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July 31, 2009

VIA EMAIL

Hon. Thomas C.C. Congdon
Deputy Secretary for Energy
Chairman, New York State Energy Planning Board
SEP Comments
NYSERDA
17 Columbia Circle
Albany, New York 12203-6399
Three Empire State Plaza
Albany, New York 12223-1350

Re: Supplemental Comments of Multiple Intervenors Regarding the Development
of the 2009 New York State Energy Plan

Dear Deputy Secretary Congdon:

Multiple Intervenors would like to congratulate you on your recent appointment as the new Deputy Secretary for Energy.¹ We look forward to working with you in this new capacity to ensure that the New York State Energy Plan (“Plan”) protects the State’s residents and businesses against runaway energy costs, and seeks to simulate economic development, as well as business retention and growth in the State.

Multiple Intervenors submitted written comments in response to the 2009 New York State Energy Plan Interim Report on May 15, 2009. In its comments, Multiple Intervenors emphasized the enormous strain that current energy prices, coupled with the State’s existing energy and environmental policies, place on the State’s residents and businesses. Multiple Intervenors implored the New York State Energy Planning Board (“Board”) to fully recognize and comprehend these impacts and ensure that the Plan include a detailed analysis of the anticipated individual and cumulative energy price impacts of all recommendations contained therein.

¹ Multiple Intervenors is an unincorporated association of approximately 50 large industrial, commercial and institutional energy consumers with manufacturing and other facilities located throughout New York State. Multiple Intervenors previously submitted extensive written comments regarding the development of the statewide energy plan on July 8, 2008 and May 15, 2009.

Since the submittal of those comments, the economic situation in the State has further deteriorated, underscoring the critical need to immediately reduce the cost of doing business in New York. In fact, during the intervening period, both unemployment and declines in tax revenue collections in the State have reached record levels.

Recent reports indicate that in June 2009, the State's unemployment rate increased by more than 3 percent from the previous year to 8.7 percent – the highest level since October 1992.² This astounding figure represents 854,200 unemployed State residents, which is the greatest number of unemployed State residents on record.³ The manufacturing industry represents a critical component of the State's economy, contributing more than \$69 billion to the total gross domestic product for New York State in 2008.⁴ However, despite its fundamental importance to the State, the manufacturing industry experienced the greatest job loss (i.e., 8.1 percent) of any employment sector in the State between June 2008 and June 2009.⁵ During this period, the manufacturing sector lost an additional 43,900 jobs.⁶

In addition to the staggering increases in unemployment, a further indication of the worsening economy is the record decline in state tax revenues collected during the first quarter of 2009. For the country as a whole, the first quarter of 2009 experienced the largest decline in overall state tax revenues since quarterly data began being tracked by the Census Bureau in 1962.⁷ Although tax revenues are declining throughout the country, New York has been particularly hard hit. In fact, New York experienced the largest decline in personal

² New York State Department of Labor, *Highest Unemployment Rate in State Since 1992* (July 16, 2009) at 1, available at http://www.labor.state.ny.us/pressreleases/2009/July16_2009.htm.

³ *Id.*

⁴ Bureau of Economic Analysis, *Gross Domestic Product by State*, available at <http://www.bea.gov/regional/gsp/>.

⁵ The Public Policy Institute of New York State, Inc., *Monthly Economic Update – Latest Job Statistics for New York* (June 2009), available at <http://www.ppinys.org/nyecon/stats.pdf>.

⁶ *Id.*

⁷ The Nelson A. Rockefeller Institute of Government, *State Revenue Report* (July 2009) at 1, available at http://www.rockinst.org/pdf/government_finance/state_revenue_report/2009-07-17-SRR_76.pdf.

income tax withholdings (i.e., 16.5 percent) during the first quarter of 2009 – more than double the national average decline.⁸ Moreover, during this period, corporate income tax collections in New York decreased by nearly 24 percent – 4 percent more than the national average decline.⁹

Based on the foregoing, it is readily apparent that the current economic crisis is not only continuing, but, actually appears to be worsening in New York. Given the severity of this economic recession, the State must take all reasonable actions to moderate, and reduce, the growing financial burdens associated with high energy prices in New York.¹⁰ Accordingly, Multiple Intervenors urges the Board to ensure that the Plan is developed so as to ensure energy affordability in the State – an objective established by Governor Paterson to guide the development of the Plan.¹¹

If you have any questions regarding this filing, please do not hesitate to contact me directly at 518-320-3437, or via email at gbissell@couchwhite.com. Thank you in advance for your careful consideration of these comments.

Respectfully submitted,

MULTIPLE INTERVENORS

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⁸ *Id.* at 5.

⁹ *Id.* at 16.

¹⁰ According to the latest data from the Energy Information Administration, the State's electricity consumers currently pay, on average, nearly double the national average price for electricity. (Energy Information Administration, *Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State*, available at http://www.eia.doe.gov/cneaf/electricity/epm/epmxmlfile5_6_b.xls.)

¹¹ Executive Order No. 2, *Establishing a State Energy Planning Board and Authorizing the Creation and Implementation of a State Energy Plan* (April 9, 2008), p. 1, available at http://www.nysenergyplan.com/presentations/EO_2.pdf.