks for the comments on the
19 price issue. We encourage MACNY and everyone to look at
20 some of the modeling done by the National Carbon
21 Program for New York's electricity prices and framework.
22 We anticipate for the first time New York's prices are
23 closer to average on the national paradigm and it's
24 largely due to energy efficiency and renewables.

1 We will take a five-minute break. Be back
2 very shortly.

3 (Recess taken.)

4 MR. CONGDON: Thank you.

5 Next speaker, Peter Smith.

6 MR. SMITH: Good afternoon. My name is Peter
7 R. Smith, and I am a Managing Director at the
8 Pataki-Cahill Group, an energy and environmental
9 consulting firm headquartered in New York. I am
10 appearing today on behalf of our client, Brookfield
11 Renewable Power.

12 I want to thank you for the opportunity to
13 appear today before the New York State Energy Planning
14 Board to provide the comments of Brookfield Renewable
15 Power on the draft 2009 State Energy Plan

16 We commend the Energy Planning Board and
17 staff of the respective New York State Energy Planning
18 Board member agencies and authorities for the hard work
19 that has gone into the drafting of the 2009 Draft State
20 Energy Plan. We also thank the Energy Planning Board
21 for recognizing the need for public input forums across
22 New York State by holding public hearings to receive
23 input on the policy recommendations and the underlying
24 analyses and assessments that form the Draft 2009 State

1 Energy Plan.

2 As a former Chair of the State Energy
3 Planning Board, and as a staff member that has
4 participated in state energy planning processes from the
5 development of the first State Energy Master Plan in
6 1979 to the last State Energy Plan in 2004 and its
7 annual updates in which I was involved until 2006, I
8 appreciate the effort and the interplay among and
9 between the state agencies, authorities and stakeholders
10 in crafting a State Energy Plan for the 21st century.

11 I also appreciate the long nights, the long
12 weekends and the vision of Governor Paterson in
13 designing the energy plan for the 21st century.

14 As the draft plan rightly points out, New
15 York's Energy Plan has to meet projected future energy
16 demands, while balancing and advancing other public
17 policy objectives. Brookfield Renewable Power supports
18 the plan's objective of developing a clean energy
19 economy.

20 To help frame what the plan calls facts on
21 the ground, I would like to highlight briefly a snapshot
22 of Brookfield's contribution to the clean energy economy
23 in New York State.

24 Brookfield owns 75 electric projects,

1 including a combined cycle facility in Syracuse, employs
2 over 200 people full-time, 68 percent belonging to IBEW.
3 They disburse over \$7 million a year in employee pay and
4 benefits. They invest in project improvements totaling
5 \$38 million since 2005. Pay \$14 million on average in
6 income tax. They produce clean energy to power 500,000
7 households each year. And contribute directly to
8 community, educational and sustainability initiatives,
9 donating nearly \$800,000 since 2005. Also, maintains 50
10 public recreation areas for fishing, boating, picnicking
11 and other riverside activities.

12 Brookfield's comments will focus primarily on
13 where we believe the State Energy Plan can be improved.
14 We believe that as the State Energy Plan goes from draft
15 to final the following points should be included.

16 Explicitly acknowledge the need to develop a
17 sustainable and competitive biodiesel industry in New
18 York State that can lead to dispatchable green power to
19 backstop intermittent renewable resources.

20 Include certified low impact hydroelectric
21 facilities in New York's renewable portfolio standard
22 main tier.

23 And allow greater flexibility for individual
24 projects, when operated as part of a fleet of projects,

1 to be eligible for maintenance tier assistance under the
2 RPS.

3 Both the draft plan and the renewable energy
4 assessment recognize the importance of a portfolio,
5 meaning New York wind and other generation sources.

6 The draft State Energy Plan states that it is
7 important to focus on developing multiple technologies
8 simultaneously as the portfolio of technologies can
9 offer complementary benefits.

10 Additionally, biofueled generation can be
11 dispatched by the New York ISO and therefore could be
12 used as a base load resource helping to level renewable
13 gaps that occur when intermittent generation falls off.

14 The 2009 energy plan states that the
15 levelized cost of renewable technologies is generally
16 higher than that of fossil fuel technologies, and that
17 this difference is reflected by the price premium that
18 is paid for renewable electricity under the RPS program.

19 The RPS program, however, did not bypass
20 solar or hydro. I do know NYSERDA's solicitations
21 issued last week is a step in the right direction

22 Many of the existing natural gas fired
23 turbine assets in New York State are currently
24 underutilized and could, with the right incentives,

1 provide New York with renewable capacity it needs to
2 meet its growing resource commitment at the lowest
3 possible cost to consumers and ratepayers.

4 Brookfield recommends that the expansion of
5 the RPS program, as described in the draft State Energy
6 Plan, needs to involve the solicitation of more bio-fuel
7 projects in helping to meet the expanded 30 percent RPS
8 goal.

9 Specific modifications need to be made to the
10 RPS program that recognize the added value that
11 renewable generation that is dispatchable provides to
12 meet the intermittent nature of utility scale renewable
13 generation in terms of grid reliability and immediate
14 air emission reductions as compared to meeting this
15 demand with fossil-fueled generation.

16 We also need to include certified low impact,
17 hydroelectric facilities in New York's renewable
18 portfolio standard Main Tier, available resources that
19 we shouldn't lose because of vintage or because of
20 environmental impacts.

21 Finally, allow greater flexibility for
22 individual projects, when operated as part of a fleet of
23 projects, to be eligible for maintenance tier assistance
24 under the RPS should be considered as the draft plan

1 goes from draft to final.

2 Thank you for your time and effort in this
3 planning process.

4 MR. CONGDON: Thank you very much.

5 Katrina Fritz Intwala from Plug Power.

6 MS. INTWALA: Good afternoon. I am Katrina
7 Intwala, Vice President of Government and Public
8 Relations for Plug Power.

9 To meet and exceed the objectives outlined in
10 New York State's Energy Plan, this state must include
11 progressive and detailed initiatives that harness the
12 breadth and strength of all of New York's clean energy
13 technologies.

14 Headquartered in Latham, New York, Plug Power
15 is New York's largest manufacturer solely devoted to
16 clean energy projects. Currently employing 125 New York
17 residents, Plug Power has invested more than \$94 million
18 on vendors and suppliers in this state alone. Hundreds
19 of green jobs.

20 The economic and environmental benefits
21 offered by fuel cell technology naturally align with the
22 broad strategies articulated in the New York State
23 Energy Plan. Fuel cell systems provide clean, reliable
24 energy generation. These systems can be deployed to

1 operate in parallel with the grid, as independent energy
2 sources, as energy storage devices or to complement
3 solar and wind generating systems.

4 The current draft of the New York State
5 Energy Plan; however, needs an implementation plan to
6 optimize the benefits that fuel cell technologies offer
7 as a clean energy solution. Without support of fuel
8 cell research, development and purchases, customers will
9 either use traditional energy sources or go out of state
10 where the use of alternate clean energy technology is
11 more affordable.

12 As Section 2 of the New York State Energy
13 Plan outlines, our state is aggressively pursuing
14 programs to meet 45 percent of its electricity need
15 through improved energy efficiency and clean renewable
16 energy by 2015.

17 46 percent of all wasted energy in America is
18 associated with the generation, transmission and
19 distribution of electricity. A typical New York home
20 today experiences about 44 percent overall efficiency
21 when drawing electricity from the grid while burning gas
22 or oil for home heating and hot water.

23 In contrast, combined heat and power fuel
24 cell systems produce high quality, usable heat, hot

1 water, and electricity amounts well suited for
2 residential and commercial applications, and realize
3 85 percent or greater efficiency at the point of use,
4 creating significant savings for consumers.

5 As noted in the energy plan, achievement of
6 the state's energy efficiency goals is dependent upon
7 action by consumers to invest in energy efficiency
8 equipment and infrastructure.

9 Accordingly, while continued investment in
10 research and development programs remains necessary to
11 facilitate critical long term material cost reduction,
12 Plug Power encourages New York to implement immediate
13 financing programs to fund the retrofit of incumbent
14 heating technologies with zero emission, clean CHP fuel
15 cell systems for both small customers and large
16 commercial users.

17 Plug Power also encourages New York to
18 reinstate a fuel cell tax credit that mirrors federal
19 tax incentives on the purchase of fuel cell systems.
20 This credit is necessary to attract New York residential
21 and commercial customers, both small and large. Without
22 a New York State Fuel Cell Tax Credit, this state risks
23 significant delays in the market adoption of viable,
24 clean power generation alternatives.

1 Section 3 of the New York State Energy Plan
2 also encourages deployment of distributed generation
3 through improved net metering laws and funding of
4 renewable technology through the RPS program.

5 Recently passed net metering legislation
6 incorporating CHP technology is a huge step in the right
7 direction, but this legislation treats CHP technology
8 differently, requiring that a net metered CHP account be
9 reconciled monthly, rather than annually, as with wind
10 or solar installations.

11 Annual reconciliation leverages the long
12 heating system of New York's cold winters to produce
13 more, highly efficient energy. Plug Power encourages
14 New York to revisit this net metering legislation and to
15 place CHP technology on equal footing with other clean
16 energy technologies.

17 Also, as noted in the energy plan, the RPS
18 customer sited tier program is a source of renewable
19 energy funding that targets the development of smaller,
20 behind the meter, resources that produce electricity
21 primarily for use on site. Plug Power urges that the
22 current RPS allocation for fuel cell funding be
23 maintained. Most of the funds for large fuel cell
24 systems were used last year, and some of the funds for

1 small systems were used. As commercial installations
2 continue to increase in 2009 and 2010, RPS funding
3 remains critical.

4 Section 4 of the New York State Energy Plan
5 calls for the reduction of greenhouse gas emissions by
6 80 percent by 2050.

7 Fuel cell systems offer compelling
8 environmental benefits. Both residential and
9 transportation fuel cell will reduce our carbon
10 footprint and drive a significant decrease in overall
11 demand for grid power and the pollution it generates.

12 Plug Power has made great strides in the
13 research, development and commercialization of fuel
14 cells. As more energy consumers opt for clean energy
15 alternatives, it is important that New York put in place
16 a State Energy Plan that is comprehensive, that
17 acknowledges the unique strengths of different clean
18 energy technologies, and that provides an implementation
19 plan to optimize the benefits that fuel cell
20 technologies offer as a clean energy solution.

21 Thank you.

22 MR. CONGDON: Ron Kamen from NYSEIA, followed
23 by Lisa Wright-Matthews.

24 MR. KAMEN: Thank you. I'm Ron Kamen,

1 President of the New York Solar Energy Industry
2 Association, a 191 member trade organization focused on
3 solar energy use, solar economy and establishing New
4 York as a leading solar market in New York.

5 Thank you for the opportunity to talk and for
6 the great work on this energy plan. And other people
7 have basically managed to touch on and involve
8 everything dealing with the issue.

9 Our recommended areas of potential
10 improvement are to recognize and capture the long term
11 fixed price benefits of renewables.

12 Two, to look at the solar thermal market.
13 More than half the energy in state in buildings is for
14 heat and hot water.

15 Three, establish very aggressive solar goals,
16 2000 megawatts of PV by 2020, and solar thermal by 2015.
17 And our goal is to have net zero.

18 I am a New Yorker, being here, raised here.
19 I like New York being number one in all things. We are
20 especially pleased to see the 45 by 15 initiative
21 pushing forth New York as a leader.

22 We know about Germany with 25 percent less
23 resources in New York. And a 500 mile radius around New
24 York market is an area bigger than Germany. It could

1 create 10,000 jobs, \$2 billion in the solar thermal
2 market.

3 When PV over the next ten years or so
4 approaches parity, and in particular right now solar
5 thermal, incorporate them into their own thinking and
6 start moving towards the goal we have. Fort Drum has
7 four megawatts of solar thermal which offsets 2000 tons
8 of carbon a year.

9 Soil area, dairy farms, 2000 gallons of oil
10 per year and Hudson Valley clean energy commercial
11 office building uses solar thermal with net zero energy.
12 It's happening right here in this state right now.

13 So to make New York number one: First, learn
14 from the hybrid example of long term stable programs and
15 long term government contracts. Instead of just
16 capturing the renewables, incorporate them to long term
17 financing structure.

18 Two, set specific goals with enforceable
19 milestones, solar thermal 2000 megawatts by 2030

20 Market transformation effort. I Love New
21 York Solar would be a great model. Let people know the
22 technology's here and cost effective. It's important to
23 have them in homes, schools, business offices.

24 Fourth, don't miss the long term goal. Goal

1 has to be clear, zero net energy, for the future we want
2 and need in this society. And lead the country where we
3 should be number one. Recognize and put forth a goal of
4 power emission zero net energy.

5 All the programs should have the mindset to
6 accomplish that. I believe we can get there. Thank you
7 very much.

8 MR. CONGDON: Ron, the 2000-megawatt solar
9 target, we're seeking more specificity in our plan and
10 encourage folks to specify their recommendations on what
11 it will take to get to 2000 megawatts in the state.

12 MR. KAMEN: I just took over as President,
13 and one of the first things I will be doing next month
14 is bringing together all industry, so when do we reach
15 grid parity what incentive structure, long term funding
16 structure, what is the recommendation.

17 We would love to have you and the state and
18 all the parties involved in discussion how do we get
19 there. Can't just throw incentives out. The same sort
20 of structure for 10- or 20-year contracts used for wind
21 or hydro, those are some of the things on exactly how we
22 get there, very frank questions we need to answer.

23 I appreciate the question and look forward to
24 working with you on it.

1 MR. CONGDON: Thanks.

2 MR. KAMEN: Thank you very much.

3 MR. CONGDON: Lisa Wright-Matthews, Citizens
4 Action Alliance, followed by Thomas Lindberg.

5 MS. WRIGHT-MATTHEWS: Hello, and thank you
6 for allowing me the opportunity to speak. I am Lisa
7 Wright-Matthews, just an ordinary citizen and resident
8 of Tompkins County. Pleased to be a constituent of
9 Assemblywoman Barbara Lifton.

10 I am here because 38 percent of my county's
11 acreage is leased to the oil and gas industry. Since I
12 had no voice in that reality the very least I can do is
13 speak up now. I will keep my comments brief and send
14 written comments at a later time.

15 Pages 51 and 52 of the 2009 State Energy Plan
16 under natural gas challenges and recommendations states
17 that the technique used to tap into the Marcellus shale
18 requires that the gas be produced immediately once the
19 well has been fractured and completed or the well may
20 seal and cease to be productive.

21 As a result, some producers contend that the
22 pipeline must be certified, built and ready to accept
23 gas before knowing for certain that the well will be a
24 success.

1 Goes on to say the existing process for
2 siting gas pipelines under Article VII of the Public
3 Service Law would likely accommodate this need.

4 I submit to best serve the citizens of New
5 York State that the process for siting pipelines be
6 transparent and open to the public review and comment.

7 Thank you very much, again, for the
8 opportunity to speak. As I said, I will be sending full
9 written comments at a later time.

10 MR. CONGDON: Thank you very much.

11 Pipelines need to get an Article VII
12 certificate and the proceedings are public.

13 Thomas Lindberg from Mesa Reduction
14 Engineering & Processing.

15 MR. LINDBERG: Good afternoon. My name is
16 Tom Lindberg, Vice President of Mesa Engineering. We
17 are a biomass supply company based in upstate New York
18 and appreciate the opportunity to provide comments on
19 the draft State Energy Plan here today.

20 We commend the Energy Planning Board for
21 their work in producing a very thorough researched well
22 done document. I would like to take this opportunity to
23 acknowledge the support we received from NYSERDA over
24 the years. It's critical to a small business like ours

1 to stay and grow the business.

2 We're one of the companies flying the biomass
3 flag here today, playing in this arena. We're a full
4 service biomass supply company, food stock solution for
5 renewable energy companies, universities and other
6 institutions with renewable, harvesting conveyance
7 systems that move the feed stock from storage into the
8 actual conversion facility.

9 And we also supply the biomass, full range of
10 biomass materials, and work with the full range of
11 conversion technology from all the way up to full scale
12 utility coal firing in oil plants.

13 We support quite a few jobs with the number
14 of utilities we are working with here in New York. We
15 support on these types of projects about 50 construction
16 jobs for every project we do and long term support about
17 50 jobs in the industry for loggers, foresters,
18 truckers, with New York based resources, and we are
19 contributing to the economy and spending that comes with
20 the jobs.

21 Obviously we are big supporters of the
22 biomass plan which should try to recognize the potential
23 of New York to provide for land based resources, and
24 enthusiastically support the use of biomass as renewable

1 energy resources.

2 There is a potential for New York's
3 contribution to the energy mix. Both Cornell University
4 and State Department of Ag and Markets have estimated as
5 much could be used for biomass production that is
6 currently achievable yields five tons of acres. That
7 amount of land produces almost eight and a half million
8 tons of biomass per year. 15 tons per acre could be
9 achievable with some biomass products that would produce
10 25 million tons of biomass per year.

11 SUNY College of Environmental Science and
12 Forestry in New York produces woody biomass from
13 forestry and production, a considerable amount of
14 potential fuel sustainably harvested and used for the
15 need to enhance renewable electricity generation mix by
16 having the draft plan forcibly support the use of
17 biomass coal firing and renewable generation.

18 Also make note that developing technologies
19 further reduces carbon. While the draft plan says IGCC
20 green coal, and there is no mention of the potential of
21 using the reburn process to improve and boost power
22 generation, this process point uses gasification
23 technology, zero point clean tech.

24 It also supports more use and more support of

1 gas and creates energy and other valuable products from
2 biomass and spray combustion.

3 Finally, I would like to just echo some of
4 the comments Dan Conable made earlier about getting
5 biomass right is extremely critical to New York State
6 and the definition of renewable biomass should be
7 considered right now.

8 The best way we can get biomass done right in
9 New York State is to do biomass studies, models.
10 Theories, while terrific, usually tend to confirm
11 whatever idea or slant beforehand. Go out and do
12 biomass on a small scale. What are the impacts on soil,
13 on carbon sequestration, see the impacts on indirect
14 land.

15 There are tremendous opportunities to do
16 things in New York with projects going on, for example,
17 at Cornell University. We're working with them to
18 understand all waste streams they have and use them for
19 energy and measure the impacts and use all of the
20 products for beneficial uses.

21 There are opportunities, and we strongly
22 suggest the planning board think about things they are
23 putting together and as well as let's go out and do
24 biofuels done right.

1 We will provide further comments as a company
2 heavily invested in biomass in New York State for both
3 you and all stakeholders in New York State.

4 MR. CONGDON: Matt LoPresti from Boilermakers
5 Local 5 Zone 197, followed by Andrew Fisk.

6 MR. LOPRESTI: Good afternoon, ladies and
7 gentlemen.

8 My name is Matt LoPresti, and I serve as the
9 Assistant Business Manager for Boilermakers Local 5,
10 Zone 197, based in Albany. On behalf of my union
11 brothers and sisters throughout the Capital District,
12 Southern Tier and North Country, thank you for holding
13 today's hearings.

14 To keep the lights on and revitalize our
15 economy, it is critical that we take a realistic and
16 balanced approach to safeguarding our energy future.
17 This will require that New York continues to support
18 clean, safe and reliable power resources such as nuclear
19 and hydropower, while supporting the continued
20 development of alternative resources, such as wind and
21 geothermal, to complement New York's base load power
22 infrastructure.

23 Additionally, we need to tap the latest
24 technology to turn fossil fuel resources, such as coal,

1 into clean burning base load energy resources. This is
2 critical to creating jobs, stimulating investment and
3 growing our economy.

4 The plan has identified energy efficiency as
5 the priority resource for meeting its multiple
6 objectives. While energy conservation and efficiency
7 must be a vital component of any State Energy Plan, you
8 cannot substitute efficiency and conservation at the
9 expense of base load power. No reasonable person is
10 against efficiency, but it won't be enough.

11 There are many solid initiatives within this
12 report, and in particular, I recognize the board for
13 supporting the proposed Oxy Coal plant in Jamestown, and
14 for supporting the construction of a new nuclear reactor
15 at Nine Mile Point.

16 As my union brothers and sisters well know,
17 this project is critical to the very future of Central
18 New York and the North Country.

19 In addition, your support for a new power
20 plant Siting Law and for utilizing existing right of way
21 for transmission improvement is vital to making these
22 two initiatives a reality. I would also recognize the
23 plan for supporting additional research and development
24 in renewable energy, and voicing support for a new

1 generation of green jobs. At the Boilermakers, we are
2 ready to partner with the administration to make these
3 goals a reality.

4 Despite these positive developments, our
5 state is still facing growing demands for power. Even
6 after conservation and efficiencies have been factored
7 in, the New York Independent System Operators still
8 project demand for power increasing into the next
9 decade. This must be addressed, and addressed now.

10 To maintain and enhance our quality of life,
11 New York needs to keep and expand its use of clean base
12 load sources, particularly nuclear and hydro, which
13 account for 53 percent of our electricity portfolio.

14 Of particular importance is producing new
15 hydropower at Green Island, as well as maintaining
16 operations at Indian Point Energy Center in Westchester
17 County.

18 Indian Point supplies enough power for nearly
19 one in every ten homes in our state, and is in the midst
20 of reapplying for license renewal. Your plan also
21 supports the plant's closure, which I would ask for you
22 to reconsider. Indian Point is a union facility, with
23 thousands of my union brothers and sisters either
24 directly employed or responsible for contracted work at

1 the plant.

2 In the current economic crisis with record
3 job losses, I fail to see the logic behind closing a
4 safely run power plant, one that emits virtually no
5 carbon into the atmosphere and one which employs
6 hundreds of unionized employees who keep it safe.

7 On behalf of the members of Boilermaker Local
8 5, Zone 197, I thank you for your time.

9 MR. CONGDON: Andrew Fisk, from Conservation
10 Services Group, followed by John Basile.

11 MR. FISK: I am Andrew Fisk, the New York
12 Regional Director for Conservation Services Group.

13 CSG is an energy efficiency and clean energy
14 non-profit organization that manages residential energy
15 efficiency programs in 22 states. In New York, we
16 oversee energy efficiency programs for the state and
17 various utilities valued at more than \$18 million a
18 year.

19 I am grateful for the opportunity to present
20 comments here today, inspired by the strong energy
21 efficiency priorities in the New York State Energy Plan.

22 The Governor has committed to aggressive
23 goals, the now familiar call to reduce projected energy
24 use 15 percent by 2015, and the additional aim to make

1 renewables 30 percent of our energy portfolio by 2015.

2 It's nice to see the state seriously
3 investing in energy efficiency funding, from \$25 million
4 a year in the '80s to \$750 million over the past 25
5 years.

6 I would like to make four major points which
7 focus on Chapter 2 of the plan, devoted to energy
8 efficiency. These points all share a fundamental
9 principle that programs, plans and efforts in New York
10 all stay consistent with the high level objectives and
11 strategies in the plan, and remain focused on the end
12 user, the consumer, whether it be a homeowner, a small
13 business or a large enterprise.

14 These programs are largely funded by
15 ratepayers and should ensure the end results are what is
16 right for them, not structured for the regulators, the
17 agencies or the utilities.

18 My first major point is coordination. With
19 the kind of growth I just spoke about, coordination
20 among programs and agencies is imperative and necessary
21 in determining what's best for the end user, as the plan
22 articulates well.

23 We applaud this trend and the ambitious goals
24 going forward, and are proud to play our part in helping

1 the state reach them through the programs we are
2 involved in.

3 That said, a number of initiatives like EEPS,
4 SBC, RGGI, WAP, ARRA, and agencies like the State Energy
5 Planning Board, PSC, NYSERDA, LIPA, NYPA, DHCR make sure
6 coordination is effective. We need strong leadership at
7 the government level to make sure programs don't compete
8 at the customer level.

9 New Yorkers need a central source of
10 information to go to one place so end users can go and
11 find out the right thing without having to go to five
12 places to get the information.

13 We need one large coordinated outreach
14 campaign to get the people invested in leveraging
15 dollars and investing. Someone spoke earlier about an I
16 Love New York campaign. Something of that nature, so
17 that everybody understands there's one place to go to.

18 The second major point is comprehensiveness.
19 The draft State Energy Plan analyzed a broad range of
20 matters related to the state's energy systems. This
21 included the interrelated effects of energy production
22 and use on the state's economy, environment and
23 transportation system.

24 This same comprehensive interrelated approach

1 needs to be used when analyzing an end user's investment
2 in health and safety and improving homes and buildings.
3 A comprehensive whole-house, fuel-blind approach to
4 treating buildings needs to be used.

5 The state has a history of leadership in
6 comprehensive energy efficiency policies as proven by
7 NYE\$, Clean Energy Initiative, etc.

8 A recent ruling was in favor of overly strict
9 cost effectiveness tests that will lead to
10 cream-skimming, what we call measures that favor quick
11 energy savings over deeper energy savings that may have
12 a longer payback.

13 This approach leaves too many energy
14 efficiency opportunities for energy savings on the
15 table. Example is think about replacing a heating or
16 cooling system. Look at the economics of the measure.
17 If the home is not insulated or leaks, it's going to
18 have oversized equipment going in the building. But if
19 the building is treated comprehensively, downsize the
20 equipment and substantially reduce the load for that
21 building. That should be supported in these programs.

22 If you educate and train the marketplace
23 mentioned in the plan there will be long term
24 sustainable change. I believe the other thing is fuel

1 silos make sure we are fuel neutral.

2 In summary, we support the overall direction
3 of the State Energy Plan and encourage the State Energy
4 Planning Board to always include a strong educational
5 campaign to educate consumers about the benefits of
6 energy efficiency, and incorporate high technical
7 standards for the industry to follow and ensure strong
8 consumer protections.

9 Thank you again for your commitment to energy
10 efficiency as a pillar of New York State's policy, and
11 for an opportunity to comment on the 2009 draft plan.

12 Thank you.

13 MR. CONGDON: Thank you very much.

14 Our next speaker is John Basile, New York
15 AREA, followed by Carl Patka.

16 MR. BASILE: Good afternoon. My name is John
17 Basile. I am Director of New York Affordable Reliable
18 Electricity Alliance. I also serve as elected Trustee
19 and Deputy Mayor of the Village of Stillwater, up the
20 river here, and spent many years working for electric
21 utilities, 35 of those, with several of them as the
22 consolidated plant manager for the Indian Point nuclear
23 power plant.

24 For decades, this nation and this state have

1 needed a comprehensive energy policy. I commend
2 Governor David A. Paterson for establishing this state
3 Energy Planning Board to prepare a State Energy Plan.
4 The plan has many very positive proposals and
5 recommendations. We heard about a lot of them today.
6 For my purpose today, I will address two areas where I
7 feel very strongly the draft plan is either weak or in
8 error.

9 I am beginning with nuclear power. While the
10 draft plan supports the implementation of a new power
11 plant Siting Law modeled on the expired Article X
12 statute, it does not address the central importance of
13 such a law which is fuel neutral and sets a reasonable
14 and established framework for all new power plant
15 proposals to be considered. This is essential for
16 investors to make commitments to new projects and to
17 even propose such projects.

18 In fact, the draft plan actually proposes the
19 removal of more than 2000 megawatts of needed generation
20 from the grid by opposing license renewal of Indian
21 Point Units 2 and 3. While noting the current
22 importance of Indian Point, which provides approximately
23 10 percent of the state's total electricity, and 25
24 percent of that used in the metropolitan New York City

1 region, it argues the state can make up for the loss of
2 more than 2000 megawatts of power through efficiencies,
3 conservation and even a fossil fuel burning plant on the
4 current Indian Point site.

5 Such assertions are contradicted by numerous
6 in depth studies over the years, including a prominent
7 2006 study by the National Academy of Sciences.
8 Furthermore, the New York Independent Systems Operator,
9 the non-profit operator of the state's transmission
10 grid, said earlier this year that the closure of Indian
11 Point will result in an immediate violation of
12 reliability standards.

13 The draft plan points out nuclear safety, but
14 fails to recognize the 47 years of safe operation of the
15 Indian Point plant. It does not take into consideration
16 the investments in the plant by the operating utility,
17 Entergy Inc. Most of all, it fails to recognize the
18 many years of dedication by New Yorkers who have worked
19 at this plant and who have had their major objective in
20 operating it safely.

21 I count myself as privileged to have worked
22 with many of those professionals whose main objective
23 was safe and reliable operation.

24 Failure to relicense Indian Point plant or an

1 even earlier shutdown will jeopardize the Governor's
2 greenhouse gas reduction goals of 15 by 15 and 45 by 15.
3 The advantages of New York State electric energy
4 production coming from some 43 percent being generated
5 by nuclear and hydroelectric gives the state a
6 significant benefit to the health of the population and
7 are the primary reasons these goals are achievable.

8 The six nuclear power units in New York are a
9 critical part of the electric generation infrastructure,
10 and their licenses are being extended, yet they will
11 have a finite life that will end within 20 to 30 years.

12 This plan must recognize the need for
13 replacement of nuclear generation and the development of
14 new nuclear generation. In addition, the plan needs to
15 support the Unistar, which is a joint venture with
16 Constellation Nuclear Group and Electricite' de France,
17 proposed plant in Oswego, New York.

18 A new nuclear facility would provide much
19 needed jobs to the upstate region, as well as additional
20 generation capacity. Along with jobs and additional
21 capacity, new nuclear would help the state meet the
22 longer term goals of reducing carbon emissions. New
23 nuclear will maintain the reliability of our electric
24 grid base load operations.

1 Therefore, two new recommendations are
2 required. Support the relicensing of the Indian Point.
3 Support the development of nuclear plants within New
4 York such as the proposed Unistar project near Oswego,
5 New York.

6 A third is to revise the power plant siting
7 recommendation. The state shall enact a power plant
8 Siting Law to ensure greater market certainty to
9 developers and investors of all fuel type power
10 generators, enhances public participation with
11 sufficient intervenor funding made available to local
12 communities, includes improved notice provisions and
13 addresses environmental justice issues.

14 The next area is transportation. I believe
15 the draft plan neglects to discuss in detail the energy
16 use and carbon emissions associated with transportation.
17 Overall, it targets electricity usage with little regard
18 for the impact transportation it has on the state.

19 The transportation sector is the largest user
20 of energy in New York and generates more greenhouse
21 gasses than any other sector. I recommend the plan,
22 which includes a lot of issues related to energy uses on
23 transportation, be strengthened by assigning NYSERDA to
24 work with New York State Department of Transportation to

1 develop fuel use alternatives for driven miles per unit.

2 And a second recommendation is NYSERDA
3 develop a plan for all cities in New York to implement
4 local transportation services utilizing natural gas as
5 we did in New York City.

6 Thank you for your attention.

7 MR. CONGDON: Thank you very much.

8 Carl Patka from NYISO, followed by Joseph
9 Mirabile.

10 MR. PATKA: Good morning. My name is Carl
11 Patka, and I am here today representing the New York
12 Independent System Operator. The NYISO is pleased to
13 submit these short oral comments on the draft State
14 Energy Plan and expects to file more detailed, written
15 comments on October 7th.

16 The NYISO performs three primary functions
17 for New York's bulk electric transmission system under
18 tariffs approved by the Federal Energy Regulatory
19 Commission.

20 First, we operate the bulk electric
21 transmission system to maintain reliable electric
22 service across New York 24 hours a day, 7 days a week,
23 365 days a year.

24 Second, we operate New York's competitive

1 wholesale electricity markets and provide transmission
2 service on an open and non-discriminatory basis.

3 Third, we plan for the future of the New York
4 bulk electric transmission system to reliably
5 interconnect new resources and assess the adequacy of
6 resources to meet future electricity needs in compliance
7 with applicable reliability criteria.

8 Beginning this year, our planning
9 responsibilities now include a process to address
10 transmission congestion on the high voltage transmission
11 system and the economics of potential projects to
12 relieve that congestion.

13 Given this range of electric system
14 responsibilities, the NYISO is uniquely equipped to
15 provide objective data and analysis on key energy issues
16 facing the Empire State.

17 The NYISO is not a policymaking organization.
18 However, we have contributed to the formulation of the
19 draft State Energy Plan in several ways. The NYISO has
20 met with the energy coordination working group and many
21 of its members, submitted written comments on November
22 26, 2008 and May 15, 2009, and provided technical
23 modeling data and analysis to NYSERDA and the Public
24 Service Commission to support the plan's electricity

1 assessment.

2 Briefly on the merits, the NYISO supports the
3 five core strategies stated in the plan. First, with
4 respect to producing, delivering and using energy more
5 efficiently, we agree with the plan that New York's
6 competitive marketplace for electricity has driven
7 efficiency gains in electricity production by, among
8 other things, increasing plant availability and lowering
9 the gross heat rate, which reflect improved efficiency
10 of the generator fleet.

11 The Plan also comports with the NYISO's
12 assessment of the value of reducing transmission and
13 distribution system losses to increase efficiency,
14 mitigate market volatility, and reduce environmental
15 impacts.

16 Second, the NYISO supports the plan's call
17 for development of in state energy supplies.
18 Approximately 1,275 megawatts of wind generation are now
19 on line in New York, up from 408 megawatts in early
20 2008.

21 There are another approximately 7,000
22 megawatts of proposed wind projects in the NYISO's
23 interconnection study process.

24 The NYISO is completing its wind study to

1 determine whether up to 8,000 megawatts of intermittent
2 wind generation can be reliably and economically
3 integrated into New York's power grid. The NYISO will
4 submit that detailed study and its conclusions to the
5 State Energy Planning Board when it is completed.

6 The NYISO has also supported maximizing other
7 in state resources, including energy storage and demand
8 response, as encouraged by the plan. The NYISO has
9 2,147 megawatts of demand response resources on line, a
10 200 percent increase from 201.

11 Third, the NYISO agrees that further
12 investment will be needed in energy resources and
13 infrastructure. Since 2000, over 7,600 megawatts of new
14 generating capacity have been added to the system by
15 private power producers and public power authorities.

16 Interconnecting more wind and other renewable
17 resources will require more transmission facilities to
18 carry the electricity generated by those resources to
19 load centers.

20 In addition to our own planning processes, we
21 are working with New York's transmission owners on a 20
22 year assessment in the State Transmission Assessment and
23 Reliability Study, or STARS. The NYISO also concurs
24 with the plan's call for reenactment of a power plant

1 siting statute.

2 Fourth, the NYISO supports the plan's call
3 for innovation, stimulating New York's clean energy
4 economy and building the Smart Grid.

5 On August 3rd of this year, the NYISO,
6 together with the New York transmission owners, filed
7 with the United States Department of Energy an
8 application for Smart Grid stimulus grants to add
9 switchable capacitors in key locations to boost power
10 grid voltages and reduce losses, and to add a network of
11 phasor measurement units that will sample the New York
12 bulk power system 30 times a second looking for faults,
13 helping us to avoid future blackouts.

14 Fifth, we support the plan's call for
15 regional engagement in achieving the plan's objectives.
16 Together with other ISOs, regional transmission
17 organizations and planning authorities, the NYISO has
18 filed with the United States Department of Energy for a
19 grant to fund planning studies that will cover the
20 environmental parts of Canada under a new process known
21 as the Eastern Interconnection Planning Collaborative.

22 That process will roll up regional and state
23 transmission and resource plans to formulate
24 interconnection-wide plans for the United States and

1 Canada for the bulk income transmission system. That
2 process includes a stakeholder committee and under the
3 federal grant one third of the representatives of the
4 stakeholder committee are going to be state
5 representatives. We look forward to your participation
6 in that process.

7 In conclusion, the NYISO supports the overall
8 direction of the draft plan and looks forward to
9 continuing to assist the working group as the State
10 Energy Plan nears completion.

11 Thank you very much.

12 MR. CONGDON: Our next speaker is Joseph
13 Mirabile from NYS Laborers, followed by Cindy Chadwick.

14 MR. MIRABILE: Our labor management
15 organization represents over 4,000 construction laborers
16 and their affiliated contractors in New York State.
17 Most of the members reside in New York State. Our
18 members work in many segments of the energy industry.
19 Overall, we believe that this is a very good plan and
20 addresses many important energy issues in New York
21 State. We have several comments regarding specific
22 parts of the plan.

23 Number one, improving energy efficiency. We
24 support the goal of reducing energy use through a

1 variety of efforts and including improvements in energy
2 efficiency in residences and other buildings. The state
3 must make a serious effort in this area, both by
4 improving current programs and developing new
5 initiatives.

6 These new initiatives must include mechanisms
7 for billing residential energy improvements through
8 utility mechanisms and the implementation of alternative
9 financing programs.

10 The recent report Green Jobs/Green Homes New
11 York produced by the Center for American Progress and
12 the Center for Working Families provides an excellent
13 template for this effort. The State Energy Plan should
14 also more clearly recognize the need for the state and
15 cities necessary infrastructure improvements to reduce
16 energy use in public buildings. In addition, the plan
17 also should reference the potential benefits in terms of
18 job creation and job training from these programs.

19 Two, improving renewable resources such as
20 wind power can play an important role in meeting our
21 state's energy needs. However, better support for
22 financing the development of these renewable sources is
23 needed. The delay in developing several planned wind
24 farms due to the lack of available financing in the

1 current recession underscores the need to provide better
2 public support for the development of renewable energy
3 sources.

4 Three, improving the siting process. The
5 siting process for new power plants, gas pipelines, wind
6 farms, etc., needs to be improved. In many cases, it
7 takes far too long and is too prone to unnecessary
8 delays.

9 The energy plan includes several good
10 recommendations, including better funding for public
11 participation, but these should be implemented along
12 with new requirements to limit unnecessary delays by
13 requiring early and full disclosure of relevant and site
14 evaluations, etc. New York State has gone far too long
15 without a functioning siting process, and we risk major
16 disruptions in our energy supply if we don't remedy this
17 problem.

18 Fourth, avoid disruption of supply from
19 current sources. While we should have an overall goal
20 of developing more renewable sources and power sources
21 with less environmental impact, this transition will
22 take time, as will reducing our energy use.

23 We must be careful to maintain support for
24 many current energy sources during this transition.

1 Sources such as the Indian Point reactors are going to
2 be needed for some time unless we want to risk
3 significant disruptions in the downstate energy supply.

4 The current plan may be too optimistic about
5 the development of alternative sources that would
6 replace the critical energy supply from the Indian Point
7 reactors. Until the federal government has evaluated
8 the cost effectiveness and potential environmental
9 impact of the new generation of nuclear power reactors,
10 we believe that New York State should postpone the
11 premature decommissioning of this critical power
12 generation source.

13 Thank you very much.

14 MR. CONGDON: Thank you.

15 Cindy Chadwick from NYSEG, followed by
16 Garrett Bissell.

17 MS. CHADWICK: Good afternoon. My name is
18 Cindy Chadwick and I am Manager, Public Affairs for
19 NYSEG and RG&E. On behalf of the companies, thank you
20 for the opportunity to provide comments on the draft
21 2009 State Energy Plan.

22 By way of background, NYSEG and RG&E serve
23 more than 1.2 million electricity customers and nearly
24 560,000 natural gas customers across more than 20,000

1 square miles of upstate New York. Delivering energy in
2 a safe, reliable and environmental responsible manner to
3 our communities and customers is of paramount
4 importance.

5 We commend the State Energy Planning Board
6 for its leadership and initiative in developing the
7 draft energy plan. Only through careful planning and
8 coordinated efforts will the state continue to
9 responsibly and cost effectively meet its energy needs.

10 NYSEG and RG&E strongly support the draft
11 energy plan's overall policy objectives to ensure
12 reliability, reduce greenhouse gases, address
13 affordability, and improve the state's competitiveness,
14 reduce health and environmental risks, and improve fuel
15 diversity.

16 We also support the draft plan's objectives
17 to increase energy efficiency, stimulate innovation and
18 engage local governments and others in achieving the
19 state's energy objectives.

20 Our role as energy delivery companies, and a
21 number of our current initiatives, are or will be
22 instrumental in helping to meet the plan's objectives.

23 Today I will focus on three elements of the
24 draft plan critical to NYSEG and RG&E and vital to

1 achieving the objectives of the draft energy plan, the
2 three being: Infrastructure investment, energy
3 efficiency and renewable resources.

4 As transmission and distribution companies,
5 infrastructure is the keystone of our businesses.
6 Collectively, the companies own, operate and maintain
7 almost 61,000 miles of power lines; more than a million
8 poles to carry those lines; 370,000 transformers; and
9 600 substations across more than 40 percent of upstate
10 New York.

11 Our natural gas infrastructure includes more
12 than 16,500 miles of transmission and distribution
13 pipeline, and more than 860 regulators.

14 Given the breadth of our service area, and
15 the complexity of our energy delivery systems, and our
16 focus on providing safe and reliable service to our
17 customers, I need not say more about the importance of
18 infrastructure investment and our support of the plan's
19 objectives and recommendations regarding infrastructure.

20 Further, the draft plan is right on target in
21 stating that because New York's electric infrastructure
22 is old, significant capital investments will need to be
23 made in the utilities' electric transmission and
24 distribution systems to meet future electric demand and

1 allow them to continue to provide reliable service.

2 There are numerous places in the plan where
3 similar things are stated and future comments will
4 provide more on that.

5 Taking the draft energy plan's recognition of
6 the importance of infrastructure investment just one
7 step further, the state must recognize that for
8 utilities to invest the capital needed for system
9 reliability and for new technologies, appropriate
10 regulatory consideration of those investments is
11 critical.

12 With the largest share of customers' bills
13 being comprised of supply charges and taxes and fees,
14 the components over which we have no control, it is
15 essential that energy delivery revenue is adequate to
16 run a safe, reliable energy delivery business.

17 The second element I mentioned, energy
18 efficiency. We have long been advocates of energy
19 efficiency in operating our T&D systems and in end use
20 customer energy consumption. In support of the draft
21 energy plan's objective to increase the efficiency of
22 the state's electric system, we are actively pursuing
23 the deployment of Smart Grid technologies after having
24 worked closely with the Department of Public Service.

1 We propose to install customer focused,
2 comprehensive Smart Grid demonstration projects in four
3 communities in service areas. The proposed projects
4 would include installation of smart devices that
5 interface with all aspects of our delivery system.

6 Just as an aside, Energy East, NYSEG, and
7 RG&E have submitted two proposals for compressed air
8 energy storage plants. That also has been submitted to
9 the US Department of Energy. Because it's a proven
10 technology it uses less fuel. Further, it will help to
11 meet the draft energy plan's objective of reducing
12 greenhouse gases and cost.

13 The company is also involved under the
14 auspices of the PSC with energy efficiency for the
15 portfolio standard natural gas rebate.

16 Just two more items before I close. In terms
17 of renewable energy, which I mentioned as the third
18 element, we own and operate hydro facilities where we
19 have worked very hard to maximize the efficiency of
20 those plants.

21 In addition, we fully support the plan's use
22 of in state energy resources and renewables and have
23 seen a tremendous increase in the number of
24 interconnections we have done for renewable technologies

1 -- over 600 photovoltaics, 40 wind projects, a lot of
2 commercial wind, 415 megawatts of capacity has been
3 installed with 350 additional planned in the queue for
4 next year.

5 Also involved with methane digesters working
6 with NYSERDA. There are a lot of cows in the service
7 area.

8 In the plan there is a reference to economic
9 development power programs to help commercial and
10 industrial customers. Although we do feel that
11 economics is very important, I would be remiss if I did
12 not mention that the company supports the retention of
13 the NYPA allocations that we receive on behalf of our
14 residential customers.

15 We thank you very much for your time today
16 and look forward to working with you as you finalize the
17 plan.

18 MR. CONGDON: Next speaker is Garrett Bissell
19 from Multiple Intervenors, followed by Mary Feiden.

20 MR. BISSELL: Good afternoon. My name is
21 Garrett Bissell of Couch White, LLP. I represent
22 Multiple Intervenors.

23 Multiple Intervenors is an unincorporated
24 association of approximately 50 large industrial,

1 commercial and institutional energy consumers with
2 facilities throughout New York State whose members,
3 collectively, employ tens of thousands of New Yorkers.

4 Multiple Intervenors supports cost effective
5 energy efficiency initiatives, as well as efforts to
6 reduce greenhouse gas emissions. In fact, our members
7 have invested tens of millions of dollars and
8 substantial other resources in order to reduce the
9 carbon footprint and increase the energy efficiency of
10 their respective facilities.

11 Despite these efforts, however, our members
12 have significant concerns regarding the ability of their
13 respective operations in New York State to remain
14 competitive and viable, given the multiple competitive
15 pressures facing them both worldwide and internally. A
16 major contributing factor to this concern is the high
17 cost of energy in New York.

18 While Multiple Intervenors commends the draft
19 plan for recognizing the substantial burden that high
20 energy prices place on all energy consumers, we have
21 concerns that the recommendations of the draft plan will
22 likely exacerbate, rather than ameliorate, this burden.

23 New York consumers currently pay the fifth
24 highest electricity prices in the country, nearly double

1 the natural average price. A primary cause of the high
2 cost of energy in New York is the impact associated with
3 the state's own energy and environmental initiatives.

4 In fact, five of these initiatives -- the
5 regional greenhouse gas initiative; the temporary state
6 assessment pursuant to Public Service Law section 18-a;
7 the renewable portfolio standard; the system benefits
8 charge, and the energy efficiency portfolio standard --
9 cumulatively cost the state's electricity consumers
10 nearly \$1.3 billion, accounting for approximately
11 12 percent of the average consumer's electricity bill,
12 and approximately 16 and a half percent of the
13 electricity bills of the state's businesses and
14 industries.

15 Rather than seeking to ameliorate the current
16 substantial impacts of these initiatives, the
17 recommendations of the draft plan would further
18 exacerbate them.

19 For example, the draft plan recommends
20 increasing the cost of electric energy efficiency
21 program funding to more than \$1 billion per year through
22 2015. This is more than double the current cumulative
23 annual cost of the system benefits charge and energy
24 efficiency portfolio standard.

1 In addition, the draft plan recommends
2 increasing the cost of the renewable portfolio standard
3 to more than \$257 million per year through 2015. Again,
4 this is more than two and a half times greater than the
5 current annual cost of this program.

6 Adoption of these recommendations would
7 increase the total cumulative cost of the five
8 previously mentioned initiatives by more than
9 50 percent, to nearly \$2 billion per year, and nearly
10 double the electricity bill impact of these initiatives
11 to consumers.

12 In fact, the recommendations, if adopted as
13 proposed, would result in the initiatives accounting for
14 approximately 30 percent of the electricity bills of the
15 state's businesses and industries, an increase in the
16 bill impact of nearly 14 percent.

17 While Multiple Intervenors support the
18 recommendations in the draft plan to retain and expand
19 the current economic development programs administered
20 by the New York Power Authority, such programs alone
21 will not be sufficient to turn the tide in New York and
22 return to a culture that fosters rather than impedes
23 economic development and business growth.

24 Accordingly, the board should modify the

1 draft plan to recommend the development of additional
2 new incentive programs that seek to lower the cost of
3 doing business in the state.

4 Moreover, the draft plan should be modified
5 to include sound policies to ameliorate the current
6 substantial burden placed on the state's residents,
7 businesses and institutions by runaway energy costs.

8 In contrast to the recommendations of the
9 draft plan, such policies should not be premised on
10 collecting billions of dollars in new, incremental
11 program costs from the state's already overburdened
12 energy consumers.

13 Thank you in advance for your careful
14 consideration of these comments.

15 MR. CONGDON: Thank you.

16 Our next speaker is Stephen Davis, followed
17 by Mary Feiden.

18 MR. DAVIS: Good afternoon. Thank you very
19 much for the opportunity to come down here and speak.
20 Anyway, when I was reviewing the energy plan I saw so
21 many places where this idea fit. I think it's another
22 thing that should be added to the list of
23 recommendations, and that is one of light pollution.

24 We have had a bill in front of the

1 legislature since 1999 when Mr. Grannis introduced it.
2 It hasn't passed yet. I think it got to the Governor
3 back in 2001. Somebody got to the Governor on the other
4 side and took care of that.

5 It's something that's very easy to do and
6 very cost effective and you can do something about it
7 today. Instead of waiting for the legislature to do
8 something about this, I kind of call upon the Governor
9 and the heads of the various departments to go ahead as
10 part of their administrative jobs, as executives, to go
11 ahead and start doing something about this. Otherwise,
12 you are going to be waiting forever.

13 Thoughts of the current bill is rather weak
14 and I think it should be beefed up a lot. Otherwise,
15 it's going to be too little too late. Back in 2001, we
16 had the chance of being the fifth state in the United
17 States to pass the light pollution law. New Hampshire
18 just became the 14th. Are we going to be the 15th?

19 We talk about how good we are. Let's show
20 them how good we are. We've got a lot to do. I look
21 around and I see all kinds of bad lighting everywhere.
22 I just came up Henry Hudson Boulevard and I saw three
23 sets of streetlights. Why three?

24 Just this past weekend I was going through

1 Vermont and passed through the side streets going down
2 to the railroad tracks. Only maybe a couple houses.
3 Brand new sidewalks and brand new historic lighting.
4 Why the lighting to nowhere? I don't know. The train
5 doesn't stop there.

6 There are a lot of state projects that are
7 being padded up with extras, particularly for sidewalks
8 and highways. They have very poor choices of the
9 lighting. In many cases, spending millions of dollars
10 on historic lighting. Often this lighting costs four or
11 five times more than the energy that is being consumed
12 over its lifetime.

13 We have a state budget that's in financial
14 trouble. We're wasting money foolishly. You got to
15 start looking at the details.

16 Many of you have seen this. This is a
17 projection of lighting across the United States. Do
18 something about it. All this money and energy we are
19 wasting and there are a lot better purposes if you want
20 new lights or stay warm.

21 Resources are limited. You can't manufacture
22 more oil. It's a law of supply and demand. As supply
23 goes down, prices go up. You have to turn the lights
24 off to stay warm at night.

1 Thank you very much.

2 MR. CONGDON: Thank you.

3 Our next speaker is Mary Feiden, followed by
4 Sue Montgomery-Corey.

5 MS. FEIDEN: Good afternoon. My name is Mary
6 Feiden. I'm here representing Earl B. Feiden Supplies.
7 We're a local family-owned and operated business located
8 right here in Albany County since 1926.

9 I came here today to speak to you about our
10 experience as a retailer in the NYSERDA Products
11 Program. We have been a participant in the program
12 since its inception over ten years ago. For a retailer
13 like myself, the Products Program has offered us a
14 valuable tool to enhance our business and promote energy
15 efficient appliances to customers.

16 The training provided through NYSERDA's
17 Products Program educates our staff to the value that
18 Energy Star products offer, so our customers can make
19 informed, energy smart decisions. We have also been
20 given the ability to customize our own unique Energy
21 Star programs so that we can offer our consumers
22 additional savings for purchasing Energy Star products.

23 Some examples include: Free delivery of
24 Energy Star appliances, free removal and recycling of

1 your old appliance, 10 percent off energy supply
2 purchases. All of these purchases are partially funded
3 by the funds available through the Products Program.

4 Currently today, we are offering our own
5 version of a cash for clunkers program. We're offering
6 a customer, instead of paid removal of an old appliance,
7 \$50 to turn in their old appliance, and we recycle the
8 appliance towards the purchase of a newer, more energy
9 efficient one.

10 Two years ago we hosted a green seminar in
11 our store, which some members from NYSERDA and other
12 partners came to speak about their products and their
13 energy efficiency. The public was invited free of
14 charge to the presentation to educate on making energy
15 conscious decisions in their everyday life.

16 We had representatives from many facets of
17 appliance manufacturing, heating, cooling and even
18 representative from Habitat for Humanity to encourage
19 the reuse of construction materials.

20 The response was overwhelming, with over a
21 hundred people attending and many inquiries for future
22 appliances. As a retailer, I can tell you: We have
23 seen Energy Star become a major component in the
24 selection of new appliances. Is this an Energy Star

1 model is now a common question.

2 Clean products that help us educate our
3 customers on the long term and savings with Energy Star,
4 as well as assist us to further entice a consumer into
5 making an energy responsible decision by offering
6 additional savings.

7 If success of a program is truly measured in
8 numbers, consider this. In 1999 Energy Star products
9 represented about 15 percent. I'm proud to say with
10 some of these programs that NYSERDA has aided us with we
11 now have some product types that are over 80 percent.

12 With the continued support, a laudable goal
13 would be of getting all these product types to this
14 percent and higher and ultimately to reach a hundred
15 percent.

16 Thank you for your time. I appreciate the
17 opportunity.

18 MR. CONGDON: Thank you very much.

19 Sue Montgomery-Corey from Community Power
20 Network of New York State.

21 MS. MONTGOMERY-COREY: Good afternoon. I am
22 Sue Montgomery-Corey. I'm with the Community Power
23 Network of New York State. We are based in southern
24 Essex County in the Adirondacks.

1 CPN works on initiatives that impact families
2 and communities. The work is energy related. We are
3 also part of the energy smart park initiative and
4 involved in climate change planning in the region.

5 I am also the Chairman of the National Fuel
6 Funds Network, which is a national organization that
7 represents over 300 organizations, non-profits,
8 government agencies and utility companies across the
9 United States. And we work through the Fuel Funds
10 Network on energy assistance and trying to bring the
11 public and private dollars together to make sure that
12 low income families can afford the program we used.

13 So, the plan that you all have been working
14 on is very important to me in my work and to the folks
15 that I represent locally and nationally. I think it's a
16 good plan and I really appreciate the effort that went
17 into putting it together.

18 I think it really is very comprehensive, and
19 I appreciate very much the inclusion of references to
20 low income customers and their needs throughout the
21 plan.

22 There are a couple of things I want to
23 mention. I will be doing some written comments, but I
24 did want to comment on a couple of things today.

1 First of all, I was really glad Andrew Fisk
2 spoke earlier because he talked about a couple of
3 principles that were very important to me. Those would
4 be fuel neutrality and the whole house approach.

5 Where I live up in the Adirondacks, about
6 80 percent of the households heat with bulk fuels and we
7 see an increase more recently with folks trying to
8 convert to wood to be able to afford their energy bills.
9 All around me, as I went up and down my street, there
10 were wood piles where there didn't used to be wood
11 piles.

12 It's not state of the art, but I worry about
13 air quality of the neighborhood and throughout the
14 Adirondacks. That is the issue.

15 We support and encourage the development of
16 biomass and have done some work with folks on that
17 issue, but I think it's important the plan really look
18 at that and try to encourage programs that support
19 conversion to energy efficient biomass and wood burning
20 equipment.

21 It's also important, because so many of our
22 households do heat with bulk fuels and try to reduce the
23 home heating oil as part of the plan, I think the
24 programs we have do need to be fuel neutral.

1 On the whole house approach, I think it's
2 also very important for all residential customers, for
3 low income especially it's important because they don't
4 have the resources to go out and take advantage of a lot
5 of the incentive programs already in place.

6 New York has in place some of the best low
7 electric programming in the country through the
8 residential program and lighting has been in place since
9 the early '80s, and some of the newer programs that are
10 on line. We do some work with Empower and Assisted Home
11 Performance Program. We're really glad that they are
12 there and included in the plan, and we are hoping that
13 they will continue down the road.

14 One of the issues Andrew also brought up is
15 the importance of coordination, and we also see that. A
16 big effort is being made to coordinate among the
17 programs, but there's a whole lot more that can be done.

18 One of the things I would like to suggest is
19 that the Governor consider adding to the Energy Planning
20 Board the Commissioners of DHCR, OTDA and CPB so that
21 those agencies are fully on board with what it is you
22 are trying to do.

23 One of the things that doesn't seem to be
24 addressed is the issue of service termination. I know

1 that the Public Service Commission spent a lot of time
2 recently on the service termination issue.

3 New York, over the last several months, has
4 had double digit service termination for electric
5 customers. One of the things that's interesting is that
6 what I have been hearing from Fuel Fund friends all over
7 the country, which is that we are seeing new people who
8 never had issues who are now trying to deal with their
9 energy costs. And so, figuring out how we as a state
10 think through those issues will be very important. I
11 would like to ask you to consider including that in your
12 planning and thinking.

13 Energy assistance is really important. It's
14 not just a bill payment effort. It's also a matter of
15 health and safety. There has been research that was
16 done by some Fuel Funds folks, research that Dr. Warren
17 Cook in Boston did, which took a look at low income
18 families and talked about the health issues with that,
19 and found that if families were energy secure and were
20 able to pay the bills, the kids spent less time out of
21 school, didn't miss school as much. That's an important
22 policy goal that's a little outside the energy specific
23 issue but it's important for New York.

24 Thank you.

1 MR. CONGDON: Thank you, Sue.

2 Our next speaker is Natalie Hildt from NEEP,
3 followed by Paul Ertelt.

4 MS. HILDT: Good afternoon. I am here
5 representing Northeast Energy Efficiency Partners, which
6 is a regional non-profit organization founded in 1996.
7 We work across New England, the northeast and the
8 mid-Atlantic states to promote energy efficiency
9 policies and programs in homes, buildings and industry.

10 So, I would like to once again thank the
11 board and the energy coordinating working group for its
12 terrific plan, for the clear vision and understanding of
13 the vital role renewable energy and energy efficiency
14 can and are playing in meeting energy needs, reducing
15 carbon emissions, helping consumers, businesses and
16 communities control their energy costs, and serving as
17 an economic engine as the state grows into a clean air
18 economy.

19 In the interest of time, I just want to
20 highlight four areas that NEEP would like to draw
21 attention to in our work on buildings particularly.

22 Building standards and codes, building codes,
23 appliance standards, energy metrics and verification and
24 increased work on partnerships across markets and within

1 other states in the region.

2 The draft plan wisely notes that over time as
3 markets mature and technology advances, building energy
4 codes and appliance efficiency standards can and should
5 be advanced as well. While the plan lays out a variety
6 of mechanisms for achieving greater efficiency in the
7 building sector, NEEP submits that there are a number of
8 key strategies that could help the state go even further
9 and should thus be considered in the final plan.

10 We're pleased to see the draft plan
11 recommends energy codes, including adoption of the 2009
12 IECC code for residential buildings and 2007 ASHRAE 90.1
13 code for commercial buildings.

14 Automatic updates of all building energy
15 codes whenever national model codes are published. And
16 enhanced resources and training to meet the goals laid
17 out under ARRA.

18 We think these policies could be more
19 effective in the effort to reduce building energy
20 consumption were they to be adopted together with
21 strategies suggested by NEEP in our May 2009 comments.

22 Again, these include adoption of an
23 informative appendix or stretch code as part of the
24 building energy code which will allow municipalities

1 that so wish to adopt an energy code that is more
2 stringent than the state code.

3 Massachusetts has recently adopted such an
4 informative appendix to the building energy code and
5 several northeast states are currently giving serious
6 consideration to a stretch energy code.

7 We will point out that it is important that
8 such action not preclude a full participation and
9 valuation in energy efficiency programs run by state
10 utilities by viewing such stretch code efficiency levels
11 as baseline.

12 Next, we would like to see adoption of
13 statutes or regulations authorizing independent, third
14 party energy code inspectors, along with the enhanced
15 energy training and certification of all inspectors as a
16 means of increasing compliance with building energy
17 codes.

18 And adoption of building commissioning
19 requirements for commercial buildings, as well as
20 building bench marking programs to help to ensure that
21 buildings are built and are maintained in an energy
22 efficient manner.

23 Next, we would like to see adoption of
24 requirements for energy ratings of homes and commercial

1 buildings at time of sale.

2 NEEP is currently working on finalizing a
3 report examining these experiences of cities, states and
4 countries around the globe that have implemented such
5 policies. And there's a policy already under
6 consideration in New York City. NEEP would recommend
7 the state adopt such a policy and that be considered as
8 well.

9 Moving on to appliance efficiency standards,
10 again, we applaud the plan's recommendation that New
11 York should enact energy efficiency standards for
12 products that are not exempt by federal standards.
13 We've recently worked on a memo with the appliance
14 standard awareness project which lays out seven products
15 where no federal standard exists for these products.

16 These are televisions, portable lighting
17 fixtures, bottle-type water dispensers, commercial hot
18 food holding cabinets, portable electric spas, compact
19 audio equipment and DVD players and recorders.

20 Highlighting the issue of televisions, most
21 importantly, there is tremendous energy efficiency
22 savings there and the Department of State has already
23 been granted the authority to administratively set
24 standards for consumer electronics.

1 Today's high definition TVs use a lot more
2 energy than analog sets. And additionally, TVs are on
3 track to consume 7.2 percent of residential electric
4 demand by 2030.

5 Just to quickly wrap up the other areas that
6 we would like to focus on, and we applaud you for your
7 attention to. Measurement and valuation, and that New
8 York has been a key supporter of NEEP's ENP Forum, and
9 we hope that the state will continue to reiterate the
10 support.

11 And again, to act regionally with partners,
12 including the states and upstream market actors, such as
13 retailers and suppliers. It's particularly important
14 that one project we are looking at with appliance
15 rebates under ARRA and retailers working on a concerted
16 effort with states to maximize these programs.

17 So, we thank you for your time. We look
18 forward to serving as a resource to the state.

19 MR. CONGDON: Paul Ertelt.

20 MR. ERTELT: Thank you. Good afternoon.

21 The Adirondack Mountain Club, also known as
22 ADK, is a statewide organization dedicated to the
23 protection of wild land and waters throughout New York.
24 ADK is not opposed to gas drilling in the Marcellus

1 shale, but we are concerned about the potential for
2 major environmental impacts on the lands and waters of a
3 large portion of New York State.

4 We strongly oppose gas drilling in Allegheny
5 State Park, other state parks and state-owned lands used
6 by the public for hiking, horseback riding, mountain
7 biking and other outdoor recreation.

8 Recovering natural gas from the Marcellus
9 shale will require hydraulic fracturing or
10 hydrofracking. Fracking involves injecting a mixture of
11 water, sand and chemicals at an intense pressure in
12 subsurface rock formation to free up natural gas.
13 Fracking requires several million gallons of water for a
14 single well, water that must be trucked into the well
15 site and removed after fracking is completed.

16 Injections of fracking fluid injected
17 thousands of feet below the surface would migrate into
18 over lotting ground water or remote. Also, as noted in
19 a report released last week by the Congressional
20 Research Service, a properly designed encased well will
21 prevent drilling fluids, hydraulic fracturing fluids or
22 natural gas from leaking into the permeable aquifer and
23 contaminating groundwater.

24 What is implicit in that last statement that

1 drilling fluids, fracking fluids and natural gas could
2 escape into it if the well were poorly designed or
3 improperly cased.

4 In December 2007 a house in Bainbridge, Ohio
5 exploded. The Ohio Department of Natural Resources
6 concluded that hydrofracking and a bad well casing were
7 responsible for methane migrating into the aquifer and
8 causing the explosion.

9 More recently, there have been a number of
10 cases of methane contamination of drinking water wells
11 in Dimock, Pennsylvania, a center of hydrofracking just
12 south of Binghamton. Last year, tests on the public
13 drinking well in Sublette County, Wyoming produced
14 Benzene in concentrations 1500 times the level
15 considered safe for humans. Benzene is used in gas
16 drilling operations and Sublette County is home to one
17 of the nation's largest natural gas fields. Wyoming is
18 also a site of intensive gas drilling and hydrofracking.

19 Last month the US Environmental Protection
20 Agency confirmed that it found 2-butoxyethanol, or 2-*BE*,
21 a known fracking fuel component, in three drinking water
22 wells in Pavillion. The EPA investigation is
23 continuing.

24 The industry has dismissed these and other

1 cases as inconclusive. And, in fact, given the
2 complexity of hydrology and industry secrecy about the
3 chemicals, it is difficult to pinpoint the source of
4 contamination after the damage is done.

5 But as hydrofracking has become more common
6 in recent years so have reports of these inconclusive
7 incidents. Hydrofracking is not the only concern. Gas
8 exploitation at the Marcellus shale would also mean the
9 industrialization of many rural areas in the state.

10 According to the Congressional Research
11 Service, fracking projects are massive operations
12 compared to drilling operations. The oil service
13 company contracted for the work may take a week to stage
14 the job and a convoy of trucks to deliver the equipment
15 and materials needed.

16 New York Forest Service's draft supplemental
17 environmental impact statement for Allegheny National
18 Forest, released in July, notes that the scale and
19 duration of these drilling calculations could
20 substantially alter the landscape.

21 Areas as large as five acres would be cleared
22 of vegetation. Possible security fencing and lighting
23 will be necessary for this type of drilling. Well pads
24 will require compressors and water storage and water

1 treatment facilities.

2 Overall, well sites associated with private
3 Marcellus shale development will have an industrial look
4 and sound with a potential for nearly constant human
5 activity, noise and lights that could last for months.

6 Basically, these are not the things that we
7 want to see in our priceless state parks and natural
8 areas. Thank you.

9 MR. CONGDON: Our next speaker is Alison Beal
10 from the Adirondack Mountain Club, to be followed by
11 Mark Tebbano.

12 MS. BEALS: Good afternoon. I'm Alison Beal.
13 The Adirondack Mountain Club would like to thank
14 Governor Paterson and the State Energy Planning Board
15 for the opportunity to submit written comments.

16 The Adirondack Mountain Club will present our
17 concerns for the potential environmental and
18 recreational impacts that increased natural gas drilling
19 in the Marcellus shale, of which the draft 2009 State
20 Energy Plan encourages, may have on New York.

21 Even without hydrofracking, gas production is
22 an industrial activity with a number of potential
23 environmental consequences. It requires cutting trees,
24 clearing land, building roads and moving heavy

1 recommends the study of potential gas exploration on
2 state-owned land not protected under the public
3 trust/alienation doctrine.

4 This includes thousands of acres of state
5 forests scattered across central New York, western New
6 York and the Southern Tier. In particular, state forest
7 lands traversed by the Finger Lakes Trail and the North
8 Country National Scenic Trail should be off limits to
9 gas exploration and drilling.

10 Natural gas or oil extraction would result in
11 new roads, gas transmission lines and extraction
12 infrastructure. We believe that areas where there is
13 demonstrated record of substantial public recreational
14 use should not be disturbed for oil and natural gas
15 exploration.

16 With the extremely large amount of water that
17 the hydrofracking process involves, hauling water into
18 drilling sites may be necessary if municipal water is
19 not available. Estimates of increased truck traffic are
20 hundreds per day.

21 A large increase in truck traffic has the
22 potential to disrupt the natural character of many state
23 parks and forest lands in central and western New York.
24 This natural experience is highly desired by our members

1 and valuable to New York as a tourism opportunity.

2 ADK also believes that New York's ecosystem
3 has the potential to be severely disrupted through
4 hydrofracking due to the large quantity of water it
5 displaces. There is no requirement for drilling
6 companies to notify the state in advance of a water
7 extraction, and New York State's Pollutant Discharge
8 Elimination System permit does not govern water
9 quantity.

10 We suggest that the Department of
11 Environmental Conservation examine the effect of
12 removing large amounts of water necessary for this
13 drilling technique on water flow and aquatic life during
14 the State Environmental Quality Review required for
15 hydrofracked wells.

16 The process for testing the ground for
17 resources does not come without disruption either.
18 Thumper trucks that have disturbed people in residential
19 neighborhoods are feared to have negative impacts on the
20 wildlife in this part of the state.

21 Even with the large shale formation becoming
22 more and more economical to tap into, building wells and
23 the drilling process are still very expensive,
24 therefore, frequent testing using the thumper trucks is

1 inevitable to ensure drillers of the locations where it
2 is worthwhile to drill. However, the public and
3 wildlife disruptions should be regulated.

4 The original intent of preserving forest
5 areas and state parks is to provide a natural experience
6 to the public for recreation and scenic values. The
7 potential increase in man's industrial existence cannot
8 be ignored.

9 The cumulative impacts of all processes and
10 stages of natural gas drilling must be minimized. ADK
11 believes a SPDES permit should be required for any
12 hydrofracked wells.

13 The liquid used, a chemically enhanced water
14 based solution, is injected at high pressure deep into
15 multiple layers of earth. The state must determine
16 whether the chemicals being injected will not degrade
17 groundwater.

18 It is not unreasonable for DEC to anticipate
19 leakage from the well into the surrounding environment
20 and groundwater when these liquids are being pumped at a
21 pressure strong enough to fracture minerals thousands of
22 feet beneath the earth's surface.

23 ADK wants appropriate measures to be taken by
24 regulatory agencies to ensure the protection of these

1 forest lands' scenic and recreational character.

2 Thank you.

3 MR. CONGDON: Thank you.

4 Our next speaker is Mark Tebbano from CHA,
5 Inc.

6 MR. TEBBANO: My name is Mark Tebbano. I'm
7 Vice President of CHA, a company also known as Clough
8 Harbor and Associates. I want to thank you for this
9 opportunity to comment on the draft State Energy Plan.

10 My comments are specific to section 2 of the
11 plan: Produce, deliver and use energy more efficiently.
12 In particular, our comments are focused on the state's
13 efforts to increase energy efficiency.

14 CHA is a full service engineering firm based
15 in New York with 700 employees in 27 offices in 15
16 states. Six of the offices are in New York and our
17 corporate headquarters are here in Albany.

18 A growing portion of our business involves
19 serving government and industrial clients with specific
20 attention to energy-related projects. In fact, we are a
21 firm that's known nationally as a leader in energy
22 efficiency projects.

23 This practice is lead by seasoned
24 professionals who have themselves managed large

1 facilities. For over ten years, CHA has worked with
2 NYSERDA and other state agencies designing energy
3 efficiency projects for clients across the state.

4 This has resulted in more than 150 energy
5 projects being completed across both public and private
6 sectors, using NYSERDA programs primarily. Therefore,
7 CHA understands well the opportunities and the barriers
8 in achieving greater impact on the state's energy saving
9 goals.

10 CHA has provided services to customers under
11 a variety of NYSERDA programs, including Flextech, New
12 Construction and program opportunity notices. We have
13 also provided technical review services for specific
14 projects. During that time, we have found NYSERDA, and
15 of course their staff, to be among the most professional
16 and technically aware and customer and outcome focused
17 organizations.

18 The most important focus of this plan should
19 be having efficiency programs that work and actually
20 help achieve the goal of reducing energy use by
21 15 percent below 2015 forecasts. The programs
22 themselves need to be well coordinated and delivered.

23 We believe that NYSERDA's programs and the
24 technical approach they have taken has proven to be

1 effective in reducing energy usage.

2 The average large facility can expect to
3 economically reduce energy consumption somewhere in the
4 range of 10 to 30 percent. However, even though the
5 potential savings are substantial, incentive programs
6 are often necessary to encourage customer action to do
7 what is actually in their interest.

8 Our experience in assisting clients under
9 NYSERDA programs has yielded positive energy savings
10 results. With increased funding now available for
11 energy efficiency programs, through the systems benefit
12 charge and the American Recovery and Reinvestment Act,
13 there is a possibility that duplication and overlap will
14 occur, resulting in confusion for the interested
15 customer, setting up another barrier.

16 For example, one can imagine an industrial
17 user being -- a large industrial user being offered
18 assistance by NYSERDA, an investor-owned utility, NYPA,
19 local governments and other entities. There must be
20 more than a call for collaboration among programs to
21 eliminate overlapping and competitive efforts that work
22 against reaching energy efficiency goals.

23 This energy plan should call for making one
24 state agency responsible for all energy efficiency

1 efforts in the state. This agency should lead and
2 coordinate with utilities, authorities, state agencies
3 and other service providers. The goal would be reducing
4 overlapping efforts, minimizing confusion among
5 customers, and gaining efficiency in the program efforts
6 themselves.

7 If we are striving toward energy efficiency,
8 shouldn't we also have program efficiency in delivering
9 that assistance to the users in the state?

10 It is our recommendation that NYSERDA be
11 designated as the lead energy agency. NYSERDA is the
12 only agency already positioned well for this
13 designation, both programatically and technically.

14 NYSERDA already has a statewide charter, a
15 track record of energy efficiency performance, cutting
16 edge energy research programs, client relationships, and
17 effective program evaluation.

18 CHA has offices in 15 states. Most of these
19 states are currently scrambling to create an
20 organization like NYSERDA to administer energy
21 efficiency programs, particularly to support the ARRA
22 funding.

23 NYSERDA is well known among other states as a
24 model for creating energy efficiency programs. Why not

1 build upon the strengths that we and others already
2 recognize? A strong unified leadership with various
3 organizations that are charged with improving energy
4 usage would share clients, share incentives and share
5 outcomes.

6 Without such leadership there is real risk of
7 undermining energy efficiency efforts, leading to
8 confusion by customers, and underachieving the 15 by 15
9 goal.

10 Thank you.

11 MR. CONGDON: Thank you very much.

12 Our next speaker is James Olsen from
13 Constituent, followed by Laura Haight.

14 MR. OLSEN: Thank you. My name is James
15 Olsen. I am here as a concerned resident and engineer.

16 The future of a nation's energy production
17 should be based on science, not on political philosophy.
18 When a nation whose welfare is highly dependent on
19 technology makes vital technological decisions on the
20 basis of political philosophy rather than science, it is
21 in mortal danger. Dr. Bernard Cohen said that.

22 I have read the draft energy plan and I don't
23 think it can be classified as a sustainable plan. You
24 heard earlier that New York State is number one in a lot

1 of things.

2 New York is number one in Medicaid spending,
3 state and local tax burden, state and local welfare
4 spending, we are in the top three in cost of doing
5 business, cost of auto insurance, state and local debt,
6 state and local spending, we're in the top five in
7 residential price of electricity and we're last in state
8 economic competitiveness.

9 This plan needs to be primarily focused on
10 heavily subsidized and unproven and unregulated
11 technology. As such, I make the following
12 recommendations to help make the plan sustainable.

13 One, include the projected impact to the
14 taxpayer. It reads about the impact to the ratepayer,
15 but New York residents will be affected twice, ratepayer
16 and taxpayer.

17 Two, include technical discussions from the
18 scientific community on nuclear power in New York, even
19 if it tells us why we won't use it. As a nuclear
20 engineer and designer of power generation equipment, I
21 can tell you that the discussion will state that nuclear
22 power is necessary.

23 Three, don't tell New Yorkers what they want
24 to hear. Tell us what we need to hear. Only one clean,

1 abundant, affordable proven technology exists today that
2 can meet our future energy needs. There are no
3 compromises in science. Nobody wins or loses in
4 science. There's only truth. I don't see a lot of
5 science in this draft energy plan.

6 I have two more comments or quotes from Dr.
7 Bernard Cohen I would like to add to address nuclear
8 energy, nuclear waste concerns. "The real difficulty
9 with public understanding of radioactive waste problem
10 is that the scientist's viewpoint is not being
11 transmitted to the public. Transmitting information
12 from the scientific community to the public is in the
13 hands of journalists, who have chosen not to transmit on
14 this question. I'd hate to speculate on their motives,
15 but they are doing great damage to our nation".

16 Secondly, "I personally have been a Liberal
17 Democrat all of my life, as every member of my family
18 for 60 years. I, as well as the majority of my
19 scientific colleagues, are passionately devoted to the
20 welfare of the common people". This is my favorite
21 definition of a Liberal. "It is clear to us that their
22 welfare is heavily dependent on a flourishing nuclear
23 power program".

24 Dr. Bernard Cohen, who is a Professor

1 Emeritus at the University of Pittsburgh, is an expert
2 on the risks and rewards of a nuclear power program.

3 I am at your service for anything I can do to
4 be of assistance in the future. Thank you.

5 MR. CONGDON: Thank you.

6 Our next speaker is Laura Haight from NYPIRG,
7 to be followed by Paula Hayes.

8 MS. HAIGHT: Good afternoon. I will skip
9 over my preliminaries thanking you all for your hard
10 work on this plan and its importance.

11 We do believe, as other groups have noted,
12 that there do need to be timetables and more specifics
13 to get us to the goal that we all support so much at
14 45 percent by 2015.

15 What I feel is really lacking in this plan is
16 a hierarchy of preserved methods for meeting energy
17 needs. This would provide a necessary framework for
18 state agency decision making and resource allocation.

19 California's 2003 Energy Action Plan includes
20 a loading order which lists the following activities in
21 order of preference: Energy efficiency, demand
22 response, renewable energy, distributed generation, and
23 as a last resort, cleaner fossil fuel generation.

24 Without such a hierarchy in the plan of

1 preferred energy options and a timetable for
2 implementation, this document looks more like a very,
3 very long to do list than a real plan. In addition,
4 there are several recommendations in the plan that
5 NYPIRG strongly believes should not be included at this
6 time, including the recommendation for new nuclear
7 capacity, encouraging drilling in the Marcellus shale,
8 and facilitating the siting of carbon capture and
9 sequestration facilities.

10 I will touch on these briefly and note we
11 were very happy to see one not in the plan, which was
12 the waste to energy, and we encourage that to stay out
13 of the plan. With respect to the new nuclear, that was
14 shoe-horned into a single paragraph.

15 NYPIRG's primary concerns with nuclear energy
16 are its potentially catastrophic public health and
17 safety risks. While Oswego may be far away from any
18 major metropolitan area, compared to Indian Point, we in
19 Albany 150 miles, and Boston, 300 miles away, a lot of
20 people would be affected downwind.

21 In addition, 50 years into the nuclear age,
22 our nation has still failed to come up with an adequate
23 storage solution for high level radioactive waste, which
24 is being stored indefinitely onsite at operating nuclear

1 power plants, presenting not only environmental hazard
2 but a terrorist target.

3 Even if these health and safety concerns
4 could be addressed, the time and expense of constructing
5 nuclear energy plants makes them of little use in the
6 battle against global warming. On average, it takes six
7 to ten years to construct a new nuclear plant, at an
8 average cost of \$5 to \$9 billion apiece.

9 We could get a lot more bang for our energy
10 buck by investing now in energy efficiency improvements
11 and sustainable energy sources, such as wind, solar and
12 geothermal power.

13 I want to add about this Oswego plant this
14 would be the largest nuclear power plant and it's a new
15 design that has never been constructed in the world.
16 Right now the first plant is being built in Finland,
17 using Unistar design. It's already years behind
18 schedule and about 50 percent over budget.

19 So economically, the nuclear industry is --
20 this is why we are not seeing many nuclear power plants
21 built. It's not economically viable.

22 Many supporters of this plant argue that it
23 will create new jobs. If the goal is job creation and
24 economic development, there are far better alternatives.

1 The Oswego plant would cost \$10 billion and create 250
2 to 400 jobs. This works out to \$25 million to \$40
3 million per job. There are much better ways to create
4 more jobs at less expense while achieving the state's
5 goals of emissions, increasing our energy independence,
6 and developing clean renewable energy and increasing
7 energy independence.

8 I want to add to that about the only part of
9 Gavin Donohue's testimony that I did agree with was his
10 point that the plant is contradictory. It's true. The
11 State of New York is right in opposing the license
12 renewals of Indian Points 2 and 3 nuclear reactors based
13 on concerns about their safety, security, and
14 environmental impacts. We believe that there is an
15 inconsistency in the plan. We strongly recommend
16 maintaining the recommendation to shut down Indian Point
17 plants.

18 Couple brief additional points on the
19 Marcellus shale drilling. We believe it's highly
20 inappropriate for the State Energy Plan to encourage
21 drilling prior to the completion of an environmental
22 impact statement. This calls into question the
23 integrity of the EIS, saying, we want more drilling in
24 this area and these studies haven't been done yet.

1 With regard to the carbon capture and
2 sequestration technology, this is an unproven technology
3 that could be costly and harmful for the environment and
4 we believe should be removed from the plan.

5 Thank you. We look forward to working with
6 Governor Paterson on a plan that will keep energy safe,
7 sustainable and clean.

8 Thank you very much.

9 MR. CONGDON: One quick comment.

10 Presumably NYPIRG is supportive of renewable
11 energy, as we are on the planning board and the state
12 level. Might there be a situation where all of us would
13 support wind as a general matter, but not support a
14 specific wind project? For example, potential impacts?

15 MS. HAIGHT: Short of energy efficiency,
16 every source of wind power has potential impacts that
17 need to be mitigated. NYPIRG is a strong supporter of
18 wind power. I am not aware of any facilities we are not
19 supporting.

20 My recommendation would be start with the
21 preferred goal of energy efficiency and clean
22 renewables, demand management and work our way down from
23 there. Not to say that a hundred percent of every
24 project needs to be approved, but where are we in terms

1 of our timetable.

2 MR. CONGDON: Thank you.

3 We are going to wrap up. There are three
4 more speakers on our list.

5 Our next speaker is Paula Hayes, followed by
6 Ted Eveleth.

7 MS. HAYES: Hello. Thank you for this
8 opportunity to speak on issues related to New York State
9 Energy Plan and energy efficiency. My name is Paula
10 Hayes. As Program Director for the Center for Energy
11 Efficiency and Building Science, the Division of
12 Workforce Development Institute has been responsible for
13 developing and implementing a comprehensive training
14 program for New York's Energy Star residential programs
15 for the last ten years.

16 Under contract funding from NYSERDA and LIPA,
17 the HVCC team has developed 12 regional learning centers
18 across the state. Through this funding, HVCC has
19 dramatically increased the availability of energy
20 efficiency training opportunities for New York's
21 contractors, teachers, high school students, homeowners,
22 and various other occupations related to energy
23 efficiency.

24 This learning center network consists of nine

1 community colleges, one BOCES, and two training centers.
2 Each learning center has dedicated staff and instructors
3 who deliver regularly scheduled efficiency training that
4 focuses on health and safety issues, the whole house
5 systems approach to contracting, insulation techniques,
6 and heating and cooling issues related to energy
7 efficiency.

8 Curriculum is comprised of building
9 components and institute standards. BPI is a nationally
10 recognized certification and accreditation organization
11 for the building performance industry.

12 These courses prepare students to pass the
13 BPI on line field exams, while students learn how to
14 identify and solve building components issues and
15 improve residential energy efficiency in New York's
16 homes.

17 Through this learning center network, over 50
18 instructors have trained 2300 students since February
19 2007, and many more prior to that, in 2000 to 2006.
20 Market transformation has truly occurred as homeowners
21 are demanding that contractors who work on their homes
22 are now BPI certified and accredited.

23 The infrastructure that state funding has
24 helped to put in place through its Energy Star programs

1 is drawing insulation and HVAC contractors, builders,
2 engineers, codes officials, building inspectors,
3 homeowners and high school students to these home
4 performance training programs, and many other walks of
5 life too.

6 The benefits to the state, contractors and
7 homeowners are many and include: A better trained
8 workforce to deliver energy efficiency for New York's
9 home use; healthier, more durable, safe, more energy
10 efficient homes in New York; electric and gas savings
11 for New York homeowners and for state; reduced carbon
12 footprint; more jobs created through workforce
13 development initiatives, jobs that can't be exported.

14 And there's a lot more work to be done. And
15 many more lives saved as a direct result of dangerous
16 health and safety issues identified by trained and
17 certified BPI specialists. The reason I am getting
18 emotional at that is because it was one of my own family
19 members.

20 In closing, I commend the state, NYSERDA and
21 LIPA for their financial and program commitments to
22 these educational programs for energy efficiency. It is
23 our hope that education and training will continue to be
24 a major focus on New York's energy plan.

1 I would just like to say that it was a broad
2 team of people that I worked with over the last ten
3 years, including incredible project managers at NYSERDA
4 and LIPA, and just the support with financial aid and a
5 team of Conservation Services Group, Association for
6 Energy Affordability, and subcontractors who worked on
7 the curriculum, nationally accredited and delivered all
8 over the country.

9 NYSERDA's programs are known worldwide and it
10 really has been a pleasure for me to be involved in this
11 program.

12 Thank you very much.

13 MR. CONGDON: Thank you very much.

14 The buzzword green jobs is really being
15 realized. We appreciate the work that HVCC has done.

16 The next speaker is Ted Eveleth from
17 Ener-G-Rotors, followed by Charles Fox.

18 Jerry Snyder has joined us, Deputy
19 Commissioner at DEC.

20 MR. EVELETH: My name is Ted Eveleth. I
21 represent Ener-G-Rotors Company located here in
22 Schenectady, New York, as well as a technology
23 entrepreneur in residence at a small business
24 development center.

1 I have three comments about the plan today.
2 I would like to promote the utilization of waste heat to
3 achieve the energy efficiency goals.

4 I would like to express my support for
5 NYSERDA as an engine for innovation and I would like to
6 comment on efforts to retain and attract businesses to
7 New York State.

8 My first point, waste high heat is a smaller
9 bi-product of manufacturing process. As much as 80
10 trillion BTUs of heat is released into the environment
11 every year in New York State.

12 Ener-G-Rotors economically turns low
13 temperature heat into electricity, often as low as
14 two-year payback for customer or the equivalent of a
15 cent and a half per kilowatt hour. Utilizing waste heat
16 to generate electricity has zero emissions, reduces CO2,
17 and reduces the energy cost with fossil fuel use.

18 Let me repeat that. Waste heat generates
19 electricity with no emissions, reduced CO2 and reduces
20 the energy cost for energy fossil fuels.

21 We have the possibility in New York State of
22 generating hundreds of thousands of megawatts of
23 electricity at a cent and a half per kilowatt hour. Our
24 request is that waste heat be classified as a renewable

1 source of energy and we welcome the incentives you might
2 want to add to commercialize the products.

3 The second point, I would like to express
4 support for NYSERDA. I joined Ener-G-Rotors
5 approximately a year ago. Less than six months later we
6 received a significant grant from NYSERDA to build a
7 prototype of the first commercial project.

8 Receiving the grant saved the company. It's
9 very unlikely Ener-G-Rotors would exist today without
10 that funding. Since we received that support, and since
11 the beginning of the year, we have raised almost a
12 million dollars in funding through grants and angels.
13 We have received national recognition in the clean
14 energy community.

15 In addition to underwriting technology,
16 NYSERDA has begun to foster environmental growth of
17 companies for funding. The efforts to date should be
18 applauded.

19 My third point is retaining and attracting
20 companies in New York State. In the ten months we have
21 been talking to venture capitalists to raise the capital
22 to commercialize our products, we have the firm belief
23 that were we in Massachusetts, California or Colorado we
24 would have been funded by now.

1 I can say with great confidence that New York
2 State will lose promising companies and may lose
3 Ener-G-Rotors without addressing the funding grant.

4 I will repeat that. New York State will lose
5 promising companies. The most promising companies will
6 be cherry picked by other states with more venture
7 capital base. It is not clear that NYSERDA is a vehicle
8 to address this situation, but the proposals within the
9 plan are somewhat vague.

10 It would be a shame to have NYSERDA be an
11 engine to fund risky R&D that turns into promising
12 technology, only to have it commercialized in other
13 states.

14 A week ago we met a gentleman who manages a
15 \$100 million fund in Michigan who said if we moved to
16 Michigan we could tap into that funding.

17 That's all my comments for today.

18 MR. CONGDON: Our next speaker is Charles
19 Fox, ZeroPoint Clean Tech, Inc.

20 MR. FOX: Good afternoon. My name is Charlie
21 Fox. Thank you very much for waiting over time to hear
22 what we all have to say.

23 I am President of ZeroPoint Clean Tech
24 Renewable Technology Company based in upstate New York.

1 Our company is very much a New York story. The company
2 was founded in 2006 as part of a technology transfer
3 program out of Clarkson University in Potsdam. Our
4 investors include the New York Common Fund and the St.
5 Lawrence Private Equity Consortium, as well as European
6 investors.

7 ZeroPoint currently maintains operations in
8 Potsdam, Watertown, and a manufacturing plant in
9 Tonawanda, New York.

10 ZeroPoint has developed a highly efficient
11 biomass gasification system that converts wood chips,
12 wood pellets and other clean biomass resources into a
13 renewable gas known as synthesis gas. Each ZeroPoint
14 system will convert about one ton per hour of biomass
15 into about 18 MMbtu per hour of renewable gas.

16 This renewable synthesis gas can then be used
17 to displace fossil fuels like coal and natural gas, it
18 can be used to generate electricity in a reciprocating
19 engine, or it could even be used to produce liquid fuels
20 such as fischer-tropsch diesel fuel or methanol.

21 ZeroPoint built and operated a pilot scale
22 system in Potsdam in 2007, and then built, operated, and
23 sold a full scale commercial system at its Tonawanda
24 facility in 2008.

1 We are currently completing the manufacturing
2 process for two full sized systems that will be deployed
3 into a combined heat and power project in Europe during
4 the Fall of 2009.

5 ZeroPoint has established joint venture
6 relationships in the United Kingdom, Germany, Malaysia,
7 India and Brazil.

8 ZeroPoint is creating and sustaining
9 renewable energy and manufacturing right now in places
10 like Tonawanda, Watertown and Potsdam, New York. We are
11 manufacturing high technology equipment in one of the
12 hardest hit parts of upstate New York for export
13 overseas.

14 We believe this is the kind of thing that New
15 York State energy policy should be supporting. Instead,
16 we are finding that our home state of New York is less
17 supportive of biomass energy than virtually every other
18 jurisdiction in which we are doing business.

19 I would like to spend the rest of my time
20 respectfully suggesting five specific ways in which the
21 draft energy plan can change that perception.

22 First, the draft State Energy Planning Board
23 should adequately recognize the value of biomass energy
24 as a renewable resource that is at least on par with

1 wind and solar power. For instance, page 93 of the
2 draft encourages LIPA and NYPA to proceed with issuing
3 an RFP for the private development of off-shore wind
4 resources, and to complete purchases of 150 megawatts of
5 solar voltaic power as expeditiously as possible.

6 The state would be better served, and NYPA
7 and LIPA would have an easier time getting renewable
8 capacity on-line, if these RFPs were opened to all RPS
9 qualifying renewable resources, rather than just wind
10 and solar. If emissions are the issue, there are then
11 strict standards that could be included in the RFPs.

12 The draft then goes on to say that based on
13 the experience of these initiatives, LIPA and NYPA
14 should consider achievable targets for subsequent PPAs.
15 We hope that language does not mean the Energy Planning
16 Board may allow NYPA and LIPA to procure wind energy.

17 The text about reconsidering what is
18 achievable should be deleted from the plan until all RPS
19 qualifying options have had a chance to compete and show
20 NYPA and LIPA what is actually achievable. In our case,
21 doing so would create hundreds of new manufacturing jobs
22 in western New York, and finance a new form of renewable
23 capacity, both dispatched and targeted, into load
24 pockets.

1 Second, the draft State Energy Planning Board
2 should be clarified to recognize that not all biomass
3 energy technologies are the same when it comes to air
4 quality issues. In a footnote, the plan characterizes
5 biomass resources as having environmental and health
6 risks, and even references an ongoing investigation.

7 There are a wide range of technologies out
8 there, and some of the most advanced and cleanest in the
9 world are being developed right here in New York. The
10 plan should recognize that fact and highlight the
11 cleanest conversion technologies rather than lumping
12 them all together in a negative light.

13 Third, the draft State Energy Planning Board
14 should recognize the value of dispatchable renewable
15 generation over intermittent generation. As
16 intermittent resources become more dominant on the
17 system, and we learn the actual capacity factors that
18 can be expected from some of these resources, it is all
19 the more important to find and encourage dispatchable
20 forms of non-fossil generation.

21 The public policy advantages of dispatchable
22 renewable generation should be recognized as a set aside
23 incremental component of an increased RPS goal, or as a
24 new and separate tier dedicated to dispatchable

1 resources, or both.

2 Fourth, the coal assessment in the draft plan
3 should recognize that there is a carbon sequestration
4 strategy that is immediately available to coal plants
5 that is low cost as compared to any known sequestration
6 option. It does not run the risk of leaking CO2 back
7 into the atmosphere and can provide a productivity boost
8 to New York's agriculture sector.

9 When coal or wood is combusted or fossil
10 fuels are combusted the carbon dioxide goes into the
11 atmosphere. A significant portion of CO2 is
12 concentrated into a bio char. That char can then be
13 placed underground and sequestered. There are just
14 starting to be interested people.

15 The Department of Energy is working on it. I
16 was down there last week. Cornell is the leader on it.
17 The energy plan should speak to bio char and
18 sequestration.

19 MR. CONGDON: Next speaker is Emmaia Gelman,
20 Center for Working Families.

21 MS. GELMAN: My name is Emmaia Gelman. I'm
22 the Director of the Center for Working Families. I will
23 skip over, because I have four pages of introductory
24 thank yous and applause.

1 In NYSERDA and the Public Service Commission,
2 New York has a great deal of strong experience and
3 programming infrastructure for addressing energy
4 efficiency needs. We also have a fast-growing array of
5 local entities, from town governments to neighborhood
6 housing activists, who are leading their communities to
7 think deeply and strategically about energy policy.

8 As the plan points out, we have to marshal
9 all of these resources if we are going to make a 15 by
10 15 goal and marshal even more resources if we are going
11 to achieve the 45 by 15 goal and the 80 by 50.

12 In order to do this, we have to leverage more
13 resources than we currently have, which would make the
14 funding program even more effective, leverage our
15 available funding to perform many types of more
16 infrastructure work than we currently achieve, and
17 supporting deeply community engagement.

18 So, accordingly, our comments touch on two
19 different areas of the plan. First, making funding and
20 labor for building and energy efficiency available on a
21 mass scale across the state; and second, ensuring that
22 the plan sets out coherent principles, procedures,
23 policies that will allow businesses and other
24 stakeholders to invest in efficiency.

1 So the first, making energy efficiency
2 funding and labor available, on bill financing is an
3 enormous component and not yet achieved, but is well
4 within reach. We cannot meet our efficiency goals
5 without raising enormous amounts of money to cover our
6 up front capital costs for building efficiency.

7 Basic cost effective retrofits to the state's
8 housing stock alone, not to mention business, is about a
9 \$40 billion project. Although energy savings can pay
10 back the cost of retrofits after the fact, we all know
11 that property owners are short of up-front capital and
12 credit. And businesses and industry also need simpler,
13 cheaper access to capital, and obviously private funding
14 is needed for public purposes.

15 The state cannot provide grants or buy downs
16 of loans to generate efficiency on the needed scale, but
17 we can and must establish on bill recovery in which the
18 financing is not provided by the biller, which is a
19 public effort trying to repay the cost of retrofits
20 themselves and save on their energy bill.

21 The Public Service Commission's energy
22 efficiency portfolio standard proceeding has already
23 convened many, many stakeholders, primarily utilities
24 and large contractors and stakeholders, to tease out

1 issues and solutions in implementing on-bill recovery.

2 This months long dialogue resulted in a
3 working group report that laid out essential issues,
4 including the need to generate high work volume and
5 programs that are funded by on bill recovery, provide
6 for non-payment of loans made to programs that were
7 underfunded, establish a credit backstop like a utility
8 power shut-off, avoid positioning shareholder-owned
9 utilities as lenders, and upgrade utility IT systems,
10 etc.

11 Over the last two years, the Center for
12 Working Families has also convened community advocates,
13 smaller contractors and lenders around the same issues,
14 and that collaboration has resulted in a report Green
15 Jobs/Green Homes NY, which is in part the basis for the
16 Green Jobs/Green Work legislation.

17 And that proposal includes a detailed
18 structure that addresses the concerns that were raised
19 in the PSC working group, as well as other issues raised
20 by community groups, lenders and small business. So, if
21 you have a proposed credit structure that takes into
22 account all of the problems and the needs for solutions
23 that it raised over basically the course of the last two
24 or three years of thinking of New York State, now we

1 have the Green Jobs NY goal which can be a tool for
2 leveraging an enormous amount of energy efficiency.

3 And the missing piece is on bill financing.
4 The Public Service Commission must approve and require
5 on bill tariffs immediately and State Energy Planning
6 Board must be far more explicit about the means for
7 establishing on bill financing. What's at stake is
8 literally billions of dollars in immediately available,
9 no cost to the state infrastructure investment.

10 Second, under allowing the expansion of the
11 existing industry is job standards needed for a level
12 playing field. Quality jobs have not been the subject
13 of much of the state's energy policy so far, but we need
14 them. We don't currently have the contracting base and
15 the trained workforce to meet our efficiency goals.

16 Contractors report that they can't retain
17 their workers because the market wage is too low, and
18 that they can't invest in training workers because
19 turnover is so high.

20 At the same time, the state is in economic
21 trouble. We have enormous unemployment. We have the
22 industrialization of the state and energy efficiency
23 investment or opportunity for skilled jobs to cover the
24 entire state that have sort of spun off new businesses,

1 formed technology and industry clusters, and allowed
2 individual workers to train up to become leaders at the
3 green economy.

4 The work can sustain better wages in which to
5 do that and the energy plan should be the framework that
6 establishes the principles that allows the energy
7 efficiency industry to grow.

8 I just want to mention in the testimony that
9 we are submitting the other principles that we feel its
10 incredibly important for the State Energy Planning
11 Board.

12 One is science based programming. There is a
13 lot of concern in the world of energy efficiency service
14 delivery. The Public Service Commission has recently
15 sort of upended the idea of whole house building as a
16 system approach to energy efficiency, and the energy
17 plan should establish that as one of the principles.

18 Fuel blind programming with systems benefit
19 charge dollars so that customers in electric and gas can
20 pay into electric and gas SBC and are not limited only
21 to electric and gas efficiency when they use those funds
22 to do work in their homes.

23 And continuity of programming, referring to
24 the multi-family performance program that was just given

1 a huge jolt by the Public Service Commission. The State
2 Energy Plan should establish continuity of programming
3 so that industry hooks their businesses around the
4 programs that the state has created and can actually
5 establish a business model that's viable.

6 Thank you.

7 MR. CONGDON: Thank you very much.

8 I believe that is all for today, unless there
9 are any members of the audience who wish to make a
10 statement. Seeing none, we are going to wrap up today.
11 Thank you all very much. The next hearing is in New
12 Paltz on the 24th, Thursday.

13 Thank you very much.

14 (Hearing concluded.)

15

16

17

18

19

20

21

22

23

24