

Draft Scope of
2009 New York State Energy Plan
And Public Solicitation of Comments

A Working Paper for the
The New York State
Energy Planning Board

May 30, 2008

I. Purpose

The purpose of this document is to set forth a Draft Work Scope (“Scope”) for the 2009 New York State Energy Plan, and to solicit public comment and input on the Scope.

II. Background

Executive Order No. 2, issued April 9, 2008, created a State Energy Planning Board (“the Board”) charged with creating a State Energy Plan (“the Energy Plan”) to be completed by June 30, 2009. The Board, in turn, created an Energy Coordinating Working Group (ECWG) to assist in fulfilling the responsibilities of the Executive Order. The Executive Order is posted on the State Energy Plan website (www.NYSEnergyPlan.gov). The Executive Order is specific with respect to certain analyses and assessments to be included in the Energy Plan which are recited below. The required elements set forth in the Executive Order, in addition to Issue Briefs on broad topics that address the interaction of energy, transportation, economic development, environment, and public health across sectors, comprise the Scope of the 2009 Energy Plan.

III. Draft Scope of the 2009 Energy Plan

(A) Executive Order No. 2 directs that the following elements be included in the Energy Plan:

- (a) A statement of long-range energy policy objectives and strategies appropriate to increase energy supply and reduce energy demand, considering factors such as (i) diversity of fuel supplies; (ii) protection of public health and safety; (iii) the needs of vulnerable communities; (iv) consumer cost impacts; (v) the relative economic competitiveness of the State; (vi) the State’s natural resources, (vii) the reduction of greenhouse gases; (viii) energy conservation and efficiency; (ix) clean and renewable energy resources; (x) the maintenance of reliable electric and natural gas systems; and (xi) existing

energy policies and objectives, including the Statewide Transportation Plan and State Implementation Plan.

- (b) Demand forecasts for periods up to 10 years for electricity, natural gas, coal and petroleum products, which shall assess demand for the State, considering reasonably expected changes in demographic and economic activity, energy efficiency, and load management;
- (c) Supply requirements for the State (and any appropriate regions thereof) which are needed to satisfy forecasted demand for electricity, natural gas, coal and petroleum products;
- (d) Assessments of existing electric generation, transmission and distribution systems, fuel transmission facilities, delivery and storage systems, and energy transport systems to meet the resource supply requirements for electricity, natural gas, coal, and petroleum products over the forecast period;
- (e) Projections of energy prices over the forecast periods;
- (f) Assessments of the costs, benefits, uncertainties, market potential and opportunities for promoting sustainable alternatives to traditional energy resources, including clean and renewable energy resources for electric generation and other energy requirements, distributed generation technologies, cogeneration technologies, energy efficiencies, demand management, and biofuels which are reasonably available for satisfying energy supply requirements;
- (g) Assessments of the impacts associated with electricity production and energy use on public health and the environment, including on communities that are burdened disproportionately by health and environmental impacts;
- (h) Assessments of State environmental policies and programs which impact the State's development and implementation of energy policy and programs;
- (i) An inventory of greenhouse gas emissions, and strategies for facilitating and accelerating the use of low carbon energy sources and/or carbon mitigation measures;
- (j) Assessments of the costs, benefits, and uncertainties of traditional and alternative transportation measures required to meet system demands over the forecast periods, including options such as reduced vehicle miles traveled, to address the energy, environmental and health impacts of using traditional and alternative fuels;
- (k) State energy policies and programs intended to support economic growth in the State, including those intended to develop a clean energy economy;
- (l) Comparison of energy prices for various customer classes provided by electric and natural gas utilities of the State with those in other states that compete with New York for business;
- (m) The role of environmental justice considerations in energy-related decisions;
- (n) Recommendations for administrative and legislative actions to implement the policies, objectives, and strategies set forth in the Energy Plan, and;
- (o) Recommendations for the study of additional issues and/or for further study of issues addressed in the Energy Plan.

(B) The ECWG plans to address the above elements through the development of technical assessments and Issue Briefs.

Proposed technical assessments include: Energy Efficiency; Renewable Energy; Electricity; Natural Gas; Petroleum; Coal; Demand Forecasts and Price Forecasts.

In addition to the technical assessments, the Energy Plan will contain Issue Briefs on cross-cutting issues that affect the development, distribution, and use of energy in New York State. Following is a list of proposed Issue Briefs along with a short description of the scope of each brief:

Meeting Future Energy Needs

This Issue Brief will identify and assess the critical factors that will affect the State's ability to adequately meet its projected future energy needs. The analysis will address all fuels across all energy-using sectors and draw upon the technical assessments that support the Energy Plan. This Issue Brief will consider alternative technological pathways, and incremental steps that could be taken to meet the State's future energy needs in a sustainable manner, while balancing the multiple objectives of reducing greenhouse gas emissions, improving the environment, and encouraging economic growth.

Energy Infrastructure Needs

This Issue Brief will focus on current and future bulk energy delivery infrastructure needs for electricity (transmission) and natural gas (interstate and intrastate pipelines) along with associated fuel oil, coal, and liquefied natural gas (LNG) delivery infrastructure. The Issue Brief should address the infrastructure requirements to meet public policy goals as well as reliability needs. Examples of infrastructure additions include projects to import economic power from neighbors (*e.g.*, PJM, Canada), deliver power for economic development, deliver wind power to loads, and provide gas for electric generation. The application of smart grid technologies, insofar as these technologies could enhance infrastructure security and optimize electric grid operation, will also be addressed.

Siting New Energy Infrastructure

This Issue Brief will identify existing siting processes for energy infrastructure projects and will assess the effectiveness of these processes from the perspective of developers, involved government agencies and local communities. It will clarify the roles of federal, state and local authorities in siting energy facilities in New York, with a special emphasis on areas of shared or contested jurisdiction. The Issue Brief will examine issues related to the uses of rights-of-way associated with transportation corridors for the siting of energy facilities.

Energy Costs and Economic Development

This Issue Brief will explore the extent to which energy price and reliability affect the economic competitiveness of New York State. It will compare New York's energy prices to those in states that compete with New York for industry and jobs giving due consideration to the low-cost power programs administered by the New York Power Authority (NYPA). This Issue Brief will also explore the economic effects of energy investments and how New York may be positioned in a carbon-constrained economy.

Health Impacts of Energy Use

This Issue Brief will examine potential impacts of energy production on public health and potential strategies for reducing potential impacts. It will also analyze the extent to which community health concerns affect the development of energy facilities.

Environmental Justice

This Issue Brief will: (1) evaluate existing policies and programs that are intended to ensure the fair treatment and meaningful involvement of all people, regardless of race, color, national origin or income, who are affected by the development and siting of energy facilities; (2) identify areas of the State that are disproportionately affected by impacts from energy-related and other industrial facilities; and (3) consider additional approaches to mitigate adverse impacts that would result from the development and siting of energy facilities in these areas.

Meeting Transportation Needs and Alternative Transportation Options

This Issue Brief will examine the energy impacts of maintaining the current transportation system (transit, highway and other transportation modes); issues related to the strategic improvements to highway, transit, rail, aviation and maritime transportation; transportation related strategies to support the economic development and environmental objectives of the State; issues related to greenhouse gas abatement strategies including the effect on electricity supply of the increased electrification of the transportation system; and issues related to local, state or regional efforts to reduce vehicle miles traveled.

Climate Change

This Issue Brief will examine the significant environmental challenges that the State will face if climate change continues unabated, including potential adverse impacts on the State's natural resources, agriculture, public health and infrastructure. This Issue Brief will explore the nexus between energy planning and the urgent need to reduce greenhouse gas emissions. An analysis of the sources of greenhouse gases, the chief contributors to climate change, will be included along with existing or proposed measures that can ameliorate the contribution of the energy sector to those emissions. Existing and

proposed programs of local, state, and regional governments, as well as private sector initiatives to stabilize greenhouse gas emissions will be analyzed and discussed in this Issue Brief.

Environmental Impact and Regulation of Energy Systems

This Issue Brief will assess the environmental impacts of energy systems and inventory existing and proposed environmental programs and policies that affect the energy sector, including, but not limited to, the Regional Greenhouse Gas Initiative, the High Electric Demand Day program, air emissions standards pursuant to state and federal clean air laws, as well as clean water regulations. This Issue Brief will set forth proposed criteria that may assist policy makers in identifying and assessing the costs and benefits, sustainability, and feasibility of environmental and energy programs that have an impact on one another. It will also identify existing strategies and proposed strategies for avoiding environmental impacts of energy systems, or minimizing unavoidable impacts, while supporting the state's economic prosperity.

Regional Energy Issues

This Issue Brief will identify the existing and proposed physical and market linkages between New York State's energy sectors and those in neighboring states and Canadian provinces. It will address the costs and benefits to New York State of increasing the regional flow of fuels and power and will identify legal and jurisdictional issues that would need to be addressed in order to achieve potential benefits. This Issue Brief will explore existing and proposed new methods of regional cooperation in energy project development which can support economic growth and the development of a clean energy economy in the State.

IV. Public Comment

The Energy Planning Board is soliciting comments on the Draft Scope set forth above. Comments may address any aspect of the Draft Scope including how the Board should conduct the analyses and assessments set forth in section III(A) above and recommendations with respect to the Issue Briefs listed in section III(B) above, including any additional issues that should be addressed.

Comments may be submitted electronically through the Energy Plan website at www.NYSEnergyPlan.gov or in hard copy to:

Energy Plan Comments
NYSERDA
17 Columbia Circle
Albany, NY 12203-6399

Comments must be received on or before July 8, 2008.