

1

2

3

\*\*\*\*\*

4

5

HEARING OF THE DRAFT STATE ENERGY PLAN

6

7

\*\*\*\*\*

8

9

Hunter College, 69th Street  
New York, New York

10

11

August 21, 2009  
11:00 a.m.

12

13

B E F O R E:

15

16

THOMAS CONGDON, CHAIRMAN

17

ROBERT CALLENDER

18

GARRY BROWN

19

ALEXANDER GRANNIS

20

JUDITH ENCK

21

22

23

ELLEN GRAUER COURT REPORTING CO. LLC

24

126 East 56th Street, Fifth Floor

New York, New York 10022

212-750-6434

25

Ref: 90965

## 1 A P P E A R A N C E S :

2

3	SPEAKER	PAGE
4	THOMAS CONGDON	3
5	PAUL VITALE	9
6	JAMES VAN NOSTRAND	15
7	ROSS GOULD	22
8	JOHN BARTLIK	29
9	JOSEPH COLELLA	35
10	ARNOLD FROGEL	39
11	FRANK MARTINO	41
12	MARTHA DUGGAN	44
13	DAVID BROOKS	51
14	SUSAN LEIFER	55
15	STUART NACHMIAS	62
16	MARIAN ROSE	70
17	JAMES HEGARTY	76
18	RUBEN BROWN	81
19	MATT WALLACH	88
20	THEO BREITENSTEIN	95
21	MARY ELLEN PARAVALOS	100
22	CHLOE TRIBICH	106

23

24

25

1 HEARING

2 MR. CONGDON: Good morning,  
3 everyone. My name is Tom Congdon and I  
4 am the chair of the New York State  
5 Energy Planning Board. I'd like to  
6 welcome you all to the second public  
7 statement hearing on the Draft State  
8 Energy Plan.

9 I'd also like to thank our hosts  
10 at Hunter College and our other members  
11 of the Planning Board who are here with  
12 me today. Starting at my far left,  
13 Judith Enck is our Deputy Secretary for  
14 the Environment in the Governor's  
15 Office; Pete Grannis is the Commissioner  
16 of the Department of Environmental  
17 Conservation; Garry Brown is the Chair  
18 of the Public Service Commission; and  
19 Bob Callender is here from NYSERDA as  
20 the designee for our NYSERDA rep Frank  
21 Murray.

22 Most important, I'd like to thank  
23 you for coming here today. We're here  
24 to listen to you. For the past year and  
25 a half, the Planning Board has worked

1 HEARING

2 with the staffs of ten agencies and  
3 public authorities to develop the State  
4 Energy Plan.

5 The planning process commenced in  
6 April 2008 when Governor Paterson issued  
7 Executive Order No. 2 which created this  
8 Planning Board and charged us with  
9 developing the Plan.

10 On August 10th the Planning Board  
11 released the Draft Plan on its website  
12 nysenergyplan.com, and we commenced a  
13 60-day written comment report and the  
14 public hearing phase of developing the  
15 final Plan. Written comments are due on  
16 October 19th, and we will release the  
17 plan, the final Plan, by the end of the  
18 year.

19 The Plan's objectives are to  
20 first, ensure our energy systems are  
21 reliable over a 10-year planning  
22 horizon; second, to reduce greenhouse  
23 gas emissions; third, to stabilize  
24 energy costs and improve economic  
25 competitiveness in the State; fourth,

1 HEARING

2 reduce public health and environmental  
3 risks associated with our energy  
4 systems; and fifth, to improve the  
5 State's energy security.

6 The plan modeled and considered  
7 various approaches to achieving these  
8 objectives and arrived at a number of  
9 strategies outlined in the Plan. First  
10 and foremost, the Plan identified energy  
11 efficiency as a priority resource to  
12 meeting our multiple objectives.

13 Second, the Plan seeks to develop  
14 in-State energy resources, largely  
15 renewable resources and also in-State  
16 national gas resources in an  
17 environmentally responsible manner.

18 Third, the Plan projects  
19 infrastructure needs, both to support  
20 the clean energy technologies of the  
21 future and to ensure reliability.

22 Fourth, the Plan identifies  
23 opportunities to capitalize on existing  
24 academic and research strengths in the  
25 State and to speed up the

1 HEARING

2 commercialization of new energy  
3 technologies.

4 The Plan also identifies needs  
5 for a clean energy workforce and  
6 identifies new opportunities for  
7 training for clean energy jobs, and  
8 we've also identified economic  
9 development strategies to help attract  
10 those industries that will thrive in a  
11 carbon-constrained economy.

12 Last, the Plan recognizes that  
13 none of this can be fully achieved  
14 without working with other levels of  
15 government and communities to achieve  
16 our goals.

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

21 This is one of nine public  
22 hearing sessions we will hold around the  
23 State to hear your comments. A full  
24 hearing schedule is available on our  
25 website.

1 HEARING

2 My job today is to gather  
3 information for the Planning Board to  
4 consider, and again, we are very  
5 appreciative of your attendance today.

6 The process is simple. Those who  
7 want to comment at this hearing can ask  
8 to sign in upon approval today. I have  
9 a list of names here. Your name will be  
10 called one at a time to speak. Please  
11 come to the microphone here in the  
12 aisle. Come to the microphone when your  
13 name is called.

14 A court reporter is here to  
15 provide us with a verbatim transcript.  
16 It's very important that there be only  
17 one speaker at a time so the reporter  
18 can hear clearly. Speakers should  
19 address their comments in the direction  
20 of the microphone, and please make an  
21 effort to speak clearly and slowly.

22 It's very important that those in  
23 the audience be courteous to the speaker  
24 so his or her comments can be  
25 transcribed accurately. All speakers

1 HEARING

2 are asked to focus on issues that  
3 pertain to the Draft Plan. Your  
4 comments should be as succinct as  
5 possible so we can hear from as many  
6 people as possible.

7 We have set a five-minute  
8 deadline for that purpose, and one of my  
9 colleagues, Jennifer Kozlowski  
10 is on the end sitting next to the  
11 microphone. She'll give you a gentle  
12 reminder if you are getting close to the  
13 five minutes or if you go over.

14 Those who want to comment but do  
15 not want to speak publicly or do not get  
16 a chance to do so can also submit  
17 written comments via our Energy Plan  
18 website. All public comments, whether  
19 stated at a hearing like this one or  
20 sent into the website, will be reported  
21 to the Energy Planning Board for its  
22 consideration and they all count equally  
23 regardless of how they were received.

24 With that, does anyone have any  
25 questions about the process?

1 HEARING

2 (No response.)

3 MR. CONGDON: So we can get  
4 started. Our first statement is from  
5 Paul Vitale from Business Council of  
6 Westchester. Paul?

7 MR. VITALE: Good morning. I'm  
8 Paul Vitale, Vice President, Government  
9 and Community Relations for the Business  
10 Council of Westchester. I appreciate  
11 the opportunity to address the Planning  
12 Board today at this hearing.

13 The Business Council of  
14 Westchester is the county's largest and  
15 most influential business organization.  
16 We represent approximately 1200 members  
17 ranging in size from multi-national  
18 corporations and mid-sized businesses to  
19 professional firms, not-for-profit  
20 organizations, and small business owners  
21 in every sector of the county's diverse  
22 economy.

23 The Governor's Draft 2009 New  
24 York State Energy Plan contains many  
25 positive initiatives that are good for

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

business and good for New Yorkers.  
Among the items it supports are  
revitalized power plant citing law,  
construction of new transmission  
infrastructure that utilizes existing  
right of way and additional investment  
in research and development of renewable  
energy and workforce training for a new  
generation of green-collar jobs. These  
are all positive developments which our  
business organization clearly endorses.

Despite these many positive  
developments we are extremely  
disappointed that you have decided you  
want to shut down the Indian Point  
Nuclear Power Plant. The Business  
Council of Westchester believe that this  
is a short-sided recommendation, which  
would create a devastating impact on our  
community, as well as for all New  
Yorkers.

First, Indian Point is a safe  
facility. The preliminary State Energy  
Plan cites safety as a top reason for

1 HEARING

2 opposing the State's -- the plant's  
3 continued operations. However, for our  
4 members who live and work within the  
5 vicinity of the plant, they know that  
6 Indian Point is indeed a safe facility.

7 They are -- they see the plant as  
8 vital fortress, a virtual fortress, and  
9 are reassured by the heavily armed  
10 presence throughout the plant's  
11 perimeter and even outside it. They  
12 know that the plant is the most  
13 scrutinized of all U.S. nuclear power  
14 plants.

15 Safety is always the top priority  
16 for all involved at Indian Point, and  
17 they know that the federal government's  
18 independent safety experts just last  
19 week attested to the safety and security  
20 of the facility by issuing a favorable  
21 final safety evaluation report. This is  
22 a significant and important step forward  
23 in the plant renewal process -- license  
24 renewal process.

25 Next I want to talk about Indian

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

Point as a good environmental steward.  
Indian Point is not just a safe  
facility, it is key to New York's  
success under the regional gas --  
greenhouse gas initiative and will be a  
critical factor towards ensuring  
compliance under the federal cap and  
trade legislation.

Indian Point produces more than  
2,000 megawatts of power, clean and  
virtually emissions-free energy. It is  
a critical component to New York  
achieving the distinction of having one  
of the lowest per capita carbon  
emissions counts in the nation.

Replacing Indian Point's energy  
through conservation, efficiencies, and  
construction of a natural gas facility  
is unrealistic and wishful thinking.  
Even with conservation efficiencies  
fully employed in New York, the New York  
State Independent Systems Operator  
continues to forecast growing energy  
demands throughout this year and into

1 HEARING

2 the future, and it will take a minimum  
3 of four natural-fired gas plants to make  
4 up for Indian Point's power. This will  
5 result in more airborne pollutants,  
6 which will force for a negative impact  
7 in our community.

8 Now I want to touch on Indian  
9 Point as an economic engine. Now that  
10 the State independent safety experts  
11 have further judged Indian Point to be  
12 safely operated to the highest  
13 standards, we most focus on the economic  
14 benefits of this plant.

15 Conservatively Indian Point  
16 accounts for \$1 billion a year in local  
17 economic activity. Studies have shown  
18 that closing Indian Point would lead to  
19 more than 11,000 job losses and a total  
20 loss in the region exceeding \$2 million  
21 in cumulative lost wages.

22 A study conducted by the Business  
23 Council of Westchester and three of our  
24 business organizations and released last  
25 year indicates that closing Indian Point

1 HEARING

2 would lead to energy costs rising by as  
3 much as 150 percent. With New York's  
4 energy cost already well above the  
5 national average, a factor routinely  
6 cited by our members as one of the key  
7 stumbling blocks in their efforts to  
8 grow and prosper, forcing utility rates  
9 to rise by 150 percent would bring about  
10 economic devastation to the entire  
11 downstate region, not just Westchester.

12 In conclusion, there is much in  
13 the Plan to praise and recognize, but  
14 the Plan's focus on shutting down Indian  
15 Point will bring about far-reaching  
16 implications that will adversely affect  
17 all New Yorkers. Moreover, no realistic  
18 or credible alternatives to replacing  
19 Indian Point have been made in the wake  
20 of this study. This is both  
21 irresponsible and ill-timed.

22 To say that Indian Point is the  
23 backbone of our electricity network and  
24 a critical economic engine for the  
25 Hudson Valley's economy would be a vast

1 HEARING

2 understatement. Given the current  
3 economy with high prices and record job  
4 losses, who in their right mind would  
5 support closing a safely run power plant  
6 that emits virtually no carbon into the  
7 atmosphere and employs hundreds of  
8 people who keep it safe? Thank you.

9 MR. CONGDON: Thank you, Paul.  
10 Next speaker is James Van Nostrand from  
11 Pace Energy.

12 MR. VAN NOSTRAND: Good morning.  
13 I'm Jamie Van Nostrand, the executive  
14 director of the Pace Energy and Climate  
15 Center. We're formerly known as the  
16 Pace Energy Project. We've been around  
17 for 20 years and have been very active  
18 in the energy environmental issues in  
19 New York, promoting energy efficiency,  
20 renewable distributed generation. Our  
21 latest project is working on the  
22 biofuels road map. We're the lead  
23 institution on the team with the  
24 biofuels road map.

25 We really appreciate the

1

## HEARING

2

opportunity to address the board. I

3

think we appreciate the really

4

outstanding work that, I think, has been

5

done and the institutions that are

6

represented and included in the State

7

Energy Plan, together with the hard work

8

that's been done by Tom Congdon and Sarah

9

Osgood, John Williams, Judith and Peter

10

Iwanowicz.

11

I think we feel generally very

12

good about the caliber and capability of

13

the officials at the State level who are

14

in charge of our energy environmental

15

program. The Draft State Energy Plan,

16

we think, does a really good job of

17

laying out the broad structure,

18

principles, and policies for us to have

19

a reliable and sustainable energy

20

infrastructure and supply going forward.

21

I got to say we're very pleased

22

with the Governor's Executive Order No.

23

24 that was issued a couple weeks ago in

24

terms of endorsing an '80 by 50,' a

25

reduction in greenhouse gases by 2050.

1 HEARING

2 I think it's very important that we view  
3 this Energy Plan -- although it's a  
4 ten-year scope for the Energy Plan --  
5 that we view it in the context of  
6 instituting achievable lower carbon  
7 levels and get a meaningful reduction in  
8 greenhouse gas emissions. So we're  
9 going to need to address the climate  
10 change issues.

11 Another aspect of that is the  
12 climate action plan and creating of the  
13 climate change council, we think, is  
14 another very important piece. So  
15 that -- and I think along with that is  
16 making sure that climate action council  
17 has the resources to be able to do the  
18 modeling and analysis that are going to  
19 be necessary to produce a good climate  
20 action plan and to be able to produce  
21 the metrics so that we can gauge from  
22 time to time how we're doing in  
23 implementing that climate action plan.  
24 That's just a great move that -- in  
25 terms of exercising the issue upon the

1 HEARING

2 '80 by 50' issue.

3 We know from some of the meetings  
4 we have had that there's been a lot of  
5 modeling done already on that issue, and  
6 I think it's great that the Energy Plan  
7 is evaluated in that context of this  
8 bigger, longer-term objective.

9 I guess turning to some of our  
10 concerns about the State Energy Plan --  
11 and again, I think it needs to be  
12 evaluated in the context of our --  
13 generally we think it's a great policy  
14 and represents a lot of hard work by a  
15 lot of good people.

16 What we're concerned about is  
17 sort of the -- it's never been a problem  
18 of identifying these bigger policy  
19 objectives in the longer-term goals. I  
20 guess the concern we have is the sense  
21 of urgency when it comes down to  
22 actually implementing these objectives  
23 and the plan.

24 I mean, the energy efficiency  
25 portfolios counted at '15 by 15' is a

1 HEARING

2 great objective. The RPS of 25 by '13,  
3 now growing 30 by '15, again, these are  
4 really good goals. I guess our concern  
5 is the pace at which these measures are  
6 being implemented.

7 I think on the energy efficiency,  
8 for example, when you look at the fact  
9 that the New York ISO reliability need  
10 assessment is anticipating only 28  
11 percent of that energy efficiency can be  
12 counted on showing up is some reflection  
13 of the sort of pace at which these  
14 programs are being approved and funded.

15 I understand there's, you know,  
16 some measurement and evaluation issues  
17 that the New York ISO has. There's  
18 always that conservatism of the power  
19 engineers not being sure that those  
20 energy efficiencies are going to  
21 actually show up, but I think the fact  
22 that less than a third of what we're  
23 projecting by '15 by 15' is being counted  
24 upon by the New York ISO is pretty  
25 revealing that we're not moving fast

1 HEARING

2 enough and that the sense of urgency  
3 that's embodied by the Government  
4 Executive Order, including '80 by 50', is  
5 not being sort of carried through at  
6 the -- when it comes to actually  
7 implementing the programs to get us  
8 there.

9 I think '30 by 15' as well -- I  
10 mean, the Governor announced back in  
11 February that we're going to accelerate  
12 to new portfolio standard to '30 by 15'  
13 and that has still not been formally  
14 adopted as the policy of the State, and  
15 it may not happen until the end of the  
16 year.

17 One of the things you look at in  
18 the State Energy Plan is it's actually  
19 not all that ambitious a goal when you  
20 look at the net megawatts that are  
21 actually stimulated by even a '30 by 15'  
22 standard. It's not all that aggressive.

23 I think another thing to look at  
24 in the State Energy Plan are the  
25 wholesale rate impacts of implementing

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

energy efficiency and RPS, the fact that they will produce a reduction in the wholesale prices and those reductions more than offset the impact of higher prices at the retail level is -- makes it all the more disturbing we can't get there more quickly.

Obviously rate impacts are something to be concerned about when implementing the energy efficiency and renewable portfolio standard, but if they are more than offset by reductions in the wholesale market, given the market clearing price mechanism we have in New York, why can't we, you know, move more quickly? And I think that's -- that sort of jumps out at you from the State Energy Plan as well.

I understand the tremendous workload of the Public Service Commission. I was at the hearing a couple weeks ago when they rolled out the smart grid program. I think that was just an amazing amount of work in a

1 HEARING

2 very short amount of time and allows New  
3 York ratepayers to take advantage of the  
4 Economic Stimulus Package, and it's  
5 issues like that that continue to come  
6 before the PSC that represent a great  
7 workload.

8 I know there has to be a balance  
9 between prevision and speed and making  
10 sure we're spending this money wisely.  
11 I think we would urge that balance be  
12 struck a little bit more in favor of  
13 speed, getting the program approved, get  
14 the money out the door, measure, verify,  
15 and refine, but let's have the same  
16 sense of urgency in implementing the  
17 State Energy Plan that we have at the  
18 policy level and announcing these  
19 laudable and appropriate goals. Thank  
20 you very much. I appreciate all the  
21 good work you've done and the  
22 opportunity to address the board.

23 MR. CONGDON: Thank you. Our  
24 next speaker is Ross Gould from the New  
25 York State Sierra Club.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

MR. GOULD: Good morning. Thank you for having these hearings. As you said, my name is Ross Gould and I am an attorney and a member of the Sierra Club's Atlantic Chapter. In addition, I work with several other nonprofit organizations on issues relating to production and consumption of energy and the environmental and public health impacts of the production and consumption of energy.

Initially I note that the State Energy Plan is a welcome opportunity for New York State to move forward with a safe, sustainable, energy independent future and can be used to stimulate employment and overall economic growth, and I applaud the effort that's being made on that, as does the Sierra Club.

There are many positive aspects of the Plan, including the goal of attacking climate change, and we do appreciate those efforts. But that being said, there are numerous

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

shortcomings with the Draft State Energy Plan, including not reaching for higher energy efficiency standards and not enough reliance upon renewable energy and the failure to include options, such as tidal generation of power. For example, the East River is using tidal and that has not been mentioned in the Energy Plan.

In an effort to be brief, I will discuss three areas of concern. Written comments will be submitted to supplement this testimony, as well as I believe other people will be making comments as well on other issues.

The three issues I will touch upon are one, the State Draft Energy Plan's mistaken dependence upon producing large amounts of energy from the use of natural gas extracted from the Marcellus Shale; two, an energy future that includes nuclear electricity generation; and three, the failure of the Energy Plan to consider the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

interconnection between water and energy and how the smarter water resource management decisions can lead to a huge decrease in energy demand.

Initially, I would like to state that the amount of recoverable reserves from the Marcellus Shale are being overstated, and in fact a World Oil Magazine article published earlier this month states that the reserves for similar shale plays have been overestimated and much less is actually recovered than has been estimated by the industry.

Also, the Draft Energy Plan mistakenly considers both natural gas and nuclear energy to be clean sources of energy. They are anything but, and although many people advocate that natural gas and nuclear are viable options because they emit CO2 in generating electricity -- sorry, less CO2 in generating electricity than do coal or oil, this statement only

1 HEARING

2 discusses one point of the full life  
3 cycle of energy production and hides the  
4 full health and environmental impacts as  
5 well as the social injustice associated  
6 with these processes.

7 The extraction of natural gas is  
8 very dirty, and in states in which a  
9 similar drilling process is used as is  
10 planned in New York, a process called  
11 hydraulic fracturing with horizontal  
12 drilling, there are numerous cases of  
13 severe illnesses from water  
14 contamination and air pollution.

15 These individuals who are  
16 suffering these illnesses and the water  
17 contamination are individuals from  
18 environmental justice communities  
19 because they are residents of  
20 economically depressed communities.

21 Drilling for natural gas destroys  
22 air quality. In fact hydraulic  
23 fracturing with horizontal drilling has  
24 been taking place in Fort Worth, Texas,  
25 in what is known as the Barnett Shale,

1 HEARING

2 which is a similar formation as what we  
3 have with the Marcellus Shale.

4 A recent study of air quality at  
5 Fort Worth, Texas, has shown that  
6 drilling-related emissions of carbon  
7 dioxide and two other major greenhouse  
8 gases underlying climate change were  
9 estimated to be roughly equivalent to  
10 the impact from two 750 megawatt  
11 coal-fired power plants.

12 This number will be -- is much  
13 lower than what would result under the  
14 Draft Energy Plan because the Marcellus  
15 Shale is much larger, and the drilling  
16 that is expected is supposed to be much  
17 more intense than that which is  
18 occurring in Fort Worth.

19 In addition, the same study  
20 concludes that peak summertime emissions  
21 of smog-forming emissions from  
22 production activity in the Barnett Shale  
23 are about the same as the emissions from  
24 all the cars and trucks in the  
25 Dallas/Fort Worth Metroplex.

1 HEARING

2 As documented in the Draft State  
3 Energy Plan, 85 percent of New York's  
4 population lives in areas that have been  
5 designated as -- as not in attainment of  
6 one or more of the national-based air  
7 quality standards. Surely such  
8 emissions as found in Dallas/Fort Worth  
9 will not help decrease this number.

10 In addition, the Draft State  
11 Energy Plan calls for major increase in  
12 pipeline and other infrastructure for  
13 bringing natural gas to downstate areas.  
14 The impacts of pipelines on the  
15 landscape, especially with the uniformly  
16 broad sheet formation like the Marcellus  
17 Shale, will be significant.

18 The vast gridwork, transmission  
19 lines, pipelines, and compressor lines  
20 will directly contribute to air quality  
21 issues through leakage, destroy land  
22 character, lead to habitat fragmentation  
23 and become conduits for endangered  
24 species. In addition, the placement of  
25 the infrastructure is also likely to

1 HEARING

2 decrease property values.

3 Next, the Plan takes -- next the  
4 Plan discusses nuclear energy, and we do  
5 agree that Indian Point should be shut  
6 down and we applaud you for that;  
7 however, we disagree with the increase  
8 in nuclear generation overall. Nuclear  
9 power is not as clean as is stated.

10 One quick point I'd like to make,  
11 as my time is up, is that one thing  
12 that's not being considered is the  
13 environmental justice impacts relating  
14 to the uranium mining and milling, which  
15 affects the Native American communities  
16 disproportionately more than anyone, and  
17 by increasing our reliance on nuclear  
18 power will severely impact this  
19 community. And they have had very  
20 little voice in this. I realize my time  
21 is up. As I said, we will be submitting  
22 additional comments. I thank you.

23 MR. CONGDON: Thank you. Next  
24 speaker is John Bartlik from NYU Medical  
25 Center.

1 HEARING

2 MR. BARTLIK: Good morning. I'm  
3 grateful to have this opportunity to  
4 speak with you today. My name is John  
5 Bartlik. I'm from NYU Langone Medical  
6 Center located here in Manhattan on  
7 First Avenue between 33rd and -- I mean,  
8 30th and 33rd Streets. We're a large  
9 health care facility as well as  
10 biomedical research and medical school.

11 I'm here to talk to you about how  
12 NYSERDA impacted our business, our  
13 business decisions, why we think NYSERDA  
14 works as far as local businesses are  
15 concerned and also the city goals as  
16 well as State goals and humbly suggest  
17 some expansions of the programs that we  
18 feel would be very helpful.

19 NYSERDA is what I believe a great  
20 organization. It helped us understand  
21 better how to improve our energy  
22 efficiency. Their programs have helped  
23 us dramatically in terms of making good  
24 business decisions that have a great  
25 impact on energy efficiency.

1 HEARING

2 Our successes so far -- well, we  
3 received about over \$3 million from  
4 NYSERDA and the benefit is pretty clear.  
5 Since our baseline year 2005, we reduced  
6 our energy consumption by 14 percent,  
7 greenhouse gases down by 15 percent.

8 We are expanding this. It's  
9 something we recognize that this is  
10 some -- energy is really a controllable  
11 cost, and we are really recognizing that  
12 we need to be an environmental steward  
13 and be responsible with our energy.  
14 It's just very difficult sometimes to  
15 make the hard decisions to really invest  
16 where we need to to have those energy  
17 impacts.

18 The reason -- you know, it's  
19 funny that we're here talking today  
20 because on the way in we were  
21 implementing some recommendations and  
22 programs NYSERDA helped us implement.  
23 We are fuel switching and running steam  
24 chillers to avoid electrical peaks. We  
25 are shedding loads and trying to really

1 HEARING

2 shave our peaks and, you know, take the  
3 congestion off the grid.

4 I would really be concerned where  
5 we would be if NYSERDA programs weren't  
6 really in place all these years helping  
7 us reduce our kilowatts and energy use.  
8 I'm not sure if our grid could withstand  
9 a day like today.

10 NYSERDA also just helps guide us  
11 and educate us. There are groups on the  
12 ground everywhere. I meet NYSERDA  
13 people at all of our professional  
14 organization meetings and they're  
15 getting the word out on a regular basis.  
16 NYSERDA really has been a great  
17 organization.

18 I would -- I almost -- I look at  
19 it as if it's not a typical government  
20 agency, it's -- it really acts very  
21 efficiently, very effectively and people  
22 are very responsive. The programs  
23 really seem to align with our business  
24 goals our local and State government  
25 energy and environmental goals. I have

1 HEARING

2 to applaud them and I believe they're,  
3 you know -- it's just a fabulous  
4 organization.

5 As far as suggestions, I do  
6 have -- I have 20 years experience in  
7 HVAC facilities management, control  
8 systems. And one of the recurring  
9 themes that I've seen is -- well, excuse  
10 me. Let me back up just for a second.  
11 I think cogen is really part of our  
12 future. Cogen is something that in an  
13 urban setting could be very efficient,  
14 could be in line with our city goals for  
15 plan NYC Carbon Reductions, can relieve  
16 the grid and can just reduce our overall  
17 energy consumption.

18 I think that right now the  
19 economics of cogen are very difficult.  
20 It takes a great deal of investment to  
21 put in a cogen plant, and so I would ask  
22 that NYSERDA spend a little more time  
23 researching that and researching how we  
24 can use that heat most wisely and the  
25 electrical generation most wisely.

1 HEARING

2 Also, from my experience I've  
3 noticed that we can really help our  
4 efficiency if we put some more  
5 regulation and training and  
6 certification on HVAC and building  
7 control people. They are key to  
8 efficiency. They install the systems  
9 and there's really no regulation or  
10 training for them that we can keep  
11 control of. If we -- we insist that  
12 boiler operators and chiller operators  
13 have certification, but we don't with  
14 HVAC people or controls people. I think  
15 it would go a great, great distance if  
16 we did something like that.

17 Also, our people -- our companies  
18 do not have any extra funding for  
19 dedicated energy professionals. A  
20 dedicated energy professional in large  
21 facilities is essential, and since I am  
22 a dedicated energy professional and we  
23 did have those reductions in '15 by 15  
24 percent in a very short amount of time,  
25 I -- I think that that's something that

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

should be looked at as far as helping large companies with that cost or somehow promoting it. I thank you for your time. I want to thank NYSERDA for all the great work you've done. Thank you.

MR. CONGDON: Thank you very much.

MR. GRANNIS: Thank you. I think NYSERDA doesn't get the attention it needs to get for the work that they do. They really do have the ability to provide and help in many, many sectors that are directly related to the work of the citing of the master plan, the Planning Board and Tom's work and ongoing efforts to reduce greenhouse gases and be more energy efficient. So thank you.

MR. CONGDON: Thank you. Our next speaker is Joseph Colella from New York Presbyterian Hospital.

MR. COLELLA: Good morning. I am pleased to appear today and am grateful

1

## HEARING

2

for the opportunity to recount for you

3

our ten-plus-year history with energy

4

savings and with NYSERDA. But first let

5

me tell you a little about New York

6

Presbyterian. New York Presbyterian is

7

the merged hospitals that we all knew

8

here in New York as New York Hospital

9

and Columbia Presbyterian Medical Center

10

that merged about ten years ago, and we

11

are the university hospitals for

12

Columbia and Cornell.

13

We encompass five hospitals: the

14

Millstein Hospital, the MS Children's,

15

the Allen Pavillion, what was New York

16

Hospital, and our Westchester division.

17

In these divisions we employ

18

approximately 16,000 people, and one of

19

five health care operations or

20

procedures are performed in one of our

21

facilities in the New York area.

22

We at New York Presbyterian have

23

participated in almost every type of

24

project the program offered. We've done

25

technical assistance, energy audits,

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

peak load reduction and retro commissioning, and most recently we have just commissioned our new central heat and power plant, CHP, a cogen plant here in Manhattan, and the study, the demonstration, and even a special short circuit club that allowed CHP in a very congested network area, that had very small tolerance for short circuit contribution, was also funded by NYSERDA, and that allowed us to succeed and get this project moving.

The NYSERDA funds are particularly important in the evaluation and the study of projects. At the beginning of these projects the study, the payback, the technical ability to do these are not readily available until you actually fund these particular functions. But once that's done, then it's more easy to convince administration and upper management to fund these, and great sums are required at times to fund these projects and get

1 HEARING

2 the energy efficiency and carbon  
3 reduction that can be achieved.

4 Over the last five years at New  
5 York Presbyterian, we've experienced  
6 over 3 and a half million dollars in  
7 grants and awards from NYSERDA and we've  
8 grateful for that. Without these funds  
9 we would not have been able to become a  
10 leader in energy awareness and cost  
11 reduction.

12 This success story is a major  
13 part of the reason why New York  
14 Presbyterian was named Energy Star  
15 partner of the year for four consecutive  
16 years. If any area that I would ask the  
17 Planning Board to consider, here in New  
18 York the photovoltaic programs,  
19 while we do have them in the menu and  
20 the list of what's available, the  
21 reimbursement levels are not quite what  
22 some of the other states in the country  
23 have done, and there's some room for  
24 improvement in that.

25 Again, I thank you for the

1 HEARING

2 opportunity to speak today and applaud  
3 the State and NYSERDA's effort in making  
4 our State a leader in the energy field.  
5 Thank you.

6 MR. CONGDON: Thank you, Joseph.  
7 Our next speaker is Arnold Frogel from  
8 the Sierra Club.

9 MR. FROGEL: Good afternoon. Or  
10 is it morning? I would just like to say  
11 that on -- there's very little attention  
12 given here to the natural gas  
13 exploitation and Marcellus Shale in your  
14 printed material. I hope that you're  
15 aware of the profound risk that is  
16 presented by the use of this resource,  
17 which involves the use of many chemicals  
18 and many of them toxic.

19 I have a list of 48 toxic  
20 chemicals that are -- that have been  
21 used in this process that have come from  
22 the DEC and that have been -- that have  
23 been gathered from the material data  
24 safety sheets. I believe that's the  
25 federal government. Accidents will

1 HEARING

2 happen. They do happen. They will  
3 happen.

4 These chemicals in fracturing  
5 fluids that are proposed to be used for  
6 the extraction of natural gas migrate in  
7 every direction in the subterranean  
8 environment, and they migrate great  
9 distances. They've already had terrible  
10 effects on people's health in other  
11 areas, and we cannot afford to turn a  
12 blind eye and suspend our disbelief of  
13 the blandishments, the dispersions of  
14 the companies that have been pushing for  
15 this natural gas development, and with  
16 the DEC having only 17 people in their  
17 minerals division, 17 people to handle  
18 upwards of 25,000 different wells that  
19 are to be explored in the State of New  
20 York, there's a no-brainer here and it  
21 has to be faced. It can't be swept  
22 aside.

23 You can't leave it to people who  
24 have only the bottom-line profits in  
25 mind and who have all the defenses of

1 HEARING

2 judicial -- in the judicial process to  
3 overwhelm the individual citizens.  
4 Thank you.

5 MR. CONGDON: Thank you very  
6 much. Our next speaker is Frank Martino  
7 from Columbia University.

8 MR. MARTINO: Hello. Good  
9 morning. Frank Martino, assistant vice  
10 president of plant engineering and  
11 utilities at Columbia University. I'm  
12 also a board member of the New York  
13 Energy Consumers Council. Some of my  
14 colleagues are here today. I have about  
15 17 years of facilities and engineering  
16 and energy initiatives experience here  
17 in New York City.

18 So I'm here on behalf of Columbia  
19 to express a strong support for NYSERDA  
20 and their involvement as the primary  
21 agency overseeing the State Energy Plan.  
22 Columbia owns, operates, and maintains  
23 over 13 million square feet of mixed-use  
24 space with a central energy plant at our  
25 Morningside Campus.

1 HEARING

2 We are currently in development  
3 of an expansion of -- a real estate  
4 expansion in the Harlem area. We will  
5 build another central energy plant there  
6 with lots of innovative energy features  
7 to serve the academic operations of  
8 Columbia and its academic research.

9 As an original member of the  
10 mayor's plaNYC, we committed to  
11 reducing carbon emission by 30 percent  
12 by 2017, and we're very serious about  
13 that commitment. The overwhelming bulk  
14 of that 30 percent is going to be due to  
15 energy usage well over 90 percent.

16 Historically the university has  
17 benefited from millions of dollars in  
18 NYSERDA funding over the years through  
19 all of their many programs that they've  
20 offered. Without that funding, many of  
21 those projects that we've implemented  
22 that have long-term energy savings would  
23 not have been completed.

24 Currently we're working on a new  
25 central energy plant, as I mentioned

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

before, a chilled water distribution expansion to more effectively and efficiently generate air-conditioning for the university in support of academic operations. We have some geothermal wells that we've drilled for central HVAC control. We're doing lighter retrofits, doing lean buildings and lean construction.

All of these are being constructed and developed with the help of NYSERDA technical assistance. They either have NYSERDA funding appropriated or in the process of being appropriated, and it is a tremendous and -- and absolutely imperative help that NYSERDA gives us for these kinds of projects.

Our future plans include central thermal storage, solid-state lighting, and combined heat and power cogeneration. All of this is contributing to the New York State Energy Plan and its primary goals of energy security, energy efficiency,

1 HEARING

2 reduced carbon footprint.

3 Along those lines, we would like  
4 to strongly express our support of  
5 cogeneration and CHP, particularly in  
6 New York City as a hallmark of the State  
7 Energy Plan. And NYSERDA, with all of  
8 their technical assistance and  
9 experience in developing these plans, is  
10 the perfect partner to help facilities  
11 like Columbia University and some of my  
12 colleagues who have already spoken here  
13 today to help us along. Thank you very  
14 much.

15 MR. CONGDON: Thank you very  
16 much. Our next speaker is Gabriel  
17 Carter from Triplepoint Energy.

18 MR. CARTER: We will be  
19 submitting written comments on line.

20 MR. CONGDON: Okay, we'll get  
21 your comments online. The next speaker  
22 is Martha Duggan from Solar Alliance.  
23 Martha?

24 MS. DUGGAN: Thank you. I'm  
25 Martha Duggan, vice president of the and

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

regulatory affairs for United Solar  
Evoniks. We're the leading provider of  
American-made, thin-film, flexible solar  
products for the building integrated and  
commercial rooftop markets.

I am here today to offer comments  
on behalf of the Solar Alliance, and as  
I think you know, the Solar Alliance is  
a trade group consisting of 30 companies  
that manufacture, install, finance, and  
manage solar systems throughout the  
United States. The mission of the Solar  
Alliance is to work with State policy  
makers and thought leaders such as  
yourselves to develop cost effective  
solar policies and programs.

I really appreciate the  
opportunity to make brief comments today  
on the Draft State Energy Plan. The  
authors and the stakeholders are to be  
applauded for the hard work that has  
produced an important and thoughtful  
document. It's a great starting point.

I would like to offer a few

1 HEARING  
2 comments on the report. The Solar  
3 Alliance strongly supports the draft  
4 report recommendation that the current  
5 renewable portfolio standard be  
6 increased to reflect Governor Paterson's  
7 commitment to 30 percent renewable  
8 energy by 2015.

9 An integral part of reaching that  
10 goal should be to specify a solar goal  
11 as part of a larger renewable portfolio  
12 standard. Our recommendation is that a  
13 700 megawatt solar goal as part of the  
14 30 percent is an achievable and  
15 significant goal. We also support the  
16 conclusion in the report that more  
17 reliance on in-State energy resources  
18 will be a benefit to the State of New  
19 York.

20 I'd like to underscore the role  
21 that distributed solar projects can play  
22 in that record. Distributed solar can  
23 be deployed quickly and make immediate  
24 contributions to reducing peak load  
25 demand on utilities as well as reduction

1 HEARING

2 of the use of fossil fuels.

3 Those benefits actually lead to  
4 our next point, which is the recognition  
5 that the perceived price disparity  
6 between renewable and traditional fuel  
7 resources doesn't consider all of the  
8 costs to society of continued reliance  
9 on fossil fuel, and the report does a  
10 great job of recognizing that.

11 In the case of distributed solar,  
12 the cost that can be avoided include  
13 costs for additional transmission  
14 facilities. This attribute of  
15 distributed solar also addresses another  
16 of the Draft Report findings concerning  
17 the fact that the location of many  
18 renewable projects are far from load  
19 centers in the State. Deploying more  
20 renewable PV projects would, of course,  
21 address that issue.

22 We do, however, take issue with  
23 the report's conclusion concerning,  
24 quote, the extraordinary cost of  
25 increasing renewable energy in New York.

1 HEARING

2 We would urge you to expand and revise  
3 that conclusion by taking into account  
4 the continuing decrease in solar prices  
5 in particular.

6 The Draft Report reflects an  
7 underlying assumption of \$8 per watt of  
8 solar installed. This assumption  
9 excludes three important factors: The  
10 fact that much of the existing solar in  
11 New York on which this assumption is  
12 based is residential in small systems  
13 that are typically higher in price.

14 Second, there is an ongoing  
15 decline in solar panel costs estimated  
16 by some to reach as low as \$2 per watt  
17 by the end of this year.

18 Finally, balance of system costs  
19 have also shown significant declines as  
20 project developers establish efficient  
21 distribution channels and construction  
22 practices in response to growing market  
23 demand.

24 Not only is the starting point in  
25 the State Energy Plan Draft analysis too

1 HEARING

2 high, it really fails to take account of  
3 the decline in cost over time as markets  
4 achieve scale, and we've seen this in  
5 other more developed solar markets  
6 globally as well as in the United  
7 States.

8 The Solar Alliance appreciates  
9 the Draft Report's recognition of the  
10 need for further reform to New York's  
11 net metering rules. Clear and fair net  
12 metering rules are a cornerstone to any  
13 solar market. The Solar Alliance stands  
14 prepared to assist in revising the rules  
15 to remove ambiguity and to support  
16 further solar development in New York.

17 Finally, we support the Draft  
18 Report recommendation that the Long  
19 Island Power Authority and the New York  
20 Power Authority continue to play  
21 leadership roles in New York's move to  
22 more renewable energy. Specifically the  
23 procurement programs that LIPA and NYPA  
24 should strive to develop regular  
25 schedules for procurements and awards

1 HEARING

2 because this would send a strong signal  
3 to the renewable community that there is  
4 indeed an enduring and long-term program  
5 through those procurements.

6 Thank you very much for the  
7 opportunity to comment. We look forward  
8 to working with you.

9 MR. CONGDON: Thank you. I have  
10 a follow-up. Did you say that there are  
11 studies that estimate that the solar  
12 installed costs would be \$2 a watt by  
13 the end of the year?

14 MS. DUGGAN: There have been  
15 estimates that solar panels will reach  
16 that price point by the end of this  
17 year, and I'd be happy to provide them  
18 to you.

19 MR. CONGDON: That would be  
20 terrific if you can send that in.

21 MS. DUGGAN: I will do that.

22 FEMALE VOICE: Is that the  
23 installed price or the price of the  
24 panel, the equipment cost?

25 MR. CONGDON: That's the

1 HEARING

2 equipment cost. I see. Not installed.

3 Thank you for the clarification.

4 The next speaker is David Brooks  
5 from Just Bulbs The Light Bulb Store.

6 MR. BROOKS: Hi. I'm David  
7 Brooks from Just Bulbs The Light Bulb  
8 Store here in Manhattan. I've been  
9 doing light bulbs since 1980 and I love  
10 light bulbs. Not the ones that make you  
11 look green, not the ones that start dim  
12 and warm up later, not the ones that are  
13 not as bright as the bulbs that you  
14 start to put in to replace them, not the  
15 ones you find in every supermarket and  
16 hardware store, but wonderful light  
17 bulbs that enhance your mood, make it  
18 easier to see, improve your decor and  
19 save energy at the same time. I'm  
20 talking about energy efficient light  
21 bulbs, but not Energy Star light bulbs.

22 Energy Star light bulbs are not  
23 up to the job they're required to do.  
24 Sure they handle the basics, but it does  
25 nothing about telling people not to turn

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

their lights off when they leave the room. New energy efficient light bulbs use more electricity in turning the lights on than in keeping them on. So if you go in and out of a room and turn lights off, as in your bathroom, you'll use more electricity than if you'd never turned them off in the first place.

It does nothing to promote the different colors of whites and color combinations to optimize the look of a room. If you look in this room here, you have four different colors of white in the same place. Doesn't make sense, but that's what they're doing. That's what needs to be looked at.

Do you know that you can create a look of a smoke-filled room with 2400 K light bulbs? Do you know that when you go to the supermarkets and you go down the aisles, if you put light bulbs -- certain light bulbs in the meat aisle, the red meat looks redder? If you put different light bulbs in the produce

1 HEARING

2 aisle, the green stuff looks greener as  
3 well. It sells more product that way.

4 Did you know that if you go into  
5 a kindergarten room and you put  
6 full-spectrum light bulbs in that  
7 kindergarten room, the kids are more  
8 attentive under full-spectrum lights?  
9 If you do the same thing in an office of  
10 a grumpy person, he becomes more  
11 pleasant.

12 Do you know a home decor looks  
13 best if you use a bulb called Florida  
14 Sunshine Color instead of plain old soft  
15 white? If you use indirect lighting,  
16 it's always more pleasant than direct  
17 lighting. But do you know that none of  
18 those bulbs are Energy Star?

19 Old ladies like soft pink light  
20 bulbs because it makes their skin look  
21 better. Diamond dealers like daylight  
22 bulbs to make the diamonds sparkle. You  
23 have to have the right color for the  
24 right application to do the job.

25 Recently we did a project in

1 HEARING

2 Gracie Mansion to make it more energy  
3 efficient, but the challenge there was  
4 to make it historically accurate at the  
5 same time. They wanted to keep the look  
6 of the old house while still being  
7 useful. And we did very well. We made  
8 it energy efficient, but we didn't make  
9 it Energy Star. Why? Because niche  
10 products don't get certified. It's too  
11 much trouble to get the niche products  
12 certified.

13 Then there's the question of  
14 light bulb shapes. If you put a  
15 standard spiral shape that you find  
16 everywhere in a recessed fixture such as  
17 these in the ceiling, you're wasting  
18 three-quarters of the light that's  
19 actually coming out of that light bulb  
20 because it's getting used up inside of  
21 the fixture.

22 If you use the right shaped light  
23 bulb in a right application you'd use  
24 one-quarter of the amount of light than  
25 you otherwise would. That's a huge

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

savings. If you put globe light bulbs over -- for bathrooms typically, it forces light out in all directions. Again, you need fewer light bulbs and less brightness to get what you need. Torpedoes work best in chandeliers. Various decorative bulbs work best in antique lamps.

What I'd like to see you folks doing is finding a way to streamline the process for Energy Star certification of niche products. These niche products are a major factor in the markets, but they simply don't qualify under Energy Star at all. That's what I have to say today.

MR. CONGDON: Thank you. Our next speaker is Susan Leifer from the New York State Sierra Club.

MS. LEIFER: I have to grow a little, I guess. My name is Susan Leifer. I was born in New York City, and I've spent my entire 72 years in New York State and maybe a few more. I'm

1 HEARING

2 part -- I've been part of many  
3 environmental groups and am particularly  
4 interested in clean water and I'm  
5 particularly interested in environmental  
6 issues.

7 So my first question is: Is  
8 there a critical need for more energy in  
9 New York? And if so, is hydrofracturing  
10 in the Marcellus Shale for natural gas  
11 the way to get it? In a Conservation  
12 Report Buck Denton on the blog said  
13 natural gas, like all fossil fuels,  
14 comes with a huge health and  
15 environmental footprint from drilling to  
16 burning. The natural gas industry is  
17 responsible for 18.6 of greenhouse gas  
18 emissions in the United States.  
19 Praising natural gas for being less  
20 cancerous and less polluting than coal  
21 should only underscore how dirty a fuel  
22 coal is and not promote the false  
23 impression that natural gas is clean.

24 In New York State we use one-half  
25 of the national average energy per

1 HEARING

2 person. Con Ed doesn't need more  
3 energy. It has closed or not started  
4 several plants. We can conserve more  
5 energy. Conservation, smart grids,  
6 smart metering are all the tools to  
7 provide us with enough energy.

8 Rather than add new sources of  
9 energy, we could provide help to  
10 insulate all our public buildings,  
11 schools, libraries, places of work,  
12 religious houses, and make it very  
13 affordable to insulate our own homes.

14 Our DEC is understaffed, having,  
15 somebody said, 17, I heard 19, to  
16 monitor and protect our whole State.  
17 It's an impossible task. A recent  
18 four-year request from the DEC yielded  
19 the highly hazardous products used in  
20 fracking fluid in the Yates, Schulyer,  
21 Steuben, Green, and Cortland counties.

22 The conclusion that can be  
23 reached is that there is no State water  
24 works that is equipped or able to  
25 reclaim fracturing fluid and make it

1 HEARING

2 safe enough to put it in our streams and  
3 in our waterways.

4 Subsidies. Federal money, tax  
5 expenditures largely go to process  
6 fuels. About 13.7 billion in 2007.  
7 According to the GOA, the government  
8 accountable tables, natural gas reaches  
9 the biggest chunk of federal subsidies.

10 State and local subsidies. The  
11 Industrial Development Agency offers  
12 conduit financing for the issuance of  
13 tax exempt industrial revenue bonds and  
14 tax exempt civic facility bonds, sale  
15 and leaseback transactions, products  
16 expansion, finances without issuance of  
17 bonds.

18 In general the IDA can insist the  
19 projects with the purchases of land,  
20 existing facilities, new machinery, and  
21 equipment, the construction of any  
22 facilities, renovation. IDA benefits  
23 can combine with incentives provided by  
24 other sources.

25 Bond refinancings. IDA can act

1 HEARING  
2 as conduit for tax exempt industrial  
3 revenue bonds. Tax abatement is the  
4 section of the local general municipal  
5 law that provides that IDAs are not  
6 required to pay any tax upon any of the  
7 property acquired by it under its  
8 jurisdiction or control or supervision  
9 or upon its activity.

10 Consequently, there are three  
11 benefits associated with IDA  
12 transactions: Real property tax  
13 abatements, sales-and-use tax exemptions  
14 mortgage recording tax taxes. More  
15 subsidies.

16 New York State Empire Zone was  
17 created to stimulate economic growth  
18 throughout the State. Three new and  
19 potentially lucrative credits were added  
20 and more empire zones were created.  
21 They offer a tax exempt revenue bond and  
22 taxable revenue bonds. By the time we  
23 as taxpayers pay for all these subsidies  
24 and all the exemptions, hydrofracturing  
25 will get an essentially free ride. The

1 HEARING

2 State will not realize any additional  
3 revenue and have an increasingly health  
4 and environmental burden.

5 In areas where hydrofracturing is  
6 taking place, families and neighbors are  
7 experiencing everything from  
8 miscarriage, rare cancers, diseases of  
9 the central nervous system, seizures  
10 liver disease. This came from John  
11 Fenton of Pavillion Area Concerned  
12 Citizens, a citizens group formed to  
13 address oil and gas contamination.

14 Wind power. Wind project owners  
15 receive tax credits only for the  
16 electricity they produce. Many  
17 subsidies for the new clean energy  
18 technologies are temporary, while many  
19 for older polluting energy technologies  
20 are permanent.

21 Wind energy's primary incentive,  
22 the PTC has been allowed to expire  
23 multiple times since creation in 1992.  
24 The long-term benefits of investing in  
25 wind energy will save Americans billions

1 HEARING

2 of dollars through reduced health  
3 pollution and waste cleanup.

4 Wind power enhances natural  
5 energy independence for both rural and  
6 economic development and contributes to  
7 energy price stability and helps address  
8 climate change.

9 I'm almost finished.  
10 Hydrofracturing uses two to five million  
11 gallons of water per well, a thousand  
12 gallons per minute. We now have an  
13 abundant supply of clean water in New  
14 York State and we need to keep it that  
15 way. The contamination from gas  
16 drilling would make new swathes of land  
17 and water unable to be used as farm  
18 land. These will become more essential  
19 as the west and central U.S. are  
20 increasingly experiencing the scarcity  
21 of water. In fact, world water scarcity  
22 looms.

23 We cannot get back the land and  
24 the water we squander under the basis of  
25 natural gas. Please include the total

1 HEARING

2 ramifications for any energy ecology you  
3 use for New York State. I totally  
4 support Governor Paterson's call to  
5 reduce our carbon footprint by 2015.  
6 Thank you for this opportunity to  
7 express myself.

8 MR. CONGDON: Thank you very  
9 much. Our next speaker is Stuart  
10 Nachmias from Con Edison.

11 MR. NACHMIAS: Good afternoon.  
12 My name is Stuart Nachmias. I'm vice  
13 president of energy policy and  
14 regulatory affairs for Con Edison.  
15 Thank you for the opportunity to provide  
16 these remarks on the Draft State Energy  
17 Plan on behalf of Con Edison.

18 Our company is supportive of the  
19 development of the Plan as a means to  
20 map out specific actions to meet the  
21 future energy needs for the people of  
22 New York and for all of our customers in  
23 New York City, Westchester, Orange, and  
24 Rockland Counties.

25 The Draft Plan contains many

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

recommendations and we commend the team on providing thorough assessments in a variety of areas. We suggest that the final Plan provide a more detailed road map of actions required to implement the Plan's recommendations. Specific recommendations will guide into actions. We also recommend that a process for public comment on specific recommendations be included prior to adoption of the final Plan.

New York City is probably the most energy efficient area in the United States due largely to our public transportation network and concentration of multi-family buildings. The State should encourage economic development in New York City, not just for the direct economic benefits, but also the growth that will enhance the State's energy efficiency.

New York's energy needs are changing resulting in requirements to modernize the electric transmission and

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

distribution systems, to encourage customers to use energy more wisely, to accommodate new uses for energy like electric vehicles, to address climate change by reducing greenhouse gas emissions, and to encourage clean renewable sources of energy. The challenges of the future are substantial. A detailed plan to meet these challenges is an imperative.

I'll make four main points today.

I note that Con Edison plans to provide written comments in October as well. First point: Support for a modern reliable grid. Con Edison strongly supports the plan's focus on energy reliability, a threshold requirement.

A robust reliable and modern grid is essential to advance the State's economic goals, recognize the importance of New York City as an engine for growth in the State. Maintaining a modern grid will require substantial capital investment and the Plan acknowledges

1 HEARING

2 this.

3 The grid is in the early years of  
4 a technological revolution that will  
5 provide new functionalities. Con Edison  
6 supports the Smart Grid as a cost  
7 effective tool to mitigate long-term  
8 infrastructure needs. Our recent  
9 announcement of the Smart Grid  
10 demonstration program in Long Island  
11 City, Queens, and the proposal to  
12 further advance our Smart Grid with  
13 federal stimulus dollars lays out our  
14 future directions to introduce new  
15 technology to the grid.

16 Grid intra-operability with local  
17 renewable energy sources will be one  
18 important focus of Smart Grid.  
19 Deploying Smart Grid technology across  
20 the distribution system should be the  
21 first priority. A second priority is  
22 deploying smart meters at the customer  
23 level starting with the customers that  
24 can provide system benefits.

25 The State should build on current

1

## HEARING

2

plans for Smart Grid investment by

3

developing, in conjunction with the

4

State's utilities, a detailed Smart Grid

5

implementation road map. The Plan must

6

be coupled with an overall strategy to

7

encourage investors to choose New York

8

utilities over other investment

9

opportunities.

10

Second point: A plan for

11

efficiency and innovation. Competitive

12

wholesale markets have provided

13

incentives for efficiency and

14

innovation. The State should plan to

15

use competitive solutions where

16

practical and an effort to improve the

17

market so they can produce competitive

18

results should be continued. The Plan

19

should provide for further development

20

of the electric capacity and energy

21

markets to accommodate and reflect

22

demand response resources.

23

With respect to wholesale

24

markets, the Plan should advocate the

25

use of demand response resources for

1 HEARING

2 setting electric generation past the  
3 prices as part of the New York ISO  
4 triennial process to set capacity  
5 prices.

6 The Draft Plan advocates keeping  
7 energy costs competitive and affordable  
8 for customers, and Con Edison supports  
9 this objective. Con Edison supports the  
10 Plan's emphasis on energy efficiency and  
11 the likely need for more natural gas.

12 Clean energy technology will be  
13 important to the State's future economic  
14 health, and the State Energy Plan should  
15 encourage investments and renewables  
16 throughout the State, keeping an eye on  
17 the cost of those investments.

18 Renewables will be critical with  
19 federal climate change legislation being  
20 considered. New York procures 21  
21 percent of its energy from existing  
22 renewable resources and additional  
23 renewable energy is a good investment  
24 for the future.

25 The Plan should adopt achievable

1 HEARING  
2 cost effective clean energy goals and  
3 should disclose the cost to achieve  
4 goals contained in the document, such as  
5 procuring 30 percent of our energy from  
6 renewals by 2015 or reducing carbon  
7 emissions by 80 percent in 2050 so we  
8 can understand the cost to implement the  
9 plan.

10 The State utility companies can  
11 and should play a greater role in  
12 developing renewable resource programs.  
13 With the framework for utility  
14 participation, including cost recovery  
15 for cost effective programs, the ability  
16 to leverage RGGI and other  
17 policy funds and a specific  
18 reconsideration of any generation  
19 investment limitations, the State will  
20 position itself for leadership in this  
21 emerging and vital effort.

22 The State shall allow flexibility  
23 for the disbursement of RPS funds when  
24 an area of the State is paying more into  
25 the program than is spent in that same

1 HEARING

2 area.

3 My third point is a plan to  
4 address climate change. The Draft State  
5 Energy Plan advances the need to address  
6 climate change by drastically reducing  
7 the State's carbon emissions. The  
8 Plan's opposition to relicensing Indian  
9 Point to be replaced with a  
10 carbon-emitting natural gas plant should  
11 be reconsidered. Nuclear power provides  
12 carbon emission benefits and also  
13 provides important reliability benefits  
14 and economical energy.

15 Just a final word, a fourth  
16 point, on cost effectiveness. Con  
17 Edison is glad to see cost effectiveness  
18 as a theme throughout the State Energy  
19 Plan. It needs to be an all-in concept  
20 when it comes to driving the State's  
21 energy policy. For example, when  
22 considering renewables, the cornerstone  
23 for reducing carbon in an electric  
24 system, the cost of long-hall  
25 transmission may make local renewables

1 HEARING  
2 like offshore wind located close to New  
3 York City a better solution for  
4 customers than other options. The final  
5 Plan should propose specific  
6 considerations for cost effective  
7 decision-making that will benefit New  
8 Yorkers.

9 In closing, we look forward to  
10 the detailed implementation plan so that  
11 Con Edison can consider and meet the  
12 State's objectives in providing New  
13 Yorkers with a strong energy  
14 infrastructure that is safe, reliable,  
15 clean, and affordable. Thank you.

16 MR. CONGDON: Thank you, Stuart.  
17 Our next speaker is Marian Rose.  
18 Marian, nice to see you.

19 MS. ROSE: Good morning. My name  
20 is Marian Rose. I'm with the group  
21 Water Safety and Water Coalition, which  
22 is a not-for-profit coalition with over  
23 50 groups, community, environmental,  
24 housing, and religious. The objective  
25 is to maintain safe, clean, and

1 HEARING

2 affordable drinking water for New York  
3 City and New York State residents.

4 Now, the Draft New York State  
5 Energy Plan would, quote, encourage  
6 development of the Marcellus Shale  
7 natural gas formation with environmental  
8 safeguards that are protective of water  
9 supplies and natural resources. New  
10 York City's Delaware Watershed, that  
11 supplies superb quality,  
12 still-unfiltered drinking water for up  
13 to 60 percent of the New York City  
14 metropolitan area's needs, lies within  
15 the Marcellus Shale.

16 The Water Safety and Water  
17 Coalition considers the Energy Plan's  
18 program to extract natural gas within  
19 the New York City watershed to be a dire  
20 threat, indeed an unacceptable threat,  
21 to the integrity of the drinking water  
22 supply for over 9 million New York State  
23 residents.

24 Furthermore we are adamantly  
25 opposed to hydrofracturing, or fracking,

1 HEARING

2 which is the most likely method to be  
3 used for gas extraction. New York City  
4 has an unparalleled source of drinking  
5 water that lies within a 2,000 square  
6 mile watershed. 90 percent of New York  
7 City and metropolitan needs are supplied  
8 by the West of Hudson Catskill/Delaware  
9 watershed. The remaining 10 percent are  
10 supplied by the Croton.

11 The Catskill/Delaware Watershed,  
12 which is far less developed than the  
13 Croton, is over 70 percent forested.  
14 Thanks to the abundance of forests, the  
15 water from this watershed is of such  
16 high quality that it only requires  
17 minimal treatment and probably saving of  
18 over \$20 billion should a water  
19 treatment have to be built because of  
20 water contamination.

21 But water contamination is  
22 exactly what is likely to happen if  
23 fracking is allowed in the Delaware  
24 Watershed. Fracking includes clearing  
25 access roads through the forest and

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

clearing a well site that can be  
anywhere from three acres to 30 acres,  
extracting from one to three million  
gallons of water from the aquifer. This  
is likely to deplete nearby streams that  
will lose their base load during the dry  
months or trucking the water in from  
elsewhere.

It involves mixing the water with  
sand and chemicals, whose mix is a trade  
secret, it involves drilling wells  
several thousand feet deep into the  
aquifer, and it involves drilling at  
right angles to this well through the  
shale layer for another several thousand  
feet, forcing the water down into the  
well under such power that it will break  
up the shale containing gas and release  
gas into the well.

At least 40 percent of the  
chemically contaminated water can remain  
below ground for up to four years and  
seep into the aquifer before gradually  
being absorbed and diluted. The

1 HEARING

2 remaining contaminated water is either  
3 trucked off to be treated at a sewage  
4 treatment plant, that one hopes is able  
5 to treat the chemicals, or it is stored  
6 above ground in pools at the site.

7 In the latter case, run-off from  
8 storm water and infiltration in the  
9 ground water poses a threat. These well  
10 sites leave gaping holes in the forest  
11 canopy and the truck roads fragment the  
12 forest itself. Both have the effect of  
13 weakening the forest and diminishing its  
14 unique ability to provide clean, fresh  
15 water.

16 The potential for contamination  
17 of local wells, aquifers, streams, and  
18 reservoirs is very real. Already there  
19 have been numerous reports of local  
20 wells being contaminated, although the  
21 gas drillers claim this is but a small  
22 percentage. However, it is a 100  
23 percent loss for the homeowner and the  
24 loss to the 9 million New York City  
25 residents who depend on this water would

1 HEARING

2 be overwhelming.

3 Because fracking can cause  
4 irretrievable damage to New York City's  
5 main source of drinking water, the  
6 permitting agencies and authorities must  
7 bear the full burden of proof that this  
8 method of extraction will not degrade  
9 the water in any way.

10 Only the most stringent  
11 regulations being strictly enforced will  
12 there be any realistic hope of  
13 protecting our drinking water.  
14 Unfortunately, there seems to be little  
15 desire for strict enforcement by the  
16 Governor or the New York State agencies.

17 The Governor's recent Executive  
18 Order No. 25, under the pretext of  
19 efficiency and saving money, in reality  
20 merely eases the permitting process for  
21 its sadly depleted DEC staff and  
22 shortens the applicant's period of  
23 waiting for a permit. It does nothing  
24 to protect our water.

25 With New York State facing

## 1 HEARING

2 difficult economic times, the Governor  
3 would no doubt be pleased for New York  
4 State to receive \$1 billion in  
5 anticipated revenues from gas drilling.  
6 Difficult as it may be, we urge the  
7 Governor to take the long-term view and  
8 not sacrifice New York State's unique  
9 resource, its drinking water, for  
10 short-term gains. We urge that gas  
11 drilling in the New York City Watershed  
12 be excluded from the 2009 New York State  
13 Energy Plan. Thank you for this  
14 opportunity to comment.

15 MR. CONGDON: Thank you, Marian.  
16 Our next Speaker is James Hegarty from  
17 the Laborers' Union.

18 MR. HEGARTY: Good afternoon. I  
19 want to thank the panel for letting me  
20 speak here today. My name is James  
21 Hegarty and I am a field representative  
22 for the Mason Tenders' District Council  
23 Political Action Committee. The Mason  
24 Tenders' District Council Political  
25 Action Committee is comprised of more

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

than 15,000 members in six local unions of the Eastern Region of the Laborers' International Union of New York. The Laborers' International Union represents some 40,000 men and woman in New York State working as construction laborers, mason tenders, plasterer's helpers, office and professional personnel, demolition workers, recycling plant employees, sand hogs, pavers, high school teachers, and asbestos and hazardous material abatement laborers.

The New York State Energy Plan has a fatal flaw as its very premise. The problem with such an error at its basic level is that the entire plan then becomes faulty. As we know in the construction industry, if you build a structure with a flawed foundation, all that gets built atop will be flawed as well. That fatal flaw is the misguided premise that nuclear energy is inherently dangerous.

In a day and age where every

1 HEARING  
2 conceivable entity, from the White House  
3 to the State House, to numerous city  
4 halls throughout the State are searching  
5 for ways to achieve energy independence,  
6 to dismiss a technology that over  
7 decades of use and refinement has proven  
8 itself to be a safe alternative to  
9 foreign oil is foolhardy at best.

10 As of 2008, there were 59 nuclear  
11 power plants operating safely throughout  
12 France, producing an astounding 87.5  
13 percent of that country's electricity.  
14 Public opinion polls show that 70  
15 percent of the population has a positive  
16 opinion of nuclear energy.

17 But here in America, we still  
18 cower in fear thinking that such movies  
19 as "The China Syndrome,"  
20 three-decades-old work of fiction  
21 represents the nuclear industry of  
22 today. That is certainly not the case,  
23 and those myths need to be put to bed  
24 for very good reasons.

25 These irrational fears have a

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

very real impact on the lives of  
countless New Yorkers. The closing of  
Indian Point would affect numerous  
businesses that rely on clean,  
affordable, safe electricity generated  
there. The loss of that energy supply  
has ramifications affecting the State's  
tax base as well as the company's  
revenues, and thus their employees.

Of course, as a laborer  
representative, it is the workers that  
are my main concern. In these hard  
economic times, when the Federal  
Government is pumping billions of  
dollars into stimulus programs in order  
to put people back to work, why should  
New York State undertake an action that  
will result in even greater  
unemployment? Particularly when that  
action is based on a flawed premise.

With up to 40 percent of the  
Hudson -- lower Hudson Valley's coming  
from Indian Point, closing that plant  
would result in the loss of jobs for

1 HEARING

2 thousands of New Yorkers, further  
3 devastating the already faulting economy  
4 of our State, while simultaneously  
5 sounding the final death knell for any  
6 manufacturing still being done between  
7 Albany and the New York City line.

8 I urge the leadership of our  
9 State to remember that while the squeaky  
10 wheel often gets the most grease, it  
11 does not always need it. Do not let a  
12 small but passionate minority control  
13 the debate on this vital issue. If New  
14 York is ever going to again regain its  
15 status as the Empire State, the economic  
16 engine of the United States, and indeed  
17 the world, logic must overpower rhetoric  
18 and in fact must triumph.

19 New York needs clean, reliable,  
20 safe energy. New York needs industry.  
21 New York needs jobs. The continuing  
22 operation of Indian Point helps to  
23 achieve all of these goals for the good  
24 of all New Yorkers. Please keep Indian  
25 Point open and operating. Thank you.

1 HEARING

2 MR. CONGDON: Thank you, James.  
3 Our next speaker is Ruben Brown from E  
4 Cubed.

5 MR. BROWN: Can this pick me up  
6 at this angle?

7 MR. CONGDON: Yes.

8 MR. BROWN: My name is Ruben  
9 Brown from E Cubed Company, LLC,  
10 representing an ad hoc coalition that's  
11 been in existence for 20 years called  
12 The Joint Supporters. This includes the  
13 National Association of Energy Service  
14 Companies and its 60-plus members who  
15 are performance contractors doing much  
16 of the work across the State in energy  
17 efficiency programs, distributed  
18 generation activities, and demand  
19 response programs.

20 It includes an upstate  
21 manufacturer of the largest boiler maker  
22 in New York, ECR International, which is  
23 trying to innovate with on-site  
24 residential micro combined heat and  
25 power systems at the 1.2 kilowatt level.

1 HEARING

2 I'll talk about that further. It  
3 includes other manufacturers of small  
4 generating systems, capstone micro  
5 turbines, a variety of demand response  
6 providers, NDG providers, including some  
7 Energy Star winners in the facilities  
8 built in New York City in the past few  
9 years and the like.

10 The coalition has participated in  
11 all major State energy planning  
12 activities in the last 20 years, ranging  
13 from the challenge to import contracts  
14 from Canada 20 years ago, which led the  
15 way for an evaluation on in-State  
16 conservation and in-State generation,  
17 was a more effective resource than  
18 building dams in Northern Quebec. I'm  
19 not here to argue that issue today. I  
20 think some of us lived with that one a  
21 long time ago.

22 One of the things in our review  
23 of the executive summary of the plan and  
24 various components of the plan that  
25 sticks out very loudly is the wording

1 HEARING

2 that you use versus the wording that we  
3 would use. We would focus strategy No.  
4 1 on reducing waste energy. You  
5 produce, deliver, and use energy more  
6 efficiently, yes, we agree with all  
7 that.

8 But the waste energy that is  
9 present in the New York economy includes  
10 energy from the standpoint of fuel  
11 entering a power plant, losing  
12 two-thirds of its value in the power  
13 plant, and then losing another 8 to 10  
14 percent on its way to the end use. So  
15 the concept of producing power on site  
16 already saves 65 to 70 percent of the  
17 BTU input to the New York economy.

18 So the concept of using natural  
19 gas or propane at a site -- and we've  
20 heard numerous speakers raise the  
21 combined heat and power alternative --  
22 is a concept that is underplayed in this  
23 plan. And one of the statements that  
24 was made privately by a State official  
25 recently was well, we were looking

1 HEARING

2 forward, we weren't looking back; you  
3 know, combined heat and power is already  
4 here with us.

5 In fact there's still much  
6 innovation to occur with respect to the  
7 use of combined heat and power, and I'm  
8 going to use the example at the  
9 residential level to illustrate the  
10 purpose. There are 50,000 kilowatts of  
11 micro combined heat and power in  
12 existence in Japan. At the present time  
13 there are 50,000 kilowatts of  
14 installations in Europe at the present  
15 time.

16 The European Union in February of  
17 2004 established an efficiency  
18 standard -- total efficiency standard  
19 for under 50 kilowatt micro combined  
20 heat and power installations that's  
21 using the same fuel to produce both heat  
22 and power rather than two fuel streams  
23 like the one at the utility plant and  
24 the one over at your house to heat it.  
25 They set a total efficiency standard of

1 HEARING

2 80 percent. Accompanied countries  
3 around Europe are gradually adopting  
4 that.

5 And I'm going to pick up on the  
6 point because earlier this year the  
7 State of Maine adopted 80 percent as the  
8 total efficiency standard for micro  
9 combined heat and power and the  
10 legislature of New York State has  
11 adopted it as the standard for New York  
12 State with respect to the net metering  
13 legislation that is pending on the  
14 Governor's desk for signature at the  
15 present time, which we steadfastly urge  
16 you to sign.

17 The State of Maine went further.  
18 The legislators said simply we're  
19 revising the net metering laws for  
20 renewables, we're going to revise the  
21 net metering laws for micro CHP to allow  
22 any fuel and any technology that arrives  
23 at the 80 percent level, and we're going  
24 to raise the level on the renewables to  
25 660 kilowatts to reach big windmills.

1 HEARING

2 And low and behold they did the same  
3 thing for micro CHP. So you've got to  
4 have an efficiency standard up to 30  
5 kilowatts of 80 percent and from 31  
6 kilowatts to 660 you got a 65 percent  
7 efficiency standard.

8 Having stated that micro CHP and  
9 other things like that are appropriate  
10 for action -- and I'll finish up in just  
11 a couple of moments -- one of the  
12 innovations that has reflected in the  
13 Plan is a strong attempt to coordinate  
14 everything under the sun. And  
15 unfortunately, in an ecological system,  
16 diversity brings stability. And as  
17 you've moved to coordinate and  
18 concentrate, you're cutting off a lot of  
19 innovation and things at the margin.

20 One of the places this has  
21 squirted out into the public life  
22 recently is Brookhaven. And in  
23 legislation that is also on the  
24 Governor's desk on the use of garbage  
25 district funds to pay for energy

1 HEARING

2 efficiency in homes.

3 One of the reasons I feel so  
4 strongly that towns across the State  
5 ought to be allowed to do this is that  
6 it gets us out from underneath Garry  
7 Brown's jurisdiction at the Public  
8 Service Commission -- because the town  
9 boards make their own decisions about  
10 energy efficiency -- so Garry doesn't  
11 have to worry about all that stuff,  
12 NYSERDA doesn't have to worry about all  
13 of that stuff, and importantly, it  
14 provides a whole series of alternatives  
15 for people to get out and spend maybe up  
16 to \$12,000 at their house. And the  
17 towns are using their ARRA money to match  
18 this.

19 So we think that there's a  
20 tremendous opportunity to loosen up the  
21 one-in-four family residential  
22 marketplace for energy efficiency. And  
23 you've got over three million homes in  
24 the State that use natural gas to heat  
25 with.

1 HEARING

2 So back to micro CHP and the end  
3 of my statements, we can save 46 percent  
4 of the carbon dioxide emissions of the  
5 State by letting people generate on  
6 their site. We can save 30 percent of  
7 the fuel that is consumed in the State  
8 by allowing that to happen. End of  
9 comment. We'll provide written remarks  
10 on behalf of our represented  
11 constituencies.

12 MR. CONGDON: Thank you, Ruben.  
13 Our next speaker is Matt Wallach from  
14 the Citizens Campaign for the  
15 Environment. Matt?

16 MR. WALLACH: Good afternoon.  
17 Thank you for the opportunity to provide  
18 comments today. My name is Matt  
19 Wallach. I'm the Hudson Valley program  
20 coordinator for Citizens Campaign for  
21 the Environment, CCE. CCE is an 80,000  
22 member nonprofit, nonpartisan advocacy  
23 organization working to protect the  
24 public health and natural environments  
25 in New York State.

1 HEARING

2 CCE works to build widespread  
3 understanding and advocacy for policies  
4 and actions designed to manage and  
5 protect our natural resources and public  
6 health. CCE works actively at the  
7 local, State, and federal level to  
8 advance policies that reduce greenhouse  
9 gas emissions and promote clean  
10 renewable energy solutions.

11 CCE applauds the Energy Planning  
12 Board for moving forward with the New  
13 York State Energy Plan process,  
14 releasing the draft report, and  
15 welcoming public comments and feedback.  
16 CHP supports New York State formulating  
17 an Energy Plan for the region. An  
18 agreed-upon plan for energy development  
19 in the State will benefit the  
20 environment, public health, and our  
21 climate by meeting our energy needs in  
22 the most efficient, sustainable, and  
23 cleanest manner while providing  
24 regulatory certainty for energy  
25 companies in New York State.

1 HEARING

2 CCE thanks you for the  
3 opportunity to provide comments and  
4 touch on one important priority -- some  
5 important priority principles today.  
6 CCE will also submit more extensive and  
7 detailed written comments during the  
8 comment period.

9 CCE and our 80,000 members  
10 support an Energy Plan that stabilizes  
11 energy costs, creates new jobs, and  
12 increases our energy independence by  
13 investing in energy efficiency and  
14 renewable energy, not new coal or  
15 expensive nuclear power.

16 Thousands of our members signed  
17 petitions and more than 5,000 of our  
18 members wrote individual letters of  
19 support to these -- on these principles  
20 during the comment period on the scope  
21 plan. CCE is pleased the Draft Plan  
22 puts such a strong emphasis on energy  
23 efficiency and renewable energy  
24 developments. The best kilowatt of  
25 energy is the kilowatt that we never

1 HEARING

2 use.

3 Energy efficiency and  
4 conservation are the first and most  
5 important strategies to reducing costs  
6 and saving ratepayers money, reducing  
7 pollution and benefiting the  
8 environment, and benefiting national  
9 security. CCE strongly supports the  
10 Governor's '15 by 15' plan and the many  
11 recommendations in the Draft Plan for  
12 efficiency beyond 2015.

13 While energy efficiency is  
14 critical, increased renewable energy  
15 production is also necessary to meeting  
16 demand, displacing dirty fossil fuels  
17 and nuclear energy, while benefiting the  
18 environment.

19 CCE supports the Governor's '45 by  
20 15' goal that requires 45 percent of New  
21 York's energy mix is obtained by  
22 renewable energy and energy efficiency  
23 by the year 2015, which is supported in  
24 the Draft Plan.

25 New York State has great

1 HEARING

2 renewable energy potential that must be  
3 realized to fight climate change,  
4 increase energy independence, and  
5 benefit local economies and create green  
6 jobs.

7 The Draft Plan indicates that  
8 it's technically and practically  
9 feasible to generate more than 75  
10 percent of New York's electricity from  
11 hydro, solar, wind, and body mass by the  
12 year 2018. In particular, New York  
13 State is a wind-rich State with  
14 tremendous potential for -- to generate  
15 clean renewable wind energy.

16 CCE supports policies and actions  
17 that will help wind reach its potential  
18 both on land and offshore, in the ocean  
19 and Great Lakes. While all energy  
20 sources have an impact on our  
21 environment, wind produces no harmful  
22 air or water pollution, and potential  
23 adverse impacts can largely be mitigated  
24 with careful planning.

25 CCE has some significant concerns

1 HEARING

2 with recommendations in the Draft Plan.  
3 The Draft Plan supports drilling in the  
4 Marcellus Shale performing formation for  
5 natural gas. Drilling in Marcellus  
6 Shale will require a process known as  
7 fracturing, a process which poses  
8 serious potential adverse impacts to  
9 ground and surface water. Extracting  
10 natural gas and other natural resources  
11 should not adversely impact quality and  
12 quantity of drinking water or surface  
13 water.

14 CCE supports rigorous  
15 environmental review, public  
16 involvement, and full disclosure of the  
17 risk to our environments and public  
18 health. In addition, the State Energy  
19 Plan should explicitly state the  
20 sensitive and unique areas that should  
21 not be drilled in.

22 The Draft Plan supports new  
23 nuclear power for New York State. No  
24 new nuclear power plants have been built  
25 or became operational in our country in

1 HEARING

2 decades. It's no wonder why high risks,  
3 exorbitant costs, and legacy waste come  
4 along with nuclear energy production.

5 The legacy of toxic waste that  
6 persists from the use of nuclear energy  
7 turn to contaminate our drinking water  
8 and land for future generations.

9 Nuclear waste does not make our nation  
10 more energy independent either, as the  
11 vast majority of uranium currently used  
12 for nuclear energy is imported from  
13 other countries, such as Russia.

14 CCE also is concerned with  
15 potential for desalination in Rockland  
16 County and other locations throughout  
17 New York State. The desalination  
18 process uses an immense amount of  
19 energy, sometimes ten times or more the  
20 amount of traditional measures for water  
21 extraction. The Plan needs to address  
22 conservation and efficiency for water  
23 which is linked to energy use to avoid  
24 these energy-intensive proposals.

25 Lastly, CCE strongly urges the

1 HEARING

2 board to develop a strong plan for  
3 implementation in the final report,  
4 which is lacking in the Draft Report.  
5 While a report with great information,  
6 recommendations, and goals is important,  
7 without a clear plan for implementation,  
8 it lacks effectiveness. Thank you for  
9 your consideration.

10 MR. CONGDON: Thank you very  
11 much. Just a point -- because we heard  
12 this from other folks -- about the  
13 implementation plan, the intent is to  
14 have a detailed implementation plan for  
15 the final. We provided broad  
16 recommendations, and throughout the  
17 public hearing process and the written  
18 comments we received, we intend to fill  
19 in with some additional detail in our  
20 last chapter what will be a detailed  
21 implementation. Thank you.

22 Our next speaker is Theo Batista?  
23 I'm sorry. Your handwriting is  
24 difficult to read.

25 MR. BREITENSTEIN: Theo

1 HEARING

2 Breitenstein, B-R-E-I-T-E-N-S-T-E-I-N,

3 president of EMACX Systems. We are an

4 energy technology company, I'm here to

5 testify on behalf of NYSERDA. I

6 appreciate the opportunity to the

7 Planning Board that I am able to speak.

8 We have been working with NYSERDA

9 over eight years, and NYSERDA has made

10 millions of dollars of contribution to

11 our company and also to our end users

12 saving over 3,000 tons carbon footprint

13 reduction and saving obviously also the

14 customer millions of dollars.

15 From the beginning NYSERDA has

16 made an effort to understand our

17 technology in the area of conservation,

18 energy conservation, and look at our

19 product from every side. NYSERDA --

20 what I really appreciate is that

21 NYSERDA's engineers are really hands-on

22 program managers. They're in touch with

23 not only companies such as ours, but

24 also with the end user out there to see,

25 you know, how they can promote their

1 HEARING

2 objective of really energy conservation  
3 and how energy -- efficient energy  
4 measures can be taken.

5 Through the practical and  
6 hands-on approach, they aligned  
7 themselves with the program -- the  
8 energy conservation program on every  
9 level. When I say that, I mean with the  
10 city, with the State, and the --  
11 ultimately when we look at what's  
12 happening on a national basis, it's also  
13 aligned with that.

14 Over the years NYSERDA has made  
15 it easy to participate in the programs.  
16 We are working with utilities and  
17 incentive programs, providers  
18 nationwide. I can only say that NYSERDA  
19 is probably to me personally still the  
20 best in the country. Whether that is  
21 with the initiatives to promote energy  
22 conservation, but also to educate the  
23 people out there looking to participate  
24 in programs.

25 Then also, they have really

1

## HEARING

2

realigned their applications process,

3

streamlined it, so to speak, so that

4

there is very little red tape there. I

5

also appreciate the ongoing PR efforts

6

NYSERDA is doing particularly in the

7

area of education. I have -- really one

8

of my passions is to educate people out

9

there what can be done in regard to

10

energy conservation, and NYSERDA has

11

really taken on that role as well.

12

Now, let me make a suggestion

13

going forward. As I said, EMACX systems

14

is really focused on demand control and

15

demand response. Now, when one

16

considers the grid as an optimal

17

functionality of the grid, people take

18

energy efficiency measures.

19

In the United States -- as I have

20

seen being European and having 25 years

21

of experience in the energy efficiency

22

conservation energy business, in Europe

23

we don't take demand response measures.

24

We take efficiency measures and we take

25

demand control, peak load control,

1 HEARING

2 measure and with that we stabilize the  
3 grid. The grid is therefore very well  
4 managed. Demand response measures are  
5 not really common in the United States.  
6 We do not focus so much on demand  
7 control, intelligent peak load control,  
8 or peak load control measures.

9 I would highly suggest that under  
10 the initiative the Mayor of New York  
11 City does with green greater New York  
12 forming legislation, but also with  
13 NYSERDA, maybe to look more closely into  
14 the area of demand control, how can you  
15 promote it? How can we take it to the  
16 next level in order to make a  
17 substantial contribution to stabilize  
18 the grid and also eventually towards the  
19 Smart Grid?

20 Again, I appreciate all NYSERDA  
21 does for New York State and this  
22 community to promote energy efficiency  
23 measures and conservation. I can only  
24 applaud. Thank you.

25 MR. CONGDON: Thank you very

1 HEARING

2 much. Thank you for the kind words  
3 about NYSERDA. We're lucky to have them  
4 in State government. Of course, they  
5 couldn't do what they do without the  
6 funding supported by the Public Service  
7 Commission, which approves a lot of the  
8 programs that NYSERDA administers, so I  
9 also want to recognize the PSC.

10 MR. GRANNIS: And the ratepayers.

11 MR. CONGDON: And of course, the  
12 ratepayers who provide the funds. Thank  
13 you, Pete. Our next speaker is Mary  
14 Ellen Paravalos from National Grid.

15 MS. PARAVALOS: Good afternoon.  
16 I'm Mary Ellen Paravalos. I'm a vice  
17 president at National Grid on the  
18 electric and gas utility surveys on  
19 customers across the State of New York.  
20 Thank you for having me. I'm really  
21 happy on behalf of National Grid to be  
22 able to give you some comments today.

23 National Grid congratulates the  
24 State Energy board for releasing the  
25 Draft Report. Obviously a lot of great

1 HEARING

2 work by a lot of people, and so we think  
3 it's a great step in the right direction  
4 and we look forward to working with  
5 folks towards a final plan later on this  
6 year.

7 We share the Governor's vision  
8 for a clean energy economy. It is what  
9 is required to stimulate investment,  
10 create jobs, protect health in the  
11 environment, and meet the energy needs  
12 of New York State. We were pleased to  
13 see that the Draft Plan surfaces a  
14 number of critical issue towards  
15 achieving that objective.

16 Achieving the State's goals will  
17 require leadership from both policy  
18 makers and from utilities that provide  
19 energy services across New York State.  
20 And National Grid stands ready to help  
21 with that objective.

22 Today I would like to comment on  
23 three issues that would be critical to  
24 the successful implementation of the  
25 State's energy and environmental

1 HEARING

2 objectives in the areas of energy  
3 efficiency, clean energy resources, and  
4 infrastructure investment.

5 Energy efficiency, a priority  
6 resource in the plan, as it should be.  
7 It's a really important tool at our  
8 disposal to help meet the energy  
9 efficiency goals. It's a tangible way  
10 for customers to manage their energy  
11 costs and at the same time reduce their  
12 climate change footprint.

13 But achieving New York's  
14 ambitious energy-efficient goals will  
15 require a close partnership across  
16 policy makers and regulatory State  
17 utilities and NYSERDA, so we need all  
18 hands on deck on this one, policy makers  
19 and regulators setting the right  
20 policies with the right targets, and  
21 then NYSERDA, the utilities, and energy  
22 service providers getting on with the  
23 job.

24 We need to streamline the energy  
25 efficiency program approval process and

1 HEARING

2 have more flexibility in designing and  
3 implementing those programs. We've had  
4 a lot of success in the past by a lot of  
5 parties, but these targets that we're  
6 now working towards obviously are very  
7 aggressive and we need to be able to  
8 move quickly with bigger impact across a  
9 wider population, and so that's going to  
10 require that we streamline things and be  
11 able to move quickly.

12 National Grid's energy efficiency  
13 team will be providing input on specific  
14 actions that we think will help move in  
15 the right direction. We'll be providing  
16 comments on that in October as well.

17 Clean energy resources, another  
18 important priority for New York. We  
19 fully support the State's efforts to  
20 utilize and grow New York's renewable  
21 resources. It is important for  
22 customers that we enable renewable  
23 energy in a cost effective manner.  
24 Using utility deployment for solar and  
25 other renewable energy sources can help

1 HEARING

2 here and we can deploy across a large  
3 number of customers quickly and  
4 investing in the transmission system as  
5 required to bring those renewable  
6 sources of power, deliver them through  
7 the system to the customer load areas.

8 The transmission system is the  
9 backbone upon which we will be able to  
10 reach this energy future and it's  
11 important we have enabling transmission  
12 policies in the areas of planning,  
13 siting, cost recovery to help New York  
14 reach its goals. Deploying Smart Grid  
15 technology is also a key enabler to  
16 tapping into opportunities for clean  
17 energy in New York.

18 National Grid recently filed with  
19 the Department of Energy a Smart Grid  
20 program for New York that would serve  
21 82,000 customers across New York and is  
22 really geared to help folks manage their  
23 energy costs, but at the same time to  
24 accelerate learning about how to  
25 integrate renewable resources,

1 HEARING

2 distributed resources, electric  
3 vehicles, and more into the grid.

4 So we encourage the board to  
5 develop action plans to help us get  
6 renewable resources to customers in a  
7 cost effective way. And again, National  
8 Grid will be providing its views on  
9 actions to help with that.

10 More generally, as the Draft Plan  
11 recognizes, achieving New York's goals  
12 will require considerable investment in  
13 the energy networks and infrastructure,  
14 and National Grid stands ready to help  
15 with this investment, but we cannot do  
16 it without a supportive investment  
17 climate.

18 New York's policy and regulatory  
19 framework must provide for timely  
20 recovery of costs and industry standard  
21 returns to be able to provide the kind  
22 of investment that will bring the  
23 investors' money into New York rather  
24 than other states.

25 So again, thank you very much.

1 HEARING

2 I'm very happy to be here and part of  
3 the ongoing dialogue for New York's  
4 energy future. We look forward to  
5 continuing to work with you, other  
6 entities, customers, and all to help  
7 reach this energy future. Thank you  
8 very much.

9 MR. CONGDON: Thank you very  
10 much. Our next speaker is Chloe  
11 Tribich.

12 MS. TRIBICH: My name is Chloe  
13 Tribich. I'm from the Center for  
14 Working Families, which is a nonprofit  
15 organization that's currently in the  
16 process of preparing for the  
17 implementation of the Green Jobs Green  
18 New York Program. Some of you may be  
19 familiar with it.

20 It's an unprecedented energy  
21 efficiency retrofitting program that  
22 would use a government-regulated private  
23 investment fund to retrofit a million  
24 homes and businesses in New York State  
25 in five years.

1 HEARING

2 So just to express thanks to the  
3 members of the -- of the board for  
4 putting forth the Energy Plan that we're  
5 here to talk about. I just want to  
6 point out a couple of things in relation  
7 to the Plan.

8 One is that it's -- the Center  
9 for Working Families believes that it's  
10 a great start. We think in order to  
11 meet even more ambitious goals, such as  
12 reduction of 80 by '50, we would need to  
13 take into account a few elements.

14 One is the strong need for a  
15 science based or whole-house approach to  
16 energy and energy efficiency. It's not  
17 enough just to replace a boiler here or  
18 furnace there, but we need to understand  
19 how the entire structure works in order  
20 to maximize efficiency.

21 The other element is fuel-buying  
22 programs with FEC dollars. It's not  
23 fair to require that electric customers  
24 whose electricity is efficient not to be  
25 able to use that funding for other

1 HEARING

2 energy efficiency retrofits. Again we  
3 think fine-line programming would allow  
4 us to meet even more ambitious energy  
5 efficiency goals than those that are  
6 already set out.

7 Finally, I want to emphasize the  
8 importance of continuity of programming.  
9 Contractors and community groups and  
10 building owners have helped plan their  
11 futures and planned their businesses  
12 based on the wide and extremely valuable  
13 array of NYSERDA programs that currently  
14 exist, and the recent PSC decision to  
15 dramatically reorganize the multifamily  
16 program, I think, has been -- has  
17 presented enormous obstacles for  
18 contractors and for others who depend on  
19 the continuity.

20 And it's difficult to maintain  
21 trust and bring all these crucial  
22 parties together to work towards energy  
23 efficiency if it's going to be  
24 problematic of people like that.

25 And then finally the last point

1 HEARING  
2 that we want to make is about job  
3 standards. We believe that any energy  
4 efficiency plan that -- that can be --  
5 that can truly bring all the necessary  
6 parties to the table and make sure that  
7 a green economy and a just economy  
8 should include job standards that  
9 address the needs of low-income  
10 communities and their contractors.  
11 That's all I have for today. Thank you  
12 very much.

13 MR. CONGDON: Thank you, Chloe.  
14 We're going to take a five-minute  
15 recess, and we will reconvene in five  
16 minutes if there are further speakers  
17 who wish to provide a statement. Thank  
18 you very much.

19 (A brief recess was taken.)

20 MR. CONGDON: I'd like to thank  
21 everyone for attending today. There are  
22 no further names on our list for folks  
23 who wish to provide a public statement,  
24 so we're going to gavel out here.  
25 Thanks again for everyone's

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING

participation. We greatly appreciate  
the feedback. Thank you.

(Time noted: 1:27 p.m.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

STATE OF NEW YORK )  
:  
COUNTY OF NEW YORK )

I, MICHELE MOSKOWITZ, a Shorthand  
Reporter and Notary Public within and for the  
State of New York, do hereby certify:

That this is a true and accurate  
transcript of the proceedings held on August  
21, 2009.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 26th day of August, 2009.

\_\_\_\_\_  
MICHELE MOSKOWITZ