

**MINUTES OF THE
NEW YORK STATE ENERGY PLANNING BOARD MEETING
HELD ON AUGUST 7, 2008**

Pursuant to notice dated July 23, 2008, the second meeting of the New York State Energy Planning Board (“Board”) was convened on August 7, 2008 at 1:00 p.m. in Room 250 of the State Capitol Building in Albany, New York, and was webcast.

The following Energy Planning Board Members (or designees) were present:

- Paul A. DeCotis, Deputy Secretary for Energy and Chairman of the Energy Planning Board
- Judith Enck, Deputy Secretary for the Environment
- Garry Brown, Chairman of the New York State Public Service Commission
- Robert Callender, Vice President for Programs of the New York State Energy Research and Development Authority (“NYSERDA”)
- Dan Shapiro, designee of Lorraine Cortes-Vasquez, Secretary of State
- Wendy Sanders, designee of Richard Daines, Commissioner of the New York State Department of Health
- Astrid Glynn, Commissioner of the New York State Department of Transportation
- Alexander “Pete” Grannis, Commissioner of the New York State Department of Environmental Conservation
- Nancy Reuss, designee of Laura Anglin, Director of the New York State Division of Budget
- Jennifer McCormick, Vice President for Policy and Programs, Empire State Development
- Kenneth A. Schoetz, Acting Empire State Development Upstate Chairman

Also present were Thomas C. C. Congdon, Assistant Secretary for Energy and the Executive Director of the Board; Echo Cartwright, Assistant Secretary for Renewable Energy and Deputy Director of the Board; Hal Brodie, NYSERDA General Counsel and Counsel to the Board, and David Munro, NYSERDA Deputy Counsel and Secretary to the Board. In addition, the meeting was attended by members of the Energy Coordinating Working Group (“Working Group”) as well as members of the public.

Chairman DeCotis called the meeting to order, and welcomed the Board members, staff, and public.

Board members unanimously approved the minutes of the Board’s first meeting on May 6, 2008. Mr. DeCotis then stated that the sole agenda item for the meeting was for the Board to consider and act upon the draft Work Scope (“Scope”) for the State Energy Plan developed by the Working Group, which had previously been provided to Board members.

Mr. DeCotis reminded the Board that Executive Order No. 2, issued April 9, 2008, created the Board and charged it with creating a New York State Energy Plan (“Plan”) to be completed by June 30, 2009. He further explained that the Board created the Working Group to assist the Board in fulfilling the responsibilities set forth in the Executive Order. The Working Group consists of representatives from each of the agencies represented on the Board, as well as representatives from the Long Island Power Authority and the New York Power Authority. The members and agencies of the Working Group are responsible for development of the work product that ultimately will result in the Energy Plan. At the Board’s request, the Working Group created a document entitled “Framework for Implementing the Work of the NYS Energy Planning Board.” That document, dated May 30, 2008, is intended to guide the agency participants in drafting and completing the Plan, and to describe the process by which stakeholders and the general public will participate in the development of the Plan.

Mr. DeCotis commended Working Group members for their efforts in producing the draft Scope in a very short period of time. Noting that they all have full time responsibilities in their various agencies, Mr. DeCotis praised members’ extra work on developing the Plan as “above and beyond the call of duty.”

Mr. Congdon introduced the members of the Working Group, and then offered a Power Point presentation that explained how the Working Group went about developing the draft Scope. He explained that the Executive Order was specific with respect to certain analyses and assessments to be included in the Plan. The draft Scope is designed to guide the development of Assessments, Issue Briefs, and policy and program recommendations which will ultimately comprise the final Plan.

Mr. Congdon stated that the Working Group published a draft Scope for public comment on May 30, 2008, and received public comments through July 18. The Working Group met personally with 71 stakeholders in Albany, Buffalo, New York City and Long Island, and received 69 sets of written comments either in support of or in lieu of face-to-face meetings. Mr. Congdon advised that the Working Group welcomes continued stakeholder input on Plan development by mail or electronic submission to the website created for the Plan, www.nysenergyplan.com.

Mr. Congdon then explained that the Scope has three components:

(1) Deliverables- the Executive Order directs the Board to include a number of specified statements, assessments, projections, recommendations, and the like in the final Plan;

(2) Assessments- these will be generally quantitative in nature containing, among other information, data sets, modeling results, forecasts and projections relevant to the essential elements of the State's energy systems;

(3) Issue Briefs- these will address cross-cutting issues that affect the development, distribution and use of energy in New York State. The Issue Briefs will synthesize the analyses and discussion in the Assessments and other sources of information, including the results of other public and private energy-related initiatives and plans, and present specific policy and programmatic recommendations that will advance the State's goals and objectives over the 2009-2018 time frame.

Mr. Congdon advised that the final Plan will consist of three volumes – the first will be the Plan itself, which will address the issues presented in the Executive Order; the second volume will be the Assessments; and the third volume will consist of the Issue Briefs. Assessments and Issue Briefs will be completed by teams led by one of the

Working Group members, and consisting of relevant staff from the planning agencies. All work product will be coordinated through the Working Group.

Mr. Congdon then described the content of the Assessments and Issue Briefs in more detail. He explained that Assessments will be prepared with regard to the following topics:

Energy Efficiency: Potential by sector using latest data on price, state of technology, and programmatic issues.

Renewable Energy: Potential for electric generation, thermal, and transportation.

Electricity Resource: The Working Group will examine current electricity infrastructure, electricity load and price forecasts, and model various potential future scenarios.

Natural Gas: Assessment of current and forecasted gas demand and prices, and address future supply options.

Petroleum: Overview of industry and description of markets; demand and price forecasts.

Coal: Demand and price forecasts; overview of domestic and New York markets; emerging trends in coal use in generation.

End User Energy Prices: Assessment of price effects on end users; consumer descriptions that highlight regional differences.

Mr. Congdon also listed the topics that Issue Briefs will address:

- Energy Infrastructure Needs
- Siting New Energy Infrastructure
- Energy Costs and Economic Development
- Health Impacts of Energy Use
- Environmental Justice
- Meeting Transportation Needs and Alternative Transportation Options
- Climate Change
- Environmental Impact and Regulation of Energy Systems
- Regional Collaboration

Mr. Congdon identified a number of recurring themes that were raised by stakeholders during the public comment process, and explained how they would be addressed by the Working Group. These included the following:

Affordability- the End User Energy Prices Assessment will explore how energy costs affect end users.

NYS Independent System Operator- the Energy Infrastructure Needs Issue Brief will include discussion of NYISO market issues and how the competitive market affects infrastructure development.

Workforce Development/Preparedness- a transition to a more sustainable energy future demands a qualified and capable workforce. The Energy Costs and Economic Development Issue Brief will address this issue.

Fuel Diversity and Reliability- these topics will be addressed throughout many of the Assessments and Issue Briefs.

Distributed Generation- this issue will be considered as part of the Renewable Energy Assessment.

Intra-State Regional Differences and Coordination with Other Planning Efforts- these differences will be addressed throughout many of the Assessments and Issue Briefs. The Working Group will closely monitor and coordinate to the maximum extent possible with other energy planning efforts.

Need to Address Climate Change- the Climate Change Issues Brief will identify and propose strategies for transitioning to a low carbon energy system. Modeling will be conducted to assess how the advent of a federal greenhouse gas control program will impact the State's energy systems.

Alternative Transportation and Energy Infrastructure- the Transportation Issue Brief will consider how the increased electrification of the transportation fleet could impact the electric supply needs.

Public Education/Information Campaign- the Working Group will revisit current and prospective models for increasing efficiency and effectiveness of education and information campaigns to reduce energy use. The End User Energy Prices Assessment will illustrate "best practices" examples of how households and businesses can reduce use of energy.

Ambitious Scope and Timeline- many stakeholders opined that the scope and timeline of this energy planning effort may be overly ambitious. Mr. Congdon stated that the Working Group agrees that the effort is challenging.

Finally, Mr. Congdon reviewed the upcoming schedule:

- Next Planning Board meeting on December 11, 2008
- Draft Energy Plan due on March 31, 2009
- Six public hearings on Draft Plan
- 60-Day comment period
- Final Plan due on June 30, 2009

Comments from Board Members

Commissioner Grannis suggested that the Working Group prepare an Assessment on greenhouse gas emissions. Mr. Congdon responded that the Climate Change Issue Brief will address this topic. Commissioner Grannis also suggested that quantitative aspects of climate change be examined. Mr. DeCotis suggested that the Board let the Working Group decide whether to break off the quantitative issue. Mr. DeCotis noted that DEC has taken the lead on the climate change issue as it pertains to the Plan. Commissioner Grannis stated that he would like to see the Plan present the road to a fossil free, carbon free future. He indicated that a lot of activities adverse to such a future are ongoing, e.g., fossil fuel power plants are being built. He stated that an action plan is needed, one that will assess everything with regard to climate change, to help people make decisions with regard to economic development, power plants and the like. Mr. Congdon said that concerns about climate change must be weighed against other objectives and the Plan will have to balance competing goals to put New York on a more sustainable energy future. Mr. DeCotis stressed that the Board cannot ignore economic conditions or political realities but the Plan will provide a framework for various tradeoffs, and will help drive policy. Commissioner Grannis stated that costs are easy to ascertain, but that benefits are harder to quantify. Mr. Congdon said that the Plan will look at both environmental and public health impacts. Commissioner Glynn said that DOT is interested in a cost benefit analysis as well. She noted a recent New York Times article which highlighted the fact that shipping costs are changing locational and marketing decisions of industry. Commissioner Glynn also suggested that the Plan can positively impact ongoing discussions concerning national transportation policy.

Mr. Brown said he was encouraged by the makeup of the Board, opining that its membership is broader than prior energy planning boards. Ms. Enck said it was important to look at job creation potential for all options, so that good jobs stay in New York. She commended the Working Group's outreach to environmental justice groups, and she offered the assistance of the Environmental Justice Interagency Task Force established by the Governor in June 2008. Pointing out that agriculture is the second largest sector of the state's economy, Ms. Enck expressed concern with the "food miles" energy it takes to move food across the globe, and suggested that the Department of Agriculture and Markets has relevant data on this topic.

Mr. Brown asked with regard to the Issue Brief concerning "Regional Collaboration", whether the Working Group was consulting with New York's various neighbors. Mr. Congdon said that the report will be New York centric, but the Working Group is examining regional issues, for example, Long Island Sound. Mr. Congdon emphasized the need to consider regional planning efforts, and the Working Group will reach out to Hydro Quebec and the New England Power Pool. Mr. Brown noted that New Jersey just completed an energy plan. Mr. DeCotis stated that New York City has formed a city planning board, and that Jim Gallagher (who was in the audience) is working closely with that group. Mr. DeCotis also noted that LIPA is developing a Long Island energy plan.

Mr. Brown asked whether the working group is looking at the best use of natural gas (end use, versus using it to make electricity). Mr. Congdon responded that the Working Group may decide to shift to end use, and will discuss this during deliberations. Mr. Callender asked whether the Transportation Issue Brief will examine both private and public fleets; Mr. Congdon said both would be looked at and the State has an opportunity to show some leadership regarding how public fleets are powered. Dan Shapiro stated that the Department of State was pleased to see that siting issues are addressed in the Scope. Ms. Enck asked whether the Petroleum Assessment will examine home heating oil. Mr. Congdon stated that there will be various efforts to address the emergency situation involving home heating oil. Mr. DeCotis said that several agencies are investigating this, and it may turn out that work beyond the Plan is needed, since the Plan is not an "end state"- future planning efforts are envisioned. Mr. DeCotis stressed

the need for further agency cooperation, and suggested that the Board revisit this topic at its December meeting.

Mr. DeCotis then asked what additional technical analysis is needed to finalize the Plan. Mr. Congdon said that the various teams will address the need for any outside expertise, but use of in-house expertise is preferred.

Mr. DeCotis again thanked the Working Group, as well as the stakeholder groups who weighed in on the draft Scope.

The Board then unanimously adopted the draft Scope, with the understanding that the Working Group has some flexibility to revise the Scope as needed as work on developing the final Plan progresses.

The final item on the agenda was to consider such other business as may come before the Energy Planning Board. Mr. DeCotis asked if there was any other business. There being none, the meeting was adjourned.

Note: the final Work Scope, Power Point presentation (which contains the list of stakeholders who met with the Working Group), Framework for Implementing the Work of the NYS Energy Planning Board and other relevant documents can all be found on the Energy Plan's website <http://www.nysenergyplan.com>

David A. Munro, Secretary to the Board