



NEW YORK STATE ENERGY PLAN

AND

FINAL ENVIRONMENTAL IMPACT STATEMENT

NEW YORK STATE ENERGY PLANNING BOARD

William M. Flynn,
Chairman of the
Energy Planning Board
President
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Energy Research and
Development Authority

Joseph H. Boardman,
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New York State Department
of Transportation

Erin M. Crotty,
Commissioner
New York State Department
of Environmental
Conservation

Charles A. Gargano,
Commissioner
New York State Department
of Economic Development

Maureen O. Helmer,
Chairman
New York State
Public Service Commission

June 2002

George E. Pataki, Governor

RESPONSE TO COMMENTS

Introduction

This document summarizes comments received by the Energy Planning Board on the draft New York State Energy Plan and Draft Environmental Impact Statement. Oral comments were presented at the Board's nine public hearings and written comments were received during the Board's open public comment period. Every attempt was made to address each comment and recommendation in the 171 sets of oral comments and 747 sets of written comments. In almost all instances, responses include references to the State Energy Plan where the comment is addressed. In several instances, the intent of the comment was unclear, making response difficult. If individuals and organizations making comments feel their comments were not addressed sufficiently in the State Energy Plan, they should contact the Energy Planning Board agencies' staffs to continue the dialogue. In general, the numerous positive comments that did not require responses have not been presented.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

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1. General Comments

General Recommendations

Daniel Jones

One of the fundamental issues that guides the current draft proposal is that it bases its supply projections primarily on the presumption of increasing demand. The policy should be centrally based on conservation and efficiency improvement scenarios that will reduce demand even with population growth.

The young generation in New York would like to see a more aggressive energy plan that takes on the challenges that our dangerous energy habits have set for us. We want New York to be a leader in the clean technologies that will protect our future.

Response: The Energy Planning Board shares the commentor's goal of making New York a leader in protecting our future. The State Energy Plan places substantial emphasis on demand reduction, conservation, and efficiency measures. The most recent study of energy efficiency potential in New York State was conducted in 1989, and NYSERDA is currently conducting a major study, the *Efficiency and Renewable Energy Potential Assessment*. The findings of the technical assessment portion of the study were incorporated into State Energy Plan. The economic and achievable potential assessments will not be finalized until late summer 2002. Population growth has less impact on energy supplies than increased demand caused by commercial expansion and economic development. On a per capita basis, New York is already the most energy-efficient state in the continental United States.

The Plan is Too Broad and Should Set Specific Goals

Energy Association of New York State

In this transitional era, it will not be enough to compile facts and perspectives without providing actual guidance on how to achieve the State's goals and without planning for reasonably foreseeable contingencies.

The State must recognize that it is in competition with other states in the region, the nation, and the world.

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Because the plan is a well-intentioned efforts to include all points of view, it is necessarily inconsistent. We believe it badly misplaces its emphasis as to the paramount issues of reliability and price.

The draft places a disproportionate emphasis on programs that may be superficially attractive but will make only a small contribution to the State's overall energy needs. Because of this misplaced emphasis, the plan is likely to encourage complacency and even hostility toward the building of the new and preservation of existing generation plants and natural gas pipelines that we must have.

The Draft State Energy Plan needs to have a dramatic shift in emphasis toward aggressive action by the State to encourage required investment.

Many of the recommendations and projections appear to be predicated on optimistic assumptions and scenarios. The plan projects a 25 percent decline in real electric prices over the next 5 years. It does so in the face of its own recommendations to create and continue expensive public policy programs and in reliance on the assumption of a continuing low rate of economic and energy demand growth.

To achieve secure, reliable, reasonably priced energy, the maximum reasonable degree of market certainty is essential. These efforts should include an examination of the appropriate role, if any, of the New York Power Authority and the Long Island Power Authority in the competitive market and how their activities may impact that market.

Government-added energy costs must be reduced and not increased as they would under the draft State Energy Plan. The State Energy Plan must recognize that the State needs to reduce its own cost impacts on energy prices. (See Response on page 1-6.)

Mirant New York, Inc.

Mirant recognizes the difficult challenge facing the Energy Planning Board in attempting to craft a plan to serve as the blueprint for New York's energy future. It is not enough for the Draft State Energy Plan to compile facts and perspectives. What is needed is for the State Energy Plan to offer a consistent sense of how the State can get from where it is to where it need to be.

Identifying the goals that should drive the State's energy policy is not difficult. Two considerations outweigh all others: reliability and quality of service first and price.

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These become largely irrelevant if people cannot get all the energy they need when, where, and how they need it, and at a reasonable price.

With the tightening of the capital markets, the State must recognize that it is in competition with other states in the region and in the nation, and with the international community.

In part because the Draft State Energy Plan is a well intentioned effort to include all points of view, it is necessarily inconsistent in a number of important respects and badly misplaces its essential emphasis.

The Draft State Energy Plan places a disproportionate emphasis on programs that, while they may be superficially attractive and politically popular and which we generally support when they are cost effective, offer the potential to make only a small contribution, at best, to the State's overall energy needs.

To avoid such outcome, the State Energy Plan needs to have a dramatic shift in emphasis toward aggressive action by the State to encourage the investment that is required for the State's security and economic future.

The Draft State Energy Plan does little to highlight or promote the importance of the continued operation of the State's existing facilities. It ought to do so particularly with regard to the State's nuclear and coal-powered facilities, which are often the object of misguided and ill-informed political opposition but which are critical sources of fuel diversity and price moderation. (See Response on page 1-6.)

Sierra Club

The Draft State Energy Plan fails to include a list of clearly stated goals. There is not sufficient emphasis on efficiency and conservation processes. New York should adopt the Renewable Portfolio Standard. We should develop a program that eliminates our dependence on nuclear power. Before its re-authorization, Article X should include the elimination of the grandfathering clause applicable to plants built before 1977. Energy Plan should include a goal of reducing CO₂. Emphasis should be on renewable energy as we pursue new technologies/jobs. The State Energy Plan should include regional planning. There should be a peak and high demand conservation contingency plan. More emphasis on public transportation. The State Energy Plan should include an analysis of the impact of siting and distribution of energy on low income and minority

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communities. The Sierra Club supports the Governor's desire to use renewables. (See Response on page 1-6.)

Deborah Marie Glover

The State Energy Plan is too subjective. It should be more specific in its policy. Where are the analysis, constructive plans, goals, and objectives as well as the policies and procedures in the draft energy plan? (See Response on page 1-6.)

Tompkins County Environmental Management Council Energy Committee

The State Energy Plan is very comprehensive in setting goals for energy use but must explain further the issues surrounding the implementation of these goals. (See Response on page 1-6.)

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The draft State Energy Plan is incomplete in terms of providing a set of specific and structured programs that will render the State more secure in its energy supply while rendering the State more competitive with other States. (See Response on page 1-6.)

Scenic Hudson, Inc.

Energy Plan should include specific goals and objectives and a strategy time line. The State Energy Plan should set specific recommendations to promote the development of sustainable renewable energy generation. Close Indian Point. New York State needs to improve public input in the Article X process. The State Energy Plan should include a conservation contingency plan. (See Response on page 1-6.)

League of Women Voters

Energy Plan has no measurable goals set or no timetable to reach these goals.

State should put in measures to control electric energy demands, remove barriers to clean distributed generation, and commit to clean renewable energy sources. (See Response on page 1-6.)

Environmental Advocates

This document would be most valuable if it could really inform decisions, *e.g.* about Article X power plant siting and transportation issues, and include specific recommendations with numerical targets and metrics to measure progress towards targets. (See Response on page 1-6.)

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Environmental Advocates

In general, we feel the plan lacks clearly stated goals, targets, and specific recommendations for meeting those targets. We feel the plan should not be a series of analyses of existing programs and markets. Measurable outcomes and objectives, time lines, and actions should be stated. (See Response on page 1-6.)

New York Public Interest Research Group (NYPIRG)

The State Energy Plan needs to provide specific actions to reach our target goals and include rates and date of where we need to be. It should provide the methodology or potential methodology of how we are going to reach those rates and dates.

The draft State Energy Plan takes a broad focus on policy directions instead of on specific goals and objectives. Many New Yorkers feel the same way, that specific goals need to be set to bring about safer, cleaner, and healthier energy policy. For example, goals like a ten percent renewables portfolio standard and a citizens utility board. (See Response on page 1-6.)

Ben Tevelin

A responsible energy plan includes specific goals, objectives, and actions to promote a safer, cleaners, and healthier energy policy. Specific goals and objectives such as capping power plant emissions to seven percent below 1990 levels and actively implementing renewable energy supply programs. (See Response on page 1-6.)

UPROSE

The Draft State Energy Plan does not lay out a specific plan; it merely implies general policy. (See Response on page 1-6.)

Stop the Barge

The Draft State Energy Plan only suggests broad policy direction instead of requiring specific action. New York City deserves a well thought out plan that includes an estimate of how much energy is required by the City in the next 10 years, a careful placement of new facilities taking into consideration the other environmental burdens already faced by mixed-use zoning communities, and an action plan that would stage the building and recruitment of new plants so that each new construction project would be properly permitted and supervised. (See Response on page 1-6.)

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Sierra Club, NYC Group

The Draft State Energy Plan fails to include a list of clearly stated goals in the current document. Clearly defined goals should form the basis of the plan and must be prominently presented. (See Response on page 1-6.)

Communities United for Responsible Energy (CURE)

CURE is calling for a rational energy plan for the State which will promote, among other things, true repowering of existing power plants to reduce air emissions and increase efficiency, the increase in energy conservation and alternative energy development, a needs assessment before any new power plants are sited, and equitable siting practices. The draft State Energy Plan should be substantially revised to present a comprehensive and meaningful planning document to guide State and private action. A proper energy plan must include specific goals, objectives, and actions instead of broad policy suggestions. No new electric generating facilities should move forward until there is an environmentally and economically sound and equitable energy plan in place.

Response: The policies recommended by the Energy Planning Board in the State Energy Plan were selected to keep New York in the forefront among all the states in providing its citizens with fairly priced, clean, efficient energy resources. To do this, the Plan must encompass many diverse issues without unduly emphasizing one at the expense of the others. The five major policy objectives that provide a framework for the Plan are designed to address all the diverse issues facing New Yorkers. (See Section 1.3, Energy Policy Objectives and Recommendations.) Numerous recommendations address continued secure operation of the State's existing facilities, including coal-fired and nuclear power plants, and many are responsive to the multitude of comments from citizens and organizations urging the State to focus on demand-reduction methodologies and technologies and on alternative methods of power generation. In addition, the State Energy Plan predicates many of its recommendations on the concept that New York State will benefit from diversity in sources of fuel, and renewable energy resources and demand reduction measures can make valuable contributions to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are developed. A vibrant renewable energy resources industry will contribute to economic development in the State and will promote fuel diversity.

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Commit to Action

Better Queens Environment (BOE)

The scope and impact of the Energy Plan is limited. In its own words, “the State Energy Plan does not commit any agency, board, commission or authority to a definite course of specific future decisions.” SEQRA and Articles VII and X of the Public Service Law are given precedence.

Consumers Union

As noted in the all-too-brief environmental impact statement, “the State Energy Plan does not commit any agency, board, commission or authority to a definite course of specific future decisions.” We wish it did. By not proposing a plan for specific actions, the state is maintaining a laissez-faire policy stance where much more is needed.

Star Foundation

We feel that the Draft State Energy Plan must actually be binding on the State and that, until that is the case, it's really just an exercise in futility.

Response: The role and function of the State Energy Plan are legislatively determined. While the Energy Plan cannot dictate specific decisions, Article 6 of the Energy Law requires that “Any energy-related action or decision of a State agency, board, commission or authority shall be reasonably consistent with the forecasts and the policies and long-range energy planning objectives and strategies contained in the plan, . . . “ If a state entity acts in a way that is contrary to the plan, it must demonstrate that the “relevant provisions of the plan are no longer reasonable or probable. . . .”

Specific Recommendations Regarding the Energy Plan

Bronx Environmental Action Coalition

The Governor should work to allocate resources of local community organizations in Mott Haven and Port Morris to develop waterfront revitalization plans and create public access to the waterfront. Public access can be achieved in the immediate short term at a number of coastal locations where parks, piers, and marinas could be created. The Governor can work to channel line-item Environmental Protection Fund monies towards such ecological and economic development opportunities. In an area which already hosts a disproportionate burden of waste related and industrial polluting facilities, compensatory amenities will narrow the gap in environmental justice.

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A significant monetary investment in the design and implementation of a Local Waterfront Revitalization Plan is necessary and fair.

Response: The recommendations in this comment are predominantly outside the scope of the State Energy Plan. Information on the findings of the New York State Department of Environmental Conservation's Environmental Justice Task Force is outlined in Section 2.3 of the State Energy Plan.

Tahira Faune Alford

I want to know if the energy plan will have a public vote. Will there be a chance for a public vote? In California there was an alternate clean energy plan and 73 percent of the public voted for it.

Response: The role and function of the State Energy Plan are legislatively determined. The State Energy Plan is adopted, with extensive public input and lengthy internal deliberations, by the Energy Planning Board, which consists of the Commissioners of the Departments of Economic Development, Transportation, and Economic Development, the Chairman of the Public Service Commission, and the President of the New York State Energy Research and Development Authority.

Ann Link

Promoting and achieving a healthier and cleaner environment should be the first energy policy objective, not the fourth. Personal health is a prerequisite for everything else we do in life.

Under promoting and achieving a healthier and cleaner environment, No. 6 – develop a program that allows businesses This goal should not preempt strict state enforcement of currently existing law.

Response: The five public policy objectives that provide the framework for the recommendation in the State Energy Plan are not presented in order of precedence.

No goals presented in the State Energy Plan can preempt enforcement of currently existing laws.

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Consumers Union

Secrecy about energy trades is unacceptable. The State should require that all information related to energy trading be subject to Freedom of Information laws. Consumers have a fundamental Right-To-Know and transparency is critical to protecting consumers from market abuse. In the wake of the Enron collapse, the current secrecy about energy trading is unacceptable. Consumers must be assured access to information on trades to prevent market abuse.

Response: The New York State Freedom of Information Law provides access to certain government records and applies to all records held by or for a State agency. It provides that all records, with certain exceptions listed in the statute, such as trade secrets, are subject to disclosure. The State Freedom of Information Law does not apply to private companies and to require such application would require legislation. To protect consumers and ensure that an orderly market is maintained, the New York Independent System Operator has established a market monitoring unit that is charged with investigating alleged incidents relating to market abuse. In addition, the Federal Energy Regulatory Commission is in the process of establishing an oversight unit for similar purposes.

Babylon Greens, Town of Babylon

The Energy Planning Board could use a citizen or an activist member, someone who is not from a government agency, who would provide another viewpoint. Someone who could make it safe for people who are attached to certain government agencies to push the envelope a little bit.

Response: The composition of the Energy Planning Board is designated by the Energy Law. The Board recognizes the need for diverse viewpoints throughout the planning process and undertakes an extensive scoping process that includes public hearings and meetings with stakeholders at strategic locations across the State.

New York Chapter Association of Energy Engineers

The New York Chapter recognizes that the State seeks to develop a strong and vibrant energy services industry to serve the needs of end users. We believe it is important to build capacities that will become permanent in the State. In its procurement of energy services, the State should establish significant criteria that favor firms located in New York State.

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Response: NYSERDA is the primary conduit for developing a strong, vibrant energy services industry in New York State through its system benefits charge funded **New York Energy \$martSM** programs. Programs such as the Commercial/Industrial Performance Program and the Peak Load Reduction Program vigorously support the energy services industry. The Commercial/Industrial Performance Program currently has more than eighty participants. While the majority of these firms are located in New York State, those from other states also provide valuable energy services to facilities in New York that benefit New York as a whole. For this reason, NYSERDA has not elected to limit participation to in-state firms. The expectation is that, as the energy services industry grows, many of the out-of-state firms will relocate, bringing jobs and investment with them.

New York State Environmental Justice Alliance

Recent forecasted economic downturn suggest that we may be better able to consider opportunities now than when this scoping process started for this plan. With that in mind, maybe we need to go back and take a look at where we are and extend this process, if that is necessary.

Response: The Energy Planning Board believes that the State Energy Plan accurately reflects the economic climate in the State at this time. However, pursuant to, Article 6, the legislation governing the energy planning process, the Energy Planning Board may adopt a new plan for good cause at any time. Major changes in the economic climate could potentially lead the Board to adopt a new plan before the next one is scheduled.

Katie Makarowski

I believe that our State should turn its focus to less short-term goals and look more at the broader spectrum of things, at more long term goals, to avoid the inevitable crises that arise from relying on oil and gas. Drastic measures need to be taken, trade offs and sacrifices made, both politically and socially.

Response: The State Energy Plan seeks to be a thoughtful, systematic study of the State's energy future and is mindful of the importance of long-term planning. However, the assessments in the State Energy Plan now embrace a twenty-year planning period that is untenable given the complex changes occurring in the energy industry. The movements to competition and regional markets in the energy industry have introduced enough uncertainty that the Energy Planning Board proposes reducing the planning horizon to ten years.

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The New York Renewable Energy Coalition

There are many individuals, organizations, and corporations interested in working in the energy industry. These groups lack a single point of contact in New York State that will act as a clearinghouse for information.

Response: NYSERDA is an excellent source of information for individuals, organizations, and corporations interested in working in the energy industry in New York State, as is the New York State Independent System Operator, and myriad industry organizations exist. For example, statewide organizations with specific interest in the promotion of renewable technologies and energy resources include the New York State Energy Industries Association and the American Wind Energy Association.

New York Gas Group (NYGAS)

NYGAS is concerned that the Board will base policy and form conclusions using the data and analysis found in the interim reports of the NYISO/NYSERDA Gas Capacity Study. We urge that the Draft State Energy Plan be flexible enough to incorporate the final results when they become available.

Response: The results of the NYISO/NYSERDA study, *The Interaction of the Gas and Electric Systems in New York State*, are included in the State Energy Plan. See Section 3.5, Natural Gas Assessment. Incorporation of these results does not preclude or foreclose future actions by the Planning Board.

Riverkeeper, Inc.

The State needs a comprehensive energy policy and, through the collaborative activities of the agencies that make up the Energy Planning Board, one can be achieved. The State Energy Plan Board should be a stronger voice with respect to recommending policy on energy-related issues. In fact, the Energy Plan Board should be able to evaluate the costs and benefits of existing and proposed electric generating units and recommend which are in the public interest and which are not.

Response: The Energy Plan provides the comprehensive energy policies for New York State. Four of the five members of the Energy Planning Board – the exception is the New York State Department of Transportation – are members of the Siting Board and the staffs of those agencies collaborate and serve as the staff of the Planning Board.

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Scenic Hudson, Inc.

The Draft State Energy Plan should be a blueprint for energy sector decision making and also underscore the need to integrate this decision making with other State plans and second highlight the need for regional planning. The State Energy Plan should identify locations that are inappropriate for power plants due to inconsistency with other State and local plans. The State Energy Plan should provide region-based analysis to inform the development of regional plans.

Response: The State Energy Plan is a statewide planning document, and regional analyses generally are outside its scope. That being said, local and regional issues are considered where they impact the State as a whole. For example, the Electricity Assessment (Section 3.4) includes a subsection that evaluates conditions in the New York City and Long Island areas.

The Article X process is the vehicle for determining the appropriateness of specific power plant sites. The Article X process is legislatively mandated.

Tompkins County Environmental Management Council Energy Committee

“The energy technology sector grew by 134 percent in 2000. . . .” Is this correct? It seems high for one year. (See page 1-11 [of the draft State Energy Plan].)

Response: This figure refers to growth in the energy technology sector nationwide and is considered accurate by industry professionals. The magnitude of the figure reflects the fact that growth in the energy technology sector has been vigorous in the recent past.

Torne Valley Preservation Association

The State Energy Plan should present electric power needs that are clear and understandable to the public. It should show in terms that the public will understand where power is needed and how it should be provided.

Response: In the State Energy Plan, Section 3.4, Electricity Assessment, contains extensive information on New York State's projected electricity requirements and potential supplies for the planning period, 2002 through 2021.

Western New York Sustainable Energy Association

There need to be audits by auditors or representative panels of stakeholders of the programs run by NYSERDA, NYPA, and LIPA

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We need to look at the amount of installed savings in terms of kilowatt hours saved versus dollars spent in the short term and the long term. How much are we really achieving? There's lots of programs. Are they doing what they're supposed to?

I would also suggest that part of this auditor review would consider the extent to which those running those programs are capable of thinking outside the box.

Response: In-depth evaluations are conducted on the NYSERDA, LIPA, and NYPA public benefit energy efficiency programs. In the case of NYSERDA's System Benefit Charge (SBC) programs, the New York State Public Service Commission established the System Benefits Charge Advisory Group to act as the independent, third-party program evaluator. This advisory group is composed of a variety of stakeholders and experts including energy industry associations, utilities, low-income advocates, and renewable energy association representatives. This group reviews data on installed savings, spending, and projected achievements and provides advice and recommendations on the directions of the SBC programs based on evaluation results. The different perspectives of the members of the SBC Advisory Group, and their cutting-edge work in this field, help ensure that SBC program development and evaluation is well informed and that fresh ideas are available.

In addition, all State agencies are audited by outside, independent auditors and the State Comptroller.

Green Power

Better Queens Environment (BQE)

Leading organizations around the country are starting to buy green power, recognizing it is the next step in environmental responsibility. Leading experts on U.S. green energy development have expressed confidence that a dramatic growth in participation in U.S. green energy programs is likely to occur over the next several years. The four-year plan does not really reflect that.

Response: The State Energy Plan recognizes the need for and encourages the development of green power in New York State. At the present time, however, U.S. green energy development is in its infancy. In essence, the Governor's Executive Order 111 has directed the State to purchase green power in expanding stages through 2020. Additionally, environmental labeling, now in effect in New York State, informs electricity customers of the environmental attributes of the power available for purchase.

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Information comparing the amounts of nitrogen oxides (NOx) sulfur dioxide (SO₂) and carbon dioxide (CO₂) emissions in the power sold by the supplier with the statewide average will help customers make decisions and will stimulate suppliers to add green power to their mix.

Article 6

New York Independent System Operator (NYISO)

Regarding changes to Article VI, the NYISO supports the modifications that reduce the demand forecast time horizon from 20 to 10 years. The NYISO recommends that it no longer be designated as an agent to collect and supply data to NYSERDA. NYISO recommends that all data be submitted directly to the State.

National Fuel Gas Distribution Corporation

The Draft State Energy Plan states that the State should reauthorize, with modifications, Article VI. National Fuel Gas feels all aspects of Article VI must be revisited. Modified regulations must reflect information requirements from new entrants into the energy market place, including marketers, suppliers and brokers, with a compliance feature that makes the information filing requirements mandatory.

Response: A revised Article 6 will be introduced for action by the Legislature in 2002. It will likely include reduction of the forecast time horizon from 20 to 10 years and reflect updated information requirements from all participants in the energy market place. Other changes may also be made to make the Energy Law more useful and responsive to the needs of the State, of energy providers, and of rate payers.

Niagara Mohawk Power Corporation

The draft State Energy Plan suggests a future ten-year planning horizon. Niagara Mohawk endorses this recommendation. In fact, it would support a shorter planning horizon if it were appropriate. The draft State Energy Plan also suggests that the Energy Planning Board meet annually to coordinate development and implementation of energy-related strategies and policies and to deal with certain information materials. In the near term, this is an excellent idea. However, we must be sensitive to the resources needed to engage in the energy planning process. To avoid the administrative burden of a continuous year-long planning proceeding, Niagara Mohawk suggests the annual efforts be tightly focused on two specific questions: (1) Are all State agencies coordinating their efforts and following the policy guidance laid out in the last approved plan? Do the recent actions complement each other and further the policy objectives of the currently

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valid State energy plan? (2) What key policies, if any, require immediate reconsideration in view of major industry developments since the last plan was completed?

Response: The comment substantially defines the agenda for the Energy Planning Board's annual meetings. Under normal circumstances, the annual planning will be neither continuous nor year-long.

Sustainability

Clarkson University

Clarkson endorses the efforts of the Energy Planning Board and recommends a broader inclusion of sustainability concepts and principles into the Draft State Energy Plan as a means of promoting long-term economic development and environmental health throughout the Empire State.

Sustainability is the conservation movement of the twenty-first century and, like conservation, sustainability holds that we can have economic development and environmental health today and in the future if we apply new ways of thinking and working to solve the challenges of production, consumption, and disposal, among others.

Riverkeeper, Inc.

The Draft State Energy Plan should include a definition of sustainable energy.

Response: The State Energy Plan contains many recommendations that will contribute to energy sustainability for New York State including those that move the State's emphasis away from imported oil and toward renewable technologies and peak shaving programs. See Section 3.2, Energy Efficiency Assessment, and Section 3.3, Renewable Energy Assessment, of the State Energy Plan.

Babylon Greens, Town of Babylon,

You might want to look at the Brentwood Report which created the idea of sustainability through the UN. They held their hearings first and then wrote the report. The problem is, once you have a document created, it sets a lot of ideas in stone.

Response: The process of developing the State Energy Plan is outlined in Article 6 of the Energy Law. The draft Plan is written based on extensive public input. The Notice of Commencement of the Planning Proceeding was published on April 18, 2001 in the *New York State Register*, initiating a 60-day public comment period that closed on

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June 18, 2001. Fifteen outreach meetings were held with interested parties. Forty seven sets of comments were received from 43 individuals and organizations in response to the Notice of Commencement.

Reliability

New York State Reliability Council (NYSRC)

Supports the importance of maintaining the reliability of the State's power system.

The State Energy Plan needs to critically assess the likelihood that massive capital investment in new generation in the State will really come to pass and describe the impact if such facilities are not built.

Response: The Electricity Assessment section of the State Energy Plan contains a range of analyses under different combinations of supply and demand. One such analysis addresses a situation of "low supply" of generation.

New York State Reliability Council (NYSRC)

The Reliability Council strongly supports the first Energy Policy Objective in the Energy Plan. The following textual changes in the State Energy Plan are suggested.

Response: The State Energy Plan incorporates the NYSRC's recommended language.

New York State Reliability Council (NYSRC)

The following paragraph should be inserted before the paragraph that starts with "In the process to develop a Northeast RTO. . ." on page 3-88 of the draft State Energy Plan.

Response: The paragraph, which addressed the State's commitment to reliability was inserted, with minor changes, in the State Energy Plan.

Regarding NYPA, LIPA

Mirant New York, Inc.

Although included in its original scoping list of issues, the Draft State Energy Plan fails to address in any meaningful way the appropriate role of New York Power

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Authority and Long Island Power Authority in the new competitive environment. There needs to be an examination of the significant impact of the development of competitive energy markets of the substantial and ongoing investment by State Authorities in electric generation projects. Such examination should offer a basis for assessing the potential impact of proposed legislation that looks to expand the sphere of NYPA's activities in the competitive market. Nor is there a discussion of the NYPA hydropower relicensing issue and its enormous potential impacts.

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The State Energy Plan sidesteps discussions of the role of public power.

With respect to the Power Authority of the State of New York (PASNY), the Energy Plan does not examine the authority's activities, whether such activities fall within or beyond the scope of the authority's statutory responsibilities, nor the impacts on developing private markets. The State Energy Plan fails to address the appropriate role of public power authorities in emerging competitive markets (same as 1st sentence).

Response: The Energy Planning Board does not consider it within the scope of the State Energy Plan to address the New York Power Authority's statutory responsibilities. However, the State Energy Plan predicates many of its recommendations on the concept that New York State will benefit from diversity in sources of fuel and that renewable energy resources will make a valuable contribution to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are developed. Therefore, the State Energy Plan calls for the New York Power Authority and the Long Island Power Authority to purchase contracts for specific amounts of renewable energy. Such purchases will encourage development of the industry, contribute to economic development in the State, and promote fuel diversity.

Multiple Intervenors

The final Energy Plan should not recommend that New York Power Authority and Long Island Power Authority solicit bids for renewable resources.

Response: The Energy Planning Board understands the concerns of the commentor that promotion of renewable energy resources may result in increased prices for energy. However, the State Energy Plan supports the concept that New York State will benefit from diversity in sources of fuel, and renewable energy resources can make a valuable, albeit at this time limited, contribution to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are

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developed. Such purchases will encourage development of the industry, contribute to economic development in the State and promote fuel diversity.

Sustainable Energy Alliance of Long Island

Any New York State Master Energy Plan must include a binding provisions upon the Long Island Power Authority to adhere to and fulfill the mandates of the State Plan. LIPA continues to operate with little to no oversight by the State, and, although it is a publicly owned authority, it is largely unaccountable to its ratepayers.

The Sustainable Energy Alliance of Long Island seeks assurance that LIPA will be required to adhere to the guidelines, strategies, and milestones set forth in the final New York State Energy Plan upon its adoption.

Response: Long Island Power Authority, like all State agencies, authorities, commissions, and boards must act in reasonable consistency with the State Energy Plan. Article 6 of the Energy Law requires that “Any energy-related action or decision of a State agency, board, commission or authority shall be reasonably consistent with the forecasts and the policies and long-range energy planning objectives and strategies contained in the plan, . . . “ If a state entity acts in a way that is contrary to the plan, it must demonstrate that the “relevant provisions of the plan are no longer reasonable or probable. . . .”

New York Independent System Operator (NYISO)

New York Independent System Operator (NYISO)

With respect to recommendation 1.C. on page 1-29 of the draft State Energy Plan: “State agencies and authorities should encourage the New York Independent System Operator (NYISO) to consider the certainty and availability of primary and back-up fuels as factors in the valuation of capacity from electricity generators, to ensure that the reliability of the electricity, natural gas, and petroleum supply and delivery infrastructures are not adversely affected if generator fuel supplies are disrupted.” The NYISO suggests that the contemplated modifications to the NYISO installed capacity market may be premature. It may be more useful to address these concerns through reliability rules.

Empire State Petroleum Association, Inc.

The State should examine methods of enhancing and developing the security and reliability of its petroleum storage and distribution infrastructure.

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Response: With respect to the reliability of petroleum storage and distribution infrastructure, the State Energy Plan requests the New York Independent System Operator to consider the certainty and availability of primary and back-up fuel supplies in valuing capacity from electric generators or to consider the certainty and availability of primary and backup fuels in establishing local reliability rules. See Section 1.3, Energy Policy Objectives and Recommendations, in the State Energy Plan.

With respect to security of the petroleum storage and distribution infrastructure, the Energy Planning Board explicitly recognizes the need to take a hard look at the security of the State's energy infrastructure, as evidenced by the State Energy Plan's recommendation that the State initiate a study of the security of New York's energy infrastructure used for production, storage, and delivery, and that the study include a risk and vulnerabilities assessment and make recommendations for appropriate actions. The Planning Board suggests that the study be conducted cooperatively by the Office of Public Security, the Energy Planning Board agencies, and major energy market participants.

New York Independent System Operator (NYISO)

The NYISO wants to emphasize the continued need for new capacity, particularly in New York City and on Long Island. This additional capacity is required for system reliability to be maintained. On August 7, 8, and 9, [2001] NYPA's 440 megawatts of capacity became critical. They are still critical. However, demand reduction measures can play a significant role in maintaining New York's electric reliability. The NYISO would like add these recommendations to those outlined in the draft State Energy Plan: (1) eliminate barriers to real-time pricing at the retail level, (2) encourage the development of "smart metering" to empower consumers to assist in demand-reduction efforts, (3) develop real-time residential and commercial rates, and (4) continue education efforts on the benefits of demand-reduction measures.

Response: Both the Energy Planning Board and the State Energy Plan support additional resources (both supply and demand reductions) to ensure the development of a competitive market. The Board also supports: (1) elimination of barriers to real time pricing at the retail level; (2) development of "smart metering"; (3) development of real-time residential and commercial rates; and (4) educational outreach regarding the benefits of demand reduction measures.

The New York Public Service Commission (PSC) and NYSERDA have already taken major actions in this area. In 2001, the PSC directed all utilities to develop and

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implement voluntary real-time pricing tariffs for customers with load in excess of 100 kilowatts. The PSC approved these tariffs in the summer of 2001. Using System Benefit Charge funding, administered by NYSERDA, “smart” or interval meters are subsidized up to 100 percent of the customer’s installed cost. In addition, the PSC, NYSERDA, the Long Island Power Authority and the New York Power Authority have implemented major campaigns to educate customers regarding the benefits of demand reduction measures and actions. Finally, it should be noted that New York State law does not permit mandatory time-of-use pricing for residential customers.

Riverkeeper, Inc.

The Draft State Energy Plan should promote a more balanced New York Independent System Operator board of directors.

Response: The board of directors of the New York Independent System Operator is approved by the Federal Energy Regulatory Commission, not New York State.

New York State Electric and Gas (NYSEG)

The State Energy Plan pays only slight notice to the serious market practices and design issues that have been seen in the NYISO-administered market since its inception.

The State Energy Plan will be more useful if it is guided by the most significant needs of the electric market, *i.e.*, the NYISO must replace its hour-ahead and real market software which is obsolete and flawed.

The Public Service Commission adopted interim measures requiring marketers to demonstrate certain capacity holdings, however, no long term policy regarding capacity obligations currently exists in New York State.

Response: The Electricity Assessment of the Energy Plan identifies some of the efforts underway to improve the efficiency of the NYISO-administered wholesale market. The Planning Board supports these efforts and will continue to monitor the market to ensure that necessary improvements are made.

Lifeline Rates

Tompkins County Environmental Management Council Energy Committee

The State Energy Plan should include lifeline block pricing.

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League of Women Voters

It is an important social policy for the State to require “lifeline” rates. To support energy conservation the State should disallow declining block rates.

Response: Rate Orders recently issued by the Public Service Commission provide for discounted customer charges for qualified low income utility customers.

Formatting Comments

Jennifer Bostaph

Overall, the Draft State Energy Plan is very informative. Section III is very confusing and difficult to understand. The tables offer too much information. Some of the graphs do not help with explanations. The Energy Plan needs to have an acronym page.

League of Women Voters

In the Energy Plan there should be the addition of a subject matter index.

Response: The suggestions are good ones, and an attempt has been made to improve the readability of the document within the tight time frame for developing and approving the Plan.

Pace University School of Law; Pace Energy Project

The State Energy Plan should provide a new section that summarizes New York positions and interests with regard to federal energy, transportation, and environmental policies, including climate change.

Response: The contents of the State Energy Plan are defined by the Energy Law, however the State's position vis-à-vis federal government is discussed throughout the Energy Plan where appropriate.

Petroleum and Gas Issues

El Paso Corporation

The State Energy Plan should include a more comprehensive assessment of new energy supplies, particularly natural gas, that are under development offshore from Nova Scotia, and an additional focus on the need for, and value of, diversity in fuel supplies, not just diversity of the fuels themselves.

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Response: The State Energy Plan has been modified to reflect El Paso's comments.

Better Queens Environment (BQE)

The Draft State Energy Plan anticipates a 50 percent reliance on one source of fuel – gas. As current local and world events have shown, this reliance on fossil and nuclear fuels causes enormous security concerns. The heavy reliance on a single source of fuel leaves the State vulnerable to price fluctuations and supply problems.

Response: The State Energy Plan recognizes this risk and as a result supports several actions including that the State initiate a study of the security of New York's energy infrastructure used for production, storage, and delivery. The Energy Plan calls for the study to include a risk and vulnerabilities assessment and action steps for the appropriate actions. The study should be conducted cooperatively by the Office of Public Security, the Energy Planning Board agencies, and major energy market participants.

Diane A. Davis

New York's dependence on Organization of Petroleum Exporting Companies oil is projected in the Energy Plan to exceed nearly 50 percent by 2016, this is in contradiction to President Bush's State of the Union address. The State Energy Plan should be re-worked to become less dependent on foreign oil supplies. The Draft State Energy Plan says that we should transfer our oil dependency from OPEC to Russia, Azerbaijan, Kazakhstan, and the Caspian Sea area. This defeats President Bush's directive. Section 2 needs to be re-written to incorporate President Bush's January 28, 2002 State of the Union Address.

Response: The State Energy Plan calls for the State to significantly increase energy resource diversity in electricity generation and transportation through increased reliance on indigenous, renewable, energy efficiency, and demand management resources. These steps will help reduce New York's dependency on imported energy.

Empire State Petroleum Association, Inc.

Empire State Petroleum Association, Inc. agrees with the basic goals, principles and planning objectives in the Energy Plan. Competition in the energy market, uninfluenced by government interference, will provide customers with the best products, services, and prices. This approach should be applied to all energy markets in the State.

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The State Energy Plan should include a provision that every interruptible electric generating facility should maintain adequate back-up fuel and that should be mandated in the re-authorized Article X statute.

Response: The State Energy Plan requests the New York Independent System Operator to consider the certainty and availability of primary and back-up fuel supplies in valuing capacity from electric generators or to consider the certainty and availability of primary and backup fuels in establishing local reliability rules.

Empire State Petroleum Association, Inc.

The State should expand research and development projects for petroleum products and equipment and support research and development projects testing the feasibility of using biodiesel as a home heating extender.

Response: The State Energy Plan supports the expansion of biofuels research and development activities with the goal of creating a self-sustaining private sector biofuels industry in the State within the next five to ten years. The State will develop a specific plan for producing, refining, and marketing biomass fuels derived from waste, soybean, and corn oils, and from paper sludge, municipal solid waste, and other cellulose sources, working in cooperation with other states. The State also supports the commercialization of biofuels technology and use of biofuels as vehicle fuel, heating fuel, emergency generation fuel, and in marine applications.

Empire State Petroleum Association, Inc.

The final Energy Plan should recommend the elimination or reduction of taxes on petroleum products. The final Energy Plan should recommend the complete elimination of the petroleum business tax on heating oil for commercial space heating. The final Energy Plan should recommend that the State adopt a unified petroleum tax calculated on a per-gallon basis.

Response: Issues of taxation require legislation enacted by the New York State Legislature. The Energy Planning Board supports reductions in taxes where appropriate and when due consideration is given to fiscal considerations.

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Diversity

Ben W. Ebenhack,

Energy projects should include an evolving energy mix that gradually phases out dependence on depletable resources.

El Paso Corporation

The Draft State Energy Plan rightly identifies the need for fuel diversity as a means of minimizing the impacts of shortages of fuel. El Paso feels that there are practical limits to how far you can go in developing a truly diverse fuel mix and we would like to offer that most focus be placed on the supply sources, delivery capability, and redundancy of the delivery systems of the fuels now in use in assessing how best to meet the State's energy needs. El Paso believes it does not serve the public interest if you have a situation where there are a variety of fuel types but uncertainty with how reliable and secure those fuel types are.

Mirant New York, Inc.

New York is blessed with an unusual amount of fuel diversity. The critical importance of diversity relates to the fuels that are used to provide electric generation. The emphasis and the focus must be on diverse fuel supplies rather than on diverse energy portfolios.

Response: The State Energy Plan predicates many of its recommendations on the concept that New York State will benefit from diversity in sources of fuel. Renewable energy resources and demand reduction measures can make valuable contributions to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are developed. A vibrant renewable energy resources industry will contribute to economic development in the State and will promote fuel diversity.

Rebuilding Lower Manhattan

Natural Resources Defense Council

With respect to rebuilding lower Manhattan, from an environmental perspective, the vision NRDC wants to put out there, and what we would like to see the State embrace and challenge itself to do, is to try to build . . . rebuild lower Manhattan in a way that is not only efficient and green buildings but actually gets the CO2 emissions to zero.

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Response: The State Energy Plan calls for the State, in coordinating rebuilding efforts in lower Manhattan with private developers following the terrorist attacks of September 11, 2001, to ensure that these efforts maximize the use of energy-efficient and environmentally-sound design and construction practices to reduce energy use and costs, to reduce pollutant emissions, and to improve indoor air quality.

Other (No response is required for comments in this section.)

Eugene Marner

The draft State Energy Plan does little to help us face the future with the knowledge we need to make intelligent decisions. In no case has a serious impartial scientific study been done in the public interest to demonstrate that these energy alternatives can produce more energy than they use. Studies that have been done are not encouraging. The beginning of the greatest of all transitions in human history will arrive sometime this decade. This is what the draft State Energy Plan should be about.

- Helping people to understand the new life and new economies caused by the end of cheap oil
- Preparing people to survive in a world without mechanical slaves
- Explaining that we need to radically conserve the remaining oil and gas in the world to make the transition to the post-oil world.

General Comments in Support of the Plan (No response is required for comments in this section.)

Marshah-Reaff Barrett

The Draft Energy Plan is very informative. Moving forward, more analysis will be required on some of the recommendations in the Energy Plan prior to their implementation. Due consideration must be given to cost impacts, security and diversity of energy supplies and electricity generation technologies, protection of public health and safety, beneficial and adverse environmental impacts, and the State's ability to compete economically.

Pace University School of Law; Pace Energy Project

The Draft State Energy Plan does an excellent job of framing the overall issues. The underlying analysis provides a solid foundation for developing a comprehensive plan for State actions that are needed and will be needed in the future to assure that New York has safe, clean, efficient, and reliable energy over the long term.

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Power Light Corporation

Power Light likes what it sees in the Draft State Energy Plan. There is a lot of good language in there, and there seems to be a clear understanding of the benefits of renewable energy, particularly PV.

Power Light particularly applauds the Governor for his Executive Order 111. It is a truly visionary statement.

Integrated Waste Services Association (IWSA)

IWSA would like to commend the Energy Planning Board for its leadership and commitment in providing a blueprint which would help ensure secure and well maintained energy infrastructure, while also ensuring adequate energy supply within the State.

New York City Economic Development Corporation

This document [the Draft State Energy Plan] does appropriately try to strike the balance between providing crucial information to local decision makers, while trying to not go too far in the direction of making specific proposals for planning for the long term when things change so rapidly. Energy planning is a very dangerous concept. Some of the worst mistakes have been made in the name of long-range planning.

Robert A. Smith

The Draft State Energy Plan gives a good overview of energy supplies and distribution networks in New York State. The ordinary citizen should be in awe of this energy structure and all the effort that has gone into first building and maintaining these systems and the organizational discipline exercised in keeping track of updated information on its utility to the State and its people the compilers of the first draft certainly are to be commended for a job well done in gathering and presenting this information.

Long Island Power Authority (LIPA)

The Energy Planning Board has enunciated sound strategies for putting New York on a continued path toward a sustainable energy future that both improves our environment and grows the economy through market forces. LIPA is currently and will continue to implement objective No. 1, which supports the continued safe, secure, and reliable operation of the energy system infrastructure. LIPA stands ready to participate in the proposed study regarding the security of New York's energy infrastructure recommended in the Draft State Energy Plan.

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Policy objective No. 2 is also supported by LIPA. LIPA will continue to actively support the establishment of a Northeast RTO.

Regarding the recommendation that the State move expeditiously to a fully competitive retail electricity marketplace, LIPA recently opened its retail access program, Long Island Choice, to all of LIPA's more than one million customers.

Policy objective no. 4, promoting and achieving a cleaner and healthier environment, is strongly supported by LIPA's Clean Energy Initiative. Meaningful greenhouse gas emission targets are needed if progress in this area is to be made.

LIPA's mission is aligned with Policy objective no. 5, ensuring fairness, equity, and consumer protections in an increasingly competitive market economy. Clearly LIPA has somewhat of an advantage in addressing this objective, because LIPA's primary mission is public service.

LIPA stands ready and willing to assist in achieving the Plan's goals.

Mary Griffin

The physical structure of the Energy Plan is fine and needs no adjustment.

Brett Maxwell

Generally impressed with scope, depth, and organization of the Energy Plan.

Adirondack Hydro Development Corp.

Supports the Energy Plan's planning process and energy policy objectives.

New York Power Authority

On behalf of the New York Power Authority, I want to express our appreciation to the Energy Planning Board and its staff for the extraordinary amount of work that has gone into producing the Draft State Energy Plan. You should be very proud of this important policy document and the unprecedented lengths to which you have gone to solicit a diverse selection of public opinion on the Empire State's energy issues.

The blueprint for New York's electricity future should resemble a three-legged stool balanced on generation, transmission, and energy efficiency. All three of these elements are needed to provide New York with a solid foundation for economic growth and environment protection.

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In summary, let me simply say that, under the leadership of Governor George Pataki, the New York Power Authority is practicing what it preaches about generation, transmission, and energy efficiency. I believe the Draft State Energy Plan shares that essential sense of balance and as a consequence will provide an excellent map to a better energy future for all New Yorkers.

New York State Consumer Protection Board

The New York State Consumer Protection Board strongly supports the Draft State Energy Plan. We believe its flexible, market based approach and its strong and proper focus on consumer interests provide a good roadmap for the transition to competitive markets as well as for improvements in the environment and transportation systems.

Scenic Hudson, Inc.

Scenic Hudson, Inc. would like to acknowledge and thank the Board and staff for the time and effort that went into creating the Draft State Energy Plan. As well, we thank you for hosting this and eight other public hearings throughout the State of New York.

New York Public Interest Research Group

We want to be very clear that there are certain things the plan does very, very well and that we want to congratulate you for. It provides a very good snapshot of where we are, our current picture, how we generate our power in New York State, the programs we have. There are a few points we definitely agree on. Specifically, the very strong defense of demand-side management programs, the potential for nuclear power here in New York State, the need for update of power plants emissions standards.

Battery Park City Authority

The impressive work done to date by the Energy Planning Board, as evidenced by the Energy Plan, will inform the policy making process in New York and beyond.

The State Energy Plan is a well researched examination of the New York State current energy picture. We support its recommendations.

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2. Economic Development

Power for Jobs

A.E.S. Ltd.

To allow New York to compete more effectively from an economic development standpoint, continued emphasis should be placed on the Power for Jobs program, in partnership with the State and independent private suppliers.

Clarkson University

Clarkson regards the Power for Jobs recommendation for extension in the State Energy Plan as critically important.

The Business Council of New York State, Inc.

The Draft State Energy Plan makes welcome references to the need to continue the second and third year contracts for low-cost power under the “Power for Jobs” program. We also agree with the State Energy Plan’s assessments with respect to the repeal of certain energy taxes and their beneficial impact on the cost of electricity and the acknowledgment of the added costs that New York's tax code imposes on business and industry in the realm of energy.

Response: The State Energy Plan supports authorization of another phase of the Power for Jobs program. The Governor has proposed legislation (S.6425) that would extend the Power for Jobs program to allow new allocations and authorize companies with expiring Power for Jobs contracts to be eligible for reallocations.

Promote Efficiency and Renewables

New York City Environmental Justice Alliance

The portion on development in the draft plan was disappointing. We have seen that efficiency and conservation brought about by weatherization programs, new technologies, and on-site generation through renewable technologies, fuel cells, and photovoltaics stand to offer a lot of new jobs. Probably more new jobs in construction than we would see through construction of a few mega-power plants.

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Great Lakes United

New York State should analyze the potential for generation of new jobs through development of new energy efficient and renewable industries and technologies and include these job benefits in any cost analysis of the transition to a sustainable energy system.

Susan Caumont

We are at the end of an era, the oil era, and at the beginning of a new era, the era of renewable energy. Now is the time to turn to build energy sustainably. There are technologies we can grow at home and export nationally and internationally. New York State can be a leader in renewable energy technologies.

New York State Tug Hill Commission

The State Energy Plan should offer overarching incentives to integrate renewable energy sources in communities that are host to power generating plants.

Diane A. Davis, Environmental Advocates of New York

Tax credits to businesses should be instituted for non-polluting alternative re-energy sources for capital improvements and capital expansion projects.

The State Energy Plan needs to be quickly re-worked to include incentives and breaks for businesses and utilities to develop wind and sun farms, hydropower generating plants, and solar panel collectors so there is no further combustion waste added to the environment.

Response: The State Energy Plan states in several places that New York State should encourage the development of a renewable energy market and that efforts should also be made to remove the barriers to the renewable marketplace. Moreover, the Plan provides general estimates of potential job growth. In Section 1.1, the Saratoga Technology and Energy Park is discussed, and the expectation is stated that over the next five years between 1,000 and 1,500 jobs will be created when emerging, energy technology companies take advantage of the Park's resources. In addition, Governor Pataki in his 2002-2003 Executive Budget calls for the establishment of a Renewable Energy Initiative. The Governor's plan would encourage State, local, university, and private resources to work together to develop and deploy renewable energy technologies. Until this initiative is more fully developed, it is premature to estimate job impacts. However, it is expected that as investments are made in renewable technologies, the impact on job creation could be substantially similar to the growth experienced in the

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energy efficiency sector. The State Energy Plan also establishes an expected outcome for new renewable energy development. Over the planning period a 50 percent increase in primary energy use in the State is to be provided by renewable energy resources. See Section 1.3 of the State Energy Plan.

Cheap Energy, Low Prices

A.E.S. Ltd.

Energy prices and policies need to be brought more in line with other states to allow New York to compete more effectively with our surrounding states.

Response: A.E.S. is correct that energy prices in New York need to be brought more in line with energy prices in other states. That objective is consistent with the State's efforts to restructure the electricity and natural gas industries in New York and to promote both wholesale and retail competition in energy markets. The policies established by the Energy Planning Board and set forth in the Energy Plan are designed to achieve these objectives, while at the same time protecting the environment and ensuring that other public interest values are met.

The Planning Board recognizes that energy policy must be coordinated across markets to achieve maximum benefits, but it also recognizes that New York and other individual states, and areas within states, each have unique attributes and needs. The Planning Board rejects a "one size fits all" approach and any assumption that the policies of other states are necessarily the best policies for New York State. It does, however, support efforts to coordinate both national and regional policies to the extent practicable.

Ann Link

Regarding energy and economic development, cheap energy can be substituted for tax breaks to industries that want to start up or relocate in New York.

Response: As New York moves to competitive electric markets, energy costs are expected to decrease. However, it will take some time to achieve a fully functioning, robust market. To successfully manage the transition, the State has established programs to encourage growth through programs such as Power for Jobs and the Empire Zones Program. These programs provide businesses with power at reduced costs in return for job creation commitments. In addition, most utilities have tariffs that provide for economic development rates in certain circumstances.

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Green Party Broome County

The State Energy Plan is pleased that the state is giving up the sales tax on the delivery of energy. How about eliminating the sales tax on things that save energy, like compact fluorescent light bulbs, Energy Star® appliances, and, maybe, automobiles that get more than 40 miles to the gallon.

Response: Changes to the sales tax would require action by the State Legislature.

Power Quality

The Joint Supporters

Opportunities for improved reliability and power quality are central to economic development in the digital economy of the twenty-first century. New forms of generation, storage, communication, and management of energy are becoming increasingly important to the State's economic competitiveness and development. The issue report on Energy and Economic Development (Section 2.2) should acknowledge the growing importance of reliability, power quality, and demand management in the digital economy and the essential role that distributed generation will play in that future.

Response: The Energy and Economic Development issue report (Section 2.2 of the State Energy Plan) supports improvements in reliability and power quality as methods to further promote economic development. To that end, NYSERDA is working to forge public-private partnerships to explore the development of Power Quality Parks. In addition, the State Energy Plan acknowledges and establishes policy objectives concerning the development and use of distributed generation with the goal of becoming the national leader in its deployment. Throughout the Energy Plan, distributed generation is acknowledged as a major way to address system reliability concerns that, in tandem with demand management strategies, will ensure adequate and diverse supplies of energy.

Albany NanoTech

One priority that is just beginning to come into sharper focus is the need in certain industrial sectors for power of higher quality than is generally available from the utility grid. This is a challenge that creates an opportunity to generate enormous economic benefits to the State.

The Draft State Energy Plan describes price, security, and reliability as the principal issues involved in meeting the needs of electric customers. Power reliability, however, cannot be equated with power quality. Increasingly, manufacturers are using

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digital technologies that are prone to disruption caused by relatively minor voltage transients. The costs to a manufacturer of even a minor voltage problem can be huge.

We suggest that the State complement its utility programs with premium power incentives designed to lure high technology manufacturers into the State by reducing their cost of ensuring power quality. The Draft State Energy Plan refers to the possibility of establishing Power Quality Parks. They are an attractive method. Other means of providing premium power incentives should be explored.

The State should also bolster research and development efforts in the area of power quality.

Response: The ability to provide industry with reasonably priced high-quality power is a useful incentive for economic development. To that end, NYSERDA is working to forge partnerships between the public and private sectors to explore the development of Power Quality Parks and other options. These partnerships will provide the State with useful information that can be used to determine appropriate ways to attract high technology manufacturers to the State. Potential options may include increased spending for research and development with respect to power quality and premium power incentives to reduce costs associated with high quality power.

Specific Recommendations

Ashok K. Trikha

San Francisco permits the municipal Public Utilities Commission to issue as much as \$100 million in bonds to finance solar and wind turbine facilities, thus producing 25 percent of the city government energy needs. Maybe New York State should do the same.

Response: The comment refers to the use of government assistance to promote solar and wind turbine facilities that produce energy for governmental needs. New York State is already promoting the development and use of renewable energy resources. The State Energy Plan contains numerous recommendations that encourage the development of a renewable energy market, and the Governor's Executive Order No. 111 requires State agencies to assume a leadership role in promoting the efficient use of energy. Pursuant to this Order, State agencies are directed to increase their purchase of energy generated from renewables such as wind and solar. In addition, the Executive Order directs NYSERDA, the New York Power Authority, the Office of General Services, and

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the Long Island Power Authority to offer assistance to local governments and school districts to achieve the goals set forth in the Executive Order.

The Business Council of New York State, Inc.

We acknowledge the need for the continuation of programs such as tax credits for alternative-fuel vehicles and distributed generation that help foster economic development.

Response: New York's alternative-fuel vehicle tax credit package provides incentives for the purchase of alternative-fuel and electric vehicles and for the installation of fueling and charging equipment by private fleets and consumers. The legislation that put these incentives in place will sunset in 2002. In recognition of the importance of these incentives to jump-start the alternative-fuel vehicle industry in New York State, plans to extend the tax credits are under discussion. With respect to distributed generation, the State Energy Plan acknowledges and establishes policy objectives concerning the development and use of distributed generation with the goal of becoming the national leader in its deployment.

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3. Deregulation

Wendy Harris

I think deregulation is a complete disaster. Overall I'd like to think that the State of New York might think more creatively about its energy policy and the future of the industry in the State of New York and come up with a greater vision for what the State might do in the future. I think it ought to be a state that eliminates nuclear entirely. That we don't have a solution for what to do with the waste is no reason to continue to create more.

The Manufacturers Associations of Central New York and the Greater Syracuse Chamber of Commerce

We encourage New York to continue to work toward new and efficient technologies but that should be done alongside a priority effort to get more power online. The members of the Manufacturers Associations of Central New York and the Greater Syracuse Chamber of Commerce are business people. We believe strongly in the marketplace. We believe that the market provides the best opportunities for our energy needs. New York State was right to deregulate its energy market. It is on the right path. New York must continue to assist in development of this market system, adding more capacity is the best way to accomplish that goal.

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The assumption that during this time of transition, market participants alone will provide optimal energy supplies and services renders the Energy Plan incomplete and ineffective to meet market challenges.

The State Energy Plan raises more questions than supplies answers. Furthermore, the overall thrust of the document, delegating to “the market” the decision making with respect to current and future energy policy, is an evasion of the administrative and political dynamics at stake with each new power plant, transmission line, gas pipeline, and transportation alternative.

Response: The Energy Planning Board and the 2002 Energy Plan strongly support the movement to competition in energy markets and the development of new technologies to assist in that movement. The spiraling costs and inefficiencies that resulted from regulation of energy markets have already started to move in the opposite direction, and new opportunities for consumers have begun to emerge. While the benefits of competition may not yet be obvious, thousands of stakeholders have already begun to

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see benefits. As will additional consumers as the markets mature and the infrastructure is developed.

In a competitive energy market, each supply and demand resource must compete with other supply and demand resources. If consumers choose to support one resource over another, they will have that right and the power to shape the resources available. Only those resources that prove to be cost effective and desired by consumers will survive. For example, renewable energy can become a significant contributor to the State's supply mix if consumers choose to purchase energy from such sources; similarly, other supply sources (such as nuclear and coal) and demand reduction measures, will be subject to the demands of consumers. In a free, competitive market, it is the consumers that decide which products and services survive and which ones don't. The State's role is to ensure that the market is open and fair and that the citizens are protected from conditions beyond their control. If consumers truly want safe, clean, reliable energy at steady and steadily declining prices, they will demand it through their purchases in a competitive market. The regulatory policies of the past clearly failed to meet these goals.

New York State Environmental Justice Alliance, Brooklyn

The Environmental Justice Alliance feels the Draft State Energy Plan is not actually doing planning because deregulation has occurred. Really deregulation has not worked in the energy sector.

Federated Conservationists of Westchester County, Inc., New York

I'm quoting from the 1998 energy plan, "In a properly functioning market, participants should be able to determine when and where generation or demand reduction measures are needed to meet customer needs." As the energy market has been developing, it is apparent that it is not enough to rely on market forces alone to maximize the public good. Energy does not appear to be the properly functioning market laid out in Economics 101. And even if it were, the social and environmental cost of such an energy market is proving to be unacceptable.

Response: While the State's commitment to competition in the electricity and natural gas markets remains strong, barriers remain to full competition. The State Energy Plan contains numerous recommendations that will help the State move toward full competition while protecting the interests of New Yorkers. While some fluctuations are expected in wholesale natural gas prices, they are not expected to exceed the levels reached in 2000. Retail electricity prices are expected to decline in real terms throughout the planning period (*i.e.*, through 2021).

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Robert A. Smith

I don't understand why the Draft State Energy Plan does not forcefully recommend forming several New York Power Authorities in the State and why the Federal Energy Regulatory Commission is not trying to form similar entities for both electricity and gas manufacture and distribution. We as a State and Nation have become reliant on electricity and gas and can no longer rely on the “invisible hand or complex laws and mores” to magically adjust not only the markets but to generate the technology for continued growth and environmental safety. It is about time to start building organizations whose sole purpose is to generate, distribute and explore future energy options in the most efficient and least costly manner, unencumbered by the need to make fast and large profits.

I would ask the Energy Planning Board and the Commissioners in the final draft to at least look at the idea of a federal reserve system for energy, of five regional power authorities to actually generate both electricity and gas and distribute it in New York State under uniform control.

Response: Effective competition in the natural gas and electricity markets, where practical, is the policy of the State of New York. The policies and recommendations in the State Energy Plan are based on this concept, and the State Energy Plans, since 1994, have embraced the idea that competition has the potential to reduce energy costs, increase customer choices and satisfaction, promote economic development, enhance system reliability, improve environmental quality, and promote technological growth. Introduction of regional power authorities would contravene the statewide and regional integration of competitive markets.

Tompkins County Environmental Management Council Energy Committee

The Plan should recognize that the competition promised in the 1998 Plan has not materialized for many New Yorkers.

Response: While the State's commitment to competition in the electricity and natural gas markets remains strong, barriers remain to full competition. The State Energy Plan contains numerous recommendations that will help the State move toward full competition while protecting the interests of New Yorkers. While some fluctuations are expected in wholesale natural gas prices, they are not expected to exceed the levels reached in 2000. Retail electricity prices are expected to decline in real terms throughout the planning period (*i.e.*, through 2021).

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New York State government plays an objective and active role in administering public benefits. The State studies the patterns, trends, and behaviors of energy customers lacking market influence, such as low-income households, and looks for cost effective opportunities to better serve their needs. Energy customers in New York with less market influence require government assistance largely because competitive market forces have not yet addressed their energy needs. Government interventions to assist in energy market development are necessary to align public and private interests. To this end, the State Energy Plan makes numerous recommendations to ensure fairness, equity, and consumer protections in an increasingly competitive market economy.

Consumers Union

With respect to “competition,” what does the State mean by competition? What structures do we put in place to insure that it can thrive? How do we know when we have it? What measures can we use to assess how well competition is functioning? What measures do we have to monitor anticompetitive practices? Are they adequate? How are mergers and acquisitions in the industry consistent with more competition? What are the physical constraints to competition, such as the existing transmission constraints? Is the state's idea of competition consistent with that envisioned by Congress in the Energy Policy Act of 1992?

Response: These issues are discussed in the Section 2.1, Promoting Energy Industry Competition, of the State Energy Plan.

Green Party Broome County

The State, in the Energy Plan, by giving us energy deregulation, is abandoning the power – the key power is the power to set the rate structure – is abandoning the power to give us what we all want, which is safe, clean, reliable energy at steady and steadily declining prices.

Response: The Planning Board believes that competition is the best way to allocate scarce energy resources and control prices. Regulation of generation failed as a way to hold down prices during the 1970s, 1980s, and early 1990s, and continuation of the failed policies of the past would lead only to further price increases. If consumers consider fossil fuels to be undesirable from a price volatility perspective, they will now have a mechanism to choose non-fossil-based options, including long-term contracts for renewables.

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Consumers Union

What does deregulation mean in New York? Does it mean the State will entertain no regulations to control the exercise of market power? What does consumer protection mean in New York? The Draft State Energy Plan advances no plan for consumer protection. We believe the State must adopt a stringent regulatory framework for Consumer Protection including providing for just and reasonable pricing and describe this in the final Energy Plan.

The economic impacts of electricity restructuring have not been adequately analyzed in this State Energy Plan. Neither has the Plan examined various regulatory mechanisms to protect consumers.

What is a functioning market for electricity, according to the State and how do we get one? How many losers are acceptable in this functioning market? All markets have losers. How greedy can the winners be? How much wealth will the losers have to transfer in New York to the winners? What will the State do to prevent the fleecing of consumers?

Response: To protect consumers and ensure that an orderly market is maintained, the New York Independent System Operator has established a market monitoring unit that is charged with investigating alleged incidents relating to market abuse. In addition, the Federal Energy Regulatory Commission is in the process of establishing an oversight unit for similar purposes.

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4. Citizens Utility Board

New York Public Interest Research Group

In a deregulated environment with far less state oversight, New York needs to reinstate the Citizens Utility Board.

Hudson River Sloop Clearwater, Inc.

A Citizens Advisory Board is crucial. It is important that members of the public are represented, that oversight and accountability are provided, and feedback provided to the State from citizens.

New York City Environmental Justice Alliance

Consumers are entitled to just and fair pricing for electricity. They must be protected from price gouging and market manipulations. An active Citizens Utility Board . . . could provide this consumer protection. But the public needs to express their support for this board to the Governor and other elected officials, and has done so, to a large extent, through this [the State Energy Plan] process, and will continue to do so.

Jocelyn McGinnis

I want to make another plug for refunding and re-institution of the Citizens Utility Board.

New York Public Interest Research Group

The transfer of the sale of electricity for New York's utility market to a northeastern regional body dominated by electrical distributors and generators in a deregulated environment will require someone to look out for New York's interests. That's why New York needs to reinstate and fund the Citizens Utility Board.

Consumers Union

The State should support and fund the Citizens Utility Board.

New York State Sustainable Energy Coalition (NYS-SEC) *et al.*

In a deregulated environment, with far less State oversight, ratepayers need a mechanism that looks out for their interests and monitors the industry. New York needs to reinstate and fund the Citizens Utility Board.

Response: The Department of Public Service, The Department of Law, and The Consumer Protection Board are all charged with protecting the consumer's interests, and

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little evidence has been presented to support the reinstatement of the Citizens Utility Board. The Energy Planning Board welcomes and encourages citizens and businesses to form consumer advocacy groups and to advocate for their individual interests. The Planning Board does not support reinstating the Citizens Utility Board at this time.

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5. Environmental

Against NYS-only Environmental Regulations; In Favor of Regional, National, and International Regulation

A.E.S. Ltd.

The State is urged to be sensitive to negative consequences of unilateral New York environmental regulation. Rigorous State-specific air, water, and solid waste regulations could result in significant increased costs to generate electricity and reduce competitiveness with plants in surrounding states. Generation displaced to plants in surrounding states that are not subject to New York's rules could result in increased emissions from these out-of-state plants and offset or be greater than reduced emissions inside New York.

Response: The Department of Environmental Conservation, acting on behalf of New York State, considers the environmental need and economic consequences of all environmental regulations prior to promulgation. Although New York would prefer a regulatory “level playing field” with neighboring states and the rest of the nation, the Department takes steps to protect New York's environmental resources when warranted.

Independent Power Producers of New York, Inc. (IPPNY)

The Energy Plan should encourage regional cooperation in the development of environmental regulations. The states must move away from the patchwork approach to environmental regulations toward a multistate approach.

Response: New York State, as a member of the Northeast Ozone Transport Commission, the Northeast States for Coordinated Air Use Management, the Ozone Transport Assessment Group, the Environmental Council of States, and other organizations, has worked to foster regional and national approaches to environmental regulation. Many of the regulations now in place in New York were promulgated to meet commitments made with one or more of these organizations. New York has worked cooperatively with other states to reduce air and water pollution, improve solid waste management, and protect and preserve natural resources. In addition, as evidenced by the strategies contained in the State Energy Plan (see Section 1.3) the State first and foremost prefers a multistate, regional, or federal approach to greenhouse gas reductions.

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New York State Petroleum Council

With respect to the Greenhouse Gas Task Force Recommendations, if a State climate program is implemented, it should coordinate with proposed and ongoing industry and federal government programs. It should focus on technology development and voluntary actions and avoid hard, near-term emission reduction targets and timetables. These are costly and inefficient and could place the industry and other businesses in the State at a competitive disadvantage.

While it is critical to be able to accurately measure emissions, it is much more complicated and potentially costly than might be assumed.

Response: New York State recognizes the need to coordinate regionally and nationally to reduce emissions of greenhouse gases and address global climate change. Creating an accurate inventory of such emissions is an essential step in developing strategies to reduce them.

Environmental Energy Alliance of New York

The Energy Plan should encourage action for control of greenhouse gases only when a national program is proposed.

Response: As discussed above, New York State recognizes the need to coordinate regionally and nationally to reduce emissions of greenhouse gases and address global climate change. As scientific evidence is amassed regarding the impact of greenhouse gas emissions and the need to reduce them, the State reserves the right to address the issue in the absence of an appropriate national response. As a result, recommendations in the State Energy Plan include strategies to address greenhouse gases.

Innovative Energy Solutions (IES)

IES's main concern is that any policies in New York affect our relative competitive position to neighboring states. New York, if it takes a very aggressive environmental policy relative to a more lax policy at the federal level, could put our State at a cost disadvantage, a further cost disadvantage that will hurt our competitive position and make it more difficult to attract new businesses and jobs to the State.

Response: New York is committed to both protecting the State's natural resources and fostering economic development and growth. In addition, as evidenced by the strategies contained in the State Energy Plan (see Section 1.3), the State first and foremost prefers a multistate, regional, or federal approach to greenhouse gas reductions.

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The Business Council of New York State, Inc.

The Business Council strongly opposes the recommendation that the State adopt State-level greenhouse gas emission targets for 2010, 2020, and 2050 and opposes the establishment of sector-specific reduction goals. These are international issues and the United States' participation is being negotiated and addressed at the national level.

We favor a national approach to “four-pollutant” emission policies rather than a State initiative.

Response: New York State recognizes the need to coordinate regionally and nationally to reduce emissions of greenhouse gases and address global climate change. As scientific evidence is amassed regarding the impact of greenhouse gas emissions and the need to reduce them, the State reserves the right to address the issue in the absence of an appropriate national response. Along with the current efforts to reduce emissions of sulfur dioxide and nitrogen oxides, New York supports efforts to reduce emissions of mercury and carbon dioxide. New York supports a “four-pollutant” approach provided it does not weaken or delay previous commitments to reduce currently regulated pollutants.

**In Favor of Statewide Cap-and-Trade Program; Emissions Targets;
Four-Pollutant Approach; PM 2.5 Studies**

Marcia Slatkin

The State Energy Plan should set a cap on global warming emissions from power plants, reduce pollution, and increase the focus on renewable energy. Older power plants should be cleaned up.

Justin Green

I urge NYSERDA and the other agencies developing the State Energy Plan to set a cap for global warming emissions from power plants, reduce pollution, and increase investments in renewable energy, energy efficient technologies, and clean up of older, more polluting power plants.

David Leidig

I urge NYSERDA and the other agencies developing the State Energy Plan to set a cap for global warming emissions from power plants, reduce pollution, and increase investments in renewable energy, energy efficient technologies, and clean up of older, more polluting power plants.

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Lisa Catapano et al.

An Energy Plan should be developed that sets a cap on global warming emissions from power plants, reduces pollution from other sources, and increases investment in renewable energy. The plan should support energy-efficient technologies, and older power plants should be cleaned up.

Response: New York State currently has the strictest air pollution control standards for power plants in the nation and will continue to develop new strategies to reduce emissions from these sources. The State Energy Plan makes recommendations to promote the use of renewable sources of energy and reduce emissions of greenhouse gases. In addition to the New York State Energy Research and Development Authority has implemented a number of programs to develop renewable technologies.

In Section 1.3, Energy Policy Objectives and Recommendations, of the State Energy Plan, the Energy Planning Board makes numerous recommendations to support the Governor’s Greenhouse Gas (GHG) Task Force, develop an annual GHG emission inventory and sequestration registry, promote energy-efficient technologies and sustainable transportation services, emphasizing GHG emission reduction potential, using CO₂ as a criterion, in developing new programs for the State's public benefits programs, and significantly increasing the use of indigenous renewable resources.

Mary Griffin

The “cap and trade” program needs to be expressed in different terms which better explains the process.

Response: National and State “cap-and-trade” programs require all covered facilities to “cap” their emissions at a prescribed level, which becomes more stringent over time. Facilities have the option of limiting their emissions to the capped level or continuing to emit above the capped level and purchasing allowances to cover the excess emissions from facilities that have reduced their emissions to levels below their own caps. In this manner, total emissions are reduced in a cost-effective manner. Cap-and-trade programs are discussed in more detail in the State Energy Plan. See Section 2.3.

Natural Resources Defense Council (NRDC)

Probably the most important issue in terms of the Greenhouse Gas Task Force is the issue of having a cap-and-trade program for carbon dioxide emissions. New York cannot rely on just voluntary approaches. We have to send a clear signal to the marketplace that there is a cost associated with climate changes and that cost needs to be

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internalized. We should be working toward figuring out how to achieve and put in place a carbon cap in New York and send a very clear message to other states and to the country.

Response: New York State recognizes the need to coordinate regionally and nationally to reduce emissions of greenhouse gases and address global climate change. The State Energy Plan includes strategies to reduce greenhouse gas emissions. See Section 1.3, Energy Policy Objectives and Recommendations, and Section 2.3, Energy and the Environment.

New York Public Interest Research Group

In the Energy Plan, emissions from power plants are dealt with in two ways: through the Governor's Acid Deposition Reduction Program and through the Greenhouse Gas Task Force. The Energy Plan also states that the State should look at committing to targets for carbon dioxide emissions, although targets are not given. On the acid rain initiative, the 75 percent reduction in nitrogen oxides is great. On the sulfur dioxide, the 50 percent reduction is a great step in the right direction. We need to go deeper, 25 percent deeper to be specific. With a 75 to 80 percent reduction in sulfur dioxide emissions we will see biological recovery of New York's water bodies in the next 50 years. NYPIRG believes that in addressing nitrogen and sulfur, a comprehensive four-pollutant approach is needed, including carbon dioxide and mercury. For carbon dioxide, the Energy Plan should propose seven percent below 1990 levels. Now it proposes to reach seven percent below 1990 levels by 2012, NYPIRG thinks it should reach that level by 2009. Mercury isn't mentioned in the Energy Plan. New York needs to implement an emission standard which would require 90 percent emissions reductions from working power plants. NYPIRG proposes a stepped approach in five year increments, first nitrogen and sulfur, then mercury, then carbon dioxide.

New York Public Interest Research Group

The State Energy Plan needs regulations requiring reduction in sulfur dioxide, a 50 percent reduction is a step in the right direction. But data from New York's waterways show that a 75 to 80 percent reduction in sulfur dioxide emissions is needed for recovery in the next 50 years. So, New York should set the standard at 75 percent or stricter as part of a pollutant cleanup strategy. Also part of the methodology would be 25 percent additional reduction of sulfur dioxide, and New York should cap power plant emissions of carbon dioxide at seven percent below early 1990 standards.

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Rhonda Belluso

The State Energy Plan calls for a 50 percent reduction in sulphur dioxide emissions from power plants, we should call for a 75 percent reduction.

Environmental Advocates of New York

Along with four other environmental groups on the task force, Environmental Advocates urges the establishment of a statewide goal for greenhouse gas emissions reductions at ten percent below 1990 levels by the year 2012.

The electric sector has more cost effective opportunities than others for greenhouse gas emissions reductions. Accordingly, we urge the establishment of an enforceable cap on power plant greenhouse gas emissions at 30 percent below 1990 levels by the year 2017.

To this end, the rule making [Draft State Energy Plan] should establish a statewide cap-and-trade program for CO₂ emissions from power plants.

New York City Environmental Justice Alliance

- New York should set a stricter standard, 75 percent or more for sulfur dioxide emissions.
- This standard should be part of a four-pollutant cleanup strategy.
- The levels of fine particulates, 2.5 microns or smaller, are already well above federal standards and suggestions by U.S. EPA.
- New York should cap power plant emissions of carbon dioxide at seven percent below 1990 standards.

Great Lakes United

New York State should set mandatory emission caps for all fossil fuel power stations to control nitrogen oxide, sulfur dioxide, carbon dioxide, and mercury. We call for closure of non-compliance stations by 2007. New York State should commit to specific greenhouse gas targets utilizing the four-pollutant approach.

Sierra Club Long Island Group, Environmental Advocates of New York

The Draft State Energy Plan should include a recommendation to phase in the clean up of four major pollutants: sulfur dioxide should be reduced another 75 percent; nitrogen oxides by 50 percent; mercury reduced by 90 percent; and a cap on CO₂ to 30 percent below 1990 levels.

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Sierra Club, NYC Group

The Draft State Energy Plan should be revised to include clean up steps as follows: [1] reduce SO₂ by an additional 75 percent from current law, [2] NO_x by 50 percent, [3] mercury by 90 percent, and [4] cap CO₂ emissions. In order to reduce the State's impact on Global Warming, the Draft State Energy Plan should include a goal of reducing CO₂ emissions from the electricity-producing sector by at least 30 percent below 1990 levels.

New York State Sustainable Energy Coalition (NYS-SEC) et al.

The Draft State Energy Plan proposes a 50 percent reduction in sulfur dioxide emissions from power plants. New York should set the standard of 75 percent or stricter as a part of a four-pollutant clean-up strategy. The levels of PM 2.5 in New York City and other areas around the State are already well above federal standards.

The Energy Plan proposes carbon dioxide emissions limits with no specific numbers of goals. New York should cap power plant emissions of carbon dioxide at seven percent below 1990 standards as part of a four-pollutant cleanup strategy.

Stop the Barge

The Draft State Energy Plan proposes a 50 percent reduction in sulfur dioxide emissions from power plants. New York should set the standard at 75 percent or stricter. In addition to the acidification of New York's waterways, sulfur dioxide from power plant emissions leads to secondary formation of fine particulates (PM 2.5). The levels of PM 2.5 in New York City and other areas around the State are already well above federal standards.

Please set the sulfur dioxide standard at 75 percent or higher. The Draft State Energy Plan must protect our future as citizens and the health of the earth, not just the welfare of corporations.

Environmental Advocates of New York

The State Energy Plan should examine ways to reduce emissions from pollutants. For instance, there is the four-pollutant approach that has been talked about in the State. Those numbers should be modeled in this plan. Governor Pataki has indicated a four-pollutant approach to clean up power plants at the national level, but it would be of value to know what the effect for New York State would be.

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The U.S. Environmental Protection Agency (U.S. EPA) has indicated they will be regulating mercury from plants by 2007. That should be analyzed in New York to see what the effects will be and to model the emissions reductions as well as any reliability or price problems that might result.

Natural Resources Defense Council (NRDC)

It's very important, as the State moves forward, to develop innovative emission strategy for reducing pollutants, looking at all four pollutants including particulates.

UPROSE

The Draft State Energy Plan must also implement emission standards of PM 2.5 on all power plants.

Donna Lupardo

According to the U.S. Environmental Protection Agency (U.S. EPA) and the web site run by Environmental Advocates, in Broome County we have one of the dirtiest power plants in the country – A.E.S. Westover. It benefitted from the Clean Air Act loophole that let New York's twenty-one dirtiest power plants continue to pollute. I'm urging that the Energy Plan add something about cleaning up these old polluting power plants. The Energy Plan could recommend critical phase-ins of some clean-ups of these plants using a four-pollutant approach to reduce sulfur dioxide, nitrogen oxide, mercury, and carbon dioxide.

Lisa Catapano et al.

A energy plan should be drafted which reduces the harmful impacts of electricity production.

Response: New York State currently has the strictest emission limits in the nation for NOx and SO2 from power plants and will continue to develop new strategies to reduce emissions from these sources. New York supports efforts to reduce emissions of mercury and carbon dioxide and supports a four-pollutant approach provided it does not weaken or delay commitments to reduce currently regulated pollutants. As data about the impact of the recently implemented emission cuts on the State's water and forest resources become available, New York will evaluate the need for additional reductions. In the interim, the State strongly supports the revision of federal emission standards to the same levels currently required in New York. The State Energy Plan includes strategies to reduce greenhouse gas emissions.

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As the U.S. Environmental Protection Agency revises its National Ambient Air Quality Standards for fine particulates (PM2.5), New York will develop and submit federally enforceable State Implementation Plans to bring those areas of the State designated as non-attainment into compliance.

Ethanol and MBTE

New York State Petroleum Council

Methyl Tertiary Butyl Ether (MTBE) . The current initiatives of several states, including New York, to ban the use of MTBE in the near future, while maintaining the federal oxygenate mandate, may have serious implications for this State and may influence the forecasts for petroleum use both near and long term.

The federal oxygenate mandate. In its 1999 report, a U.S. Environmental Protection Agency (U.S. EPA) Blue Ribbon Panel called for a repeal of the oxygen mandate for federal reformulated gasoline. The American Petroleum Institute (API), of which New York State Petroleum Council (Petroleum Council) is a division, supported that recommendation. Subsequently a number of states, including New York, enacted legislation to ban the use of the oxygenate MTBE. A recent report prepared by the California Energy Commission expressed significant negative impacts from banning MTBE. The Petroleum Council believes some of the presumptions, forecasts, and assessments in New York's Draft State Energy Plan also may be significantly affected by the ban.

Boutique Fuels. The two percent reformulated gasoline federal oxygenate mandate has been a primary cause of the proliferation of boutique fuels, customized local gasolines. Boutique fuels make it more difficult for the petroleum industry to supply consumers, especially in tight supply situations, which can also lead to higher consumer prices. With little or no excess capacity, refiners do not have the flexibility to supply discrete markets, particularly in times of tight supplies or supply disruptions.

As a solution to the problem of boutique fuels, our industry recommends the repeal of the federal two percent oxygenate mandate and that regional fuel programs be developed.

In summary, in addition to emissions inventory impacts, the net air quality effect of removing the two percent oxygen mandate for reformulated gasoline and imposing a renewable fuels mandate should be carefully evaluated. To proceed otherwise may create

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an unstable petroleum market with increased vulnerabilities to supply disruptions and price spikes.

Response: New York State has enacted legislation which will phase out gasoline containing MTBE in 2004. The 1990 amendments to the federal Clean Air Act include requirements that areas in non-compliance with federal ozone standards use fuels containing 2 percent oxygen. Action by the federal government will be needed to waive or repeal this requirement. The State Energy Plan supports relief from the oxygenate requirements. See Section 2.3, Energy and the Environment.

New York Corn Growers Association

In section two on page 47 of the Draft State Energy Plan the first paragraph states, “the use of ethanol, however, raises new concerns such as the potential for higher VOC emissions.”

New York Corn Growers points out that there is no volatility problem with ethanol in New York. Ethanol does not have a one pound per square inch volatility tolerance in reformulated gasoline. All reformulated gasoline must meet the performance standards in the law including volatility control.

New York can also use the State Implementation Plan process to eliminate the volatility tolerances in conventional gasoline if they demonstrate that it is necessary for air quality. Beyond that, there is no volatility problem with ethanol.

Response: Use of ethanol as a gasoline additive has been demonstrated to raise the volatility of fuel. Gasoline containing ethanol may therefore require additional formulation changes in order to meet Reid Vapor Pressure specifications. Because of ethanol’s tendency to absorb water and other characteristics, it has traditionally been difficult to blend with gasoline at the refinery.

New York Corn Growers Association

In the same paragraph [page 47 of the draft State Energy Plan, first paragraph], the State Energy Plan states that, “ethanol would most likely have to be trucked separately from the production sites and be splash-blended at gasoline distribution centers.” New York Corn Growers points out that ethanol is not splash-blended but match-blended at the fuel terminal.

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Ethanol can be transported by truck, rail, or barge, depending on that particular facility. Most major terminals have rail siding for shipping gasoline-blending components that are not refinery blended.

Response: Because there is currently little ethanol production capacity in the Northeast, it is likely that ethanol would have to be shipped to regional distribution hubs, thus adding cost to gasoline. The term “splash-blended” has been removed from the State Energy Plan and replaced with the word “blended.”

New York Corn Growers Association

On page 47 of the draft State Energy Plan, “it is unlikely that the national ethanol production capacity exists to replace MTBE any time soon.”

New York Corn Growers points out that the total amount of MTBE used is approximately four billion gallons nationally. On an oxygen basis, only about two point four billion gallons of ethanol would be needed to replace MTBE. Current production capacity for ethanol exceeds two point two billion gallons and is growing. In a recent study, the California Energy Commission stated that ethanol capacity will exceed four billion gallons by 2004. There have been studies by the U.S. Department of Agriculture that indicate sufficient ethanol capacity to replace MTBE under a reasonable timetable.

Response: In 2001, the National Renewable Fuels Association stated that national annual ethanol production is 1.7 billion gallons, with the capacity for 2.3 billion gallons. Although the California Energy Commission does predict that ethanol capacity will soon reach 4 billion gallons, this capacity would be insufficient to meet national demands if California, New York and other large states all use ethanol to meet oxygenated fuel requirements. For this reason, California recently postponed its ban on MTBE for one year. Although ethanol capacity may increase to needed levels at some point, it is doubtful whether adequate capacity will be available to fully replace MTBE on a national basis in the short term.

New York Corn Growers Association

On page 47, section two, the State Energy Plan states, “ethanol may be difficult to remove from ground water as is MTBE.” To equate ethanol with MTBE or similar chemicals is erroneous. Ethanol has been in the environment and consumed by humans for thousands of years. Ethanol is rapidly biodegradable in surface water, ground water, and in soil. A recent study conducted by the Governor's Ethanol Coalition concluded that ethanol poses no threat to surface water and ground water. Furthermore, ethanol is the

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most harmless and biodegradable component of gasoline. When gasoline contaminates soil or water, ethanol is the first component to quickly, safely, and naturally degrade.

A study commissioned by the MTBE industry suggests that in the event of a gasoline spill or leak ethanol will break down and benzene would continue to persist in the environment. This ignores the fact that ethanol-blended fuels contain less benzene than gasoline and the real threat posed to the environment is from the presence of benzene in gasoline.

Response: The presence of ethanol and petroleum compounds in a mixed plume in groundwater can greatly complicate the overall remediation, *i.e.*, when a gasoline and ethanol mixture is released. One reason for this complication is the effect of co-solvency. The ethanol causes the petroleum compounds to migrate quickly, creating a more rapidly moving commingled plume. With MTBE and petroleum compounds, the plumes tend to separate and, by itself, MTBE moves more quickly.

Although MTBE is readily soluble in water, it can be removed from groundwater using activated carbon filtration. Similar technology would be employed to remove commingled ethanol from groundwater. The comment is correct in that soil microbes biodegrade ethanol before other constituents of gasoline. Benzene was used as an example, but the phenomenon occurs with other constituents of gasoline, as well. Ethanol, at extremely low concentrations, has been shown to have harmful impacts on the health of pregnant women.

New York Corn Growers Association

On page 47, the Energy Plan states, “that MTBE increases the octane rating of fuels and additives used to replace that octane, lost with the elimination of MTBE, could potentially increase the toxicity of fuels.”

Octane components do increase toxic emissions and the potency of those emissions. An analysis submitted to U.S. EPA on the California waiver request demonstrated that blending ethanol and gasoline will produce a cleaner fuel than using no ethanol.

Response: MTBE was originally added to gasoline as an octane enhancer. Removing MTBE from gasoline may require the addition of other additives to replace lost octane, and some of these additives can result in negative environmental and public health impacts.

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Marshah-Reaff Barrett

Why has the MTBE ban taken so long? Why wait until 2004? Will it be a hard ban or will it have exceptions?

Response: MTBE makes up a significant portion of fuel in areas (such as New York City) that are required to use reformulated gasoline. If the federal government maintains the oxygenate requirement, the only viable short term replacement will be ethanol. Time will be needed to develop the production and distribution infrastructure needed to supply the necessary levels of ethanol. Aside from the oxygenate issue, MTBE makes up approximately ten percent of the fuel supply in greater New York, and a replacement for this volume of fuel will be needed once MTBE is phased out.

General Comments on Emissions Reductions

Riverkeeper, Inc.

The State Energy Plan should recommend that any State initiative to combat global warming and air pollution exclude nuclear power.

Response: A major trend in electric generation in New York and throughout the Northeast is away from reliance on oil and toward increased use of natural gas. While natural gas is the fuel of choice because of its relatively clean air emission profile, increased reliance on natural gas will result in diminished diversity among fuels used for electric generation. Reduced fuel diversity increases the State's risk of exposure to fuel supply disruptions and price swings. Continued safe operation of the State's nuclear power plants, as recommended in the State Energy Plan, is an important element in ensuring the State's fuel diversity.

Cancer Action

There is a transition process that New York State DEC has developed whereby a facility, such as a coal-burning or wood-burning facility, can change to another fuel. You should be very cautious in allowing any of these dirty fuel transitions, in particular the particulate and the persistent organochloride increasing fuel transitions.

Response: The Department of Environmental Conservation requires stack emissions testing prior to authorizing a facility to use alternative fuels to ensure that emissions are below permitted levels. Levels vary depending on the type of facility.

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Cancer Action

It is incorrect in the State Energy Plan to cast the monitoring that occurs in New York State as somehow very careful and very complete and providing a clear picture of the quality of the air supply in St. Lawrence County. St. Lawrence County does not have any air quality monitoring network that functions, and the need exists because of its location directly across the St. Lawrence River from a very heavily industrialized zone of Ontario.

Enforcement should be an important part of the Energy Plan. Several facilities in the St. Lawrence area exceed their Clean Air Act regulated levels of emissions. New York State DEC does not conduct enforcement in a very stringent or uniform manner.

The Energy Plan should link fuel cost and electricity cost to the environmental record of the facility.

Response: New York State has an extensive air quality monitoring network. In northern New York State, monitoring of pollutants is conducted according to federal requirements for ambient air quality compliance monitoring for pollutants. Equipment is not sited in every county, but the network is sufficient to measure air quality throughout the state. The State makes every effort to conduct appropriate, uniform enforcement initiatives.

The Joint Supporters

Our public policy should encourage market participants to move toward cleaner technology by providing incentives for market players to replace old, dirty units with new, clean-burning units. We suggest that the Draft State Energy Plan consider a funding and incentive strategy for deployment of new, clean-burning units, *i.e.*, a swap out of all older generators smaller than ten megawatts in the Lower Manhattan zone and within twenty miles of Ground Zero.

We also recommend a tiered approach to environmental rules that acknowledges several levels of emissions. At one end of the spectrum would be ultra-clean renewable technologies, fuel cells, and CHP sources. The other end of the spectrum would be most heavily regulated and would consist of the old diesel standby units and gasoline powered emergency home generator units that produce the most emissions. Between these two extremes, we should recognize and appropriately regulate technologies that have proven to be far superior to the older emergency units but that fall short of the “ultra-clean” label. Natural gas fired turbines, natural gas fired internal combustion units, and bi-fuel

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units, for example, should not be subject to the same restrictions as a gasoline fired home unit.

Response: The relative inefficiencies and cost of operating older dirtier power plants will provide an economic incentive to operate them less frequently, or replace them altogether. The Department of Environmental Conservation is currently developing a strategy to regulate distributed generation and combined heat and power in a manner which recognizes efficiency and environmental benefits of such technologies.

Old Lindenmere Civic Association

Some of the things that should be part of the State Energy Plan, Nassau County is located between Suffolk and the [New York] City, and we don't have regulations about carbon dioxide. Basically, the CO₂ regulations in Suffolk and the City are just a framework. They are not stringent. If the State would take the initiative it would help a lot.

In short, we think the State has to do a little bit more to monitor what is going on. We were successful in objecting to the power plant; we would like to see it cleaned up. It seems as if the State should be involved in all these things.

Response: The State does not currently directly regulate emissions of carbon dioxide, although an initiative is under way to create an accurate inventory of CO₂ sources. Reductions in CO₂ and other greenhouse gases will result from implementation of recommendations contained in the State Energy Plan and recommendations of the Governor's Greenhouse Gas Task Force. The State has an extensive program in place to monitor and regulate emissions from power plants.

North Fork Environmental Council

The section of the Plan that talks about environmental impacts really doesn't address environmental impacts. It just basically says, if you're building a gas-fired power plant, there aren't environmental impacts because you're building a gas plant and gas is one of the cleaner power plant technologies.

That is true, but that doesn't mean that there's not environmental impact.

The first sentence [of that section] says increased competition in the energy market would not have an undue adverse impact on the environment as compared with traditional industry regulation, because environmental oversight continues and mitigation

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is implemented. What that means is that merchant plants are coming in an uncoordinated manner, often trying to circumvent the Article X process by using smaller turbines, which this plan actually encourages, and those do have an impact. There are a lot of new plants, and they have a big impact.

New York Public Interest Research Group

New York should not move forward with the building of new facilities until there's an adequate plan in place, especially with the proposed building of ten new turbine generators here on Long Island. These generators completely circumvent the Article X process by siting two plants on some sites that are designated for 80 megawatts. This problem is going to continue unless there is a plan that specifies specific actions that Long Island Power Authority has to adhere to, and currently they do not have to adhere to the Energy Plan.

Response: All facilities that locate in New York are subject to federal and State requirements to mitigate environmental impacts. New York has the most stringent air pollution control requirements on power plants in the nation. Proposed facilities of less than 80 megawatts generating capacity are not subject to the requirements of Article X, but they must nevertheless still receive appropriate air and water permits. The sentence referred to in the Energy Plan that concludes “. . . increased competition in the energy market would not have undue adverse impact on the environment as compared with traditional industry regulation . . . “ is based on extensive modeling work performed during the State's initial stages of restructuring. The finding is believed to be still valid today.

All State agencies, authorities, commissions, and boards must act in reasonable consistency with the State Energy Plan. Article 6 of the Energy Law requires that “Any energy-related action or decision of a State agency, board, commission or authority shall be reasonably consistent with the forecasts and the policies and long-range energy planning objectives and strategies contained in the plan, . . . “ If a State entity acts in a way that is contrary to the plan, it must demonstrate that the “relevant provisions of the plan are no longer reasonable or probable. . . .”

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Greenhouse Gas; Acid Deposition
Reduction Program; Emissions Registry

Center for Clean Air Policy

The first step in limiting our contribution to global warming is to know how much and how energy is being used in the State. To do this requires a mandatory accounting system that requires reporting of all sales of energy to consumers and release of process greenhouse gas (GHG) emissions. Many of the necessary elements are already in place but to create a comprehensive record of energy use and its climate change impacts requires additional mandatory data reporting such as home heating oil, natural gas, and gasoline sales.

Response: New York State recognizes the need to create an accurate inventory of greenhouse gas emissions as a critical step to developing strategies to reduce them. See recommendations in the State Energy Plan, Section 1.3, Energy Policy Objectives and Recommendations, and Section 2.3, Energy and the Environment.

Center for Clean Air Policy

The next step is to establish a statewide target for reducing greenhouse gas (GHG) emissions. New York should set its own targets for both near-term and long-term reductions in State-generated GHGs.

Response: The State Energy Plan includes goals to reduce emissions of greenhouse gases, and strategies to achieve these reductions.

Center for Clean Air Policy

New York's current acid rain initiative should be expanded to include a cap on CO₂ emissions from the electric power sector. By the State's own estimates, additional reductions in NO_x and SO₂ will benefit the forests and water bodies and also reduce CO₂ emissions. To ensure that these emissions benefits are not eroded by growth in electricity demand, the State should institutionalize these benefits through a declining cap on CO₂.

Response: The State Energy Planning Board concurs that a “cap-and-trade” program provides an efficient and cost effective means for meeting air quality goals. Such programs are of limited effectiveness if they are not offered on a regional basis, especially with regard to greenhouse gas emissions. The Board also believes that the recommendations for greenhouse gas emissions reductions in the Energy Plan address the concerns raised regarding expanding the Acid Deposition Reduction Program.

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Center for Clean Air Policy

With deregulation of the electricity industry, the State no longer has the same level of control over how much or where generation is likely to be built. But the emissions from these plants are still under control and, as the State recognized in its recent Acid Rain Initiative, can be most cost-effectively managed through a sector- or economy-wide cap and a market for trading emissions allowances. Long-range, multiple-pollutant caps provide substantial long-term cost savings compared to a pollutant-by-pollutant regulatory system.

Response: Strong economic incentives to reduce emissions of greenhouse gases already exist. Because the designs of older power plants are generally more inefficient than modern power plants, they offer the potential for emissions reductions of greenhouse gases and other pollutants. As new, more efficient power plants are sited, older facilities will not be dispatched as frequently and a significant reduction in emissions of greenhouse gases should result. The State has implemented a cap-and-trade program for other regulated pollutants.

Environmental Defense

The State's energy policy as set forth in the Draft State Energy Plan should be to pursue regulatory and economic incentive actions that will result in a significant reduction in emissions of both greenhouse gas (GHG) and regulatory pollutants over the next five to ten years.

In the electric utility sector, the State can and should consider adoption of a cap-and-trade program, with incentives for steadily increasing efficiency in electrical generation and renewables.

Environmental Advocates of New York

Older plants should be the target for reductions in greenhouse gas emissions. Governor Pataki's acid rain reduction program would yield as much as ten percent reduction in greenhouse gas. The target for power plants, specifically, we believe, should be a 30 percent reduction. The transportation and other aspects of the State's energy system could make up the remainder of the target.

Annie Wilson Miquet

The U.S. government has backed out of the Kyoto agreement. As a State, we could voluntarily implement the Kyoto agreement, thus reducing the greenhouse gases to the 1990 levels.

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Response: The Energy Plan includes goals and strategies for reducing emissions of greenhouse gases. See Section 1.3, Energy Policy Objectives and Recommendations, and Section 2.3, Energy and the Environment.

Diane A. Davis

Newer and more stringent environmental regulations associated with fossil fuel burning are costly to write and enforce. The costs deter and discourage corporations from siting their headquarters and manufacturing plants in New York State. This translates into a loss of jobs as well as corporation tax and sales tax on goods and services produced in New York State.

Response: New York is committed to both protecting the State's natural resources and fostering economic development and growth as evidenced by recommendations contained in the State Energy Plan. Although such regulations can add costs and increase the price of power, limiting the damaging effects of power plant emissions can also promote economic growth in sectors such as the tourism industry.

Jo Ann Arcarese

The State Energy Plan should set a cap for global warming emissions for power plants, reduce pollution from other sources, and increase investments in renewable energy.

The State Energy Plan should:

- Meet or exceed the emission reductions in the Kyoto Protocol throughout the State
- Reduce particulates, CO₂, SO₂, nitrogen oxides, and mercury from power plants
- Promote regulatory incentives that encourage utilities to work with customers to increase efficient energy use
- Reduce CO₂ emissions from vehicles and public transportation.

Peter Zadis

The plan must reduce emission particles from inefficient, older power plants, and must promote regulatory incentives. The State Energy Plan must address carbon dioxide emissions from cars and trucks.

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The University at Binghamton

We encourage a major effort to coordinate DEC air permitting with United States Environmental Protection Agency (U.S. EPA) air permitting and to simplify the language of DEC documents.

Alexander Ewing et al.

The State Energy Plan needs to be more specific in actions necessary to reduce greenhouse gases, build renewable energy markets, reduce pollution emissions from power generating facilities, and increase the inventory of clean vehicles in the State.

Response: The State Energy Plan includes greenhouse gas emission reduction goals and strategies for achieving them. NYSERDA has implemented several incentive programs to encourage the development and use of renewable fuels. New York already has some of the most stringent requirements in the nation for power plant controls on NOx and SOx. The State supports a “four-pollutant approach” to emissions reductions provided it does not weaken or delay previous commitments made by other states to reduce currently regulated pollutants. The State supports increased efficiency in automobiles, but such standards are regulated under the federal Corporate Automobile Fuel Efficiency (CAFE) program. The State Energy Plan includes descriptions of several programs that have reduced emissions from public transit fleets.

Tom Salo

State Energy Plan should include a statewide carbon dioxide target set at ten percent below 1990 levels and include a plan to meet the target. A carbon dioxide cap should be set for power plants at 30 percent over 1990 levels (15 year target).

Response: The State Energy Plan includes greenhouse gas emission reduction goals and strategies for achieving those goals.

The University at Binghamton

We encourage a major effort to coordinate DEC air permitting with United States Environmental Protection Agency (U.S. EPA) air permitting and to simplify the language of DEC documents.

Response: Although implemented by New York, the Title V permitting program for major stationary sources of air pollution is a federal program. All Title V permits prepared by the State must be reviewed by U.S. EPA prior to issuance. As a result, the State program is completely coordinated with the federal program. New York also does

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have other permitting programs for smaller sources of air pollution not covered by federal permitting requirements.

Alexander Ewing et al.

Supports the purchase of green power and establishment of a target in reducing greenhouse gas emissions.

Joel Tyner

Supports the provisions of the State Energy Plan that move New York towards the purchase of green power and the establishment of a target for reducing greenhouse gas emissions. The plan needs to be more specific in actions needed to reduce greenhouse gases, build renewable energy markets, reduce pollution emissions from power generating facilities and increase the inventory of clean (alternative) vehicles in the State.

Environment Advocates of New York

We hope that the State Energy Plan includes some specific greenhouse gas emission targets. We think that New York should have the goal of a ten percent reduction in greenhouse gas emissions from 1990 levels by 2012.

Response: The State Energy Plan includes specific greenhouse gas emission reduction goals and strategies for achieving those goals.

Niagara Mohawk Power Corporation

We suggest that to identify realistic greenhouse gas (GHG) reduction targets, an inventory of existing emissions is necessary. This data base would include all GHG resources, not just sources from the electric generation sector of the economy. Transportation, energy efficiency in buildings, waste management, forestry management, and other fossil fuel uses contribute to GHG emissions or the sequestration of carbon.

The collection of this data should be as non-intrusive as possible, maximizing use of existing data wherever possible. Targets should be realistic and compatible with national and regional goals and follow a time frame so that New York State industry is not at a competitive disadvantage during new command and control regulatory requirements.

Response: New York State recognizes that the need to create an accurate inventory of greenhouse gas emissions is critical to developing strategies to reduce them as evidenced in the State Energy Plan's recommendations. Reporting requirements used

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to create such an inventory should be as non-intrusive as possible, and should include all sectors that contribute greenhouse gas emissions. New York State also recognizes the need to coordinate regionally and nationally to reduce emissions of greenhouse gases and address global climate change.

Environmental Energy Alliance of New York

There is no mention in the State Energy Plan that the trading system proposed in the Acid Deposition Reduction Program (ADRP) will be restricted only to New York State sources. The assumptions used for the ADRP analyses should be described in the Energy Plan's modeling analysis.

Response: The ADRP initiative allows New York State sources to use allowances obtained from other states to meet all federal requirements. The program imposes additional requirements that go beyond the federal program and allow sources to trade with other New York facilities to meet those requirements.

Cooling System Upgrades; Fish Kills

Riverkeeper, Inc.

Five existing power plants on the Hudson River use antiquated 1950s era once-through cooling technology. These five use approximately five billion gallons of Hudson River water per day. In the process they slaughter millions of adult and juvenile fish, eggs, and larva. The response by New York State to this tragedy, and, specifically, the response in the 2002 State Energy Plan is wholly inadequate.

In addition, the Draft State Energy Plan misstates the law. Existing plants are required by federal law to use the best available technology to minimize adverse environmental impact. From reading the plan, one get the impression this applies only to new plants. This is not the case.

Most galling of all in the State Energy Plan is the claim that since 1998 significant gains in reducing environmental impacts have been achieved by the State. With regard to the State's most important river, nothing can be further from the truth. Permit renewals are now ten years overdue. There has been no change in the technology of these plants or the operating conditions.

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Retrofitting cooling towers, which is the most significant way to drastically reduce the impacts of these plants, are mentioned in the Draft State Energy Plan simply as an afterthought.

The Draft State Energy Plan, instead, in the environmental impact section, with regard to aquatic impacts, caps DEC's work in cost savings and plant efficiency. It seems obvious that, at least at the highest levels of government, these are the State's primary goals, at the expense of our precious and irreplaceable natural resources.

The Draft State Energy Plan fails to devote adequate attention to the enormous fish kills at existing power plants. Less than one and one-half pages of text are devoted to the aquatic impacts of steam driven electricity power generation. Water quality impacts – particularly the massive fish kills caused by cooling water intakes – should have been addressed much more comprehensively in the Energy Plan.

The Draft State Energy Plan fails to acknowledge the complete failure to mitigate fish kills at existing power plants. The response to this environmental tragedy by New York State and the Draft State Energy Plan is wholly inadequate.

Sierra Club, NYC Group

Modernization of the cooling systems should be mandated in the plan to reduce the heated water impacts on the environment.

Sierra Club Long Island Group, Environmental Advocates of New York

Furthermore, the outdated plants use millions of gallons of river water every day. We therefore include a recommendation to modernize cooling systems and minimize water use.

Response: The State Energy Plan includes a discussion of measures to mitigate impacts on fish in power plant water cooling structures. (See Section 2.3, Energy and the Environment.) New York is a leader in this regard and will continue to require all power plants to take measures to the greatest extent practical to reduce fish mortality through impoundment and impingement. The Energy Plan provides broad statewide energy policy guidance and does not single out specific local resource issues that are more appropriately dealt with directly by the State agencies and departments that have authority and jurisdiction over them.

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Environmental Miscellaneous

Natural Resources Defense Council (NRDC)

The State needs to provide greater leadership on these issues at the federal level so we can solve these problems nationally. It's extremely important that the federal government not roll back the new source review provisions.

Response: The State works closely with the federal government in addressing these issues and has communicated its support for new source review to the appropriate officials.

Honorable Paul Feiner, Supervisor, Town of Greenburg

New York should provide incentives to localities that commit to making our communities greener (*i.e.*, give localities additional funding for the acquisition of open space).

Response: York State has numerous programs to protect and enhance open space. These include land acquisition programs, the New York State Clean Water/Clean Air Bond Act, and the Environmental Protection Fund. The State also works with local governments to identify important parcels and help secure them through titles and easements.

Rhonda Belluso

The acidification of water sources needs to be addressed in the State Energy Plan.

Response: The acidification of water bodies in New York State is addressed in the State Energy Plan in Section 2.3, Energy and the Environment.

Key Span, New York

Key Span thinks raising the SEQRA limit to one hundred megawatts would be a realistic approach. We don't see any compelling reason not to raise the SEQRA limit from eighty megawatts to a hundred megawatts.

Response: The existing threshold of 80 megawatts for Article X review of proposed electric generating facilities has been characterized as being both too low and too high. As a matter of State law, the Energy Planning Board supports the 80 megawatts threshold. Action of the State Legislature would be required to raise it. It should be noted that lower limits for SEQRA vary and are set by localities.

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Sierra Club, NYC Group

With respect to the dams, New York State and New England have many old dams that are not being used, that are blocking the return of fish like the salmon and the trout. You are urged to focus on dam removal, all unnecessary dams as quickly as you possibly can because we are losing species that are also threatened by fish farming and escapees. These dams are blocking their natural regeneration cycle. Provide payment to the landowner for the removal. An awful lot of people will say, be my guest, I don't want it.

Response: The Department of Environmental Conservation has an extensive Dam Safety program and requires owners to safely maintain dams or remove them. Removal of dams may also result in environmental impacts, as contaminated sediments trapped behind dams can become resuspended once the structure is removed. In some cases, dams do create an obstacle to migration of fish species. In some cases, fish ladders or other technologies can mitigate these impacts.

Steve Davis

Light pollution should be addressed, and NYSERDA should take the lead by writing a light pollution law.

Response: Light pollution mitigation measures have been considered by the State Legislature. Turning off unnecessary lighting can have several benefits including lower energy costs and lower impacts on surrounding communities. In many cases, the desire to eliminate or reduce lighting must be balanced by safety and security issues.

James Little

I come from a family of sportsmen and we're concerned about contaminations such as PCBs and mercury in the environment. Thirty percent of the lakes in the Adirondacks have no life because of acid rain from dirty power plants. Additional legislation should be introduced to hold homeowners and business alike to conserve energy, to meet a certain level of energy efficiency. The government's role should be enforcement and fines for nonconformance and assistance in the form of grants, loans, and programs. Businesses and homes need to be insulated better, alternative energy invested in government buildings, and more money allocated toward research by universities for energy solutions.

Response: New York State is taking active measures to reduce the impacts of PCBs, acidic deposition, and other forms of contamination. The State also has numerous programs designed to promote energy conservation and efficiency, as well as

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development of new technologies to meet these goals. These are referred to in several sections of the Energy Plan.

The current State building codes do in fact require new and substantially renovated buildings, including homes, to meet or exceed certain levels of energy efficiency. The Code is currently under review, and revisions are expected to be adopted in summer 2002. These revisions will significantly raise the requirements in terms of energy performance of new and substantially renovated buildings.

With the advent of the utility-funded System Benefits Charge (SBC) program in 1998, many new government energy efficiency programs were begun. For more details, see Section 3 of the State Energy Plan.

Great Lakes United

The Draft State Energy Plan should specifically commit to no drilling or transport of oil or gas underneath the Great Lakes or on sensitive public lands.

Response: New York State has several programs to ensure that any activities designed to recover or transport mineral resources are done so in a way that minimizes impacts on the environment. Drillers must be certified and, in many cases, post bonds to ensure that the environment is not harmed during drilling or extraction operations. Similarly, pipelines must undergo extensive review and permitting before they can be sited or built. It is premature at this time to undertake any commitments with respect to this issue.

Consumers Union

The State should ensure the protection of New York's environment. The State should complete a proper Environmental Impact Statement. We find the Environmental Impact Statement to be grossly inadequate because:

- It failed to analyze the economic impacts of increased prices for electricity post-restructuring, including job and monetary losses.
- It failed to analyze the environmental impacts of allowing solely market decisions on power plant siting and construction.
- It failed to analyze the environmental impacts of the growth in greenhouse gas emissions predicted by the planned increase in electric generation.

Response: The Environmental Impact Statement was prepared in conjunction with the State Energy Plan and meets the requirements of the State Environmental Quality Review Act. That being said, the economic impacts of increased prices for electricity are

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included in the State Energy Plan, Section 2.2, Energy and Economic Development, and analyses of the environmental impacts of both market decisions and greenhouse gas emissions are included in the Electricity Assessment, Section 3.4 of the Energy Plan.

Tompkins County Environmental Management Council Energy Committee

On page 2-40 of the draft State Energy Plan, the discussion of diesel particulate filters is misleading. It is not until the next section that it is mentioned that these filters only work with low-sulfur diesel, which is generally unavailable.

Response: The discussion on diesel particulate filters have been revised to clearly indicate that the technology requires ultra-low sulfur fuels. The federal government has issued regulations requiring all diesel fuels to meet this standard in 2006, and the New York Metropolitan Transportation Authority has secured such fuel for its entire fleet of some 4,000 buses.

Wedlyne Guerrier

Regarding “Energy and the Environment,” page 2-37 of the draft State Energy Plan, the Clean Air Act started to monitor ambient air pollutants in 1990. This is the year 2002. The State Energy Plan should explain why New York State does not have a completed National Ambient Air Quality Standards report.

Regarding “Energy and the Environment,” pages 2-41 through 2-43, the State Energy Plan should explain the logic behind separating emissions limits into sections. This does not make sense. Emission levels should remain the same throughout the year, starting in July 2002, rather than waiting for full implementation until January 2008.

Response: The federal government initiated requirements to establish monitoring networks for certain air pollutants in the 1970 federal CleanAir Act. This measure also included requirements that areas that failed to comply with National Ambient Air Quality Standards develop and implement plans to come into compliance. This legislation has been revised several times since its original enactment, including the most recent revisions in 1990. The New York State Department of Environmental Conservation provides extensive air quality data on its website at www.dec.state.ny.us. Annual Air Quality reports are also available at this site after the data has undergone quality assurance.

The seasonal variations on air pollution control requirements in New York and across the nation stem from the fact that ground level ozone, a pollutant of most concern

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in New York, is primarily a summertime problem. Emission reduction strategies designed to reduce summertime problems are oriented towards seasonal controls. Other pollutants that are more annual in nature, such as carbon monoxide or acid rain, require year-round control strategies.

Tire Burning

Green Party Erie County

Regarding tire burning, no environmental impact statement has been done on tire burning. We need to address tire burning as an issue by itself. We need hearings on it to determine if this is a good thing or not.

The University at Binghamton

Tires should be considered renewable energy and included in the State Energy Plan.

Response: The Energy Planning Board does not consider tires to be a renewable energy resource. Substantial national data exists on the emissions from the recovery of energy from tires. Much of the data is from co-firing scrap-tire-derived fuel with coal and shows lower emissions than from firing coal alone. Given New York State's problem of unabated scrap tire piles, the generation of about twenty million scrap tire equivalents annually in our State, the inherent negative value of a scrap tire, and the benefit of reducing reliance on foreign oil, the recovery of energy from scrap tires represents one of the more economically sustainable markets for scrap tires.

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6. Environmental Justice and Low Income Programs

Environmental Justice

New York City Environmental Justice Alliance

Construction of power plants, use of diesel on-site generation, and operation of grandfathered power plants should not have a disproportionate impact on New York's low-income and minority populations. The draft plan did not speak to equity and environmental justice. (See Response on page 6-2.)

New York State Sustainable Energy Coalition (NYS-SEC) et al.

Environmental clustering (racism and economic slavery in the guise of progress) of polluting power plants in low income and communities of color is not considered in this so-called plan. It is the obligation of government to protect the weakest parts of society from the abuse of giant businesses. (See Response on page 6-2.)

Sierra Club, NYC Group

The Draft State Energy Plan should include an analysis of the impact of siting and distribution of energy power plants upon low-income and minority communities. These communities receive negative environmental impacts out of proportion to their size. In addition, energy delivery has been more frequently negatively impacted in these than other communities. Power plants and fuel use should not have any greater negative impacts on such communities than on the population as a whole. (See Response on page 6-2.)

Stop the Barge

Well meaning emissaries from the Department of Environmental Conservation come to educate us about the Environmental Justice and yet I don't think they realize that there is no real Environmental Justice program at DEC. The draft plan completely disregards environmental justice issues. (See Response on page 6-2.)

Better Queens Environment (BQE)

The Draft State Energy Plan does not attempt to reverse the environmental injustices that were discussed before in siting the power plants in poor and minority areas. BQE supports a moratorium on all the proposed plants until the issue of why they are all located in poor neighborhoods. (See Response on page 6-2.)

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Environmental Advocates of New York

We think the Draft State Energy Plan should better indicate and analyze how the State's energy policies would ensure justice in the distribution of both energy services and the effects of pollution resulting from the energy sector. (See Response on page 6-2.)

UPROSE

It is UPROSE's position that the State Energy Plan must address environment justice. There is no mention of Environmental Justice in the draft. Last summer, NYPA placed power plants all over the city, and low-income communities are disproportionately environmentally burdened. The Draft State Energy Plan seems to support further environmental racism.

No mention of Environmental Justice in the Draft State Energy Plan only suggests that the lives of communities of color in New York are valued less than the lives in other communities. (See Response on page 6-2.)

New York State Environmental Justice Alliance

Environmental equity and justice in the energy sector was more or less swept under the rug. The advocacy group put together by the Department of Environmental Conservation recently released their concepts. There's been no guarantee by the Department of Environmental Conservation that they would include that in the Draft State Energy Plan. (See Response on page 6-2.)

New York State Sustainable Energy Coalition (NYS-SEC) et al.

Using brownfields for siting power plants may have serious environmental justice implications that must be addressed. (See Response on page 6-2.)

Communities United for Responsible Energy (CURE)

The draft State Energy Plan completely disregards environmental justice issues. It inappropriately assumes that environmental justice may be eliminated from the draft plan because the Department of Environmental Conservation has an office of environmental justice. This illogical excuse is a blatant attempt to dodge a potentially controversial topic.

Response: In October 1999, in response to concerns raised by interested parties, the New York State Department of Environmental Conservation (DEC) announced a new program to address Environmental Justice concerns in the community. DEC named an Environmental Justice Coordinator to oversee the Office of Environmental Justice and

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develop DEC's Environmental Justice Program. A New York State Environmental Justice Advisory Group was formed. In January 2002, the Advisory Group submitted a report – *Recommendations for the New York State Department of Environmental Conservation Environmental Justice Program* – to the DEC Commissioner containing recommendations for creating an effective Environmental Justice program. The report focuses on the environmental permit process and is intended to ensure DEC's programs are open and responsive to environmental justice concerns. DEC is reviewing the report and public comments received on the report. DEC is currently drafting a Commissioner's policy on environmental justice and DEC permitting. This issue is discussed in Section 2.3, Energy and the Environment, of the State Energy Plan.

Coordinate Low-Income Programs

New York State Community Action Association (NYSCAA) et al.

The State should consider the effectiveness, efficiency, and coordination of its low-income energy assistance programs, including the **New York Energy \$martSM** program, the Weatherization Assistance Program (WAP), the Low-Income Home Energy Assistance Program (LIHEAP), and other State programs that offer incentives, assistance, and information services to improve the efficiency of energy use and reduce the energy burden of low-income households. The State should consider consolidating programs where opportunities exist to improve administrative efficiency and customer service.

The NYSCAA supports the following: the Work Group appointed by the Governor should address the integration of these programs including representation from the NYSCAA and the New York State Weatherization Directors' Association. NYSCAA supports consolidation of WAP programs with system benefit charge low-income programs into one agency at the State level (at NYSERDA). However, this should be determined through a feasibility study to be completed by the Governor's work group and the network to determine their recommendation. (See Response on page 6-5.)

New York State Weatherization Directors Association (NYSWDA)

The Finding in the draft Energy Plan that opportunities to further coordination among State agencies that have roles in prospering and providing low income energy assistance and other public benefits programs are beneficial to program participants and should be fostered is a gross understatement. A work group should be established consisting of representatives from the Division of Housing and Community Renewal (DHCR), NYSERDA, the Office of Temporary and Disability Assistance (OTDA), the New York City based Association for Energy Affordability, and NYSWDA. The

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Governor's Office should provide oversight. This body would have the express task of facilitating the coordination of cost effective energy efficiency initiatives to low income residents. (See Response on page 6-5.)

New York State Weatherization Program

We realize that the portions that relate to low income are a small part of New York State's Energy Plan. We need a lot of voices in this Energy Plan for the population that has a hard time with their energy bills. And we're excited that New York State government has decided to allocate a portion of the system benefits charge funds for low income energy conservation. Our concerns are very strong that we don't want to see two weatherization programs set up in New York. We strongly support the statement on page 1-37 of the draft Energy Plan that the State should consider consolidating programs where opportunities exist to improve administrative efficiency and customer service. (See Response on page 6-5.)

Cattaraugus Community Action, Inc.

Under current conditions, several New York State entities, NYSERDA, the Office of Temporary and Disability Assistance (OTDA), and the Division of Housing and Community Renewal (DHCR), will be administering distinct but related low-income residential energy efficiency programs. Given the faltering economy, New York State can ill afford to support duplicate administrative systems. A carefully coordinated statewide approach would result in uniform policies. To function most effectively, this collaboration would move all low-income residential energy conservation programs to one agency (ideally NYSERDA, with its focus on advanced energy technologies) to be delivered by the local Weatherization subgrantee network. I offer my full endorsement of the recommendation in the Draft State Energy Plan, "The State should consider consolidating programs where opportunities exist to improve administrative efficiency and customer service." (See Response on page 6-5.)

NHS of South Buffalo, Inc. (NHS)

NHS has several recommendations for fundamental changes in how weatherization works in New York State. These include:

- NYSERDA must become an active stakeholder in the weatherization program
- NYSERDA should lead all technical aspects of the weatherization program statewide including energy audit, development, training and professional certification
- The existing network of local weatherization providers of New York State should be fully used by NYSERDA. NYSERDA, DHCR, and others

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- should collaborate to put program regulations in place that will streamline the process
- The Governor should put into place a strong body with administrative oversight that includes NYSERDA, OTDA, DHCR, the weatherization network, and others. This body would approve any and all funding uses for programmatic or policy changes. (See Response on page 6-5.)

Northfield Community, L.D.C.

The coordinated effort between the Weatherization Program and NYSERDA has shown immense success in the downstate region. The continued success of New York State's energy programs depends largely on State decisions on how these programs will be implemented. Decisions such as what State entity administers the program, which lend resource support and training, and how these entities and programs interact with each other must be clearly defined.

Response: The Energy Planning Board recognizes that the State needs to consider the effectiveness, efficiency, and coordination of programs targeting the low-income sector. Better coordination will yield higher levels of administrative efficiency, ease program delivery at the local level, and increase delivery of benefits to the low-income residents of New York State.

The ongoing dialogue occurring through the Low-Income Forum on Energy (LIFE), which has as active members State agencies, utilities, and advocates administering and delivering low-income energy efficiency and assistance programs, has served, and will continue to serve, as an open forum for discussions of issues facing the low-income sector, including program coordination and delivery.

In order to effectively administer the Weatherization Assistance Program and the **New York Energy \$martSM** low-income programs, NYSERDA and the New York State Department of Housing and Community Renewal are currently involved in high-level discussions pertaining to increased coordination and local delivery of each agency's programs.

Under the leadership of the Governor's Office, a Working Group on Low-Income Energy Affordability is expected to be convened over the next several months to discuss issues of program administration and delivery. The Working Group is expected to include representatives from all concerned State agencies and other representatives of the low-income sector.

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Consolidate Low-Income Programs, Use Subgrantee Network

Lewis County Opportunities, Incorporated

Unless a consolidation under a single administration agency is established between the New York system-benefits-charge-funded low-income program administered by NYSERDA and the federally funded weatherization program administered by the New York State Division of Housing and Community Renewal, the operation of these programs over the next five years could easily result in duplication, fragmentation, and competition at the local program delivery level.

It is time to consider consolidation within one State agency. The federal program and the State-funded system benefits charge program should be consolidated in a single State agency committed to the purposes of these two programs and carried out by the local weatherization service provider network. (See Response on page 6-9.)

Association for Energy Affordability

We wish to address the strategy recommendation at page 137 of the draft State Energy Plan, section 5(d), “The State should consider consolidating programs where opportunities exist to improve administrative efficiency and customer service.”

Some issues to consider with respect to improved program consolidation and coordination: Several different agencies with different responsibilities for different programs are potentially in this mix. Many administrative reforms that have solved old problems have created more new problems that were not foreseen. In order to determine the best approach in the circumstance, we recommend an open collaborative process with involvement of interested parties similar to the one that has been developed and used effectively by the Department of Public Service in its Provider of Last Resort (POLR) proceeding. Local service providers have the best connection with low income families and communities and can offer incredibly grounded insights into program design.

A key coordination goal should be to clear away the roadblocks to most effective local program integration and to involve the folks at the front lines at the local level, on the ground, who actually have to implement the programs, in working through the details of what the next step should be. (See Response on page 6-9.)

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Northern Manhattan Improvement Corporation (NMIC)

The future success of New York State's low-income energy programs will depend on how the State decides the programs should be implemented. By this we mean, from which State entities and how these entities interact with one another. Whatever decision is made, there should be an open process that involves public debate and input. All of those who can participate in this open process should be given the chance to voice their opinion. This process should not be rushed or influenced by politics. The coordination or integration of programs happens locally. (See Response on page 6-9.)

Bronx Shepherds Restoration Corporation

With its collective experience and commitment, the weatherization subgrantee network of agencies serving the counties of New York State have the best and most logical service delivery mechanism for low-income and SBC programs.

In order to capitalize on the existing network, the program and policy management of these two programs should be integrated and the service carried out primarily by the local weatherization delivery network.

The need for low-income energy efficiency program consolidations is clear, and the timing is right. (See Response on page 6-9.)

Bedford-Stuyvesant Restoration Corporation (BSRC-WAP)

BSRC-WAP is the nation's first community development corporation established in 1967. It has been part of the State Weatherization Program for the past twenty-two years and has subgrantees providing weatherization services to low-income eligible clients.

At the last Policy Advisory Council (PAC) meeting, it was stated that NYSERDA and the Department of Housing and Community Renewal were in the process of coordinating their low-income weatherization initiatives, and two subgrantees representing agencies of the weatherization providers, namely the Association for Energy Affordability and New York State Community Action Association/New York State Weatherization Directors Association, will be the integrated part of the negotiation whereby the subgrantee interest will be included in the overall process. This is good news for our agency because the end result could show better coordination of the program at the State level and better services for low-income residents.

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Taking into consideration their collective experience and commitment, the Weatherization Subgrantees of agencies serving New York are the most logical service delivery mechanism. (See Response on page 6-9.)

Sunset Park Redevelopment Committee

Our organization would like to see some coordinated efforts in place between NYSERDA and the weatherization program. We would like for the weatherization network to really play a part in providing the services for our clientele. We're not advocating one department over another department. We're advocating that the decision makers remember the low-income clientele we serve and the benefits we provide these clientele. We believe that the weatherization agencies do have the personnel, do have the expertise, and have the local contacts at the neighborhood level to actually bring about really good changes in living conditions, educating people about energy. One of the things we also do is point out the health and safety measures that we find in the house. (See Response on page 6-9.)

Comlinks

Comlinks concurs with the assessments made in the position paper supported by the Association for Energy Affordability and New York State Community Action Association/New York State Weatherization Directors Association for the need of a united and uniform approach in dealing with energy conservation needs of low-income households in New York State. We encourage the Public Service Commission, when decisions are considered, to include the Weatherization network in the process and as a vehicle for service. With the U.S. Department of Energy moving under its "Weatherization Plus" initiative to introduce new technologies and methodologies into the Weatherization Assistance Program and looking to the states for leadership and allowing increased flexibility at the State level in developing this broader program that the time is right to take up DOE's challenge. With NYSERDA's technical capabilities and its research and development capacity, New York could use the increased flexibility allowed under "Weatherization Plus" to integrate the use of advanced technologies into the delivery of energy efficiency for low-income residents. (See Response on page 6-9.)

Joint Council for Economic Opportunity, Inc

New York State already has a program that offers energy services to the low-income population. The subgrantees that make up New York's Weatherization Assistance Program have been serving the needs of the low-income population for more than twenty-five years and have served the population very well. The decision that system benefits charge funds be administered by NYSERDA creates certain reservations for

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Weatherization Assistance Programs. We encourage the Energy Planning Board to develop a system that utilizes existing field expertise and service delivery mechanisms.

Response: The State Energy Plan recognizes the existing community-level expertise in providing energy-related information, services, and public benefits to low-income populations. Section 2.5, Preserving Energy Related Public Benefits Programs, discusses the Low-Income Forum on Energy (LIFE). LIFE enables the State's community-based organizations, businesses, government, and associated stakeholders to openly discuss low-income energy affordability issues. LIFE serves as a medium for exchanging information on best practices in program delivery and identifying problems and solutions to providing services to the low-income sector. The State Energy Plan also recognizes that there may have been a lack of coordination in the past among service providers of low-income energy services and recommends improved coordination. See Section 1.3.

Coordinate, Explain Consolidation Process

Northern Manhattan Improvement Corporation (NMIC)

Regarding the Energy Plan's coordination of low-income energy assistance programs and the consolidation of these programs, the NMIC believes that coordination is essential and is taking place downstate. True coordination should happen at the local level. The State Energy Plan should explain how program implementation will be affected by the consolidation process.

Response: The specifics of the consolidation process are beyond the scope of the current State Energy Plan.

Approving Comments (No responses were necessary for this section.)

Community Environmental Center (CEC)

CEC would like to recognize the good work performed under the Weatherization Assistance Program by Department of Housing and Community Renewal for the low-income population. CEC is also very excited to be part of the terrific work being done by NYSERDA for the low-income residents of the State.

CEC commends all efforts in working together for better coordination between weatherization and NYSERDA programs. It is CEC's belief that this coordination should be viewed as a transition towards consolidating all energy programs under one umbrella

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agency. Streamlining will be beneficial to everyone in the long run. Weatherization is a perpetually changing and developing field.

CDR Management Corporation, a subdivision of the Asset Management Division of Bedford Stuyvesant Restoration Corporation

Supports weatherization programs.

Low-Income Energy Costs

Consumers Union

The State should protect residential and low income consumers by requiring that blocks of residential consumption be sold by energy providers that include basic charges and a minimal level of kilowatt hours.

Response: Most, if not all, recently approved utility multiyear rate agreements provide for special delivery service rate discounts for qualifying low-income residential customers.

Jennifer Bostaph

New York State should definitely keep low income energy assistance programs. Using Energy Smart appliances will help households lower energy costs.

Response: Under its **New York Energy SmartSM** program, NYSERDA has expanded upon existing low-income programs that cover households with less than 60 percent of the State median income by offering its low-income energy affordability programs to households with less than 80 percent of the State median income.

In addition, numerous NYSERDA programs provide incentives for energy-efficient appliances and lighting and new homes. The Keep Cool program, which ran statewide last summer, offered \$75 each for consumers to surrender old room air conditioners and replace them with new ENERGY STAR[®] models. Approximately 40,000 old, inefficient air conditioners were turned in as a result of this program.

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7. Planning and Forecasting

Regional Planning

New York City Environmental Justice Alliance

Regional planning is also essential in this State. Many energy issues, particularly electricity, are region specific. There needs to be load-pocket plans that specifically forecast how much energy will be needed in the short term and long term, . . . so that we're, in fact, looking at each load pocket to make sure there is enough energy being generated in that load pocket so they can take care of themselves.

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The State Energy Plan examines conditions and draws conclusions on a statewide basis, thus failing to provide in-depth market analyses of the energy needs of upstate and downstate. The failure to address energy requirements on a regional basis renders the Energy Plan an ineffective tool to develop solutions for individualized markets.

Response: The State Energy Plan is a statewide planning document but an assessment of the New York City and Long Island areas has been included because of the significant need for additional resources in those areas. The scenarios examined provide information about trends and needs in the various load areas throughout the State.

Sierra Club, NYC Group

The various regions of the State have differing needs, different resource problems, different pollution problems, different energy resources (wind, sun availability). Regional plans should be created that address these differences. Regional plans should also ensure that environmentally sensitive and significant areas are not included in any proposed future projects.

Response: The adequacy of generation and transmission for each locality and region needs to be regularly reviewed and consideration given to regional needs and resources. Market-based solutions will continue to form the basis for meeting energy needs within the limits set by environmental requirements. The State Energy Plan includes an assessment of the electricity system in the New York City and Long Island areas.

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Environmental Accounting and Externalities

Brett Maxwell

Most economic models are somewhat inadequate because they do not fully account for the complexity of the reality they try to reflect and, therefore, their projections are sometimes incomplete. One of the great shortcomings of energy planning is the omission of the huge military costs involved in defending our supply of oil, the omissions of costs associated with pollution and global warming, health care costs resulting from air pollution, for example rapidly increasing asthma rates, and the opportunity costs of burning oil for fuel. Section 3-6, page 3-159, states that petroleum accounts for 40 percent of New York's total energy demand. Such costs are not accounted for in that number. Significant long term savings can be achieved by replacing the demand with renewable energy sources.

Hudson River Sloop Clearwater

When trying to calculate the true cost of electricity, we would suggest that the study conducted by APT Associates forms a good basis for determining the huge social and economic cost of the current level of fossil fuel use.

We believe that internalizing these [health] costs would greatly enhance the cost benefit analysis, especially when comparing the benefits of energy efficiency or zero emissions technology versus new fossil fuel powered plants.

Green Party

The draft State Energy Plan inappropriately confuses cost with price throughout the Plan. The prices commonly attributed to coal and gas, for example, fail to reflect and incorporate the price of pollution and other travel related inefficiencies that are externalized by the state's accountants. Serious efforts must be made to account for the cost of these fuels, not simply their immediate out-of-pocket prices.

Among the fora, where these efforts need to be made is the report described on page 3-61 that NYSERDA is preparing to assess the so-called cost per kilowatt hour of renewables with conventional energy for the next three-five, ten, and twenty years. The Green Party urges the authors of this report to not confuse price with cost and to adopt an accurate accounting system that reflects the differences where they occur.

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Ann Link

Regarding page 2-24 New York's Energy Prices Compared to U.S. Averages. These prices are inaccurate because they don't reflect the full cost of energy by including health and pollution costs for petroleum, coal, and nuclear energy.

Response: The State of New York does not use environmental accounting in its analyses of the costs of fuels and energy resources because these costs are very uncertain and often difficult to agree upon. At this time, no accepted standard exists for environmental accounting procedures.

Miscellaneous Suggestions

David Stout

Providing renewable energy sources and efficiency systems for the largest sectors that use primary energy in New York State should be a key goal. A pie chart showing current percentage use of primary energy use by sector should be included in the State Energy Plan.

Response: A pie chart showing current percentages of primary energy use by sector is featured in the NYSERDA publication *New York State Patterns and Trends 2000*, Figure 1-2 "New York State Primary Consumption of Energy by Fuel Type and Sector, 2000", page 4. The State Energy Plan presents this and related information in Section 1.

Consumers Union

The State should work with New York City to conduct comprehensive planning around the electricity needs of New York City.

We believe that within the context of the 2002 Draft State Energy Plan there is a need to disaggregate areas geographically and study the particular problems in New York City and the measures needed to prevent the exercise of market power. The 1998 Energy Plan acknowledged that load pockets would be particularly vulnerable to the exercise of market power in the electric restructuring. Unfortunately this analysis was not matched by appropriate action in New York City. In addition, it is apparent that New York City has not received an equitable distribution of very limited SBC funds for demand reduction measures. Only 27 percent have been used in Con Edison territory despite serving over 40 percent of the residential population of the State. New York City residential consumers have been doubly impacted by electric market restructuring with

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high retail rates and with numerous power plants proposed and sited within this congested city. Most egregious is the failure to undertake comprehensive and thoughtful planning that considers all these factors and finds equitable and viable solutions.

Response: The solution to load pocket problems in the New York City area requires a combination of new generation, transmission reinforcements, demand response efforts, and appropriate market mitigation measures. New York State will continue to work with all the market participants to study and resolve these important issues. An assessment of the New York City and Long Island electricity systems is included in the State Energy Plan.

Ann Link

We are concerned that the Draft State Energy Plan's preoccupation with increased use of natural gas for large-scale generation is preempting appropriate attention from natural gas fired distributed generation and combined heat and power systems (CHP) in favor of other clean distributed generation technologies. In fact, one of the best measures available to extend the natural gas supply is to shift generation into CHP with its efficiencies in the 70-80 percent range. We anticipate that increased use of competitive natural gas pipelines and natural gas distribution infrastructures should make natural gas available for distributed generation and CHP engine and turbine technologies that meet emission requirements. Therefore, these technologies should not be disadvantaged in forecasts and in the identification and removal of disincentives to deployment.

Response: NYSERDA is very involved with and optimistic about the potential contributions of distributed generation and combined heat and power technologies (CHP). In fact, distributed generation is a consequential ingredient in the electricity deregulation model. Increasing distributed generation contributes to a free electricity market because it offers direct competition with energy services companies.

See Section 3.4, Electricity Assessment, of the State Energy Plan for a discussion of distributed generation. The New York State Public Service Commission has extended and expanded the system benefits charge in 2001, providing nearly \$57 million over the next five years to improve the viability of distributed generation and CHP as economic energy options in New York State.

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The Joint Supporters

To assess resource potential more fully, we think the combined heat and power analysis NYSEERDA has already performed, or had performed by Nexus, will be fully reflected in the State Energy Plan's analysis and resource assessments.

Response: The Energy Nexus Study is not complete. A draft report is undergoing major revisions in response to feedback from the Project Advisory Board. However, selected information from the partially revised report was used in the regional electricity load and price modeling in the State Energy Plan. See Section 3.4, Electricity Assessment.

Doug Goodman

I'm here as an individual on behalf of the propane industry. When I reviewed the State Energy Plan, I noticed the lack of involvement of the propane industry in the plan. It did not appear that there was anybody from the LPG industry that was involved in the focus group or interest group.

I would like to have the opportunity to have propane revisited as part of the Draft State Energy Plan.

Response: The State Energy Plan Petroleum Assessment includes a section addressing propane prices, supplies, and infrastructure.

Better Queens Environment (BQE)

The demand forecasts in the State Energy Plan assess only oil, gas, and coal, omitting renewables such as solar, wind, biomass, and fuel cells. Demand for renewables needs to be accounted for. BQE suggests that renewables data be provided in all demand forecasts.

Citizens Campaign for the Environment

The State Energy Plan does not provide a well-documented forecast for alternative fuel sources (only fossil fuel is covered). The State Energy Plan should provide estimates on all remaining fuel supplies similar to those provided for coal.

New York Chapter Association of Energy Engineers

Retirement and replacement of electric generation plants [by renewable resource generation] and associated impacts are not addressed in the State Energy Plan in any detail.

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Response: The demand forecasts in the State Energy Plan are stipulated by Energy Law. The statute does not require supply forecasts for renewable energy. Nevertheless, the Renewable Energy Assessment, Section 3.3, does assess current and future supplies.

New York State Environmental Justice Alliance

The Draft State Energy Plan fails to give an analysis of jobs per megawatt per year generated by fuel source. In studies we've seen, renewable generation generates far more jobs than other types of power generation.

Response: The importance of renewable generation to both the environment and the State economy is recognized and articulated in the Energy Plan. The State is striving to create a viable renewable market on both the demand and supply sides, as evidenced by the objectives and recommendations in the State Energy Plan.

Diane A. Davis

The Draft State Energy Plan should explain why New York spends more for electricity cost components than the national average when we buy the same crude and refined products as other states?

Response: This issue is addressed in Section 2.2, Energy and Economic Development, of the State Energy Plan. See, also, the year 2000 Department of Public Service publication, *Financial Statistics of the Major Investor-Owned Utilities in New York State*. A graph on page 29 of that document entitled "Average Cost per Ultimate Customer kilowatt hours" offers an updated breakdown of electricity costs in New York and the United States in general.

Oil Heat Institute of Long Island

The institute takes no position on the issue of whether or not these proposed power plants should be built or even whether their potential electric supply is needed. We take a firm stand on the issue of power plant fuel supply, particularly as it affects the supply of heating oil. Our industry position can be summed up in one sentence. In order to be licensed, these proposed new power plants should have a firm noninterruptible gas supply or they shouldn't be built. Failing that, seven to ten days on-site storage should be absolutely mandatory.

In our opinion, the Draft State Energy Plan must reflect the need to maintain reliability of supply and service in all areas of energy usage, oil, gas, and electric, without

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distinction and without undue preference. Anything less is little more than wishful thinking.

Response: The Planning Board recognizes the concerns raised by the Oil Heat Institute. As discussed in Section 2.1 of the State Energy Plan, Promoting Energy Industry Competition, an in-depth study is underway to assess the interrelationships between electricity, natural gas, and oil. While the results of that study may lead to actions by the Energy Planning Board in the future, the State Energy Plan requests the New York Independent System Operator to consider the certainty and availability of primary and back-up fuel supplies in valuing capacity from electric generators or to consider the certainty and availability of primary and backup fuels in establishing local reliability rules. See section 2.4, Energy Policy Objectives and Recommendations.

Hudson River Sloop Clearwater, Inc.

We question the use of “energy intensity” as a valid measure of energy efficiency. Energy intensity is a ratio measured as British thermal units per dollar of Gross State Product. The carrying capacity of the natural world does not recognize arbitrary economic ratios. We assume New York State's increase in total carbon output is proportional. The State Energy Plan must address cumulative impacts because this is what the environment is receiving. We request that the Energy Planning Board do a better job of looking at long-term tallies and cumulative impacts when examining environment issues.

Response: Energy Intensity is a valuable indicator of economic activity and resource requirements. While it may not be a sufficient ratio to describe the cumulative effects of energy consumption on the environment, it is a valuable index to use in setting goals.

Mirant New York, Inc.

It is fine for the State to hope for the best, but it is essential that it plan for the worst. The Draft State Energy Plan fails in this regard. Many of the recommendations and projection contained in the Draft State Energy Plan appear to be predicated on combinations of optimistic scenarios. While the projections have high and low case bandwidths, these are themselves built on layers of highly variable assumptions. What the Draft State Energy Plan fails to do is offer plans for dealing with, or better yet avoiding, the consequences of negative scenarios.

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If reliability is to be secured and prices reduced, the Draft State Energy Plan must give significantly most attention to various “what-if” scenarios. The State Energy Plan's single most important task should be to remove barriers and to offer guidance and realistic proposals for avoiding fundamental supply and price issues in case everything does not go just as we hope it will.

Niagara Mohawk Power Corporation

Perhaps the greatest flaw in the draft State Energy Plan is it promotes energy policies with limited acknowledgment of the alternatives and with little or no underlying cost analysis. The draft State Energy Plan contains a variety of policy recommendations for which costs are not quantified. What is the least cost package of policies that will satisfactorily address the State's energy needs? The draft State Energy Plan does not attempt to answer this fundamental question. In addition, it does not provide a cost benefit analysis to determine what combination of policies might provide for most or all of the needed results as determined by the stakeholders.

The absent cost analysis undermines the accuracy of an important finding of the draft State Energy Plan. Electricity prices are forecast to decline by about five percent per year for the next five years. Since the draft State Energy Plan did nothing to quantify the potential cost impacts of the various measures and policy suggestions it contains, these reductions do not reflect any such costs. If some of the policies are found to be costly, it may reduce the expected savings. Would the impact be less than one percent, more than five percent, negative? One simply cannot determine this because the draft State Energy Plan does not address cost impacts.

Donald R. White

The draft energy plan appears to assume a relatively stable supply of energy for the foreseeable future. This assumption is shown to be untenable by industry experts.

Response: The scenarios presented in the “Electricity Assessment” provide a range of possible energy futures and identify some of the impacts that one might expect. The “No Additional Construction” scenario particularly illustrates the consequences that might be expected if additional generation resources are not forthcoming. The fact is, however, that several additional market-driven resources are already under development, and others are pending. Even so, the “Promoting Energy Industry Competition” issue paper addresses how resources might be provided through State actions in the event the market should fail to deliver the necessary resources in a timely manner.

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Niagara Mohawk Power Corporation

The implications of inadequate generation supply are not adequately explored in context with the scenarios analyzed in the electricity assessment. The scenarios do identify the reserve margins that might result from various combinations of generation resources and electricity demand, extending out through 2020. Implicit in these tables are numerous assumptions, many of which bear considerable variability themselves. Coupled with the effects of variability and weather, each of these demand forecasts – high, mid-range, and low – actually have bandwidths of their own. Consequently, it is easy to become too comfortable with any scenario that shows an 18 percent reserve margin achieved in a given year. The draft State Energy Plan itself acknowledges this. However, the draft State Energy Plan does not adequately discuss the depth of exposure faced by the State due to these effects, and how adequate a combination of operating measures and market forces would be in dealing with the generation shortages that might occur. While Niagara Mohawk generally prefers market forces over State intervention, we believe that there is a gap in the draft State Energy Plan because it does not discuss these difficult policy issues.

The Business Council of New York State, Inc.

While the Draft State Energy Plan does state that New York is in need of more sources of electric generation, its projections for growth in electric power demand over the next three to five years seem unrealistically–indeed dangerously–low. The Draft State Energy Plan offers a “mid-range forecast” for peak demand growth yet peak demand has grown an average of 2.1 percent over the past five years. Peak demand has consistently grown faster than total electric consumption.

This unrealistically low forecast for peak demand leads the State Energy Plan to incorporate projections for increases in reserve margins that are overly optimistic. These low projections, in turn, point the State Energy Plan toward lower projected generation capacity than we believe is necessary for the State, and thus mask the very urgent need to bring new plants on line over the next five years. (See Draft State Energy Plan, page 3-5.)

Response: The Energy Plan projects continuing growth in demand for electricity and recognizes the need for additional generation. See the State Energy Plan, Section 3.4, Electricity Assessment. Proposed additional natural gas fueled plants will help meet the future demand as will Peak Load Reduction and other demand reduction programs discussed in the Energy Plan.

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The Business Council of New York State, Inc.

We believe the impact on the cost of energy with respect to such environmental initiatives should be studied and quantified. The State Energy Plan includes no acknowledgment of the economic cost of environmental regulations. For example, there seems to be no accounting for the impact of the Acid Deposition Reduction Program (ADRP) on energy costs or generating capacity even though the Energy Plan recognizes that some coal plants may be closed or have their operations reduced because of the ADRP.

Response: The various scenarios considered in the State Energy Plan, Section 3.4, the Electricity Assessment, include assumptions about facility modifications and retirements that could occur to comply with the requirements of the Governor's Acid Deposition Reduction Program. These assumptions were included as "givens" in the analyses. The analyses indicate that – with the modifications and retirements included – statewide average wholesale electric energy prices, based on trends in locational-based marginal prices, in the State should decline as new resources are added during the planning period. The Energy Plan does not attempt to determine the economics of operating individual units.

Long Island Coalition for Democracy

NYSERDA repeats data in its draft report from utilities and industries and other governmental agencies to make projections over 20 years without seriously trying to change the current climate of energy use in New York State.

The final Energy Plan should have performance profile graphs showing how much each of the State's utilities, over a 5 year period, spent on fossil fuels, purchased power, operation and maintenance, the size of debt for each, any new borrowings, each utility's yearly debt payment and the total amount spent annually on renewable energy.

Response: The State Energy Plan supports fuel diversity. Performance profiles for publicly-owned and investor-owned utilities can be found in *Financial Statistics of Major U.S. Publicly Owned Electric Utilities, 2000*, published by the U.S. Department of Energy, Energy Information Administration, and in the annual reports filed by the investor-owned utilities with the New York State Public Service Commission.

NRG Energy Inc.

NRG would prefer that the draft present more detailed information pertaining to its electric resource assessment.

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The Energy Plan assumes a large number of new combined cycle natural gas plants by 2005. Consideration should be given to the question of whether the State is relying too much on new generation in the State to meet the anticipated energy demand.

The Energy Plan appears to rely more so on somewhat speculative alternative and renewable fuels development and energy efficiency technology, rather than on developing policies that maintain and enhance fuel diversity.

The draft Energy Plan describes the results predicted by the Reference Resource Case and notes that the change in generation from coal and oil sources is due, in major part, to New York's Acid Deposition Initiative program. It is not clear what assumptions were used to arrive at this conclusion. Moreover, there is an inconsistency between the aforementioned conclusion and the discussion on future coal use.

Response: The State Energy Plan features consistent coal forecasts throughout the document that account for the decrease in coal burning as a result of the Acid Deposition Reduction Program.

Energy efficiency measures have had a positive impact on electricity demand. See the Energy Efficiency Assessment, Section 3.2 of the State Energy Plan. The State supports renewable energy resources and technologies, and all supply forecasts are based on proven technologies and fuels. The State supports environmentally sound re-powering of electric generation plants.

New York State Electric and Gas (NYSEG)

NYSEG believes the Draft Energy Plan is unrealistic in the following areas:

- Projections of declines in wholesale and retail electricity prices;
- Projections of declines in wholesale and retail natural gas prices;
- Projections of declining air emissions statewide associated with electricity will decline as a result of new natural gas fueled generation;
- Projections that the natural gas and electric bulk transmission system will receive the capital infusions and regulatory approvals needed to meet the growth in the State's energy economy.

NYSEG suggests that several concerns be addressed prior to the issuance of the final Energy Plan.

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The Energy Plan needs to critically assess the likelihood that the massive capital investment in new generation in the State will come to fruition, and the impact to the Energy Plan if certain or all the projected facilities are not built.

Emission reductions cannot be met without a monumental increase in the use of natural gas. The Energy Plan forecasts of lowered electric retail electricity and natural gas prices rely completely on the assumption of stable or declining wellhead gas prices forecast in a single study by the Federal Energy Information Agency. The Energy Plan entertains no alternative scenarios.

The Energy Plan is silent on where the massive increase in gas transmission system capacity will come from. The Energy Plan fails to directly and fully assess the electric and gas system reliability issues associated with the proposed massive increase in reliance on natural gas.

Response: The scenarios presented in Section 3.4, the Electricity Assessment, of the State Energy Plan, provide a range of possible energy futures. Some of the scenarios project increased wholesale electric energy prices and emissions, while others project decreased wholesale electric energy prices and emissions. In fact, the “Reference Resource” scenario projects decreases in wholesale electric energy prices and emissions as new resources are added and then increasing wholesale electric energy prices and emissions when no new resources are added. It is unclear why the comment indicates a belief that the addition of new, more efficient resources will not off-set less efficient, more expensive resources.

The State fuel demand and retail price forecasts are based on forecast data from the Energy Information Administration’s (EIA), *Annual Energy Outlook 2002 Forecasts for the Mid-Atlantic and the New York Control Area*. The forecasts assume that supplies are adequate.

Three scenarios, an Outlook, a Low, and a High case, were examined for the State Energy Plan. In developing its forecast, the EIA compared its forecast of natural gas wellhead prices in 2015 (\$3.07 per thousand cubic feet in 2000\$) to forecasts prepared by DRI-WEFA and the Gas Research Institute (respectively \$3.23 and \$2.34 per thousand cubic feet in 2000\$). The comparison revealed that EIA’s forecast is within the range of the forecasts prepared by these other entities. The State Energy Plan uses significantly lower overall growth in gas demand (1.3 percent per year in the Outlook Case) than the draft State Energy Plan used (2.3 percent per year) primarily because of projected

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reductions in the amount of gas needed to generate electricity. The Energy Plan identifies the need for an increase in gas transmission capacity to be provided by market participants.

The joint NYSERDA/NYISO study, *The Interaction of the Gas and Electric Systems in New York State*, examined the ability of the gas supply infrastructure to meet both core gas demands and the demands of future gas-fired generation consistent with the amount forecasted in the Energy Plan, *i.e.*, up to approximately 4,495 megawatts of new capacity by 2005. The study also incorporated a model of the current gas supply infrastructure and added, through various scenarios, up to 800 million decatherms per day of new pipeline capacity. This rather conservative approach incorporated various levels of capacity up to a maximum level that includes those pipelines that have received provisional approvals by the Federal Energy Regulatory Commission.

The results show that New York has sufficient gas capacity to deliver the minimum amount of gas required for generation under all the 2005 generation and pipeline expansion scenarios that were analyzed, including those scenarios in which pipeline expansions were limited to those currently under construction. This result is largely because the new gas-fired combined-cycle generators are more efficient than the existing gas-fired single-cycle units. In the full scenarios, *i.e.*, 800 million decatherms per day of new gas supply and 4,495 megawatts of new gas-fired generation, pipeline capacity is sufficient to meet the unrestricted demands of the new generators. Under scenarios with combinations of less pipeline expansion capacity and less additional generating capacity, a substantial portion of the maximum potential gas demands for generation can be met. Some oil needs to be burned in each case where less than 800 million decatherms per day of pipeline expansion is projected, but the total estimated amount of oil burned is less than the historical amount actually burned in 2000 and 2001.

Citizens Campaign for the Environment

The Energy Plan should provide estimates on all remaining fuel supplies similar to those provided for coal.

Response: An assessment of remaining fuel supplies is not required by the Energy Law. However, the Energy Plan estimates remaining crude oil reserves at one trillion barrels (See Section 3.6, Petroleum Assessment) and estimates of potential reserves of natural gas in the lower 48 states at 1,026 trillion cubic feet (See Section 3.5, Natural Gas Assessment). The *International Energy Outlook 2002* estimates worldwide natural gas

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reserves at 5,451 trillion cubic feet. All estimates of this type are based on the best information available at this time.

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The Energy Plan is effusive in its praise of the Governor's deregulation of electric power markets, implying that there are substantial rate reductions attributable to having created competitive markets. In truth, in much of the State the markets are not truly competitive. The plan does not obfuscate the true situation of market development. The Energy Plan mis-portrays recent energy price reductions as a result of competitive market activities. (See page 5, "In summary," paragraph).

Response: Restructuring has resulted in significant savings, and an increasing number of customers are taking advantage of competitive offerings. While wholesale markets in New York City and on Long Island have not become fully competitive, the State has supported, and the Federal Energy Regulatory Commission has approved, mitigation measures to moderate price spikes due to market power. The State continues to work on infrastructure and market issues as discussed in the Electricity Assessment.

Transmission Planning

New York Independent System Operator (NYISO)

As described in the draft State Energy Plan, the long-term adequacy of the New York State bulk power system is dependent on both new supplies of electric power and on the expansion of the transmission system to deliver the power needed for New York's economy. To achieve these ends will require the implementation of a comprehensive transmission planning process and the development of an appropriate cost recovery mechanism. Currently, one of the major barriers to expanding the transmission system is the uncertainty associated with cost recovery. The NYISO's long term transmission planning objective is to ensure that New York State develops and implements an effective transmission planning process. The NYISO would encourage the State to engage actively in proceedings occurring at the regional and federal levels pertaining to transmission planning and to support market-based solutions to transmission enhancement and expansion needs.

Response: The State was a leading advocate for transmission planning long before other participants in the NYISO were willing to agree that such a NYISO-based function is appropriate. The Public Service Commission has not only advocated planning and construction of appropriate transmission facilities, but it has also advocated that a move

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to a regional common market will assist in the beneficial expansion of transmission. New York will continue to participate in regional planning proceedings.

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The draft State Energy Plan is incomplete in terms of providing the results of several ongoing studies. The plan draws its conclusions from incomplete and cursory analyses. The prime example is the in-progress study of the natural gas infrastructure and its impacts on the developing competitive electric generation market.

Response: The State Energy Plan includes the results from the joint NYISO-NYSERDA gas and electricity study, *The Interaction of the Gas and Electric Systems in New York State*, preliminary results from the *Efficiency and Renewable Energy Potential Assessment*, and the recommendations of the Department of Environmental Conservation's Environmental Justice Task Force.

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8. Transportation

Environmental Advocates of New York

There is excellent information in the Draft State Energy Plan regarding advanced technology and alternative vehicles. Environmental Advocates would like to see a systems-benefit-charge model used for vehicles. A registration fee for vehicles with a sliding scale based on fuel efficiency could be a source of income to the State to pay for additional programs. Even if the increment was not adequate to change behavior it would serve as an educational tool.

Other programs that could be implemented include clean-car labeling and marketing programs that could be offered cooperatively with the State's auto dealers. Low-interest grant programs for school districts to purchase low-emission and alternative-fuel vehicles could be offered. Programs could be developed whereby the State would give priority to procurement of clean vehicle fleets.

Response: The State is committed to the low-emission vehicle program and is enforcing its adoption. A number of programs, such as the Clean Water/Clean Air Bond Act and the Congestion Mitigation and Air Quality program in non-attainment and maintenance areas, can provide funding for the purchase of low-emission and alternative fuel vehicles and consumer education and outreach. Significant assistance for these types of activities is provided through normal transportation funding mechanisms that are administered by the New York State Department of Transportation and local transportation agencies, operating through Metropolitan Planning Organizations. At this time, the Energy Planning Board does not recommend a system benefits charge model for vehicles.

Environmental Advocates of New York

The Draft State Energy Plan has good objectives for transportation and good goals. What it doesn't have is specific numerical metrics on reaching the goals, *e.g.*, what should the modal split be, what should the vehicle miles traveled (VMT) reductions be, what do we need in terms of advanced technology vehicle inventory? There should be measurable goals in the State Energy Plan and then a menu of options on how we could get there.

Response: Trends in VMT and mode share are already reported and available. In recommending specific goals for greenhouse gas reductions and outcomes from energy efficiency improvements, the State Energy Plan establishes metrics to make all sectors,

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including the transportation sector, more energy efficient. Separate metrics for individual sectors are unnecessary.

Renewable Energy Works

Following the lead of the U.S. Department of Agriculture, New York should begin using clean-burning, renewable bio-diesel in its numerous fleets.

Response: The State Energy Plan encourages the federal government to adopt new corporate average fuel economy standards for vehicles and address vehicle energy efficiency in a way that protects driver and passenger safety. The Energy Plan supports expanding the use of bio-fuels and supports the commercialization of biofuels technology and use of biofuels as vehicle fuels. As with any fuel, including other alternative fuels, before widespread use and acceptance can be realized, questions related to issues such as availability of supplies, price differentials among fuels, and cold weather operations must be satisfactorily addressed.

Green Party Broome County

New York State should provide funds for county and municipal bus systems to convert their bus fleets to propane, hydrogen fuel cells, and other alternative, non-petroleum fuels.

However, simply converting buses to cleaner burning fuels isn't enough. The State must allocate funds to county and municipal governments for the expansion and improvement of county and municipal public transportation systems. Fleet sizes must be increased and service must become more frequent. Park-and-ride programs must be created or expanded where they already exist to incorporate suburban and rural residents in public transportation systems.

Response: As discussed in the State Energy Plan, Section 2.4, Energy and Transportation, the State is already providing funding for the conversion of county and municipal bus fleets to alternative fuels using sources of funding such as the Clean Water/Clean Air Bond Act and the Congestion Mitigation and Air Quality program in non-attainment and maintenance areas. This funding is used for building alternative fuel infrastructure and transit development. This support is expected to continue.

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Green Party Broome County

The price of gas should be raised. Increased gasoline taxes would provide much needed revenue for the State and an increase in the price of gasoline would encourage the use of public transportation.

Response: Transportation experts generally recognize that changes in the price of gasoline, including taxes, do not significantly affect driving behavior. Generally, the same level of driving occurs regardless of the price of gasoline. As evidence, it should be noted that the recent volatility in the gasoline prices has not been associated with significant changes in vehicle miles traveled. Raising gasoline taxes may have adverse effects on low-income communities and small businesses. The Energy Planning Board does not recommend raising gasoline taxes at this time.

Green Party Broome County

Bicycle racks should be installed on every block in urban areas and on the front of all buses. State funding should be provided to municipal governments to create bicycle lanes on city streets and to improve existing bicycle lanes.

Response: Bicycle lanes and bicycle racks are funded by the State, as well. The New York State Department of Transportation recently enacted a policy to allow State funding to be used for stand-alone bicycle and pedestrian projects in locally owned rights-of-way. Previously, bicycle and pedestrian projects had to be part of roadway construction projects. Municipal governments are allowed to give priority to bicycle and pedestrian projects, if they choose to do so.

Charles Sontag

I think we could do more from the State standpoint in encouraging better public transportation, such as the trams in use in Germany. I would ask the State to pursue such technologies; transportation policies are ultimately energy policies. I see this as good savings.

We should support Pennsylvania and New Jersey's rebuilding of the Lackawanna cutoff and the return of rail service to Scranton, then Binghamton and Elmira, and, possibly, points west.

Tom Salo

The State Energy Plan should adopt a funding policy that favors investment in public transportation.

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Kenya Browning

High speed rail, as outlined on page 2-81 of the Draft State Energy Plan, seems promising.

Response: The State Energy Plan, Section 2.4, Energy and Transportation, discusses the State's actions and policies with respect to public transportation. Activities include technology improvements as well as programs to promote improved service and reliability. The Energy Plan supports the contention that public transportation is energy efficient.

The State supports the return of rail service to New York. Section 2.4 describes in detail the actions the State is initiating to encourage this.

Western New York Sustainable Energy Association

Stop highway construction that promotes sprawl and increases vehicle miles driven. The Draft State Energy Plan mentions highway capital projects that decrease energy use through mobility improvements. What about highway capital projects that increase energy use by encouraging sprawl? The Draft State Energy Plan should discuss the latter type of project and call for reevaluation and reconsideration of those projects.

Response: Many factors go into the decisionmaking process before a major highway capital project is constructed. One important factor is energy use. As discussed in Section 2.4, Energy and Transportation, many of these projects decrease energy use by improving mobility. Concerns about specific highway projects should be pursued during the environmental review phase of the project that includes local public review and comment. Appropriate Department of Transportation Regional Offices should be contacted with specific concerns and comments.

Western New York Sustainable Energy Association

The Governor and the State Legislature and the Draft State Energy Plan should loudly and tirelessly insist that the CAFE standards be improved and that loopholes be closed.

Response: The State Energy Plan encourages the federal government to adopt new corporate average fuel economy standards for vehicles and to address vehicle energy efficiency in a way that protects drivers and passengers.

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Green Party Erie County

Obviously automobiles use a large supply of foreign oil. Why isn't this plan addressing with specific numbers reducing that dependence on foreign oil? Why aren't we talking about major increases in mass transit aid. CAFE and other things need to be put into place. Don't ignore the issue.

Response: The State Energy Plan encourages the federal government to adopt new corporate average fuel economy standards for vehicles and to address vehicle energy efficiency in a way that protects drivers and passengers. Section 2.4, Energy and Transportation, identifies anticipated increases in aid to public transportation.

In supporting specific goals for greenhouse gas reductions and energy efficiency improvements, the State Energy Plan establishes metrics for making all sectors, including the transportation sector, more energy efficient. Separate specific metrics for reducing the dependence on foreign oil are then unnecessary since improving the energy efficiency of the transportation sector will result in reduction in New York's dependence on foreign oil.

David Stout

Sellers of vehicles must make mid-sized, four-passenger, alternative-fuel vehicles available for purchase throughout the State. The refueling infrastructure must be accessible as well for these vehicles. A minimum miles per gallon of 30 for all new internal combustion engines should be required.

The Draft State Energy Plan must assure that there's a change in transportation pollution from use of fossil fuels and poor mile-per-gallon vehicles. We need definable goals.

Renewable Energy Works

New York should put pressure on the federal government to raise catalytic standards for all passenger vehicles.

Response: Under federal law, New York is precluded from establishing separate vehicle standards. New York's only option was to adopt California vehicle standards, which was done. For this reason, the State Energy Plan encourages the federal government to adopt new corporate average fuel economy standards for vehicles and to address vehicle energy efficiency in a way that protects drivers and passengers.

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In supporting specific goals for greenhouse gas reductions and energy efficiency improvements, the State Energy Plan establishes metrics for making all sectors, including the transportation sector, more energy efficient. Separate metrics for the transportation sector are unnecessary.

Erin Cala

The transportation section of the Draft State Energy Plan must be more aggressive and specific. We need numerical goals regarding fuel efficiency. Yes, we should meet the California low emission vehicle standards, but we need a time line and a set percentage of money devoted to these goals. We need more devoted to public transit systems and research and development so we can have a well thought out and effective public transit.

Response: In supporting specific goals for greenhouse gas reductions and energy efficiency improvements, the State Energy Plan establishes energy efficiency metrics for all sectors, including the transportation sector.

Section 2.4, Energy and Transportation, supports the idea that an effective public transit system is essential and describes how New York is accomplishing this goal through research and development and appropriate funding.

Sierra Club, Long Island Group

We should improve transportation. We need more mass transit, more trains, more public transit that relies on natural gas rather than gasoline, and government should lead the project in purchasing these types of energy-efficient vehicles for their own fleets.

Response: New York is continually striving to improve transportation. The Energy and Transportation issue report (see Section 2.4 of the State Energy Plan) describes the actions the State and other transportation providers are taking to increase transit ridership, improve service, and increase the use of alternative fuels. The State is leading by example by purchasing alternative fueled vehicles for its fleets. As described in Section 2.4, in Executive Order 111, Governor Pataki directed that State agency light-duty vehicle purchases must be at least 50 percent alternative fueled vehicles by 2005 and 100 percent by 2010.

American Lung Association of Nassau-Suffolk

We support tax credits and other incentives to purchase and use low emission vehicles such as the new electric gas hybrid vehicles and the zero emission electric cars.

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Response: The State Energy Plan calls for extending the New York Alternate Fuels Tax Credit Program and suggests that consideration be given to expanding it to include all types of alternative fueled vehicles. If this recommendation is adopted, tax credits are likely to become available for zero emission electric cars.

New York Corn Growers Association

On pages 47-48, the Draft State Energy Plan states “the substitution of ethanol for MTBE would result in over a hundred million dollars a year loss in New York State contribution to the Highway Trust Fund.” Increasing ethanol in New York will reduce the Highway Trust Fund but the report doesn't provide an actual analysis of the dollar value. New York Corn Growers and the Renewable Fuels Association (RFA) are working in Washington to eliminate this problem.

Response: As described in Section 2.4, Energy and Transportation, of the State Energy Plan, the analysis is based on the projected use of ethanol to replace the existing use of MTBE (methyl tertiary butyl ether) and the \$ 0.54 per gallon excise tax exemption. Estimating the impact on revenue to New York State is difficult since this is an ongoing issue in other states as well as New York that will affect the total amount of revenue generated to the Highway Trust Fund and, therefore, will affect New York State's share. For this reason, favorable tax treatment for ethanol must be addressed at the federal level. New York appreciates any assistance in determining how to resolve the problem of reduced Highway Trust Fund resources caused by the increasing use of ethanol.

Center for Clean Air Policy

On the transportation front, there are a number of opportunities to ensure that State investments minimize greenhouse gases (GHGs). For instance, the State could incorporate GHG emissions as a key decisionmaking criterion into transportation and infrastructure investments and land use planning decisions and should consider withholding funds from investments that increase vehicle miles travelled, energy use and CO₂ emissions. In addition, New York can amend SEQRA (State Environmental Quality Review Act), Long Range Transportation Plans, TIP (Transportation Improvement Programs), and STIP (Statewide Transportation Improvement Program) processes to include GHG impacts.

Key opportunities link transportation, land use, and climate change through policies that strengthen the urban core and protect the fringes to prevent suburban sprawl. The State should target open space funding to prevent suburban sprawl, promote Quality

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Communities, and protect land threatened by development. The State should complement open space protection by providing incentives for redevelopment on brownfields and encouraging infill development in urban cores across the State.

Response: New York recognizes the importance of reducing greenhouse gas emissions. Consequently, the State Energy Plan supports a statewide goal for greenhouse gas emission reductions. Achieving this goal will require emission reductions by all sectors, including the transportation sector. Many of the proposed measures are recommended in the State Energy Plan.

Center for Clean Air Policy

The State should demonstrably increase the share of transportation funding that is dedicated to improving and expanding transit, bike, and pedestrian facilities and should provide incentives to encourage use of these efficient alternatives.

Response: Transportation funding in New York now takes a balanced, multimodal approach, with funding provided for transit, rail, biking, walking, aviation, roadways, and other modes of transportation. The State Energy Plan recommends that the State redirect transportation funding toward energy-efficiency transportation alternatives, including public transportation, walking, and bicycling, and provide incentives to encourage greater use of related alternatives that improve transportation efficiency.

Environmental Defense

The State could expand alternative fuel and diesel emission control programs to garbage trucks, school buses, and other fleets.

The MTA and the New York Thruway Authority should adopt a modest congestion pricing structure to encourage shifts from use of Single Occupancy Vehicles to multi-occupant vehicles and from trucks to rail or barge. With E-Z pass technology, congestion pricing could be applied to other congested roadways that are not currently tolled in a non-intrusive way.

The State could raise energy taxes or energy greenhouse gas (GHG) offset fees. The State should adopt a steadily increasing gas or general energy GHG offset fee, perhaps two to five cents per year for the next ten to twenty years.

The State should revamp the sales tax on vehicle purchases to vary inversely with the fuel economy of vehicles.

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The “transitchek” programs provide huge potential to offer incentives to commuters to use subways, buses, commuter rail, and van services.

Suburban parts of the downstate metropolitan area and other urban areas in the State could offer employer-supported van services.

These various proposals could generate revenues for a transportation fund that could augment investments in mass transit and corporate van services and freight rail and barge. The State has huge needs in this respect.

Response: The State is now working to expand alternative fuel and diesel emission control programs to other fleets. In addition to garbage trucks and school buses, construction vehicles and ground support vehicles at airports are being considered as are technologies that reduce the need for heavy duty vehicles to idle.

The Port Authority of New York and New Jersey has adopted a congestion pricing structure for its bridge and tunnel crossings. The New York State Thruway Authority has considered such a program for the Tappan Zee Bridge. Congestion pricing is being considered in a more comprehensive manner for the New York City Metropolitan Area. Further information on this, the Transitchek and Commuter Choice programs, and van services can be found in Section 2.4, Energy and Transportation.

It is true that a huge need exists for investment in public transportation, freight rail and barge, and similar programs. A number of programs, such as the Clean Water/Clean Air Bond Act and the Congestion Mitigation and Air Quality program in non-attainment and maintenance areas, now provide funding for energy-efficient transportation programs. In addition, significant assistance for activities of this type is provided through normal transportation funding mechanisms that are administered by the Department of Transportation and local transportation agencies, operating through Metropolitan Planning Organizations. Transportation experts generally recognize that changes in the price of gasoline, including taxes, do not significantly affect driving behavior. Generally, the same level of driving occurs regardless of the price of gasoline. As evidence, it should be noted that the recent volatility in the gasoline prices has not been associated with significant changes in vehicle miles traveled. Raising gasoline taxes may have adverse effects on low-income communities and small businesses.

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Ann Link

New York needs support for a network of greenways for foot and bike traffic. Brooklyn waterfront residents are having to fight with the New York City Department of Transportation for space free of cars and trucks so we can have a walk/bikeway along the waterfront.

Response: Section 2.4 of the State Energy Plan, Energy and Transportation, describes the support the State provides for bicycle lanes and pedestrian walkways. Concerns about funding and approvals for specific bikeway projects should be addressed to the appropriate metropolitan planning organization which, through an extensive public involvement process, will determine the transportation projects to receive support and be implemented.

Sierra Club, NYC Group

The Draft State Energy Plan should include an increase in the gasoline tax dedicated solely to the funding of increased energy conservation and efficiency, including reducing the use of passenger vehicles.

Investment in public transportation systems and rail freight transport must be a part of the Draft State Energy Plan. Also, clean vehicles and other alternatives such as pedestrian-friendly areas and bicycle-friendly streets should be a part of the Draft State Energy Plan. Market-based programs should be included. The State should be required to purchase clean vehicles and, if alternate fuel vehicles are purchased, to use the alternative fuels.

Response: A number of programs, such as the Clean Water/Clean Air Bond Act and the Congestion Mitigation and Air Quality program in non-attainment and maintenance areas, provide funding for energy-efficient transportation programs and for programs to reduce the use of single occupant vehicles. In addition, significant assistance for these activities is provided through normal transportation funding mechanisms that are administered by New York State Department of Transportation and local transportation agencies, operating through Metropolitan Planning Organizations.

The issues raised in the comment regarding public transportation, rail freight transport, and bicycle and pedestrian programs are discussed in the Energy and Transportation issue report (Section 2.4) in the State Energy Plan. The State is leading by example by purchasing alternative fueled vehicles for its fleets. As described in the issue report, in Executive Order 111, Governor Pataki directed that State agency light-

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duty vehicle purchases must be at least 50 percent alternative fueled vehicles by 2005 and 100 percent by 2010.

Key Span, New York

Key Span believes the State should take a harder look at providing tax and other incentives for expansion of a number of compressed natural gas facilities in the New York City area.

We think expediting Article VII and the New York State Department of Transportation permitting processes for gas infrastructure are also critical to maintain that.

Response: To encourage the use of compressed natural gas and other forms of alternate fuels, the State Energy Plan calls for extending the New York Alternate Fuels Tax Credit Program and asks that consideration be given to expanding it to include all types of alternative fueled vehicles. The recommendation also applies to the development of alternate fuel infrastructure.

Article VII and the New York State Department of Transportation permitting processes implement State and federal law. Where appropriate, waiver provisions in the regulatory process are used. Substantive changes to the permitting process would require legislative revisions.

Doug Goodman

Speaking as an individual on behalf of the propane industry, I wholeheartedly support the alternative fuel vehicle tax credit program that you have in place, the extension of the deadline, and, specifically, the statement in there about fuel neutrality. Propane is a viable alternative to compressed or liquified natural gas throughout the United States and many governmental and private fleets rely on it. I want to voice my support for continuing the credit plan and offering propane as another alternative fuel.

Response: The comment is acknowledged and appreciated.

Environmental Advocates of New York

We believe the Draft State Energy Plan should improve transportation options to reduce environmental effects of transportation in the State, setting specific numerical targets for the transportation sector and setting out a program of investment in public transit, rail freight infrastructure, continuing promotion of clean vehicles, providing

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pedestrian and bicycling alternatives and pricing policies. Progress should be tracked by vehicle miles traveled, modal split, fuel economy, and so on.

New York's adoption of all California's LEV2 program should be supported further, including consumer incentive programs, income tax credits for clean vehicles, and marketing and labeling programs along the lines of ENERGY STAR®.

We also think there should be a fuel economy based registration fee administered by the Department of Motor Vehicles.

Response: In supporting specific goals for greenhouse gas reductions and energy efficiency improvements, the State Energy Plan establishes metrics that will cause all sectors, including the transportation sector, to become more energy efficient. Separate metrics for the transportation sector are unnecessary.

Transportation professionals generally recognize that the costs of driving (vehicle registration, gasoline, and insurance) are inelastic, *i.e.*, changes in these costs do not have a significant effect on driving behavior. Generally, the same level of driving occurs regardless of the cost of driving. Increasing registration fees and gasoline taxes may have an adverse effect on low-income communities and small businesses.

Jennifer Bostaph

Traffic needs to flow more efficiently across the Peace Bridge.

Response: Studies are ongoing with regard to the Peace Bridge. Several alternatives are being studied, including one that would “twin” the bridge. Operational enhancements are also under study for the border crossings. For example, E-Z Pass was implemented on the Peace Bridge in January 2002. Further information on these studies is available from the Department of Transportation Region 5 Office in Buffalo.

Jennifer Bostaph

NYS provides \$1.7 billion in operating expenses for public transportation. The Draft State Energy Plan should show the breakdown on how much each city receives.

Response: The requested information is available from the New York State Department of Transportation website, www.dot.state.ny.us.

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Jennifer Bostaph

Public transportation is an important part of reducing energy use. There needs to be more emphasis on the benefits of using public transportation. The State needs to provide more publicity and information on these benefits.

The State needs to put more emphasis on walking and biking, and more bike parking should be made available.

Response: Energy and Transportation, Section 2.4 of the State Energy Plan, stresses the importance of public transportation, walking and biking, and other means of improving the energy efficiency of the transportation system.

Jennifer Bostaph

The Draft State Energy Plan does not address transportation issues in all areas of the State. Only New York City and Long Island are addressed.

Response: Most of the information in Section 2.4, Energy and Transportation, of the State Energy Plan is applicable to the entire State, and pages 2-59 *et seq.* discuss specific activities in upstate New York.

Lawrence D'Arco

Encouraging the use of mass transit is probably one of the fastest ways to reduce oil consumption.

The Draft State Energy Plan states that the yearly maximum set-aside for pre-tax eligibility is \$780. According to the Federal Tax Code, as of January 1, 2002, the limit on nontaxable transit benefits an employee can receive was raised to \$100 per month or \$1,200 per year.

The Energy Plan should read that the Governor should implement the pre-tax income transit initiative.

The federal government offers both a transportation fringe payment (\$65 per month) and the pre-tax for federal employees who wish to participate in the program. New York State should offer the same transportation fringe benefits to its employees.

Response: The State Energy Plan recommends the adoption of a Commuter Choice program. (See Section 2.4, Energy and Transportation.) Efforts are underway to

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bring the program to New York State employees, and discussions have begun with public employee unions to accomplish this. The correction with regard to yearly maximum set-aside is included in the State Energy Plan.

Marshah-Reaff Barrett

The Draft State Energy Plan states that “The State has become a national leader in developing new technologies to reduce emissions from diesel-powered trucks and buses.” If the technology exists, why isn’t it being used?

Response: Section 2.4, Energy and Transportation, and Section 2.3, Energy and the Environment, describe how the State is using new technologies such as diesel-powered trucks and buses.

Marshah-Reaff Barrett

Fuel economy standards for vehicles have the potential to be the most significant action to conserve energy and protect the environment in the transportation sector. Why doesn’t NYS mandate that car companies improve on the fuel efficiency of cars?

The State must inspire car companies to meet higher engine efficiency and gas consumption efficiency, if the companies meet the new standards, they will receive a tax break or some other compensation.

Response: Under federal law, New York is precluded from establishing individual vehicle standards. New York's only option was to adopt California vehicle standards, which has been done. For this reason, the State Energy Plan encourages the federal government to adopt new corporate average fuel economy standards for vehicles and to address vehicle energy efficiency in a way that protects drivers and passengers.

To encourage the use of energy efficient vehicles, the State Energy Plan recommends extending the New York Alternate Fuels Tax Credit Program and that consideration be given to expanding it to all types of alternative fueled vehicles. The recommendation also applies to the development of alternate fuel infrastructure.

Shirley M. Victor

The Energy Plan should educate the public and encourage them to use public transportation.

Response: Section 2.4, Energy and Transportation, devotes significant discussion to public transportation. In doing so, the Energy Planning Board is trying to educate the

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public on the benefits of public transportation. Transit operators are continually advertising and marketing their services to the public.

Robert Lambert

Tax rebates should be provided to companies that provide and promote vehicles that use Ethanol.

Response: The issue of ethanol use in vehicles is a complicated one. Ethanol provides benefits by reducing reliance on foreign sources of energy and promoting economic development. However, ethanol presents air quality problems because its use increases evaporative emissions and, because it receives more favorable tax treatment than other fuels, its use negatively affects funding available to maintain and enhance the transportation system. The State Energy Plan takes a balanced approach to this issue.

Diane A. Davis

Fuel cells for cars are not truly and adequately addressed or compensated for in the Draft State Energy Plan.

Response: Fuel cells for cars are not addressed in Section 2.4, the Energy and Transportation issue report. The State Energy Plan discuss fuels cells in Section 3.3, the Renewable Energy Assessment. Use of fuel cells by the transportation sector holds great potential for increasing energy efficiency and reducing emissions. As is pointed out in the Renewable Energy Assessment, each of the fuel cell technologies under development has advantages and drawbacks and none can cheaply and efficiently replace more conventional fuel sources. At this point in time, it is premature to develop transportation energy policy based on uncertain fuel cell technology. The State supports the continued research and development of this technology, including its transportation applications.

New York Public Interest Research Group, Niagara Chapter

While the low emission vehicle program that is mentioned in Section 2, page 40, of the draft State Energy Plan is fabulous, I feel that recreational vehicles such as jet skis, boats, and motorcycles should also be given emission standards to help with the problem.

Response: New York State is taking steps to reduce emissions from off-road motor vehicles. Legislation was recently enacted calling on the Department of Environmental Conservation to establish emission standards for marine recreational vehicles such as jet-skis. Regulations are being developed and should be issued for public comment shortly. Motorcycles are regulated pursuant to federal law that prohibits states

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from setting their own emission standards for such vehicles. California is excluded from this prohibition, and New York has the option of adopting either the federal or California standards.

Brett Maxwell

The State should encourage hybrid and alternative fuel vehicles.

Kenya Browning

Alternative fuel vehicles are pricey, but worth it. Why not have all State agency vehicles as alternative fuel vehicles rather than just the light duty ones?

Response: The State Energy Plan encourages the development and use of alternative fueled vehicles in two important ways. The Energy Plan recommends extending the New York Alternate Fuels Tax Credit Program and that consideration be given to expanding it to all types of alternative fueled vehicles. The recommendation also applies to the development of alternate fuel infrastructure. The State is leading by example by purchasing alternative fueled vehicles for its fleets. As described in the Energy Plan (see Section 2.4, Energy and Transportation), in Executive Order 111, Governor Pataki directed that State agency light-duty vehicle purchases must be at least 50 percent alternative fueled vehicles by 2005 and 100 percent by 2010. Hybrid vehicles are covered under the Executive Order. Further, the Executive Order addresses medium- and heavy-duty vehicles by requiring agencies to “implement strategies to reduce petroleum consumption and emissions by using alternative fuels and improving vehicle fleet fuel efficiency.” As alternate fuel technology develops for non-light-duty vehicles and as more types of vehicles are available, to fulfill the Executive Order, it is expected that State agencies will purchase more of these vehicles also.

The Business Council of New York State, Inc.

We support the Draft State Energy Plan's call for additional federal funding for transit and transportation system operations.

Response: Support for the State Energy Plan's call for additional federal funding for transit and transportation system operations is acknowledged and appreciated.

Kenya Browning

Emission reductions (described on page 2-88 of the draft State Energy Plan) should include replacement of bulbs with LEDs in traffic signals and efforts to enhance the bicycle and pedestrian programs.

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Response: Replacement of bulbs with light emitting diodes (LEDs) and enhancing bicycle and pedestrian programs are ongoing efforts that result in emission reductions. As is pointed out in Section 2.4 of the State Energy Plan, other transportation measures can be adopted that will produce larger emission reductions on a more cost-effective basis.

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9. Public Works Projects

R.G.S. Energy Group/Rochester Gas & Electric Corporation

The State Energy Plan should recommend that utility facility relocation expenses be incorporated in the cost of public works projects as an expense of the State or municipality directing the work, as is the practice in other states. The Energy Plan should also recommend that a long-term planning process be adopted by all government entities to provide utility companies with opportunities to participate in project selections and planning. This will result in vastly improved planning and coordination, greater efficiency, and a significant overall saving to the public in money and convenience.

Niagara Mohawk Power Corporation

There needs to be better coordination among municipalities, the State, and utilities with respect to infrastructure projects. Especially road projects. The State Energy Plan should include recognition of the fact that there is an opportunity for the utilities, the municipalities, and the State to work together to more cost effectively deal with these projects.

New York Gas Group (NYGAS)

NYGAS recommends that the State encourage the New York State Department of Transportation (DOT) and municipalities to consider working more closely with the utilities to minimize and, where possible, avoid relocation of facilities. NYGAS recommends that State law be reviewed and modified to provide a more equitable reimbursement policy.

NYGAS strongly supports the recommendation in the Draft State Energy Plan and asks the Energy Planning Board's help to facilitate meetings between DOT, municipalities, and utility companies.

Response: In the State Energy Plan, the Energy Planning Board recommends that the State work more closely with utility companies to better identify and, if possible, design project work around utility facilities. Further, the Energy Plan encourages State agencies to work in partnership with municipal governments to accomplish this objective for municipal projects. See Section 1.3, Energy Policy Objectives and Recommendations.

The State recognizes the expense associated with utility facility relocation and is sensitive to the issue. New York State Department of Transportation has worked with the utility industry to minimize impacts and has modified its policies, where appropriate, to

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ease the financial impacts on affected utilities. However, the State believes that the current policy is fair and balanced in that the State does not impose rental or user fees for the use of its rights-of-way by utilities.

As directed in the recommendation, the State will be working with the utilities and with municipal governments to accomplish this objective for municipal projects. In fact, meetings between affected utility organizations and New York State Department of Transportation in this regard have begun.

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10. Energy Efficiency

Conservation Contingency Plan

Honorable Eric T. Schneiderman, Senator

The State Energy Plan does make some strides toward the badly needed development of effective conservation programs.

I cannot endorse a Plan that calls for the continued increase in the use of fossil fuels. The Energy Plan outlines only one way to control electric prices – build more power plants. Energy efficiency, energy independence, and conservation must be put on an equal footing with the building of new power plants. The Energy Plan should be amended to reduce our reliance on large polluting facilities. New York needs a Conservation Contingency Plan.

Sierra Club, Atlantic Chapter

The State Energy Plan should set goals to increase investment in energy efficiency and conservation. The Energy Plan should contain a conservation contingency plan. The Energy Plan should aggressively promote development of clean renewable electric generation and reduce our dependence on nuclear power (including the closure of Indian Point). The Energy Plan should contain proposals to improve transportation options, and should promote environmental quality through prioritizing conservation.

New York City Environmental Justice Alliance

A conservation contingency plan is necessary. In times of tight reserve margins, which tend to be in the summer in New York State and in New York City, as well, high electricity demands the fastest, cheapest, and cleanest methods of ensuring adequate supplies as well as true conservation and efficiency measures. It was done effectively in California. They thought they would have blackouts occasionally, far less after they put those measures into effect.

Scenic Hudson, Inc.

New York needs a conservation contingency plan that can be implemented in time of emergency or periods of peak demand that will inevitably result in price spikes for New York. The Draft State Energy Plan should lay out such a plan.

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Sierra Club, NYC Group

A plan that would utilize conservation and efficiency measures to meet energy needs during periods of high demand and low reserves must be included in the Draft State Energy Plan. Such efforts as were shown to be highly successful in California during the recent severe energy disturbances must not be overlooked in New York State. And a proposal for a parallel plan should be included.

Sierra Club, Long Island Group

The Draft State Energy Plan should include conservation contingency to be implemented in time of emergency situations. California did it and they saved electricity in large amounts.

Federated Conservationists of Westchester County, Inc.

We do need a conservation contingency plan. If we had one in place we could move much more quickly toward the kind of savings that California was able to achieve last year.

Response: The State Energy Plan aggressively supports energy efficiency and renewable energy as a means to meet growing demand and encourage energy diversity. This commitment is evidenced by the Energy Planning Board's recommendations in Section 1.3 of the State Energy Plan. For information about those State energy efficiency programs that are similar in concept to a conservation contingency plan, see Section 3.2 of the Energy Plan. Increased energy efficiency, in effect, reduces the State's need for energy generated from coal, oil, natural gas, and other sources thereby reducing environmental emissions that would occur during the generation process.

New York's rapid efficiency deployment initiative, known as the Coordinated Energy Demand Reduction Initiative, consists of several short-term demand reduction programs developed by the New York State Public Service Commission (PSC), the New York Independent System Operator (NYISO), NYSERDA, and the State's investor-owned utilities. The rapid deployment program provides a combination of awareness activities, incentives, and assistance to help consumers reduce their electricity demand during critical peak times. The program offers direct benefits to participants while ensuring reliable electricity system operation and moderating wholesale electricity prices.

The Electricity Assessment, Section 3.4 of the State Energy Plan, describes several actions taken by the State to develop rapid efficiency deployment to meet needs during critical times. In March 2001, the PSC approved several programs designed to

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reduce peak demand for electricity in Con Edison's service area. The PSC also directed all of the State's investor-owned utilities to submit plans to implement customer incentive programs to reduce peak demand. The PSC subsequently approved these programs and tariffs to implement them. These actions allowed ESCOs and utility supply customers to take advantage of new demand reduction programs offered by the NYISO. By the end of August 2001, approximately 680 megawatts of demand reduction had registered in the NYISO's Emergency Demand Response Program that provided as much as 475 megawatts of demand reduction during system emergencies in 2001.

The NYISO's Day Ahead Demand Response Bidding Program similarly provided opportunity for relief during summer 2001, with as much as 375 megawatts of reduction available in a given hour from parties registered to participate in this program.

In addition, the System Benefits Charge programs administered by NYSERDA reduced demand by about 80 megawatts. Additional savings resulted from plans developed to reduce government energy usage during peak periods, from public appeals, and from implementation of other utility programs.

The PSC also required utilities to prepare detailed public awareness plans describing their steps to raise awareness and inform customers on the load and capacity status and describing actions that consumers can take to control their energy use. Special focus was on the business community where the greatest results are expected in the shortest amount of time.

Specific Energy Efficiency Recommendations

Renewable Energy Works

The State Energy Plan fails to adequately address very important energy issues. Ninety-five percent of the State's primary energy is imported amounting to a seventeen billion dollar drain on the economy. The distribution system is vulnerable to devastating weather events and terrorist attack. The burning of fossil fuels for generation and transportation is responsible for air pollution, mounting health problems, acid rain, and global climate change. U.S. DOE reports that our energy distribution system is woefully inefficient, wasting roughly half of our energy inputs. All these deficiencies could be resolved with currently available energy conservation and renewable energy technologies. The Energy Plan should address these important issues. The first step in addressing these issues should be energy efficiency because it is the fastest and most cost-effective approach. Deregulation, while attempting to reduce utility rates, has done

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little to advance the state of energy efficiency in the State. The Energy Plan must change this situation.

Examples of steps to be taken include reinstatement of energy efficiency rebate programs for simple and effective appliance upgrades, such as old inefficient refrigerators and washing machines. New York's voluntary ENERGY STAR® standards reduce a new home's energy consumption by 30 percent. These standards should become the new state energy standards. The low-income weatherization program should be expanded and opened to higher-income families on a cost-shared basis, perhaps with funds from a natural gas system benefits charge.

Great Lakes United

The Draft State Energy Plan should provide financial incentives for energy companies to undertake conservation programs, financial penalties for failure to meet targets, research and development on new efficiency opportunities and a time line for phasing in the highest achievable appliance and equipment efficiency standards, subsidies to support retrofits through, for example, a systems benefit charge.

Ashok K. Trikha

The draft energy plan does not have the short term and the long term vision to grapple with the reality of a dwindling fossil supply. The situation shows a lack of advance planning, a failure to conserve, as well as a failure to install new (energy) sources.

New York will need to change the Plan to show vision, leadership and determination to provide clean and affordable energy. The loudest message to the Draft Energy Plan is to increase energy efficiency in every sector of the economy.

Natural Resources Defense Council (NRDC)

The challenge is to think in a more integrated fashion about the role that demand side measures can play in providing reliable electricity at low cost while protecting the environment. NRDC believes it is very, very important that we fully integrate demand side strategies into our energy policy. That is not happening at this point.

Response: Energy efficiency can contribute to energy security, improve fuel diversity, and reduce environmental emissions. As discussed in Section 3.2, Energy Efficiency Assessment, the State Energy Plan aggressively supports using energy efficiency to help New York State deal with these difficult issues.

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New York is already taking some of the steps laid out as examples.

- Numerous programs in New York State provide incentives for energy-efficient appliances, lighting and new homes. The Keep Cool program, which was offered statewide last summer, offered \$75 for each consumer who surrendered their old room air conditioner and replaced it with a new ENERGY STAR® model. Approximately 40,000 old, inefficient air conditioners were turned in as a result of this program.
- New York is in the process of amending its Energy Conservation Construction Code. When the amendments are adopted in summer 2002's energy code for commercial and residential buildings will be among the most progressive in the country.
- NYSERDA has also expanded upon the existing low-income programs that cover households with less than 60 percent of State median income by opening its low-income energy affordability programs up to households with less than 80 percent of State median income.

Utilities are required to collect a System Benefits Charge from electricity transmission and distribution customers. The SBC is collected from all investor-owned utilities, and the majority of the funding is administered by NYSERDA. This approach ensures a more cohesive set of energy efficiency programs than could be offered by individual energy companies.

Citizens Campaign for the Environment

New York State should implement sensible energy efficient outdoor lighting policies.

Green Party Broome County

Thermostats should be set lower in state buildings.

Response: Governor Pataki's June 2001 Executive Order 111 calls for energy efficiency improvements in all State agencies. These entities are required to seek ways to reduce energy use by 35 percent by 2010 relative to 1990 levels. The Executive Order calls for the implementation of efficiency practices for buildings operations and maintenance. These practices could include tuning heating, ventilation, and air conditioning equipment so that it operates more efficiently. Additional information on the Executive Order can be found on in Section 3.2, Energy Efficiency Assessment, of the State Energy Plan.

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Innovative Energy Solutions (IES)

IES feels there should be increased incentives for corporations through rebates or tax incentives to get the people of the State to reduce their energy consumption. Rather than developing new processes to generate power for these communities, controls should be put in all facilities in the State of New York, a regulatory committee set up to provide a benchmark for these people and guide to follow in updating and retrofitting existing facilities. Many people would be put to work doing this.

Response: Several programs offered in New York State provide incentives to encourage the adoption of energy efficiency measures or practices. From 1990 to 2001, more than \$2.9 billion were spent on energy efficiency programs aiming to reduce energy consumption in all major sectors, including corporations. Section 3.2 of the State Energy Plan provides specific information on these programs and their achievements.

The University at Binghamton

Is there a Governor's executive order or something similar to the order signed in 1992 by Harry Spindel [Sp.?] that sets heat and light levels for university buildings. That would be a great deal of help, because if you can pull out a state-signed piece of paper, that helps a lot.

Response: The New York State Energy Conservation Construction Code establishes design conditions for heat and light in all buildings in the State except those in New York City, which has its own building and energy code. For example, the code's lighting power limits set the maximum watts per square foot for buildings. The code also sets maximum and minimum indoor design temperatures for heating and cooling.

Mike Mercincavage

The University at Binghamton has worked with an inventor who has developed an electronic ballast that consumes about 40 percent of what a standard wound transformer ballast uses and has monitoring capabilities in the form of photo diodes or cells that can monitor the ambient light level in the room and automatically adjust. I would like to see a closer relationship between NYSERDA and inventors trying to create something like that.

Response: NYSERDA's Lighting Research and Development (R&D) program works closely with inventors to develop such products and works with New York State manufacturers to develop innovative and energy-efficient lighting products. The Lighting R&D program has helped commercialize over a dozen new lighting technologies. The

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R&D program also helps fund demonstration, testing, and evaluation efforts that would otherwise not be affordable for small to medium-sized companies. In this way, the Lighting R&D Program addresses both technical, informational, and financial barriers to new product commercialization activities.

Frank Bertoni

I believe a program similar to California that gives away energy saving bulbs as well as solar and wind incentives should be a major part of conserving our energy and reducing our dependence on foreign oil.

Response: Several of the energy efficiency programs currently offered in New York State promote the use of compact fluorescent light bulbs. Examples include NYSERDA's Residential Appliances and Lighting and Home Performance with ENERGY STAR® programs and Long Island Power Authority's Residential Lighting and Appliances program. These programs are based on the concept of market transformation or market development. Therefore, rather than simply giving away free light bulbs, these programs promote consumer awareness of the benefits of more efficient lighting and offer incentives to mid and upstream market participants to encourage the purchase of high-efficiency compact fluorescent light bulbs. This approach is expected to lead to greater, more widespread benefits than a simple give-away program.

Several of the energy efficiency programs currently offered in New York State also offer incentives for renewable technologies like photovoltaics (PV). For example, the **New York Energy \$martSM** Loan Fund provides reduced-interest financing for residential and business customers to purchase and install PV systems. The **New York Energy \$martSM** program also trains and assists installers of photovoltaic systems.

Binghamton Mayor Richard Bucci

Binghamton is involved in several energy efficiency projects that were partially funded through system benefits charge programs such as a regional power purchasing alliance of municipalities and various energy reduction strategies such as high efficiency traffic signals. Binghamton encourages you to continue to build on these programs, expand them if you can, and especially in the area of making power generated outside our borders available.

Response: NYSERDA is building on the energy efficiency programs offered during the initial SBC funding period. In January 2001, the Public Service Commission approved another five years of SBC programs (through June 30, 2006) and increased

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funding to \$150 million annually. NYSERDA will continue to offer Technical Assistance programs, including rate analysis and aggregation projects to assist government, schools and other customers with installing metering and other equipment to enable aggregated commodity purchase.

Cancer Action

The word conservation does not appear very frequently in the State Energy Plan. Specifics are lacking in the State Energy Plan . For example, agriculture and dairy farming are not addressed. If New York State government were to provide tax credits for the infrastructure changes that are made by farmers to conserve energy, something specific and significant would be addressed.

There should be an educational feature in the State Energy Plan, educating people of the need to conserve. For each school group, grade one through grade twelve, one additional teacher would be hired for every 75 students to teach a class in Environmental Science, Conservation, and Ecology – whatever would be appropriate at their level of understanding.

Response: Energy conservation is covered extensively in the State Energy Plan's discussion of energy efficiency, Section 3.2.

Energy efficiency in agriculture and dairy farms is addressed through the SBC-funded Technical Assistance Program and Loan Fund. Farmers are provided with cost-shared professional studies to help identify opportunities to improve efficiency and reduced-interest financing to install energy efficiency measures like variable speed drives and plate precoolers.

Several of the State's energy efficiency programs have an educational component. An SBC-funded New York solar schools program will provide \$1.75 million to install 50 small photovoltaic systems on schools and develop curricula on solar panels. This program will also involve a coordination system for schools with PV systems to exchange data on how these systems are operating. NYSERDA makes materials available to classroom educators on energy efficiency education for New York State's K-12 children.

Peter King

I would favor a really aggressive approach toward funding for energy efficiency in buildings, especially throughout the State university system.

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Response: All the major energy efficiency programs currently operating in New York State aggressively support energy efficiency in buildings and building systems. The schools and universities of the State University of New York (SUNY) are eligible for assistance through NYSERDA-administered system benefits charge programs and have participated in numerous projects. The State EnVest program is currently involved with projects at several State university campuses, including those at Cobleskill, Geneseo, Stonybrook, and Delhi. State EnVest provides energy efficiency improvements to these facilities through energy performance contracting. For more information on these programs and assistance for educational facilities, refer to NYSERDA's web site at www.nyserda.org.

The New York Power Authority has invested nearly \$110 million in more than one hundred energy efficiency projects at SUNY and City University of New York campuses and at community colleges.

Raise Per Capita Spending for Energy Efficiency

Environmental Advocates

The Draft State Energy Plan should call for an investment in energy efficiency conservation and demand management at a level of \$25 per year, per capita, through the system benefits charge, utility programs, and programs of the New York Power Authority and Long Island Power Authority.

Peter Zadis

The final Energy Plan should increase investment in energy efficiency and clean power.

Western New York Sustainable Energy Association

We should close the gap between New York and other states by raising efficiency spending to at least \$25 per person per year. We're now around thirteen in New York State.

UPROSE

The Draft State Energy Plan needs to address the need for reduction, conservation, and increased funding for energy efficiency and conservation programs. The State Energy Plan encourages NYPA and others to build more power plants, instead of concentrating on reducing energy use. New York spends less than half of what

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Massachusetts, Connecticut, and New Jersey spend on a per capita basis on these programs.

Green Party of New York State

We support the establishment of specific goals within the Draft State Energy Plan for energy efficiency including investing at least \$25 per year per capita or approximately 450 million for energy conservation and demand management.

Environmental Advocates

The Draft State Energy Plan should call for an investment in energy efficiency conservation and demand management at a level of \$25 per year, per capita, through the system benefits charge, utility programs, and programs of the New York Power Authority and Long Island Power Authority.

Response: The various states investing in energy efficiency programs have different populations, different baseline levels of energy efficiency, and different program portfolios. Therefore, investments cannot be strictly compared on a per capita basis. New York's investments may be lower on a per capita basis, but the State has a large population, is already the most energy efficient in the continental U.S. (on a per capita basis), and is investing in many commercial and industrial market transformation programs that have significantly larger gains for the investments versus rebate-based programs.

Incentive and SBC Programs

Annie Wilson Miquet

I believe that the energy demand is increasing by one and one half percent and that NYSERDA's budget should be increased to meet or exceed that need.

Battery Park City Authority

Battery Park City believes SBC charges should be increased.

Response: In January 2001, the New York State Public Service Commission extended the system benefits charge (SBC) programs through June 2006 and increased funding from \$78.1 million to \$150 million a year. At this time, the Energy Planning Board is making no recommendations regarding extending and increasing SBC charges.

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New York Chapter Association of Energy Engineers

The State Energy Plan should make a reasoned case for clearly quantified goals and progress milestones for energy efficiency and renewables based on a minimum of \$750 million in system benefits charge (SBC) funding through 2006 and leverage two to three times this amount in private finance. Goals should be expressed clearly in terms of electrical capacity to be achieved (megawatts and gigawatt hours)

Response: Section 3.2 of the State Energy Plan, the Energy Efficiency Assessment, provides megawatt and gigawatt hour projections for the system benefits charge (SBC) funding through 2006. Experience to date with the SBC-funded **New York Energy \$martSM** program indicates that the ratio of external spending to **New York Energy \$martSM** funds is 3.1 to 1. (See *New York Energy \$martSM Program Evaluation and Status Report: Report to the System Benefits Charge Advisory Group – Initial Three Year Program*, January 2002.) For every dollar of SBC funds spent by the **New York Energy \$martSM** program, an additional 3.1 dollars of external investment in energy efficiency is leveraged. While the ratio of external spending to SBC funds cannot be predicted with certainty through 2006, it is expected to be comparable to the first three years of the program.

In addition to the projected program achievements discussed in the Draft State Energy Plan, the State Energy Plan includes measurable goals for energy efficiency for all sectors and fuels of 25 percent below 1990 levels by 2010. The goal for energy efficiency is specified in trillions of Btus of primary energy use per unit of Gross State Product.

New York Chapter Association of Energy Engineers

We recommend that you create a system benefits charge for natural gas. There is no efficiency program for natural gas.

Response: The issue of whether a system benefits charge (SBC) should be created for natural gas was aired and is pending before the New York State Public Service Commission in Case 00-M-0504 – Proceeding on Motion of the Commission Regarding Provider of Last Resort Responsibilities, the Role of Utilities in Competitive Energy Markets, and Fostering the Development of Retail Competitive Opportunities. Electric SBC funds currently support energy efficiency programs to reduce the use of natural gas and petroleum when linked to projects that reduce electricity consumption.

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Executive Order 111

Western New York Sustainable Energy Association

We should strengthen Executive Order 111. Our concern is that it will not be fully and aggressively implemented. The guidelines have weakened in one key respect. The executive order says that all state agencies should reduce energy consumption by 35 percent by the year 2010 compared to 1990, and the guidelines remove that pressure on each agency to do that and just says the State. That's a very big difference. Each agency should be held to that standard.

Better Queens Environment (BOE)

The Governor's Executive Order 111, which requires State facilities to operate with ten percent renewables by 2005 and 20 percent by 2010, is a step in the right direction, but firmer strides need to be taken. The ten and 20 percent goals should apply to all energy generation and consumption, public and private.

Western New York Sustainable Energy Association

The recently released Guidelines for Executive Order 111 are not commensurate with the Order itself. For example, the Guidelines do not apply the Executive Order's requirement that State agencies achieve a 35 percent reduction in energy use by 2010 (compared to 1990) to each agency. This failure eliminates a critical measure of compliance. Also NYSERDA may not be adequately staffing the Executive Order program or conveying to State agencies the requirement that they fully comply with the Order. The great potential of the Governor's directive will be achieved only if the Guidelines are revisited and the program given some real teeth.

Response: Although the energy reduction numbers from each State entity subject to the Executive Order will be rolled up into an overall State average, each entity's performance will be individually reported to the Department of Budget and the Governor's office each year. The 35 percent statewide reduction target is very aggressive and will require the full participation of all State entities that are subject to the Order. Each State entity will be expected to seek these targets individually. The Department of Budget and the Governor's Office will then respond to any State entity that is delinquent in fulfilling the requirements of the Order.

The Executive Order, as issued by the Governor, defined NYSERDA's role as Chair of the Advisory Council. The tasks of the Advisory Council include developing Guidelines and coordinating fulfillment by each State entity subject to the Order.

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With respect to policing implementation of the Order, the Order did not empower NYSERDA to act in that capacity. The Division of the Budget and the Governor's office together will undertake that task during implementation. NYSERDA's role is very clearly stated and is limited to coordinating and facilitating implementation with individual agencies.

Consumption and Other Reductions

Honorable Harriet D. Cornell, Rockland County legislator

A basic flaw of the Energy Plan is underestimating the will of the people and their desire to conserve energy. Specific goals must be stated in the Energy Plan for reduction in energy demand. (See Response on page 10-15.)

Torne Valley Preservation Association

Conservation goals that will have a significant impact on demand should be set with real dates for meeting the goals. (See Response on page 10-15.)

Natural Resources Defense Council (NRDC)

It's important to recognize that there's just nothing in the Draft State Energy Plan that commits the state or directs the State towards a real sustainable energy future. The State should make a commitment to energy efficiency. We should reduce our electricity consumption by at least ten percent by the year 2010. (See Response on page 10-15.)

Scenic Hudson, Inc.

The State should make a commitment to energy efficiency. We should reduce our electricity consumption by at least ten percent by the year 2010. (See Response on page 10-15.)

Great Lakes United

Energy efficiency and conservation is another category we want to address. In terms of conservation, New York State should commit to at least a ten percent reduction in statewide energy demand by 2010, along with interim targets. (See Response on page 10-15.)

Environmental Advocates of New York

Environmental Advocates urges that the Draft State Energy Plan set some specific goals, such as at least ten percent reduction of statewide energy demand relative to the

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2001 by the year 2010. The State Energy Plan should indicate how the goal will be met. (See Response on page 10-15.)

Sustainable Energy Alliance of Long Island

New York State must target more concrete and realistically attainable energy efficient and conservation targets for Long Island as well as New York State. The State must start with an overhaul of residential and commercial building codes that are seriously outdated and contribute to the enormous energy rate that is partially responsible for escalating energy demand in commercial and residential sectors.

The bulk of this initiative must target the growing number of low-income communities throughout the State to reduce and reverse the vicious cycle of energy loss in poorly insulated and maintained homes and apartments. (See Response on page 10-15.)

Sierra Club, Long Island Group; Environment Advocates of New York

The Draft State Energy Plan should include a list of energy goals and specific goals with strategies for reaching them. The goals should increase investment in and stress energy efficiency and conservation. The goals set should be reducing energy demand by ten percent over the next 10 years. It should be expanding investment in energy efficiency, conservation, and demand management.

A portion of this investment, perhaps a third, should be designated for the low-income sector. (See Response on page 10-15.)

Tom Salo

The State Energy Plan should double funding for energy efficiency, conservation and renewable energy sources. (See Response on page 10-15.)

Jo Ann Arcarese

The State Energy Plan should commit to a ten percent reduction in State energy demand. (See Response on page 10-15.)

Sierra Club, NYC Group

The Draft State Energy Plan does not place sufficient emphasis on the use of efficiency and conservation processes. A goal of at least ten percent reduction by 2012 of energy demand should be included. The investment in this program should also have significant portion designated for the low-income market. (See Response on page 10-15.)

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Long Island Neighborhood Network

The Governor should adopt a policy that sends a message to every municipality in the State of New York. Goals should be set to reduce energy usage by 10 or 20 percent, in a graduated way over a series of years. Streetlights could be retrofitted and improved. Government buildings could be retrofitted with geothermal. (See Response on page 10-15.)

Environmental Advocates of New York

The first thing the plan needs to do is increase investments in energy efficiency and conservation. A measurable goal of at least ten percent reduction in statewide energy demand by 2010 should be set through significantly expanding its programs and energy efficiency.

Investments should be made in energy efficiency, conservation, and demand management through the System Benefits Charge, utility programs, etc. A portion of this should be targeted specifically for the low-income sector. (See Response on page 10-15.)

Hudson River Sloop Clearwater, Inc.

The State Energy Plan should include a target of overall energy reduction by 35 percent and 20 percent of electricity generation from renewable resources should be included.

Response: In 2000, energy efficiency program spending in New York State was approximately \$203 million. With the approval of a second round of SBC programs, and the continuation of several existing programs other than the SBC, funding for energy efficiency is expected to rise in upcoming years. In fact, funding for SBC, NYPA and LIPA programs alone is projected to be about \$280 million in 2002. This funding alone is 38 percent more than was spent on all major programs in 2000.

The State Energy Plan includes measurable statewide outcomes for energy efficiency (including improvements in all sectors and all fuels) of 25 percent below 1990 levels by 2010. The expectation is expressed in trillions of Btus (tBtus) of primary energy use per unit of Gross State Product (GSP). This addresses energy efficiency for all sectors and primary fuel used in the State while allowing for continued sustainable economic growth. Achieving this expectation will require significant reductions in energy use and demand. This outcome is expected based on activities that are underway and planned and have a real expectation of being realized.

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The SBC program includes energy efficiency and demand management programs. Nearly 15 percent of the eight-year SBC program budget is allocated to low-income energy efficiency and affordability programs.

Buildings; Building Codes and Standards

Cooperative Coalition to Prevent Blackouts

The State Energy Plan should encompass the objective to educate residents regarding electric capacity in the State. It should support opportunities for residential electric consumers, including those living in multifamily buildings, to form a residential electricity curtailment infrastructure capable of responding to supply and distribution emergencies, and it should stimulate technological and institutional solutions that promote price responsive load management and load control technologies within the multifamily sector.

Response: The Energy Planning Board concurs with the suggestions in the comment. Numerous recommendations in the State Energy Plan support them. See Section 1.3, Energy Policy Objectives and Recommendations, in the Energy Plan.

David Stout

Buildings use about 36 percent of all primary energy in New York State. This use must be included in the Energy Plan . There's no discussions on that subject in the Energy Plan .

The Draft State Energy Plan should require new and renovated buildings in New York State to meet the insulation requirements of the U.S. DOE as shown in their publication called Energy Savers.

New York needs a program to encourage the installation of solar hot water systems on all buildings that use hot water or heated water or processed steam.

Response: New York State recognizes the significance of building energy use. As described in Section 3.2 of the State Energy Plan, New York is currently in the process of amending its Energy Conservation Construction Code. Once the latest amendments are adopted in summer 2002, New York's building energy code will be among the most progressive in the country.

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NYSERDA's **New York Energy SmartSM** programs encourage and provide incentives for the installation of solar hot water systems. The long payback periods on these systems is a barrier that NYSERDA continues to address.

Natural Resources Defense Council (NRDC)

With respect to tighter air-conditioner standards, the State has weighed in on that issue but the State needs to do a lot, lot more than just sending a letter. In terms of the legislative, administrative, and legal struggles going on to get tougher air conditioner standards, the State really needs to step up to the plate on that issue.

Response: The State supports the U.S. Department of Energy's rule setting residential air conditioner standards at the SEER 13 level. In addition, NYSERDA, in consultation with the New York State Office of General Services, is developing minimum efficiency standards for State purchasing. These State standards will cover residential air conditioning equipment purchased by New York State.

NYPA and LIPA Should Commit to SBC Spending

New York Public Interest Research Group

The State Energy Plan laid out why energy efficiency is needed for New York State through demand management programs. LIPA and NYPA need to invest in energy efficiency, conservation, and renewables programs. What I didn't see in the Energy Plan was a call for more energy efficiency funding. Where do we find the money? Through the New York Power Authority and the Long Island Power Authority. The Governor, through the Public Service Commission, practically doubled the systems benefits charge and we should see that mirrored through LIPA and NYPA because these types of programs have worked.

NYPIRG suggests that the New York Power Authority be required to spend 150 million dollars a year, excluding the clean boilers programs for schools, for demand-side management or energy efficiency programs. LIPA should commit \$50 million a year in demand-side management programs developed through collaborative processes with the community, with local energy experts, and with groups – businesses and residents – here on Long Island.

This Energy Plan encourages NYPA and LIPA to build more mini power plants that do not have to go through the formal approval process. To retain an adequate buffer between supply and demand we must increase the funding for energy efficiency and

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conservation programs and renewable power generation from the New York Power Authority and the Long Island Power Authority to \$150 million and \$50 million per year respectively.

Star Foundation

We think Long Island Power Authority should be encouraged to increase funding to produce energy efficiency, conservation, and renewable energy production.

New York State Sustainable Energy Coalition (NYS-SEC) et al.; Stop the Barge

New York must increase the funding for energy efficiency and conservation programs and renewable power generation from the New York Power Authority (NYPA) and the Long Island Power Authority (LIPA) to \$150 million and \$50 million per year, respectively. On a per capita basis, Massachusetts, Connecticut, and New Jersey spend more than twice as much as New York on such programs.

Response: The State Energy Plan calls for NYPA and LIPA each to increase annual investment for energy efficiency programs by 25 percent and suggests that NYSERDA, NYPA, and LIPA continue to coordinate program offerings and delivery of energy efficiency services. See Section 1.3, Energy Policy and Recommendations.

Miscellaneous Recommendations

Pace University School of Law; Pace Energy Project

One of several big questions that the Draft State Energy Plan does not address and that it is imperative that the State Energy Plan answer is how much energy efficiency there should be.

The State Energy Plan should determine the correct amount to be spent on energy efficiency by calculating the costs and benefits on the margin. As long as the private and public benefits of energy efficiency exceed the costs, New York realizes benefits from each additional dollar invested. All the highly significant, but non-monetized, advantages of energy efficiency discussed above should be taken into account. The updated study of New York energy efficiency opportunities being conducted by NYSERDA should be useful in such a calculation.

Response: NYSERDA is conducting an energy efficiency potential study that will determine the technical, economic, and achievable potential for energy efficiency. The technical potential is defined as the upper limit for capacity and output theoretically

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possible, without regard for cost, market barriers, or market acceptability. The economic potential is defined as the cost-effective portion of the technical potential. The achievable potential represents the amount of the economic potential that can be expected under various cases, from the base case that is defined as naturally-occurring efficiency only, to the maximum achievable case that is defined as the most aggressive and ambitious policy support for energy efficiency. The results of this study will help State policy makers determine the correct amount to be spent on energy efficiency. The study is currently underway, but the preliminary technical potential results only are available and will be included in the State Energy Plan.

New York Chapter Association of Energy Engineers

Of particular note is the sharp decline in investment in energy efficiency after 1994 (see Table 3, page 3-16). Since 1994, the fall off in such investment has been precipitous. Even with the addition of SBC funds (see Table 5, page 3-18), investment is no more than 50 percent of 1992 and 1993. Comparing these two tables suggests that projected investment is not sufficient to replace the retirement of previously installed measures with assumed ten-year lives. In other words, the Energy Plan actually shows a decline in electric reductions realized through energy efficiency through 2006. Certainly this implication of the Plan is contrary to policy objectives and requires specific address.

Response: Investments from the early 1990s cannot be compared to those post-1998. The nature of energy efficiency programs changed significantly with the advent of the System Benefits Charge. Programs in the early 1990s, and before, focused on demand-side management and one-time transactions, whereas the market transformation programs beginning in the late 1990s focus on building the supply chain and increasing consumer demand to bring about more widespread adoption of sustainable energy efficiency products and services. For example, the majority of projected electricity savings shown in the State Energy Plan for NYSERDA System Benefits Charge programs include only direct program participants. The more widespread energy efficiency work that is expected once markets are fully developed would have to be added to the savings shown once these data are available. Therefore, once markets are fully developed, the actual electric reductions realized through energy efficiency through 2006 and beyond could be greater than those achieved in the early 1990s.

Alix Cooper

The State's long term energy plan must be one that focuses on energy conservation and efficiency rather than excess reliance on oil and nuclear power.

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Response: The State Energy Plan aggressively supports continued investments in energy efficiency and renewable energy. Increased energy efficiency and renewable energy will ultimately result in greater energy diversity and will reduce the risks associated with single fuel dependency and price volatility. Although aggressive in its support for energy efficiency and renewables, the State also supports the continued safe operation of nuclear, coal, natural gas, oil and hydroelectric generation as part of a diverse portfolio of electricity generation resources.

Better Queens Environment (BOE)

SBC money also funds “Environmental Monitoring and Analysis,” with a budget of \$2.4 million per year. The current focus is on emissions from combustion technology and on “understanding the role of local . . . air pollution . . .so that more equitable control strategies can be developed.” Which we understand to mean funding for university research projects. Cumulative effects of power plant and other emissions must be included in any attempt at understanding the issue and promoting equity. If community groups are not made partners in these SBC-funded ventures, they cannot succeed. BQE recommends that community groups share a role with funded university researchers in the creation of research agendas.

Response: NYSERDA welcomes input from community groups in developing its research agenda for the Environmental Monitoring, Evaluation, and Protection (EMEP) program. In September 2001, NYSERDA held a conference in Albany that was attended by over 200 people, including many public interest, environmental, and advocacy groups. At this conference NYSERDA held a scoping session to develop a research agenda for the EMEP program. NYSERDA then posted the draft EMEP research plan on the NYSERDA Web site (www.nyserda.org) for public comment. Although the due date noted in the EMEP posting has passed, NYSERDA would still welcome your comments as the research plan is meant to be an evolving document. NYSERDA also meets once a year with environmental public interest groups to discuss programs and opportunities for collaboration.

The EMEP program has a strong advisory structure that includes several public interest groups and organizations involved in community environmental issues, including the Center for Clean Air Policy, the Pace Energy Project, and the Northeast States for Coordinated Air Use Management (NESCAUM). In addition, through EMEP, NYSERDA is launching a new program to develop low-cost air quality monitors to address local and regional air pollution issues. NYSERDA expects to issue a solicitation in this area in June 2002. This effort is being done in coordination with the California Air

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Resource Board, who is similarly interested in providing better data on air pollution. As part of this study NYSERDA is looking at effective ways of communicating air quality monitoring data to the general public. Several EMEP projects include aggressive community outreach and involvement. Included are an ongoing study of asthma in New York City that involved several meetings with community groups and a new study looking at nitrogen pollution in the northeast. The latter effort has sizable resources dedicated to communicating findings to the general public through a variety of outlets. NYSERDA and NYPA contributed to a major NESCAUM Clean Air Community Program at the Hunts Point Market Truck Stop to reduce local pollution through truckstop electrification. NYSERDA also teamed up with Clean Air Communities for a natural gas delivery truck program for Manhattan Beer Distributors.

Critical Comments

Diane A. Davis

With respect to the Green Buildings and FlexTech Programs, the Draft State Energy Plan does not mention the additional 10 to 30 percent cost to owners who are implementing these programs. What are the incentives to use these programs?

Response: In most cases, energy efficiency upgrades come with additional up-front costs. However, many incentives are available to implement energy efficiency measures.

First, both the FlexTech and **New York Energy \$martSM** New Construction Program (including Green Buildings) offer incentives to help defray the additional up-front costs. The FlexTech Program provides cost shared technical studies to help building owners to identify potential energy efficiency upgrades. If the owner decides to implement the recommended energy efficiency measures, they will be reimbursed for their share of the study costs. Owners choosing to implement the energy efficiency measures recommended by the FlexTech study can also receive financial incentives or reduced-interest financing through NYSERDA's other programs. Under the **New York Energy \$martSM** New Construction Program, NYSERDA provides technical assistance to building owners and financial incentives to cover up to 80 percent of the incremental cost for high efficiency measures in buildings that qualify as green under the federally established Leadership in Energy and Environmental Design (LEEDTM) program.

Perhaps the most important incentive, however, is the long-term cost effectiveness of implementing energy efficiency upgrades. All of the measures supported

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by the **New York Energy \$martSM** program have been screened for cost effectiveness. Therefore, any additional up-front costs that are not defrayed by SBC incentives will be recouped by the building owner over the lifetime of the energy efficiency measures.

Diane A. Davis

The Leadership in Energy and Environmental Design (LEEDTM) Program is adding ten percent to 30 percent to the cost of construction projects thus costing jobs among design community professionals.

Response: Adding high-efficiency measures to qualify for the LEEDTM program can increase the initial cost of construction projects. However, these additional up-front costs will be paid back by the cost savings that accrue due to decreased energy consumption over the lifetime of the measures. Incorporating high-efficiency measures into building design is a value-added service that architecture and engineering firms can provide to their clients, thereby increasing their overall profitability. Demand for energy efficiency can actually help to create and retain jobs. For example, the \$201 million committed during the first three years of the **New York Energy \$martSM** program is expected to result in annual bill reductions of nearly \$120 million and the creation or retention of more than 2,300 jobs. These jobs are in the service and retail sectors and will be sustained for the lifetime of the energy efficiency measures.

Mirant New York, Inc.

Demand-side management ultimately is something that should be undertaken by market participants in response to proper price signals. Recognizing that there may be reason for government to encourage demand-side management at this time, the Draft State Energy Plan should look toward the future and recommend ways to phase out government's role in this area.

Response: As noted in the Energy Efficiency Assessment of the State Energy Plan, the demand-side management programs of the investor-owned utilities have been phased out and replaced with System Benefits Charge programs that primarily focus on market transformation. The **New York Energy \$martSM** market transformation programs, including Premium Efficiency Motors, New Construction, and Home Performance with ENERGY STAR[®], aim to build long term consumer demand for energy efficiency while developing the infrastructure of energy efficiency product and service providers. Where DSM programs provided incentives for one-time transactions, market transformation programs build networks of allies and build awareness and knowledge among consumers with the ultimate goal of changing practices so that energy efficient

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practices are adopted by the market. The **New York Energy \$martSM** market transformation programs include baseline measurements and follow up studies to assess the level to which energy efficiency is being adopted by market participants. Exit strategies are also considered for when market is fully developed and the level of energy efficiency can be sustained in the absence of government intervention.

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11. Renewables

Wind

New York State Tug Hill Commission

The Public Service Commission order regarding the merger of Niagara Mohawk and National Grid sets the stage for a possible additional power line to the Tug Hill Region to handle potential wind energy development. There is considerable local interest in the proposal proceeding. To assist in this matter, the Tug Hill Commission is ready to work with NYSERDA and others in further assessment of the wind energy development potential of the Tug Hill region.

Response: The State Energy Plan includes numerous recommendations for promoting and supporting renewable resources and technologies and wind generation, in particular. NYSERDA has made a major commitment to wind generation and welcomes opportunities to work with public and private partners.

New York State Tug Hill Commission

The provision to allow local taxing jurisdictions to opt out of the wind and solar property tax exemption of section 487 of the State's Real Property Tax Law and the provision for local taxing jurisdictions to opt out of the exemption provide two policy extremes for wind energy development *i.e.*, either provide for total exemption or tax fully. Payments in lieu of taxes (PILOTs) provide a middle ground that is economically feasible for the sorts of wind projects recently built in the State and those now being proposed for Tug Hill. Section 487 does not provide clear authorization for PILOTs, and such authorization might facilitate wind energy development, especially in multiple taxing jurisdiction situations. The State Energy Plan might incorporate such a recommendation.

Response: Changes in tax law are under the purview of the State Legislature. Research is being conducted by the New York State Department of Tax and Finance into the feasibility of providing a tax credit for investment in renewable electric generation capacity.

Jennifer Bostaph

More information is needed on the Madison County Wind Farm in the Draft State Energy Plan. (See page 2-166.) There should be information on how the public reacted to having a wind farm built in their community, where in the community it was built, and

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how much energy is given off. Making more information available would help increase the growth of wind farms across the State.

Response: Information on the Madison County Wind Farm is available at NYSERDA's web site (www.nyserdera.org) and at Wind Power New York (www.awea.org/WPNY). The references are included in the State Energy Plan.

Lake Shore Environmental Action of Wolcott

Wind power should receive at least the level of tax subsidy as photovoltaics in New York.

Response: Tax subsidies or tax credits require legislative action. Consideration is being given by the New York State Department of Tax and Finance with respect to the feasibility of providing a tax credit for investment in renewable electric generation capacity.

Green Party

With respect to wind power, the draft State Energy Plan, on page 3-42, notes that bird collisions are one of five potential impacts of windmills. This statement about windmills is obsolete. All new wind farms are more carefully sited to significantly mitigate any effects on local bird populations.

Response: The comment is correct that, when new generation technologies are used, bird collisions are no longer barriers to siting of wind power. The State Energy Plan reflects this understanding. See Section 3.3, Renewable Energy Assessment.

American Wind Energy Association (AWEA)

We should set a State goal of 1,000 megawatts of wind by 2010. It is not a sustainable policy for us to adopt a plan when it calls for a 72 percent increase in natural gas usage, a 24 percent increase in coal usage, and a 21 percent increase in gasoline. Let's not adopt those.

Response: Rather than single out specific renewable energy resources, the State Energy Plan makes numerous recommendations to increase the availability of renewable-generated energy, including wind. The Planning Board expects the State's share of renewable energy, as a percentage of primary energy use, to increase from ten percent in 2000 to 15 percent by 2020. In addition, recommendations that New York Power Authority and Long Island Power Authority competitively solicit electric capacity from

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renewable energy resources specifically mention wind generation. See Section 1.3 of the State Energy Plan.

American Wind Energy Association (AWEA)

At the federal level, New York should be on the record supporting an extension of the production tax credit for large-scale wind development and, in changes to the Federal Clean Air Act, should support an allocation of emission credits under the cap-and-trade program for renewables.

Response: The State and other partners have supported both a production tax credit for large-scale wind development and changes to the Federal Clean Air Act that would allocate emissions credits under a cap-and-trade program for renewables.

Offshore Wind

Star Foundation

Our organization has been going around doing some missionary work [on offshore wind projects]. There's overwhelming support for this energy generation down here, and, hopefully, the State will provide some guidance, leadership, and money for it. There's going to be a little bit of a regulatory quagmire with the various regulatory agencies. We hope the Draft State Energy Plan could address that and also do things to facilitate [offshore wind].

Response: The potential for off-shore wind is addressed in the *Efficiency and Renewable Energy Potential Assessment* referred to in Section 3.3, Renewable Energy Assessment, of the State Energy Plan. NYSERDA is actively promoting wind energy development in New York by providing support to developers interested in finding possible wind sites. Technical and financial assistance are available.

Bald Eagle Power Company

In this entire 350 page document [the draft State Energy Plan], there is only one mention of offshore wind energy, and that is in a footnote on page 3-61. Bald Eagle recommends the following:

- End users who buy green power should receive a New York State tax credit of 1.5 to 2 cents per kilowatt hours for a period of ten years. The average customer who is not investing in expensive photovoltaics or fuel-cell equipment should be able to benefit by simply being a purchaser of green power.

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- The State Energy Plan should mandate that LIPA spend a meaningful percentage of its R & D funds for major offshore wind energy development, in proportion to what they have spent on other renewable technologies.
- The public has little understanding of renewable energy. We would like to see the inclusion of a more aggressive public education program regarding renewables and in particular the potential of offshore wind power.

Response: Wind energy, whether developed on land or off shore, is important to the State and is being supported. Many strategies for increasing the supply of and demand for renewable energy are represented in the State Energy Plan. NYSERDA has targeted more than \$91 million for renewable energy resources and technologies through the system benefits charge program. More than half of that sum will be used for development of various types of wind energy technologies. With respect to public education, NYSERDA has recently introduced a \$1.5 million program to assist the renewable industry with marketing and education about renewable energy. The program will develop a web site, offer technical seminars and consumer education publications, fund research papers addressing specific renewable energy issues, and conduct general outreach and awareness forums.

Wind energy producers currently receive a federal production tax credit and beginning in 2003, wind energy producers will be eligible for the NOX set aside program. Through this program, each 1.33 gigawatt hours of electricity produced will be certifiable as a one-ton NOX allowance that may be sold on the open market at the prevailing market price. New York State is unlikely to offer a tax credit to purchasers of green power. However, in the near future electricity customers will be informed about the environmental attributes of the power being supplied to them. The information will appear on utility bills and compares nitrogen oxides (NOX), sulfur dioxide (SO₂), and carbon dioxide (CO₂) emissions from generation of the power sold by the customer's supplier with the statewide average. The information will stimulate suppliers to add green power to their mix.

Hydropower

The University at Binghamton

Hydroelectric and biomass and coal co-fired projects that are put into operation after December 31, 2001 should be included as part of the ten percent green energy required by Executive Order 111.

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Diane A. Davis

The Plan is way too myopic and irresponsible in its lack of direction for hydropower.

The University at Binghamton

The State Energy Plan should rethink disallowing hydropower from consideration as a new source of green power, also coal, renewables, wood, and wood paper products.

David Bradbury

The State should encourage development of clean hydropower.

Ashok K. Trikha

It is suggested that a second look at the costs and benefits of hydropower be included in the State Energy Plan.

Response: The Energy Planning Board supports development of all energy resources that are cost effective and meet applicable environmental and other requirements. The Board supports use of indigenous resources, in particular. To the extent that water resources are available, the development of clean hydropower is certainly included as one of the resources that should be considered. The results of the technical assessment portion of NYSERDA's *Efficiency and Renewable Energy Potential Assessment* study are incorporated in the State Energy Plan.

Tidal (Estuary) Power

New York State Sustainable Energy Coalition (NYS-SEC) et al.

New York State has one of the largest estuaries in the continental United States. The Hudson River estuary has tidal flows daily upriver to the Troy dam above Albany, New York. The Hells Gate area of the Hudson Bay has the strongest tidal flows in the entire estuary and actually creates a vortex. Yet, there is absolutely no mention in the State Energy Plan of researching tidal flow power generation in the Hudson River estuary.

This method of producing power would produce completely pollution free power with no fuel consumption or costs. The only costs to produce power in this manner are the original capital costs and infrastructure maintenance.

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Power generation platforms could be located offshore using vast space for combined solar, wind, and tidal flow power generation.

Response: Tidal power is a viable renewable energy resource that at this point in time has numerous problems associated with its use. For example, tidal power suffers from problems matching the supply and demand for the electricity. Depending on the climate, electricity demands peak at particular times throughout the day, often in the morning and in the evening. Because the tides are sinusoidal, matching the possible power output with the times of peak demand is difficult. As a result, tidal power plants usually require a backup system to meet the demand when the tidal plant cannot. These backup plants often operate on fuel oil or natural gas. When the cost of the tidal plant and the backup plant are combined, the option of tidal power becomes quite expensive.

One of the major problems facing the construction of tidal power plants, or barrages, is finance. Once built, a barrage will generally take several decades to repay the investment costs. With conventional power plants, construction is expensive but a significant portion of the overall cost is the cost of fuel, which cost is incurred after the plant has been built. Consequently, some of the cost is deferred until after the plant has started providing income. With renewable power plants, such as tidal plants, nearly all the costs are capital costs. It is often harder to find investment sources when the cost must be covered entirely up front, before any income is returned.

The construction of a large barrage across an estuary would clearly have an effect on the local ecosystem. The most obvious potential impact would be the wildlife, such as the fish and birds. The turbine blades would kill fish if they swam through the water passages of the barrage. Also, estuaries often play host to migratory birds who feed on worms and other invertebrates that are on the exposed mud flats. On the other hand, tidal power plants have a positive effect by reducing the possibility of flooding.

Tidal power stations are already being used in Canada, France, Russia, and China. The largest, on the Rance River in France, generates 320 megawatts of electricity.

Solar, Photovoltaics

Power Light Corporation

Power Light feels there are things that need to be in place for more widespread deployment of photovoltaic (PV) technologies in New York.

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With respect to buy-down money, in order to encourage the private sector to invest in PV, buy down money – money to buy down the initial cost of the system – is the most effective way of getting the private sector involved. NYSERDA has money available, but it is not across the board. We believe a small amount of money, for example, \$30 million for the next five years, be set aside so there is a buy down available at all times. This would encourage about ten megawatts of PV installations per year.

Response: Financial incentives for commercial photovoltaic (PV) systems are available through several NYSERDA programs including PV on Buildings (\$1 million a year budget), the New Construction Program (\$3 million a year reserved for PV), and the **New York Energy \$martSM** Loan Fund. NYSERDA's programs are designed to develop the infrastructure necessary for PV and other renewable energy technologies to be deployed effectively and not to provide directed investment in projects. At an installed cost of \$10,000 per kilowatt, a direct investment of \$30 million in PV generation would procure merely three megawatts of installed photovoltaic capacity. \$30 million will provide substantial assistance in expanding the renewable energy resources industry through leveraging private investment and training. More information about NYSERDA's renewable programs is available from www.nyserderda.org.

Power Light Corporation

With respect to State procurement of photovoltaic electric generation, direct State procurement over the next five years from the New York Power Authority (NYPA) and the Long Island Power Authority (LIPA) would provide a predictable and stable market for the industry. If we know that market was in place, industry would make investments in manufacturing and marketing in New York. But we need to have that predictability.

Response: The State Energy Plan contains recommendations that NYPA and LIPA competitively solicit bids for long-term contracts for the purchase of 100 megawatts each of renewable energy resources. See Section 1.3.

Green Party Binghamton

New York should lead the way and force the million solar roofs initiatives to speed up their projected time lines, developing jobs and businesses in New York to service solar powered customers and producers.

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Jennifer Bostaph

More information should be provided on the Million Solar Roofs Initiative discussed on pages 3-57 of the draft State Energy Plan. Where are the 10,000 roofs going to be installed? Can residential dwellings be part of this initiative?

Response: The Million Solar Roof Initiative is a federal program that promotes solar technologies for commercial and institutional applications. In New York State, Long Island Power Authority has committed to installing 10,000 solar roofs by 2010. As part of its participation in this program, LIPA is working to develop a certification process for PV installers. As part of its **New York Energy \$martSM** programs, NYSERDA developed the Residential PV Program and the **New York Energy \$martSM** Loan Fund to provide incentives for the purchase of residential PV systems and to build the support infrastructure for the technology. Information on the Million Solar Roofs Initiative can be found at www.eren.doe.gov/millionroofs/.

American Lung Association of Nassau-Suffolk

We support the development and deployment of wind and solar. The State should develop a plan to use these sources of energy as well as encouraging programs and policies to make it easier for residents to adopt renewable energy technologies. The State can encourage economic growth by providing funding for manufacturers to locate in New York State.

Response: Section 3.3, the Renewable Energy Assessment, of the State Energy Plan describes NYSERDA's Solar Electric and Wind Product Development Program, that is funded at approximately \$1 million per year and supports New York State manufacturers of renewable energy products with incentives and technical assistance. The State Energy Plan makes numerous recommendations that support renewable energy resources and technologies. See Section 1.3.

David Stout

When considering energy sources, the energy of the sun has to be recognized as the only long-term energy source. A supply assessment in your report needs to be created for that source. The actual use or primary energy source, the sun, and its effects using energy efficient devices must be advocated.

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Pace University School of Law, Pace Energy Project

I would implore you to make the Draft State Energy Plan as customer friendly for solar as possible. We need more dealers, installers. We need to grow the infrastructure in the State. We need to get the word out. We need as much help as we can to make the interconnection process smoother.

Response: The use of solar energy – the sun – via photovoltaics technologies is discussed in the Renewable Energy Assessment, Section 3.3 of the State Energy Plan. The State Energy Plan fully endorses expansion of the State's solar industry through increased research and development and building the solar industry support infrastructure.

Jennifer Bostaph

Passive solar energy is mentioned on pages 3-68. How much is passive solar energy used in NYS? What is the potential for this use? Information on this matter should be distributed to homeowners.

Response: The extent of passive solar energy use in New York State is unknown but there is anecdotal evidence that many passive homes exist, particularly in rural, off-grid settings. This relatively simple technology has broad applicability in residential settings but interested builders and homeowners face problems obtaining conventional financing.

The State Energy Plan calls upon the State to expand its efforts to improve the efficiency of energy generation and encourage use of indigenous and renewable energy resources. One recommendation addresses low-cost, passive building efficiency measures, including passive solar design.

Interconnection Standards

New York Public Interest Research Group

The interconnection and exit fees are exorbitant and need to be eliminated or completely restructured.

Power Light Corporation

With respect to interconnection standards, we need very simple, low, or no cost interconnection to the utility grid. It's a major obstacle. We've fought battles on literally every system we've put in.

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Plug Power, Incorporated

In terms of things that can happen in the energy system, it's important that we look for ways to change the interconnection standards. The most efficient way to operate distributed generation is in parallel with the utility system. This raises a number of regulatory issues that can present barriers to entry for the distributed generation. New York State must eliminate these barriers or risk losing the environmental benefits associated with distributed generation and fuel cells.

Response: The Public Service Commission's (PSC) Standardized Interconnection Requirements for installations with a capacity of 300 kilowatts or less connected to radial distribution systems were finalized in 1999. The document provides for a standard application and contracts along with technical requirements for interconnection with utility systems. The PSC is now proposing several revisions to the standards to further simplify the process, in particular for small photovoltaic systems that are eligible for net metering.

Interconnections within network systems and for facilities greater than 300 kilowatts are more problematic. The PSC staff is monitoring efforts at the national level to standardize and streamline interconnection standards for units larger than 300 kilowatts. While the Energy Planning Board supports further efforts to simplify interconnections, care must be taken before allowing interconnections that compromise public and worker safety and system reliability.

Net Metering

Alfred University

The barriers to installation and connection of residential renewable energy systems ideally should be seamless. Net metering, tax incentives, and rebates for residential photovoltaic systems are welcome, but none of these incentives can be implemented without a signed contract with the utility. I hope the State can reevaluate its net metering law and allow wind generation. (See Response on page 11-12.)

New York Public Interest Research Group

The net metering policy for solar energy should be extended to include wind. (See Response on page 11-12.)

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Harbec Plastics, Inc.

Depending on the size of the distributed generation plant, you need net metering. (See Response on page 11-12.)

Connie Fagnoli

We own a small wind turbine and we've been pushing for net metering for it. (See Response on page 11-12.)

Western New York Sustainable Energy Association

The first recommendation is to accelerate green power development by removing barriers to net metering. Net metering should be expanded to include wind and the ten kilowatt cap should be removed. (See Response on page 11-12.)

Power Light Corporation

Power Light is a leading developer of commercial PV systems in the U.S. Power Light feels there are things that need to be in place for more widespread deployment of PV in New York. (See Response on page 11-12.)

With respect to net metering, the current net metering bill has a cap of ten kilowatts. Ten kilowatts is tiny and, really, in the commercial world, is meaningless. If we want to reach our goals, we need to raise our cap. We suggest it should be raised to one megawatt standard, as was done in California. There is legislation on the federal level in place for one megawatt net metering. It costs the State nothing, it is just a regulatory change. (See Response on page 11-12.)

Green Party Binghamton

A barrier built into the draft State Energy Plan restricts the freedom of New York's electricity customers to participate in net metering programs. While New York is one of 35 states that require utilities to allow residents to participate in net metering programs, New York's net metering program established by the Solar Choice Act of 1997 is limited to 0 .1 percent of the 1996 peak demand. In contrast, Vermont and Ohio have limits ten times greater and twenty states have no limits. New York needs to catch up with the states that do not inhibit the freedom of their citizens to make power.

The draft State Energy Plan states that the New York State Public Service Commissioner will review the current limitations on net metering in 2005. The Green Party urges that this review be moved to the present, near the fifth anniversary of the Solar Choice Act.

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New York's net metering program should be extended to wind energy. (See Response on page 11-12.)

Renewable Energy Works

Removing barriers to net metering should be a major point of the State Energy Plan. Several flaws in the net metering law are responsible for the fact that very few systems have been deployed. The net metering program should be extended to clean, renewable wind power, and the cap of 0.1 percent of the utility's capacity should be eliminated. (See Response on page 11-12.)

Hudson River Sloop Clearwater, Inc.

A more inclusive net metering law should be introduced. Connecticut allows both residential and commercial with no limit.

Response: Net metering was adopted by the New York State Legislature, and the ten kilowatts per unit and the overall capacity cap are set by Law. Any change, including inclusion of wind power, would require legislative action. It may be incorrect to say that increased net metering would cost the State nothing because the benefits that the net metering customers would receive could result in added costs for other ratepayers. The Legislature would need to consider whether it wishes to change the law to increase the overall capacity cap. The Governor currently has a program bill to expand net metering to digesters. In the State Energy Plan, the Energy Planning Board recommends expanding net metering.

Hydrogen

Mike Mercincavage

There's been a lot of hype about a hydrogen-based economy. The hydrogen-based economy described in the State Energy Plan will rely on natural gas. All the natural gas reserves are owned by oil companies. It's a primary source of cheap heating and energy right now. If it were used for powering cars as well as for home heating, the supply and demand curves would show we're going to have a terrific increase in the cost of home heating. There are alternatives to natural gas for the production of hydrogen. We need a cheap way to provide the electricity to break down water. The State Energy Plan could set the direction to find a better way to create hydrogen, through the universities through the State.

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Response: While the goal is an important one, the level of funding necessary to reach technical success is beyond the scope of a single state. The U.S. DOE is devoting research funds in the development of biological and chemical methods to produce hydrogen.

At this point in time, electrolysis of water is an expensive way to make hydrogen. It is technically feasible, but uneconomical without low-cost electricity.

Koganeya Toshiyuki

There should be more emphasis on hydrogen-based energy systems (such as fuel cells) since hydrogen emits water, not carbon dioxide, when burnt.

Response: New York State has made a significant contribution to promotion of fuel cells through NYSERDA's partnership with pioneering Plug Power, LLC. From 1992 to 1997, NYSERDA invested over \$3 million in fuel cell research. In addition, NYSERDA has completed a \$6 million project jointly funded by the Clean Air/Clean Water Bond Act and Plug Power, LLC to manufacture, evaluate and field demonstrate 80 Plug Power fuel cell power systems at various State-owned facilities and locations. The final project report *Field Demonstration of Plug Power PEM Fuel Cell Systems* will be released to the public in June 2002.

Fuel Cells

Key Span

Key Span is the largest servicer of fuel cells in the country. We take issue with references in the study that fuel cell technology is not yet mature. The NASDAQ sign outside this building is operating on 200-kilowatt fuel cells installed and serviced by Key Span. We have two units that have been operating since 1996. They have gone over 40,000 hours now without incident. While we do think that there have been some challenges at different sizes, we don't want to lose the fact that we have had real success.

Response: Although fuel cells are technologically viable, their commercialization potential is currently limited by a number of barriers including their high initial cost. The Energy Planning Board looks forward to, and expects, fuel cells to be commercially viable in the near term. Fuel cells are discussed in detail in Section 3.3., Renewable Energy Assessment, of the State Energy Plan.

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Plug Power, Incorporated

In the Draft State Energy Plan, you talk about solid oxide [fuel cells] as an investment. Plug Power believes that it is more important to invest in Proton Exchange Membrane technology.

Response: The Energy Planning Board in the State Energy Plan does not advocate for specific technologies. Therefore, the reference to the investment potential of solid oxide fuel cells was removed from the Energy Plan.

MTI Micro Fuel Cells Inc.

MTI MFC is dedicated to rapid development and commercialization of direct methanol micro fuel cells. We are pleased to see fuel cells play such a visible role in the draft State Energy Plan. We would request that the focus of fuel used in fuel cells be expanded to more than just gaseous hydrogen and hydrogen rich reformat (see page 3-69 of the draft State Energy Plan). Although hydrogen has long been connected with fuel cells, it is erroneous to assume that hydrogen is the only viable fuel to be used. We respectfully request that direct methanol fuel cells be included in the listing of fuel cell technologies.

Response: Methanol is a viable alternative to natural gas for fuel cells and can be used in conventional fuel cells. However, since methanol currently costs more than natural gas, it is not an economic alternative to natural gas for use in fuel cells that can use either fuel. MTI and others are working on direct methanol fuel cells that could reduce the initial cost and make the product competitive despite the higher cost of the fuel. At the current time almost all work on direct methanol fuel cells is with fuel cells that are extremely small, *i.e.*, cell phone battery size.

Biomass

Diane A. Davis

The State Energy Plan should encourage small business to collect grass and shrubbery cuttings as well as agricultural waste for the use as a steady supply of fuel in biomass cogeneration facilities to produce steam for electricity generation.

Response: NYSERDA's forthcoming *Efficiency and Renewable Energy Potential Assessment* regarding the potential contribution to New York State's energy mix of biomass co-fired with coal and of municipal solid waste-to-energy technologies will be

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finalized in the late summer of 2002. This study will address the economic potential for a number of renewable technologies, including bio-power.

The Energy Planning Board encourages all reasonable efforts to establish a biomass industry in New York State including innovative uses of agricultural and other waste products.

Jerry Michael

New York State has closed all but one of its wood pulp plants, and this is a mixed blessing. From an environmental standpoint, it's probably good news. From an economic standpoint, it's bad news. Is anybody examining the use of biomass for electric generation and to support another important industry – the timber industry -- in the State? Is anyone looking at the impact using biomass as a fuel for electric generation has on the environment?

Response: There are two wood burning power plants in the State and two utilities that are interested in co-firing wood with coal. These plants use clean waste wood products from timber stand improvement activities and the forest products industry. In addition, NYSERDA is working with companies to develop technologies to convert wood into high value fuels and chemicals.

The impact of biomass power on the environment has been explored from a number of different perspectives. The power plant must receive a permit from NYSDEC and thus meet all applicable air quality regulations. Because wood is a renewable resource, generating electric power from wood is considered to have no impact on greenhouse gas emissions. When a clean waste wood resource is used to generate power, the waste is put to an economic use as opposed to being placed in a landfill. With proper forest management, harvesting wood for energy can provide an outlet for low quality trees and provide an incentive for a landowner to take better care of the forest land as opposed to harvesting only the most valuable timber.

Landfill Gas and Methane

Robert Lambert

Methane production from farms and sewage treatment plants should be encouraged as part of the Draft State Energy Plan.

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Diane A. Davis

Do not develop methane from landfills as this will add hydrocarbons into the ambient atmosphere, create additional greenhouse gases and contribute to acid precipitation and global warming.

Response: NYSERDA currently supports methane production on farms and has worked to modify the net metering legislation to include farm-based electricity from methane and to reduce stand-by rates. NYSERDA is also in the process of assessing the potential for generating electricity from sewage treatment plants.

Jennifer Bostaph

The use of landfill gas is discussed in pages 3-66. How many landfills are in NYS? What is their energy potential?

Response: The number of sites and energy potential appears in Section 3.3 of the State Energy Plan. Analyses conducted since distribution of the draft State Energy Plan have identified 18 operational sites, two more than was indicated in the Draft State Energy Plan. A preliminary estimate of total landfill gas electricity generating capacity is 53 megawatts, changed from the figure of 46 megawatts that appeared in the Draft State Energy Plan.

Landfill gas-to-energy projects capture the methane that would otherwise be released into the atmosphere and use it to produce electricity. If not burned or used in some way, methane is a greenhouse gas that produces a negative impact on global warming 21 times greater than that produced by CO₂.

Waste-to-Energy

Integrated Waste Services Association (IWSA); Covanta Energy Corporation

Our concerns are that the Draft State Energy Plan does not include waste-to-energy as an eligible technology for any of the initiatives contained in the plan. [See comments for list of reasons why waste should be considered renewable.]

This March, in fact United States Environmental Protection Agency is due to release an emissions data base of actual emissions from every waste-to-energy plant in the country. We are the only industry to have this kind of data base, and they have told us that the data show that the control technology has exceeded the U.S. EPA's estimates for mercury and dioxin.

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American Ref-Fuel

The State Energy Plan should be compatible with federal statute in relation to waste-to-energy as a sustainable, indigenous power source. Section 3.5 of the Draft Plan should expressly include waste-to-energy (WTE) as renewable. It should either be included as a subset of biomass or be included in the definition of renewable energy or both.

Response: A discussion of waste-to-energy has been added to the Electricity Assessment, Section 3.4 of the State Energy Plan. The State does not consider waste-to-energy renewable at this time.

Integrated Waste Services Association (IWSA)

IWSA is also concerned because the Draft State Energy Plan states that no any new capacity additions will come on line in the State in the foreseeable future. But, in fact, within the last six months, a plant in Onondaga County has expanded its capacity over 50 percent, and more plants in the State are planning to do so. We feel it is very important for the State to include this indigenous, nondepletable energy source in any incentives that the State proposes.

Response: Waste management is an important industry that has yet to fully realize its potential. A recent NYSERDA study, entitled *Internal Working Survey of Landfill Gas-to-Energy Projects in New York State, 2001*, suggests that an additional 18 megawatts of landfill gas generation could be developed. The Energy Planning Board does not categorize waste-to-energy as a renewable energy resource, and while waste-to-energy plants are neither encouraged nor discouraged in the Energy Plan, siting such facilities is subject to applicable State and local laws. Waste-to-energy is included in the Electricity Assessment of the State Energy Plan as a potential resource for New York State.

Independent Power Producers of New York, Inc. (IPPNY)

The State Energy Plan acknowledges that renewables are an important part of the generating mix in New York, but IPPNY believes the benefits of large scale renewable projects need to be emphasized. Waste-to-energy, biomass, wind, and hydropower projects should be encouraged throughout the state. In particular, waste-to-energy technology should not be overlooked.

Response: The technologies mentioned in the comment are the major ones that New York will likely rely on to help meet future energy needs. Mechanisms for

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developing large scale projects are currently being explored or in development. Moreover, the State has established an environmental disclosure program. Through the program, an environmental disclosure label will be attached periodically to utility bills and will show the environmental attributes of the power purchased by the consumer. This is expected to further spur private investment in large-scale renewable projects. As discussed in the previous response, the Planning Board does not categorize waste-to-energy as a renewable energy resource.

Through the system benefits charge program, NYSERDA is working to bring large wind power into the market. NYSERDA programs involve building the demand and the supply of green power by partnering with private companies interested in the renewables market.

New York Power Authority (NYPA) Renewables Projects

Better Queens Environment (BQE)

With respect to New York Power Authority (NYPA) and renewables –

- The Draft State Energy Plan notes that NYPA is prohibited from selling energy for profit in New York State. BQE would like to know whether NYPA is permitted to sell energy for profit outside New York State.
- BQE recommends that NYPA contribute SBC funds to NYSERDA to promote energy efficiency and renewables and to assist low-income citizens. To exempt almost one-quarter of the State's generating capacity from fully supporting these programs, while creating redundant parallel programs, is an inefficient use of the State's resources.

Response: The New York Power Authority (NYPA) is a State-owned, non-regulated utility. It must act in accordance with applicable State and federal legislation. It is permitted to sell power outside New York under Federal Energy Regulatory Commission guidelines as supplies and pricing permit. The State Energy Plan recommends that NYPA increase its annual spending on energy efficiency by 25 percent and cooperate with NYSERDA and the Long Island Power Authority in offering and delivering programs. With respect to SBC contributions, NYPA is not regulated by the State Public Service Commission, the body that has authority over the SBC. NYPA has its own SBC-equivalent programs offered in collaboration and cooperation with NYSERDA.

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Funding for Renewable Technologies

Better Queens Environment (BQE)

With respect to funding for renewable technologies programs, of \$38 billion spent every year on energy in New York State, funding for renewables programs is \$11.6 million per year. This amounts to less than 0.3 percent. According to the Draft State Energy Plan, neighboring states allocate \$68-102 million for renewables. A comparison with European energy priorities is also enlightening. Individual states in Germany (Schleswig-Holstein) and Spain (Navarra) produce 19 and 22 percent, respectively, of their energy from wind alone.

Response: As indicated in Section 3.3 of the State Energy Plan, NYSERDA will spend \$77.5 million between 2001 and 2006 on renewable energy resources and technologies. This is in addition to funds spent on renewables by LIPA and NYPA. NYSERDA's renewable energy programs are designed to address development from multiple perspectives. Rather than directly funding projects, technical and market barriers are addressed. Among major impediments to full implementation of renewable energy resources are lack of demand for green power and lack of a green market infrastructure. For example, at an installed cost of \$10,000 per kilowatt, a direct investment of \$30 million would procure merely three megawatts of installed photovoltaic capacity. \$30 million will provide substantial assistance in expanding the renewable energy resources industry through leveraging private investment and training.

It should be noted that a high percentage of energy from wind generation might be possible in states and regions of the country that have low loads and unlimited land for installation of wind production. This is not the case in New York State.

Better Queens Environment (BQE)

The **New York Energy \$martSM** programs, which are funded by the system benefits charge, fail to adequately promote renewables. It is our understanding that the **New York Energy \$martSM** programs offer loans and direct incentives to industry but only tax incentive based programs for private homeowners. Only 179 homes have participated in the first year of the program. BQE feels that loans and grants should be made available to qualifying low-income participants.

Response: NYSERDA is working to develop the infrastructure for manufacturing renewable technologies and supporting the renewable industry rather than simply providing rebates or one-time incentives. The State is supporting development of

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photovoltaic systems that are of high quality and that engender positive public response as opposed to systems that fail, leading to negative publicity. Section 3.3, Renewable Energy Assessment, contains information about State programs and contains a table showing the distribution of funding for various sectors. Incentives are provided for all sectors.

Diane A. Davis

New York State must give more incentives for owners and designers to use, such as cheaper construction loans, tax credits, etc. What about legislation requiring all new and retrofit residential and small commercial projects to incorporate solar collector panel technology?

Response: The **New York Energy \$martSM** Loan Fund Program, described in Section 3.3, Renewable Energy Assessment, of the State Energy Plan, provides interest reductions on loans for residential and commercial customers who install energy efficiency improvements and renewable energy systems. The Home Performance with ENERGY STAR® program also provides reduced interest on loans for energy efficiency improvements and renewable energy systems for one- and two-family homes.

Gaining support for legislation mandating solar collector panels might be problematic because the costs of such systems currently exceed conventional systems and would increase housing costs. This is an issue for the State Legislature to address.

Diane A. Davis

Tax credits should be instituted for non-polluting alternative energy sources .

Environmental Defense

The State should expand its tax credit program to foster construction and retrofitting of the most energy efficient buildings with renewable generating capacity.

Response: While New York does not offer a tax credit for energy-efficient retrofits, a 25 percent tax credit is available for photovoltaic systems. Consumers can also use the **New York Energy \$martSM** Loan Fund to finance energy efficiency and renewable energy projects.

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Renewable Targets

Great Lakes United

Great Lakes United sees no statewide targets for renewables unless it is the 1.9 percent by the year 2020 which is laughable. The consensus goal of many groups working on this across the Great Lakes region is 20 percent renewables by 2020. This does not include hydropower, which, because of its many impacts on the fresh water ecosystem, must be treated separately.

Erin Cala

In the Draft State Energy Plan there's a goal for New York State to have only one percent of its energy provided by renewable energy by 2020. This is unacceptable. This percent must be drastically increased. Governor Pataki's Executive Order 111 requires that State agencies purchase 20 percent of their power from renewable sources by 2010. The Draft State Energy Plan is in direct contradiction to this objective.

Lois M. Sturm

This State Energy Plan pays lip service to renewable energy, but in fact only projects an increase in renewable energy's production from one percent to two percent by 2020. And ninety percent of that renewable energy is hydroelectric, which energy experts do not consider sustainable.

UPROSE

The Draft State Energy Plan needs to commit to renewable power, such as wind and solar, which are clean and sustainable sources. Two percent of all power generated in New York coming from renewables is not adequate or acceptable.

Response: Expanding the supply of renewables requires an increase in demand for renewable energy. With the Governor's Executive Order 111, New York State is leading by example in creating market demand.

NYSERDA is working to bring green power marketers into New York and to build new renewable power supplies. Moving into a competitive retail power market will enable consumers to select the electric power mix that has the attributes they desire.

The State Energy Plan includes several recommendations that address this issue. The possibility of an investment tax credit for renewable electric generation capacity is also under consideration by the State.

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The State Energy Plan includes as an expected outcome a 50 percent increase in primary energy use from renewable energy resources by 2020.

Green Pricing

Alfred University

Alfred University would like to see a statement supporting utility green pricing programs similar to the program that was recently announced by Niagara Mohawk and encouragement for other utilities to offer green power to their customers.

Janet Allen

We need to have the opportunity to purchase green energy. We need to provide tax and other incentives for consumers to choose clean, renewable energy and to conserve. Please make conservation and clean renewable energy the focus of New York State's Energy Plan.

American Wind Energy Association (AWEA)

NYPA should incorporate wind energy into its overall portfolio by seeking competitive bids for the purchase, through long-term contracts, of the output of large-scale wind turbines.

R.G.S. Energy Group/Rochester Gas & Electric Corporation

The State should encourage the development of renewable technologies that are reliable, sustainable, and price competitive with other energy products. Consistent with New York's goal of reducing energy costs, the State Energy Plan should not encourage the financing of these developments through market preferences, consumption supply quotas, or energy taxes and assessments.

Response: The State Energy Plan presents a balanced assessment of the resources available today and those that may be available in the future. The Energy Plan clearly supports development and deployment of clean renewable and demand reduction technologies that are cost effective, in the public interest, and sustainable without long-term subsidies.

The Energy Planning Board supports all programs that will make green power options available for customers. Programs such as those offered by Niagara Mohawk, coupled with the Public Service Commission's Environmental Disclosure program, and other proposals identified in the State Energy Plan, will encourage private-sector

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investment in renewable technologies. In particular, the Energy Plan establishes a renewables expectation for the State, recognizes the Governor's Executive Order 111 calling for purchases of renewable energy by State Government buildings, and calls for both the New York Power Authority and Long Island Power Authority to solicit renewable power from the competitive market.

Miscellaneous Recommendations

Ashok K. Trikha

During the 1990s, wind became the world's fastest growing renewable energy source, expanding at an average annual rate ranging from 22.6 percent to 30 percent. The Draft State Energy Plan does not show a similar growth rate for renewable energy at the present time or in the future.

Response: An assessment of the technical, economic, and achievable potential of all renewables is provided in the *Efficiency and Renewable Energy Potential Assessment* referred to in Section 3.3 of the State Energy Plan.

Koganeya, Toshiyuki

A change should be made to “3. Increasing energy diversity in all sectors of the State’s economy through greater use of energy efficiency technologies and alternative fuels” (page 1-12) should be changed to “3. Increasing energy diversity in all sectors of the State’s economy through the greater use of energy efficiency technologies and alternative energy resources “ The word “fuels” is inadequate when it involves solar and wind energy.

Response: The recommended change appears in the State Energy Plan.

Diane A. Davis

There is no mention of the Stirling engine in the Draft State Energy Plan.

Response: Stirling engines are adaptable to using many types of energy inputs. All they require is a heat source that could be a solar collector or a burner fueled by low-quality digester gas. Stirling engines also have the highest theoretical efficiency of any engine yet devised. Implementation of the technology has been challenging because of cost and other factors, but various companies are active in continued development efforts. To date the best applications for Stirling technology have been in situations where the Stirling’s “omnivorous” appetite for heat, combined with its high efficiency, have made it

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uniquely capable for a specific application. When Stirling engines have tried to compete head-to-head with conventional engines using conventional fuels, the Stirlings typically have lost because they tend to be larger, heavier and more expensive. NYSERDA has sponsored numerous projects that employ Stirling engines and continues to evaluate proposals that use this technology.

Babylon Greens, Town of Babylon

You have crunched a lot of numbers but there are no projections for possible wind energy, possible geothermal, for possible solar in here [the draft State Energy Plan].

Response: The potential contributions of wind, geothermal, and solar energy to New York State's energy mix are currently being evaluated as part of NYSERDA's *Efficiency and Renewable Energy Potential Assessment*. The impact of wind energy is addressed in the Electricity Assessment, Section 3.4 of the State Energy Plan.

General Support for Renewables

Susan Caumont

We are at the end of an era, the oil era, and at the beginning of a new era, the era of renewable energy. Now is the time to turn to build energy sustainability. There are technologies we can grow at home and export nationally and internationally. New York State can be a leader in renewable energy technologies. (See Response on page 11-26.)

Citizens Campaign for the Environment

New York State should offer the opportunity for members of the private sector to partner with the State in the purchase of renewable power, thereby increasing the cost advantages and market development potential. (See Response on page 11-26.)

Melanie Golden

It's clear a great amount of time and effort went into developing the State Energy Plan and I applaud many of its conclusions and recommendations. The State Energy Plan does not go far enough in outlining ways renewables can become part of our future. It does not go far enough in stating ways we can accomplish this. (See Response on page 11-26.)

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Citizens Campaign for the Environment

New York State should offer the opportunity for members of the private sector to partner with the State in the purchase of renewable power, thereby increasing the cost advantages and market development potential. (See Response on page 11-26.)

Great Lakes United

The State Energy Plan presents no collaborative strategies for changing regulations that currently do not favor renewables or for overcoming barriers including interconnection and higher costs of renewables.

New York State should commit to removing the blocks and providing the incentives that could even the playing field for renewable energy. Strategies could include support for low or no interest loans to finance new renewable energy based construction and manufacturing, tax incentives on renewable energy components requiring energy producers to use full-cost accounting including environmental and social externalities and revisiting the stranded asset and stranded debt calculations used to bail out the nuclear industry. (See Response on page 11-26.)

New York State should establish building code guidelines that will accommodate and provide for a renewable future such as passive solar. (See Response on page 11-26.)

EnergyPlus Cooperative of the Southern Tier and Finger Lakes

The State Energy Plan mentions the need for increasing the use of renewable energy sources, no clear targets are set and no mention is made of the need to develop the demand side of the renewable market. (See Response on page 11-26.)

The State Energy Plan should address the need for public resource support in creating the market for green energy. (See Response on page 11-26.)

Mary Griffin

Education about renewables is important and ENERGY STAR® Programs are crucial. (See Response on page 11-26.)

Irmgard Seidler

Develop renewable energy plants in New York. (See Response on page 11-26.)

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Wedlyne Guerrier

New York State should increase the funding for research in the field of renewable energy. With more research, the cost of renewable energy will decrease. (See Response on page 11-26.)

Ron Kamen

Move away from fossil fuel and nuclear power towards renewable energy sources. (See Response on page 11-26.)

Elizabeth Cunningham Smyth

I want research and development of alternative, sustainable, and non-polluting energy sources. (See Response on page 11-26.)

Leah Rosenberg

Why are we relying so heavily on fossil fuel in our energy plan when the ideas of solar power and wind power are in the air? Why are we not putting our resources and funding into researching these alternative power sources? (See Response on page 11-26.)

Ashok K. Trikha

New York should consider alternative sources of renewable energy and plan the same to avoid a situation of installing the natural gas fired generating plants. (See Response on page 11-26.)

Ann Link

The State should put its biggest efforts in solar and wind power since they are least harmful to the environment. (See Response on page 11-26.)

Chenango North Energy Awareness Group

We advocate phasing out fossil fuel use and retiring nuclear power. The State Energy Plan makes a lot of words endorsing energy conservation but it doesn't translate them into reality. Specifically we must promote photovoltaics, small-scale hydroelectric plants, tidal power, wind power, solar thermal systems, and fuel cells.

Response: At this point in time, non-hydropower renewable energy resources provide less than two percent of the electricity generated in New York State. The State Energy Plan supports aggressive promotion of renewable generation, primarily wind. With the advent of retail choice in electricity, however, customers will be able to buy a given resource, including renewables, if they desire. A major goal of the State Energy

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Plan is to ensure a reliable supply of power through use of diverse energy resources including fossil fuels and nuclear.

The State Energy Plan repeatedly calls for promotion of renewable energy resources.

- Renewable energy as a percentage of primary energy use is expected to increase from ten percent in 2000 to 15 percent by 2020.
- The State should competitively solicit 60 to 120 megawatts of renewable electricity generation to meet the requirement of the Governor's Executive Order No. 111 that up to ten percent of State facilities' electricity to be provided from renewable resources by 2005 and 20 percent by 2010.
- The New York Power Authority (NYPA) and the Long Island Power Authority (LIPA) should competitively solicit bids for long-term contracts for the purchase of 100 megawatts each from renewable energy resources and that they each increase their annual investment on energy efficiency by 25 percent.
- NYSERDA should examine the feasibility of a statewide renewable portfolio standard (RPS) for electricity generation, assess its economic impacts, determine how it would work in restructured, competitive electricity markets, and explore how it would contribute to the goals enunciated in the State Energy Plan.
- Increased use of indigenous fuels and renewable-based electricity generation should be encouraged through appropriate regulatory reform initiatives, application of net-metering programs, continued reviews of interconnection requirements, consolidation and expansion of tax incentives, and development of the renewable fuels industry.

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12. Renewable Portfolio Standard

Environmental Advocates

What would be the effect of implementing a Renewable Portfolio Standard in New York? What would be the concerns for price and liability? Other mechanisms for reaching a ten percent goal for new renewables should be examined and analyzed and the effects looked at. (See Response on page 12-6.)

American Wind Energy Association (AWEA)

The State should move as quickly as possible on instituting a Renewable Portfolio Standard, either through the Public Service Commission or, if necessary, through amendment of State statutes. (See Response on page 12-6.)

Alternative Power, Inc.

The government needs to implement a Renewable Portfolio Standard. (See Response on page 12-6.)

Hudson River Sloop Clearwater, Inc.

The Energy Planning Board should implement an aggressive Renewable Portfolio Standard. Only by doing so will the Planning Board motivate energy companies to shift to renewable, sustainable energy generation. (See Response on page 12-6.)

Annie Wilson Miquet

I would suggest that New York State increase the Renewable Portfolio Standard to a level that would displace the demand need. (See Response on page 12-6.)

Alfred University

Executive Order 111 is essentially a mini-Renewable Portfolio Standard (RPS), and we should expedite a larger RPS for the State. (See Response on page 12-6.)

Environmental Advocates of New York

One of the best ways to ensure that we make progress towards renewable energy growth is to have a Renewable Portfolio Standard (RPS) like twelve other states. The State Energy Plan should include a recommendation at the very least an analysis of how an RPS could be implemented and what the effects of implementing it in New York State would be. (See Response on page 12-6.)

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Environmental Advocates of New York

New York needs a Renewable Portfolio Standard (RPS). The twelve other states that have RPSs should be studied and specific recommendations adopted. We believe a requirement that ten percent of electricity sold in New York should be from renewable sources. (See Response on page 12-6.)

Scenic Hudson, Inc.

Scenic Hudson, Inc. believes New York needs a Renewable Portfolio Standard with a requirement that ten percent of electricity sold in New York should be from renewable sources. (See Response on page 12-6.)

New York City Environmental Justice Alliance

The State Energy Plan was extremely disappointing in that there is no Renewable Portfolio Standard. (See Response on page 12-6.)

Fred Elmer

We favor renewable energy sources. The potential is greater than in California and New York State has so far made a puny beginning. One way to set things straight is to introduce a Renewable Portfolio Standard. Other policy options that should be considered are State power purchase agreements, small wind energy net metering and tax credits, emission credits, and easy transmission access. (See Response on page 12-6.)

Renewable Energy Works

Clean renewable energy can replace a significant portion of our imported energy, provide local jobs, and stimulate the State's economy. Distributed renewable energy has the added benefit of reducing our vulnerability to potentially devastating power interruptions. New York should join with twelve other states in implementing a Renewable Portfolio Standard (RPS) and New York's RPS should commit the State to getting at least ten percent of its electricity from new, local, non-hydro renewable energy resources by 2010. (See Response on page 12-6.)

Environmental Advocates

Environmental Advocates would like to see ten percent of New York State electricity needs be met by new renewable sources, or if you count existing hydropower, between 25 and 30 percent by 2012. At the very least, this should be analyzed in the plan. (See Response on page 12-6.)

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New York Public Interest Research Group (NYPIRG)

The draft State Energy Plan does not go far enough in creating steps and mechanisms to increase the use of renewable energy technologies beyond two percent by the year 2020. New York needs a Renewable Portfolio Standard (RPS). NYPIRG and the environmental community are calling for a ten percent RPS. (See Response on page 12-6.)

Western New York Sustainable Energy Association

The first recommendation is to accelerate green power development by implementing the renewable portfolio standard (RPS) and that you look for ten percent of our electricity from renewables as a result of an RPS by the year 2010. (See Response on page 12-6.)

Natural Resources Defense Council (NRDC)

The State should really make a commitment through an Renewable Portfolio Standard or any mechanism that we get at least ten percent of our electricity from renewable energy sources by 2010. (See Response on page 12-6.)

New York Public Interest Research Group

It would be wise to use the State's abundant untapped renewable energy resources by instituting a ten percent renewables portfolio standard that would require ten percent of the State's electricity to be generated by new technologies such as wind and solar. (See Response on page 12-6.)

Sierra Club, Long Island Group

New York should follow suit with the twelve other states that have established a Renewable Portfolio Standard or requirement to energy marketers and distributors including a set percentage of electricity from clean renewables of perhaps ten percent of the portfolio standard by the year 2012. (See Response on page 12-6.)

New York State Sustainable Energy Coalition (NYS-SEC) et al.

The Draft State Energy Plan relies heavily on traditional fossil fuel technology while by 2021 renewable technologies are projected to constitute less than two percent of all power generated in New York. New York should institute a ten percent Renewable Portfolio Standard like other states that would require ten percent of the State's electricity to be generated using alternative technologies such as wind, photovoltaics, and fuel cells. (See Response on page 12-6.)

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Sierra Club, NYC Group

Numerous other states have developed programs to promote the development of clean renewable electric generation, the Renewable Portfolio Standard. New York State should also establish this requirement, and it should mandate that at least ten percent of the energy sold in New York should come from clean, renewable sources such as wind, solar, and sustainable biomass within 10 years. (See Response on page 12-6.)

Environmental Advocates

Executive Order 111 calls for ten percent of the State facilities' electricity to come from renewable resources by 2005 and 20 percent by 2010.

Why not set a similar goal for all the State's electricity?

New York needs a Renewable Portfolio Standard that requires that by 2012 ten percent of the electricity sold in the State be from new, clean, and renewable sources, such as wind, solar, and sustainable biomass.

The State Energy Plan should recommend a Renewable Portfolio Standard for New York. (See Response on page 12-6.)

Bald Eagle Power Company

The State must adopt a renewables portfolio standard requiring Long Island Power Authority and other utilities to use renewable energy sources. The RPS should apply to New York State agencies. Renewables should not have to compete on price with traditional power. The State Office of General Services (OGS) told Bald Eagle that is the State policy to accept only the lowest bid on all energy. With the OGS policy in place, it is unlikely that the Governor's mandate for 20 percent renewable energy will be met. (See Response on page 12-6.)

Stop the Barge

The Draft State Energy Plan relies heavily on traditional fossil fuel technology to generate electricity while, by 2021, renewable technologies are projected to constitute less than two percent of all power generated in New York. New York should institute a ten percent Renewable Portfolio Standard (RPS).

According to one of the technical advisors of Communities United for Responsible Energy (CURE), fuel cell technology could provide up to 1000 megawatts of power at the eleven sewage treatment plants alone in New York City and, at the same

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time, recycle methane that is now burned off. Alternative technologies like wind and solar could provide new businesses and jobs with an incentive program at the State level. With these sorts of straightforward renewables, we could achieve a greater than ten percent RPS in the next twenty years. This provision should be included in the State Energy Plan. (See Response on page 12-6.)

Power Light Corporation

Power Light supports a Renewable Portfolio Standard (RPS), but, for solar, it has to have some kind of solar mandatory component in order for it to be worthwhile to us. Some RPSs we think are good are those in Texas and Nevada. (See Response on page 12-6.)

Melanie Golden

The State Energy Plan should include a specific recommended Renewable Portfolio Standard. (See Response on page 12-6.)

Rockland Close Indian Point

Rockland Close Indian Point supports a Renewable Portfolio Standard. (See Response on page 12-6.)

Jo Ann Arcarese

The State Energy Plan should commit to ten percent of the State's electricity from renewable energy sources. (See Response on page 12-6.)

Wheelabrator Technologies, Inc.

Wheelabrator supports the renewable initiatives discussed in the draft State Energy Plan but the Plan should go further to incentivize renewable energy sources by establishing a renewable energy portfolio standard. (See Response on page 12-6.)

Star Foundation

One of the things we see as the most glaring and obvious problem with this Plan is that in the front it acknowledges renewable energy and how renewable energy needs public support. But then it goes on to not require renewable energy portfolios or anything to advance those goals, and we think that's really probably the single largest problem with this Plan. (See Response on page 12-6.)

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New York State Environmental Justice Alliance

Despite voluminous verbiage spent on renewables, neither a Renewable Portfolio Standard nor realistic useful tools to prod individuals into installation of distributed generation opportunities, including photovoltaics, wind power, and fuel cells, exists in the plan. (See Response on page 12-6.)

Pace University School of Law, Pace Energy Project

The best way to ensure energy self sufficiency for New York is by investing in clean, renewable energy sources such as solar energy, hydropower, wind power, and fuel cells.

I encourage the New York Public Service Commission to make New York State the leader in this capacity and a reasonable goal is to set a goal of at least ten percent of our State's energy to come from renewable sources by the year 2010. (See Response on page 12-6.)

Lisa Catapano et al.

The plan should meet or exceed the standards set in the Kyoto Protocol, reduce particulates, commit to a ten percent reduction in statewide energy demand by expanding energy efficiency programs, commit to getting at least ten percent of the State's energy from renewable resources (over the next ten years), promote regulatory incentives for utilities that encourage customers to be energy efficient; and reduce vehicle emissions. (See Response on page 12-6.)

Tom Salo

Ten percent of energy should come from renewable resources by 2012. (See Response on page 12-6.)

Mary Griffin

A Renewable Portfolio Standard and a statewide energy efficiency standard should be instituted.

Response: Many parties have urged that the Energy Planning Board recommend establishment of a portfolio standard for renewable generation (RPS), particularly for wind energy, and some parties have asked that conservation and clean energy be made the focus of the Plan. The State Energy Plan, recognizing that a portfolio standard may not be consistent with development of a competitive market, suggests that the issue be studied further. The State Energy Plan calls for NYSERDA to examine and report on the

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feasibility of a statewide RPS for electricity generation and assess the economic impact of such a standard. The study will examine how the standard could work in a restructured and competitive electricity market. (See Section 1.3 of the State Energy Plan.)

The Energy Plan indicates an expectation that there will be a 50 percent increase in the use of renewable generation in the State by 2010 from the current level of ten percent of primary energy use to 15 percent of primary energy by 2020. To accomplish this increase, the State Energy Plan calls for the State to solicit competitively 60 to 120 megawatts of renewable electricity generation to meet the requirements of the Governor's Executive Order No. 111, which requires that ten percent of State facilities' electricity needs be provided from renewable resources by 2005 and 20 percent by 2010. In addition, the State Energy Plan recommends that the New York Power Authority and the Long Island Power Authority each solicit competitive bids for long-term contracts for the purchase of 100 megawatts of electricity from renewable energy resources. The State Energy Plan calls for particular emphasis on wind generation in upstate areas and on Long Island and on photovoltaic generation in the New York City metropolitan area. In general, the costs of renewable technologies are expected to become significantly more competitive with conventional fuels than they are at the present time.

Renewable Energy Bond Act

Citizens Campaign for the Environment

New York State should develop renewable energy portfolio standards and consider a Renewable Energy Bond [Act].

Long Island Coalition for Democracy

A statewide referendum should take place calling for a \$4 billion Renewable Energy Bond Act.

Response: A renewable energy bond act would require action of the New York State Legislature. The Energy Planning Board does not support a renewable energy bond act at this time.

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13. Nuclear

Immediately Close Nuclear Power Plants

Stacy Crandell

I want to see the nuke plants closed. As a taxpayer, I want my taxes to go towards renewable resources, towards smarter energy.

Chenango North Energy Awareness Group

We must retire nuclear power.

Michelle Teneyck

I would like to register my opposition to nuclear power.

New York Public Interest Research Group

This State Energy Plan also re-licenses all nuclear power plants in New York State. Given the potential for catastrophe, these plants should be closed down until proven safe.

Irmgard Seidler

No more nuclear and coal fired plants, and no more subsidies to polluting power producers.

Ann Link

Where is the section on nuclear energy? Indian Point should be decommissioned for two reasons: [1] poor safety records and [2] potential as a terrorist target. Indian Point is located twenty-five miles north of New York City. Twenty million people [8 percent of the U.S. population] live within a 50 mile radius of the plant. Brooklyn is especially vulnerable since we're on an island. Imagine over two million Brooklyn residents trying to evacuate south over the Verazzano Narrows Bridge in the event of a disaster from the north!

Environmental Advocates of New York

We feel the State should reduce its dependence on nuclear power and close Indian Point.

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Elizabeth Cunningham Smyth

Close down Indian Point Nuclear Power Plant.

Ron Kamen

Close down Indian Point Nuclear Power Plant.

Elinor Yahm

Close down Indian Point Nuclear Power Plant.

Green Party

The present draft State Energy Plan irresponsibly gives short shrift to the present dangers of nuclear energy generation. Instead, the immediate shutdown of the Indian Point Nuclear Station is recommended as a way of enhancing the draft State Energy Plan's accuracy.

Sierra Club, Long Island Group

The cost of the consequences of failing to manage the risks from these nuclear power plants is incalculable. We urge the closing of Indian Point power plant. Eight percent of the U.S. population live within a 50 mile radius of this plant and the evacuation plans only include a ten mile radius. That's ludicrous.

Riverkeeper, Inc.

The State Energy Plan should outline a strategy for the immediate closure and orderly decommissioning of the Indian Point nuclear power station.

Honorable Paul Feiner, Supervisor, Town of Greenburg

Close down Indian Point.

Scenic Hudson, Inc.

The Draft State Energy Plan should outline a scenario in anticipation of the closure of Indian Point. The State Energy Plan should analyze and lay out the steps necessary to provide adequate clean and uninterrupted power to Westchester County and New York City if Indian Point were to go off line.

Response: In light of the importance of the existing nuclear power plants to New York's electricity system, the Energy Plan calls for the continued safe operation of these facilities. See Section 1.3, Energy Policy Objectives and Recommendations, and Section 3.4, Electricity Resource Assessment, of the State Energy Plan.

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The State has limited regulatory authority with respect to nuclear power plants. The plants are licensed and regulated for health, safety, and environmental radiation protection purposes by the U.S. Nuclear Regulatory Commission. The State has traditionally regulated certain non-safety aspects of nuclear power plants, except those owned by New York Power Authority, through the Public Service Commission's regulation of electric utilities. However, within the last three years, all but one of the six operating nuclear power plants in the State have been sold to independent power producers.

The State Energy Plan establishes a vision for New York's future that supports economic growth and ensures a safe, healthy environment. In general, meeting the State's economic needs will require the equivalent of 5,000 to 7,000 megawatts more electricity generating capacity than is available today. While some of these requirements can be met through demand reduction measures and renewable energy resource electricity generation, the near-term closure of the State's nuclear power plants would seriously increase the need for new resources and dramatically weaken the reliability of New York's electricity system.

In brief, nuclear power produced about 20 percent of the electricity consumed in the State in 2000, or about 31,500 gigawatt hours of electricity. Nuclear power plants also provide about 5,000 megawatts of summer electricity generating capacity, which represented nearly 14 percent of the in-State capacity in 2000.

Nuclear power plants also contribute importantly to energy diversity, mitigating the State's dependence on fossil fuels, particularly imported petroleum. The growing concern regarding the State's dependence on natural gas for electricity generation is discussed in Section 3.5, Natural Gas Assessment, of the Energy Plan. Over-dependence on natural gas would be a problem if natural gas supplies were suddenly curtailed by events affecting either the production areas or the limited number of pipelines which transport this fuel to New York State. Also, natural gas prices have been particularly volatile, as witnessed during the winter of 2000-2001, when energy prices increased. Closing nuclear plants would likely exacerbate such concerns.

The two operating Indian Point nuclear power plants (Indian Point 2 and 3) have a combined summer electricity generation capacity of 1,935 megawatts. This represents 5.3 percent of the current total in-State summer electricity generation capacity and more than four times the generating capacity of the eleven gas turbines installed by the New York Power Authority in 2001. If both plants operate at maximum output for an entire year,

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they are capable of generating over 17,000 gigawatt hours of electricity, or approximately 11 percent of New York State's electricity requirements in 2000. Loss of these plants would seriously affect the State's ability to meet its generation capacity reserve margin requirement in the near term.

The State Energy Plan and the Energy Planning Board recognize the importance of ensuring that the State's nuclear power plants operate in the cleanest, safest manner possible. One of the State Energy Plan's five principal policy goals is the pledge to support the continued safe, secure, and reliable operation of the State's energy infrastructure. To this end, the Energy Plan calls for a study of the security of New York State energy infrastructure that will include a risk and vulnerabilities assessment. This effort has already begun. The State's new Office of Public Security, with the assistance of the Federal Bureau of Investigation, evaluated security at the Indian Point nuclear power plants and found security at the plants to be robust. The NRC is also conducting its own security reviews throughout the United States.

Federated Conservationists of Westchester County, Inc.

We believe the Indian Point 2 needs to be shut down and that shutdown has got to be factored into your planning. You cannot assume that plant is going to be there for as long as you have it in your projections.

Response: The State Energy Plan supports continued safe operation of nuclear power plants in the State.

Phase Out, Don't Re-license, Reduce Dependence on Nuclear Power Plants

Western New York Sustainable Energy Association

We must more closely scrutinize and reduce reliance on nuclear power. The Draft State Energy Plan suggests we will have the same amount of nuclear power capacity for the next twenty years, presumably from the same nuclear power plants which are already middle-aged. They're going to be older, less reliable. There's the danger of risk to the public health by safety problems. The plants are now in the hands of private owners who run them for profit and may cut corners on operation. And then there's concern about terrorism. I think there needs to be much greater scrutiny and concern about nuclear power. (See Response page 13-6.)

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Green Party Erie County

Please do as they did in Germany and call for the phase out of nuclear power within twenty years. It's imperative that we get away from this dirty and overly expensive power production. (See Response page 13-6.)

Cathy Cardell

I am a member of the Citizens Awareness Network and I am against nuclear power. I would like to see the State become really focused on developing alternative technologies. (See Response page 13-6.)

Sustainable Energy Alliance of Long Island

The Draft State Energy Plan should strive on a long-term basis to close down all existing nuclear power facilities over the next twenty years and replace their power generation with sustainable, clean, and safe alternative energy supplies such as solar, wind, biomass, and geothermal. (See Response page 13-6.)

Sierra Club, NYC Group

The Draft State Energy Plan does not include a much-needed program to eliminate our dependence on nuclear power. Nuclear power is known to be both costly and dangerous. Waste and radioactive emissions from these plants can cause serious environmental degradation and human, and other life-form, injury. Risk management in this area is extremely expensive; at times, it is even impossible. The Indian Point Plant should be closed and other nuclear plants should be phased out over time. (See Response page 13-6.)

Wendy Harris

The State really needs to provide clearer leadership and more tangible policy recommendations in terms of conservation, renewables, the cleaning up of current coal facilities, and the shutting down ultimately of nuclear in the State of New York.

There is no way you can defend against a suicide bomber's attack on it [nuclear power plant]. We need to eliminate the continuing use of nuclear and conservation is what I would hope that you approach in a meaningful way in policy in your Plan. I'm hoping you can bring more policy mandates to the State and its agencies and to industry in general in terms of conservation, renewability, and cleanliness. (See Response page 13-6.)

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L. A. Harris

The State Energy Plan relies too heavily on fossil fuels and nuclear power, while disregarding new, cleaner technologies. The State Energy Plan does nothing to phase out polluting power plants. (See Response page 13-6.)

Great Lakes United

New York State should commit to the phase out of nuclear and coal power stations on an accelerated schedule with phase out complete by 2020, beginning with the oldest and dirtiest stations first. No new construction of nuclear or coal stations should be permitted in the State or the region. (See Response page 13-6.)

Shawn McConnell

I do not think that our nuclear power plants [in the Oswego area] should be re-licensed. (See Response page 13-6.)

Erin Cala

We should not re-license nuclear power plants. Security issues are more important than ever and in order to have secure sources of energy, we must stop using nuclear power. Instead of relicensing nuclear plants and investing in clean coal technologies, we need to devote more money to sustainable renewable energy. (See Response page 13-6.)

Better Queens Environment (BQE)

BQE proposes a phase out for all nuclear facilities in the State, which now provide 9.2 percent of New York's energy, and a phase in of increased renewables to ten percent of the State's energy needs. (See Response page 13-6.)

Dr. Nina Evans, Dr. Richard Evans

We question the assumption by the State Energy Plan that the State's six commercial reactors will be re-licensed by the National Regulatory Commission (NRC).

The State Energy Plan must provide information about the safety and performance of nuclear facilities. With the initiatives already taken by the State in areas of renewables and efficiency we can create a sound policy that challenges the need for nuclear energy to meet our electric energy needs.

Response: See the State Energy Plan, Section 3.4, Electricity Resource Assessment, and the response on page 13-2 for discussions of the importance of nuclear-powered electricity generation to New York's energy future. As noted in the above cited

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Assessment, in formulating a Reference Resource Scenario, it was assumed that all operating nuclear power plants in New York would continue to operate during the full 20-year energy planning period. This assumption was based in part on the fact that 8 of the 103 operating nuclear power plants in the United States have already received 20-year license extensions from the U.S. Nuclear Regulatory Commission (NRC). Further, the Nuclear Energy Institute, a nuclear industry trade organization, has stated that almost all operating U.S. nuclear plants will eventually apply for such license extensions. Such license extensions are predicated on a finding by the NRC that the particular plant seeking license extension can and will continue to operate in a manner that fully protects public health and safety, and the environment.

Nuclear Power Plants – Security Concerns

Sierra Club, NYC Group

Security analyses for each of the State's nuclear power plants are necessary and should be conducted without further delay.

Riverkeeper, Inc.

The New York State Energy Planning Board must be vigilant on nuclear safety and security issues and make recommendations for improving safety performance and security measures.

Riverkeeper supports the State Energy Planning Board's objective to initiate a study of the security of New York's energy infrastructure. However, we feel that the State Energy Plan should incorporate basic steps to better protect the State's nuclear power plants.

We understand that the NYS Office of Public Security has already issued a number of recommendations. It is unclear whether the NYS Office of Public Security was contacted for their recommendations on protecting the State's nuclear power plants for inclusion in the Draft State Energy Plan. We recommend that the NYS Office of Public Security's findings on nuclear power plant security be presented in the State Energy Plan.

Stop the Barge

The uncovered and unfortified spent rod pools that have been planned on being evacuated to Yucca Mountain for the past ten years must be considered. Each of these uncovered pools is a potential disaster. Nowhere on the East Coast is there enough distance from a plant to ignore the possibility of a nuclear disaster in a terrorist attack.

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We must be 100 percent sure that the reactors can withstand dynamite, airplane attack, and other forms of disaster before nuclear power plants are re-licensed.

Response: The Energy Planning Board explicitly recognizes the need to take a hard look at the security of the State's energy infrastructure, as evidenced by the State Energy Plan's recommendation that the State initiate a study of the security of New York's energy infrastructure used for production, storage, and delivery, and that the study include a risk and vulnerabilities assessment and make recommendations for appropriate actions. The Planning Board suggests that the study be conducted cooperatively by the Office of Public Security, the Energy Planning Board agencies, and major energy market participants.

But even before this recommendation was formulated, the State had begun to address security at the nuclear power plants. See the discussion in Section 3.4, Electricity Resource Assessment, for more details. As noted there, an evaluation of security at the Indian Point nuclear power plants was performed by the New York State Office of Public Security, with the assistance of the Federal Bureau of Investigation. The results of that assessment have been provided to State and federal authorities, including members of the State Energy Planning Board. A press release, describing the general findings and some of the areas addressed by the evaluation, was issued on December 12, 2001 and is available on the New York State web site (www.state.ny.us/index.html). For necessary security and safeguard purposes, the details of that report have not been publicly released.

Emergency Preparedness at Nuclear Power Plants

Star Foundation

The emergency planning law needs to be overhauled and modified because right now emergency planning on Eastern Long Island is a joke. Eastern Long Island is just outside the ten mile radius [for the Millstone Nuclear Plant site]. No specific plans for that area and it's laughable because Long Islanders are extremely aware of that and the lack of planning is really egregious.

New York Public Interest Research Group

In the wake of the terrorist attacks on September 11, New York State needs to seriously reevaluate the safety of the communities surrounding these plants. Serious examination of the effectiveness of their evacuation plans needs to be undertaken.

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New York State Sustainable Energy Coalition (NYS-SEC) et al.; Stop the Barge; State Environmental Justice Alliance

The draft plan proposes relicensing all nuclear power plants in New York State. Given the terrorist attacks of September 11, New York needs to seriously reevaluate the safety of communities living near nuclear facilities, which includes a serious examination of the effectiveness of the evacuation plans at nuclear facilities. Given the potential for catastrophe, these plants should be closed until proven safe.

Honorable Kathryn Ellsworth, Mayor, Village of Montebello

The village supports legislation that would continue to evaluate the Indian Point evacuation plan.

Response: The U.S. Nuclear Regulatory Commission (NRC) and the Federal Emergency Management Agency (FEMA) have established comprehensive emergency preparedness requirements for nuclear power plants which include close coordination between the plant operators and local and State government emergency response organizations. Since 1980, each operator of a commercial nuclear power plant in the United States has been required to have both an on-site and off-site emergency response plan as a condition for obtaining and maintaining a license to operate the plant. On-site emergency response plans are approved by the NRC. Off-site plans (which are closely coordinated with the utility's on-site emergency response plan) are evaluated by the FEMA and the results are provided to the NRC. The State regularly participates in emergency drills for these plans, as do all the affected counties. Such drills are periodically evaluated by NRC and FEMA, which agencies have approved the emergency plans for all of the nuclear power plants in the State and the Millstone plants in Connecticut.

The New York State Emergency Management Office (SEMO) and the New York State Department of Health serve as the lead State agencies for nuclear power plant emergency preparedness. In light of the September 11, 2001 terrorist attacks on the United States, SEMO has requested NRC and FEMA to conduct a comprehensive review of federal standards for emergency plans at nuclear power plants.

Specific Recommendations – Nuclear Power

Great Lakes United

Nuclear utilities should be required to set aside funds now for waste management and decommissioning.

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Response: Nuclear power plant operators are required by the U.S. Nuclear Regulatory Commission (NRC), as a condition for licensing and operation, to establish and maintain the financial capability to safely terminate operation and decommission their respective facilities. All of the nuclear power plants in New York State have established dedicated funds for this purpose. The plant operators also pay a fee, related specifically to the amount of electricity generated, into the federal High-Level Waste Fund to support the development and operation of repository for spent nuclear fuel.

Riverkeeper, Inc.

The State Energy Plan conspicuously omits any discussion of the New York nuclear power industry. One of the objectives of the State Energy Plan is to provide “broad statewide energy policy direction.” However the Draft State Energy Plan provides energy policy makers with no direction on nuclear energy policy.

The little nuclear energy related information that the State Energy Planning Board has divulged is the assumption that the State's six commercial reactors will be re-licensed by the Nuclear Regulatory Commission.

The State Energy Plan must provide existing information to the State's energy policy makers about the State's nuclear power industry and provide the means for which more information on nuclear safety performance, environmental and public health externalities, and nuclear plant security can be gathered and presented. The State Energy Plan Board should not simply rely on federal regulators to monitor the two commercial power reactions at Indian Point nuclear power station and New York's other four commercial reactors. Nor should the State Energy Plan Board or any State agency rely on the private operators to police themselves.

Response: A discussion of the role of nuclear power plants in the State electricity system and related issues is included in Section 3.4, Electricity Resource Assessment, of the State Energy Plan.

Star Foundation

The most glaring omission [in the State Energy Plan] in the area of nuclear power is that there needs to be more financial oversight by the State. Reactors are primarily being bought up by and owned by limited liability corporations, and the State needs to take a much larger role in overseeing these and making sure that financial due diligence is pursued. We need to take this seriously because there are going to be so many layers of

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protection for these people that ultimately it's going to be the taxpayers of the State left holding a big part of that bag.

Response: The State has traditionally regulated financial aspects of nuclear power plants through the New York State Public Service Commission's (PSC) regulation of electric utilities. Within the last three years, all but one of the six operating nuclear power plants in the State have been sold to independent power producers. These sales were reviewed and approved by the PSC as prudent actions and consistent with the State's objective of establishing a competitive wholesale electricity market. Nuclear power plants continue to fall under the jurisdiction of the PSC even after being sold.

The nuclear power plant sales were also reviewed and approved by the U.S. Nuclear Regulatory Commission (NRC) which specifically evaluated the new owners' financial ability to meet the NRC regulatory requirements for protecting public health and safety. The NRC also requires that each plant owner establish and maintain dedicated funds sufficient to safely close and decommission the plants, even if such closure occurs before its previously scheduled date.

New owners have a strong incentive to make safety their primary focus. Failure to adequately maintain facilities and procedures may lead to interruptions in plant operations, thereby producing no revenue to offset continued, expensive operating costs. Experience to date suggests that new owners have improved the work practices of the existing labor force as evidenced by recent improvements in plant safety, reliability, and production performance. In the past, when nuclear plant operation faltered due to ineffective management, lengthy and costly prudence proceedings were held to determine whether ratepayers overpaid for their electricity. Today, nuclear plant owners no longer have the protection offered by traditional rate regulation. In New York State, nuclear plants must cover all costs by revenues received.

Convert Indian Points 2 and 3 to Natural Gas

Green Party

That is something we definitely need to look into, the concept of converting Indian Point into a gas powered facility.

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Westchester County Board

The Board presented a petition to direct the Public Service Commission and NYSERDA to immediately begin a feasibility study leading to the conversion of Westchester County's Indian Point 2 and 3 nuclear power plants to natural gas or an alternative source of energy.

Dani Glaser

I second the comments of the Westchester County Board [regarding the request for a feasibility study for converting Indian Point 2 and 3] and also requests that the study include the Millennium pipeline project.

Response: An analysis of the conversion of the Indian Point nuclear power plants would most appropriately be undertaken by the facilities owner, Entergy Nuclear Operations, Inc., an independent electric power producer. A feasibility study would presumably evaluate the desirability of such conversion from the owner's perspective. It should be noted that Entergy is currently considering co-locating two natural gas fired plants on the Indian Point site with its two existing nuclear plants.

In regard to such a conversion, it seems likely that most of the support facilities (*e.g.*, switchyards) and functions (*e.g.*, maintenance, site security) could be used for an alternative-fuel-fired facility – natural gas, coal, or petroleum – however, it is not clear that other critical facilities, such as steam turbines and electric generators, could be easily used with state-of-the-art combined cycle gas turbine plants. Also, if feasible, a conversion would likely push the State toward even greater dependence of natural gas thereby minimizing desirable energy supply diversity.

Support Continued Operation of Nuclear Power Plants

IST Imaging & Sensing Technology Corp.

We have reviewed the Draft State Energy Plan and compliment the authors on an excellent presentation and data analysis. However, we feel there is a serious flaw that must be addressed.

The assumption that there will be a continuous supply of natural gas and petroleum at reasonable prices for the report period is simply too risky to base New York State's future energy plans and needs on. With nuclear power potentially declining, as shown in your data, and with the growth in demand for energy, also shown in your data,

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the inescapable conclusion is that New York State must purchase ever increasing amounts of natural gas and electricity from Canada or other parts of the United States.

The tenuousness of the Middle East situation casts a serious doubt on that region's viability as a predictable and reliable source of affordable energy. As these supplies of natural gas and petroleum are disrupted, as they surely will be, New York State will either face serious shortfalls in energy or have to pay ever increasing prices.

Nuclear electric power generation is a safe and efficient means for New York State and the rest of the United States to reduce the dependency upon foreign sources for its future energy.

It is our opinion that New York State should work closely with the federal government and private industry to create more nuclear power generation in our State. (See Response on page 13-14.)

Independent Power Producers of New York, Inc. (IPPNY)

The Draft State Energy Plan acknowledges the importance of these facilities [nuclear power plants], and State policy makers, while mindful of the security needs of these nuclear plants, should not heed misguided calls to close them down. (See Response on page 13-14.)

Diane A. Davis

With respect to siting of 80 megawatt power plants in size subject to Article X of the Public Service Law, discussed on page 2-50 *et seq.* of the draft State Energy Plan, find a suitable site and build two or three reactors that could produce the equivalent of all the fossil fuel utilities in the State. We would not have to worry about sulfur dioxide, nitrogen oxides, carbon dioxide, etc.

We should develop incentives that encourage co-partnering with existing utilities to expand and help ease the siting and permitting process for two or three new fission reactors using the latest state-of-the-art fission technology.

We should incorporate the U.S. Army Corps of Engineers into any hydropower and nuclear power plant project which will ease and aid the construction and licensing process.

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New York's electricity costs could be contained by building three thermonuclear power plants instead of nine coal-fired power plants to meet future anticipated demand. (See Response on page 13-14.)

The Business Council of New York State, Inc.

The Draft State Energy Plan should stress the need for a diverse generation fuel mix which includes not just renewables but also coal and nuclear. The State Energy Plan needs to encourage State policies that encourage fuel diversity and avoid creating a situation in which we become overly dependent on one type of generation. The State Energy Plan needs to realize the importance of fuel diversity by encouraging both renewables as well as fossil fuel fired generation such as coal.

The Draft State Energy Plan should express a commitment to this state's six nuclear facilities and more opportunities to maintain and upgrade the State's 43 coal plants.

Response: In order to reduce the risks associated with single fuel dependency and price volatility, the State Energy Plan supports increased energy diversity in all sectors of the economy through investments in technology and infrastructure development for indigenous and renewable fuels, demand reduction techniques, and energy efficiency. The State Energy Plan also supports the continued safe operation of nuclear, coal, natural gas, oil, and hydroelectric generation as part of a diverse portfolio of electricity generation resources.

The State Energy Plan does not address the addition of new nuclear power plants to the State's energy mix. With the restructuring of the electricity industry and the associated establishment of a wholesale electricity market, new electricity generation is being provided, for the most part, by independent power producers who compete for the sale of electricity.

Nuclear Power – Health Issues

Riverkeeper, Inc.

It is in the economic interest of New York State and the public health and safety interests of New York residents that the State's nuclear power industry be supervised by the State Energy Planning Board and member agencies. The Department of Health should also be involved in this process.

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The Draft State Energy Plan should recommend that a study be funded to measure levels of cancer causing radioactive Strontium-90 in deciduous baby teeth from counties that host or are adjacent to New York's six commercial reactors to gather the clinical evidence necessary to determine whether internally ingested, manmade, low level radiation is affecting public health and contributing to America's cancer epidemic.

The State Energy Plan should document the environmental and public health externalities associated with the State's six commercial reactors.

Radiation Public Health Project (RPHP)

The RPHP are health researchers and scientists who examine the health risks of living near nuclear reactors – the health risks of nuclear accidents and the health risks of routine emissions from nuclear plants.

RPHP specifically urges the New York State officials to include these risks in the Draft State Energy Plan, which has not happened before. It looks at risks of other emissions, such as from fossil fuels, but not from nuclear plants.

Accidents, whether caused by terrorist attacks or mechanical failure, would be cataclysmic disasters in terms of public health.

Nuclear power plants are not emission free. They don't emit like fossil fuels, like the other power plants do, but they do emit a mix of over 100 radioactive chemicals that are only produced in nuclear reactors and in atomic bomb explosions.

Response: As discussed in Section 3.4, Electricity Assessment, of the State Energy Plan, nuclear power plants are primarily regulated by the federal government, more specifically by the U.S. Nuclear Regulatory Commission (NRC), for the purposes of protecting public health and safety and the environment. However, staff from the New York State Departments of Public Service, Health (DOH), and Environmental Conservation (DEC), the New York State Emergency Management Office, and NYSERDA regularly monitor activities at nuclear power plants in the State through interaction with plant operators and the NRC. NYSERDA's President serves as the Governor's designated State Liaison Officer with the NRC for this purpose.

DOH routinely monitors the environment around nuclear power plants, sampling milk, water, soil, vegetation, air, and direct radiation. The milk samples, in particular, are measured for Strontium-90. DOH reports no evidence of increased Strontium-90 levels.

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DEC regulates most non-radiological emissions from nuclear power plants in the State through the State Pollution Discharge Elimination System, air permitting, and under the federal Resource Conservation and Recovery Act.

The risks and environmental impacts of nuclear plants are documented in the NRC-required Safety Analyses and Environmental Impact Statements that support the licensing and continued operation of these plants. A specific summation and detailed analysis of such issues is beyond the scope of the State Energy Plan.

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14. Article X and Power Plant Siting

Support Article X Process (No response is necessary for this section.)

Senator James W. Wright

The process for siting new generation as outlined in Article X of the Public Service Law has been instrumental in encouraging the construction of efficient and minimally polluting generation. I support reauthorization of Article X and will be examining ways it can be made more responsive to the State's evolving energy needs.

Recommendations for Reform and Improvement to Article X Process

New York City Clergy for Justice Association

We are concerned about the dangers to the health of our community that we reach and we minister to in our pastoral care. We noticed that scientific studies have shown that the PM 2.5 is related to significant health problems. When siting new facilities, the impacts must be minimized and the emissions completely offset or the facility should not be built at all. The study should take into account all existing levels of PM 2.5, the health conditions of nearby residents, the amount of emissions from the facility, and the health conditions in the affected communities. (See Response on page 14-16.)

Better Queens Environment (BQE), Pace University School of Law; Pace Energy Project

BQE recommends the following: The Siting Board should be expanded to include non-Agency members including one independent expert on Environment and Health, one member of the State Assembly, and one member of the State Senate from the district concerned, along with four local residents.

Article X intervenor funds should not be subject to restrictions that prevent their use for legal counsel.

Fast tracking is not a long-term solution and should be phased out, not expanded to include “other public policy goals” apart from “environmental performance standards.”

BQE proposes a moratorium on all power plant construction and approval until the New York Metropolitan area is brought into compliance with the Clean Air Act and the Article X process is so constituted that it is able to adequately address issues of health and environmental justice. (See Response on page 14-16.)

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Melanie Golden

The Power Plant siting process in Article X needs serious reform. Article X should include integrated and regional planning similar to the concept in the State's Open Space and Conservation Plan. (See Response on page 14-16.)

The Business Council of New York State, Inc.

In the area of plant siting, the Business Council agrees with the Draft State Energy Plan that Article X of the Public Service Law needs to be extended. The Business Council does not recommend a wholesale revision of Article X, but rather a careful reexamination of the provisions that have caused the most problems in the siting of plants by private developers. Additionally, we believe that Article VII of the Public Service Law must be renewed and, to some degree, improved in order better to foster the development of the State's electricity transmission system. (See Response on page 14-16.)

Honorable Kathryn Ellsworth, Mayor, Village of Montebello

Article X must be amended to allow for the increased intervenor funding overall, more control is required at the local municipal and level when a site proposal is submitted, and improved forums for siting hearings.

Power plants should not be clustered and no power plant should be sited on an aquifer. (See Response on page 14-16.)

Stop the Barge

One of the requirements of the Draft State Energy Plan should be that local suggested zoning plans be respected. Communities should be consulted. (See Response on page 14-16.)

Torne Valley Preservation Association

Article X should be rewritten so that power plant builders are required to show the need and alternate sites for analysis. Local zoning should not be overridden. Community sentiment should be seriously considered. (See Response on page 14-16.)

Honorable Harriet D. Cornell, Rockland County legislator

Article X must be amended to require New York State to adopt a master plan identifying sites that would be appropriate for various types of power plants. The master plan, among many things, should define standards for different types of power plants. (See Response on page 14-16.)

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Pace University School of Law; Pace Energy Project

The State Energy Plan should consider the relationships between and among existing and proposed power plants from an environmental and reliability standpoint. The current Article X process is essentially applicant-driven. This process is not designed to and is not effective at addressing in a comprehensive and broadly participatory fashion New York State's future energy needs. (See Response on page 14-16.)

Honorable Ellen Jaffee, Rockland County legislator

It is imperative that the Energy Plan require that ongoing air monitoring be conducted where power plants are located and where they are proposed.

Article X must be revised to allow for meaningful public input earlier in the process, the use of intervenor funding for legal costs and no waiving of local laws. (See Response on page 14-16.)

Rockland County Conservation Association

An abbreviated Article X process is not commensurate with the resulting impacts to a community. By obviating home-rule local communities are limited in their ability to rebuke the idea of a nuclear facility being built. (See Response on page 14-16.)

League of Women Voters

Article X should be revised so as not to have each application considered in isolation from all others. (See Response on page 14-16.)

New York State Sustainable Energy Coalition (NYS-SEC) et al.; Stop the Barge; New York State Environmental Justice Alliance

The Draft State Energy Plan recommends super fast tracking the approval process for building new power plants on brownfield sites. The Article X process is already so flawed that more fast tracking will only further stifle a community's ability to participate meaningfully in the process. Instead, New York needs to improve public participation in the approval process by, among other things, providing more information to the public during the pre-application process, setting fair and adequate time frames to allow for public review and preparation for hearings, and expanding intervenor funds to include legal representation. (See Response on page 14-16.)

Sierra Club, NYC Group

The statements in the plan about the benefits of Article X to the State totally ignore the concerns of community residents who have been excluded from input into the

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siting of plants in their neighborhoods. Article X appears to have been created to bypass the concerns of communities in which plants are proposed. The siting process should include, at a minimum, the following: needs analysis, health effects assessments, analysis of PM 2.5, an environmental justice analysis, and a well-documented cumulative impacts review. Prior to reauthorization of the law, it should include the elimination of the grandfather clause applicable to plants built before 1977. These plants are the largest stationary sources of pollutants that have been shown to cause, among other things, smog, haze, mercury, acid rain, and contribute to global warming. (See Response on page 14-16.)

Brentwood-Bay Shore Breast Cancer Coalition

In Brentwood, the Pilgrim State Hospital site is becoming a fossil energy farm. Mini power plants are popping up like mushrooms, bypassing environmental review and dismissing consideration of different alternatives. We would like to put the power plants on hold for a year and promote energy efficiency in Brentwood. Conservation measures that require a wide range of skills provide business opportunities and jobs all over Long Island, rather than the short-term construction jobs at a few sites followed by new technical jobs at power plants. (See Response on page 14-16.)

New York Public Interest Research Group (NYPIRG)

With respect to Article X, New York Public Interest Research Group has strong opposition to the following:

- Creating a six-month approval process, or a shortened approval process for brownfields development, or for brownfield sites, would be a major mistake because [1] we are putting one of New York's major sources of pollution, power plants, on already contaminated sites and expediting the process. The State has not dealt with the real issues of brownfield cleanup and liability.
- The approval process should not be shortened. Communities have a hard time keeping up with the one-year schedule. Any further shortening of the process would take away the voice of the public further.
- A further decrease in the threshold for Article X would be a mistake. With the current threshold of 80 megawatts there is a major problem. We now have turbines popping up everywhere that are a lot less efficient than larger facilities. They may be peakers but they are operating on the hottest days of the year which means we're going to have of the worse ozone concentrations.

To improve the Article X process, the following should be recommended:

- To improve public participation, local officials should appoint members of the siting board.

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- Intervenor funds should be expanded and increased and allowed to be used for legal fees.
- The cumulative impact of existing and proposed facilities should be considered. We don't want 500 less efficient facilities when we can have a 1000 megawatts facility that will put out less pollutants, take up less water, and have less of an environmental impact on the community.

(See Response on page 14-16.)

New York Public Interest Research Group, Niagara Chapter

In the Draft State Energy Plan, the State lays out a variety of recommendations for reforming the siting law.

NYPIRG feels that intervenor funding needs to be increased and expanded in two ways. It should be available for legal fees and it should be available through the pre-application process. It is during this time that developers are more willing to make changes to their proposals.

NYPIRG supports the language that would recommend cumulative impact analysis and Environmental Justice analysis. We think this should be expanded to include cumulative public health impacts of the proposed project.

We also support the Energy Plan's language to include PM 2.5 analysis.

NYPIRG feels the siting process should be used for problems with older generation facilities that were built in the 1950s and '60s that are still on line. NYPIRG strongly opposes language that would give priority to brownfield projects if it would mean shortening the siting process.

Mini power plants with less than 88 megawatts should not be exempted from the siting process unless they have a nameplate generation capacity of less than 15 megawatts.

NYPIRG feels the Energy Planning Board should recommend a four pollutant approach to cleaning up existing generators. (See Response on page 14-16.)

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Erin Cala

Environmental justice issues such as siting and cleaning up existing power plants through repowering methods must be considered. Article X should provide compensation for attorney fees so citizens can be fairly represented. (See Response on page 14-16.)

UPROSE

The Energy Plan needs to establish comprehensive cleanup standards for existing facilities. Instead of proposing and building so many new power plants, the plan needs to implement cleaning up the existing facilities in order to protect those who live near the plans.

New York needs to expand the intervenor funding to include some legal fees.

The draft plan and the Article X process do not facilitate public participation and limits community empowerment and must be reformed to include complete and serious community consultation. It must set fair time lines that are adequate for community groups to properly review documents.

We filed a lawsuit against New York Power Authority for building these power plants in our communities of color. They didn't do any community consultation and no environment impact studies.

Fast tracking the approval process for these facilities would seriously strangle the community's ability to participate. (See Response on page 14-16.)

North Fork Environmental Council

On page 1-30, in points 2 and 4, the Plan talks about expediting procedures for building new facilities. Our organization does not agree with that. In this case, streamlining review is not even a euphemism. It really belies the purpose of what we want to do. You can't streamline in this case. You'll be eliminating review. (See Response on page 14-16.)

Sierra Club, Long Island Group

Sierra Club Long Island urges the reform of Article X. The siting process should include environmental justice analysis, an analysis of fine particulate effects, the assessment of health effects, and a needs analysis. It should allow for earlier public input and not waive local laws. Reauthorization of the siting law should be linked to clean up of existing old grandfathered plants. We need to integrate decision making into the Draft

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State Energy Plan, and that means we don't want power plants built in areas that were already designated for open space or over a major water aquifer. (See Response on page 14-16.)

Pace University School of Law; Pace Energy Project; Wedlyne Guerrier

Essential changes to the State Energy Plan should include reestablishment of the “needs” determination as a fundamental element in demonstrating that a proposed project is in the public interest. The Article X process should be structured to allow decision makers to take a hard look at how a proposed generation facility fits into the existing and planned gas and electric transmission infrastructure rather than simply deferring to the judgement of the market participants. (See Response on page 14-16.)

Environmental Advocates of New York

Article X needs to be reformed. Article X leaves significant things out. One thing is Environmental Justice analysis. Also lacking is an analysis of fine particulate matter, an assessment of health effects, and a needs assessment.

Article X should allow the use of intervenor funds for legal costs. (See Response on page 14-16.)

New York Public Interest Research Group

In the Energy Plan, I don't recall seeing a section that talked about the declaration of need and how the declaration of need has changed from a more regulated monopoly to this deregulated, restructured market. There obviously has been a change in the definition of need. I think we should still be doing an old style declaration of need, particularly in the siting process.

In the declaration of need process, we should go beyond statewide to looking at different load pockets and having regional public input. So there is regional coordinating on this issue before we have to deal with siting of a power plant. So to restructure the old declaration of need and to reinstate it in the context of regional analyses of the load pocket.

That's obviously a huge issue in the New York Metropolitan area where the closeness of demand to supply led to huge price spikes and large concern over blackouts or brownouts in New York City. The blackouts and brownouts were avoided, the price spikes were not. (See Response on page 14-16.)

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Star Foundation

With respect to the Article X process, the Draft State Energy Plan states that the Article X has benefitted the State and provided environmental protection. On Long Island we have a sole source aquifer that is very important to Long Island. For an Article X Siting Board to be able to come down and just ignore local regulations and local government is just plain wrong. Moreover, we think there should be a required demonstration of need in that process. (See Response on page 14-16.)

East River Environmental Coalition

The Lower East Side Community has been participating in the Article X process for the last two years.

- There is no way we were able to participate meaningfully in this process without legal representation.
- Our funding did not allow our studies to be extensive. We did not have time to do the kind of studies that would stand up against Con Edison's studies, when they had years and years to present them.
- We tried and failed to work with State agencies to gain mitigations by cleaning up the existing power plant before siting the new one, but Article X does not provide for this. This needs to be changed.
- We need to be allowed to present testimony on cumulative effects to show the real health impacts on our community.

We need funding for legal representation and time and funding for meaningful studies. (See Response on page 14-16.)

Environmental Advocates

Environmental Advocates is hoping that the final version of the Energy Plan will have specific recommendations on a wide range of issues but specifically that you'll consider some of the frustrations of community residents who face power plant proposals in their communities. (See Response on page 14-16.)

North Fork Environmental Council

With respect to Article X, we have found that, even if we choose not to fight the plant that is proposed for our neighborhood, just to work with the other parties in the siting process is going to cost us tens of thousands of dollars in legal fees that we don't have. Our community has found it almost impossible to have an effective voice in the energy development process once it has begun. We look to this Draft State Energy Plan to work on Article X and make some changes. Intervenor funds needs to be expanded for legal assistance and not just for technical assistance. Funds must be available during the pre-application phase when there's still room for changes. The Article X process should not be expedited. It's fast as it is. (See Response on page 14-16.)

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Better Queens Environment (BQE)

Decision making regarding both the Draft State Energy Plan and the actual siting of power plants in our city is controlled by administrative personnel, some appointed by the Governor. Elected representatives, except to be participants in the hearing, are excluded and have no input into the work of the agencies and commissions. Although we are dealing with public utilities, public citizens do not really have a say. (See Response on page 14-16.)

Sustainable Energy Alliance of Long Island

Article X is deficient in several glaring respects–

- The power to supercede local rulings and regulations is unacceptable. For example, a local law to protect the sole source of drinking water may be bypassed.
- Article X doesn't provide for regional overview. Also, a power plant sited to increase competition may economically damage the region by not allowing other industries nearby because the PSC allowances are used up by that power plant. Do possible marginal rate decreases outweigh fewer businesses, higher unemployment, and arrested development in an area near a power plant?
- Allowance is not made for existing environmental problems, such as being a designated non-attainment region. The Energy Master Plan should accommodate health compromised regions such as Long Island, by specifying only suitably sited new generations that would meet the region's electrical needs, not excess generation.
- The Siting Board could be skewed to approving them.
- The two ad hoc locals on the Siting Board are chosen by the County Executive and can be political appointees so their objectivity may be in question.
- The Governor appoints all members of the Siting Board.
- The time allotted for public input and comments is too short.
- The time allotted for Siting Board decisions is too short.
- Intervenor funds must be available for studies before signing off on stipulations.
- No mention is made of the Long Island Power Authority, a State entity, being used as an adjunct to the PSC in the Draft Master Plan. LIPA is uniquely qualified to determine power plant need and siting on Long Island. It is familiar with the complex issues and local laws. Section 1020G of the LIPA Act specifies what criteria are for power plant siting and emphasizes renewables, energy conservation, state-of-the-art and new technologies. Serious consideration should be given to incorporating this section into the Draft State Energy Plan.

(See Response on page 14-16.)

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New York Public Interest Research Group

Right now the Draft State Energy Plan fast-tracks the approval process for building new power plants on brownfields. While this is a good idea, New York needs to improve public participation by expanding the intervenor funds to include legal representation so that the communities could be better represented when a power plant is proposed in their area. There are more than twenty new proposals for preliminary scoping here on Long Island that LIPA is currently pushing through. And this is just a horrible situation where you continue to have the community at the mercy of a public power authority that's supposed to answer to the people and currently doesn't. (See Response on page 14-16.)

Fred Elmer

Article X of the Public Service Law should be changed as follows: The siting process needs to allow for public input and assessment of health hazards and an environmental justice analysis. Reauthorization should be linked to cleaning up older grandfathered power plants that were built before 1977 and which now violate the clean air standards. Cleanup should result in reduction of sulfur dioxide approximately 50 percent, nitrogen oxides about 50 percent, and caps for the carbon dioxide emissions. (See Response on page 14-16.)

Independent Power Producers of New York, Inc. (IPPNY)

The State Energy Plan should unequivocally endorse the Article X power plant siting process. The siting process should be renewed and could be improved. The siting board and agencies involved should:

- Tighten the hearing and permitting schedules.
- Shorten the overall power plant approval time frame.
- Shorten the approval time frame for any development project reusing an industrial site.

The State Energy Plan should remind policy makers that the goal of Article X is to efficiently site new generation in the state, not to discourage the siting of new generation. (See Response on page 14-16.)

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Moratorium on Power Plant Siting

Sierra Club, NYC Group

No new power plants should be built until the other recommendations of the Sierra Club, NYC Group, are implemented. This should become a fundamental part of the State Energy Plan. No repowering projects should be permitted unless they substantially reduce pollution and mandate the use of new technologies that will reduce the overall pollutant levels. (See Response on page 14-16.)

Riverkeeper, Inc.

The State Energy Plan should promote the siting of new electricity generation capacity only where the replacement of older destructive technologies is guaranteed. (See Response on page 14-16.)

New York City Environmental Justice Alliance

The Alliance would like to see a moratorium on power plant siting except for repowering projects until the recommendations [in the Energy Plan] relating to the electricity sector are implemented, including the form of power plant siting, clean up of existing plants, investment in efficiency and new technologies, and implementation of renewable energy technologies through the Renewable Portfolio Standard. There should be a moratorium unless the project will result in a direct reduction of overall pollution due to the repowering of an older plant with new technologies or fuel switching. Construction of new plants has a long-term effect on New York's electricity sector and should only be done in the context of an overall balanced energy plan.

The State Energy Plan should address how reform of siting procedures should take place. Reform should fast track good plans for repowering, fast track clean renewable technologies – not burned-garbage waste plants, good wind power, photovoltaics, biomass, that type of thing. (See Response on page 14-16.)

Consumers Union

The State should evaluate the need for public power plants. (See Response on page 14-16.)

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Against Grandfathering Older Plants

Environmental Advocates of New York

Older plants should not be grandfathered. The siting law should be linked to clean up of existing older plants that avoid current emission standards. These old polluting plants should be required to clean up using a four pollutant approach to reduce sulfur dioxide by 75 percent, NO_x by 50 percent, mercury by 90 percent, and place caps on carbon dioxide emissions. (See Response on page 14-16.)

Annie Wilson Miquet

A mechanism could and should be the decommissioning of the grandfathered power plants. I would suggest that any new power plant proposals would be prohibited unless they are a true repowering of an existing facility. (See Response on page 14-16.)

General Siting Issues

Consolidated Edison Company of New York

The parallel tracks of the siting board review and the DEC permit review remain confusing and unwieldy and provide increased opportunity for delays and uncertainty. Con Edison thinks there ought to be better coordination between the siting board and the DEC permit review process and we urge the Draft State Energy Plan to consider this. (See Response on page 14-16.)

A.E.S. Ltd.

We should work prudently to ensure that New York continues to meet its energy needs using generating facilities that are located in and pay taxes in New York. (See Response on page 14-16.)

Innovative Energy Systems (IES)

IES wants emphasized in the Energy Plan the regional aspects of energy policy in New York. In developing an energy policy, a lot of generation should not be sited and provided with incentives for siting in the western part of the State. IES' concern is that, in the absence of new transmission resources, power generated in the western part of the State will only add to the increased capacity in the western part of the State and not satisfy capacity needs in the eastern part of the state. (See Response on page 14-16.)

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Streamline the Article X Siting Process

Mirant New York, Inc.

The State must streamline and expedite its siting processes and remove government imposed obstacles in order to facilitate the building of new energy infrastructure including additional generating plants and natural gas pipelines while retaining existing low cost generating facilities.

It is not enough for the Draft State Energy Plan to recommend renewal of the current Article X siting law. It must advocate for an improved and expedited process. The purpose of the Article X law was to facilitate the siting of electric generation, not to be a vehicle for those who would oppose it.

The State Energy Plan should contain recommendations to enhance, streamline, and facilitate the implementation of the Article X and Article VII siting laws. The Energy Planning Board may wish to consider any or all of the following:

- Better coordination with federal agencies
- Accommodation and expedition of the siting of new and expanded facilities where the level of net air emissions upon completion of the project would be the same or lower than current levels
- Reallocation or dedication of current State agency staff to assist the Siting Board
- Reduction or elimination of intervenor funding, the availability of which may inadvertently delay opportunities to expedite the siting process
- Combining Article X and VII processes.

(See Response on page 14-16.)

Environmental Energy Alliance of New York

Absent from discussion in the Energy Plan is the Article VII transmission line licensing process. The Plan should include an objective to develop a method where State and federal regulators would coordinate more closely to ensure that approvals of Article VII and Article X licensing projects are completed in parallel among all agencies. (See Response on page 14-16.)

Multiple Intervenors

The Article X process must be expedited. Load must be allowed to participate in wholesale markets. Barriers to distributed generation and co-generation facilities must be eliminated.

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The State Energy Plan must include recommendations that ensure a secure supply of energy. The Article X siting process must be expedited. (See Response on page 14-16.)

New York State Electric and Gas (NYSEG)

NYSEG suggests streamlining the siting and approval process for electric generating plants, adding to the State's electric transmission capacity, and the creation of a Regional Transmission Organization that includes the New England, New York, and Pennsylvania-New Jersey-Maryland ISOs. (See Response on page 14-16.)

New York Public Interest Research Group (NYPIRG)

NYPIRG fully supports the six-month approval process for repowering projects. Repowering is really the way that New York State should be going as far as meeting its energy needs. In true repowering, we are decreasing emissions, increasing output, and decreasing the amount of water facilities use. (See Response on page 14-16.)

Niagara Mohawk Power Corporation

The draft Energy Plan correctly notes that the Article X process has been a useful tool for review of proposed new generating facilities and points out that the process should be enhanced to enable it to conclude more rapidly. The Article VII process, by which major electric and gas transmission facilities are certified, would also benefit from some improvement. When new generating facilities are proposed, better coordination of the Article VII and Article X processes would be beneficial. Since federal permits often delay construction, improved coordination between State and federal regulators during the siting and permitting processes would also be worthwhile. (See Response on page 14-16.)

Key Span

Under Article X, we applaud the initiatives for repowering opportunities, but we think a hard look should be taken at brownfield opportunities, where generation can actually be undertaken on brownfield sites. Key Span, of course, is a very large property owner in the New York City and Long Island areas, and brownfields are a very important issue for those regions. Certain generation opportunities at brownfield sites should get preferential treatment on some expedited basis. (See Response on page 14-16.)

New York Independent System Operator (NYISO)

To allow Article X to lapse or to install a radically different regulatory process for siting new generation would be devastating at this time.

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The NYISO makes the following specific recommendations on how the Article X process can be improved: (a) Once an application has been certified, shorten the time frame for approval from 12 months to 6 months or less. (b) further streamlining the process for power plant developers building on “brownfields” (*i.e.*, existing industrial use sites) while remaining cognizant of the need to continue developing greenfield sites. (See Response on page 14-16.)

The Manufacturers Associations of Central New York and the Greater Syracuse Chamber of Commerce

Competitively priced and reliable energy is paramount to the success of businesses here in central New York and across the State. New York needs more capacity to increase competition, to keep prices down, and to successfully position our businesses for growth. We recommend improving the Article X siting process. New York State must continue to make adjustments to streamline this bureaucratic process to ensure the development of a more competitive wholesale electric market. (See Response on page 14-16.)

Sunset Article X

Roger Downs

I think only one person has come forward and said that Article X should sunset in 2002 and I thought I would come and make that two people.

I think that amendments [to Article X] are unnecessary. I think every applicant can have a fast track if they are choosing a good site. I think the Athens plant took three years to permit because it was a pathetic site.

I would like to offer a power plant beauty contest. I would like to see them compared using certain criteria such as repowering, brownfields, historic site, environmental impact, and Environmental Justice issues. (See Response on page 14-16.)

Sustainable Energy Alliance, Suffolk County Electrical Agency, Long Island Coalition for Democracy

No extension of Article X. It should sunset. It's already damaged a number of communities and been highly costly in terms of forcing municipalities to determine to challenge them. It seems we should go back to the old methods and require all generating plant companies to be forced to comply with full SEQRA from the very beginning. (See Response on page 14-16.)

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Mini Power Plants

New York Public Interest Research Group

We believe that eighty megawatts is too high. The original number we would start off with is fifteen megawatts. (See Response on page 14-16.)

Pace University School of Law; Pace Energy Project

An essential changes in the Article X process should include lowering the generation capacity threshold for Article X applicability. Article X applicability should be based on a proposed plant's nameplate capacity. (See Response on page 14-16.)

Stop the Barge

A major flaw of the Article X process is the wiggle room that allows the power development entities to use the law to their own advantage. The 79.9 vs. the 80 megawatts issue is absurd. There is no reason to assess the megawatt capability of a turbine that is capable of producing far more than 80 megawatts at an arbitrarily low megawattage to satisfy the SEQRA/Article X division. The entire regulatory agenda vis-à-vis chemical emissions is the ceiling, the potential to emit, not an arbitrary number of tons per year that the company wishes to be held responsible for to meet an application ceiling. Why is that no the regulatory mandate of the energy industry?

PM 2.5 is a huge issue in our community because of the heavy asthma burden. While our community does have several monitors to measure PM 2.5, we are not satisfied that generic 2.5 monitors provide the basis for the modeling that will be used to determine our futures. Even if five months of on-site monitoring is not the U.S. EPA protocol, we would like it to become a format standard for the Article X process.

Response: In the State Energy Plan, the Energy Planning Board endorses reauthorization of the Article X Power Plant Siting Law, and it recommends that the Legislature give consideration to modifications that would streamline the process while continuing public participation. The Board recognizes that decisions concerning any extension of Article X are legislative prerogatives and, as such, the parties' recommendations concerning modifications are available for review by the Legislature. The comments from the parties are numerous, covering many areas of the Article X process.

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Non-Article X Issues – NYPA and LIPA

Independent Power Producers of New York, Inc. (IPPNY)

The New York Power Authority should not continue to insert itself into the competitive electricity marketplace. When New York City faced a severe supply shortage, rather than allowing or encouraging the competitive market to solve the problem, NYPA went forward with the turbine project. NYPA should be required to divest those units as soon as possible.

Response: The units installed by the New York Power Authority (NYPA) were crucial for maintaining a reliable electric system during summer 2001, and they will continue to be crucial for the next several years. When the decision had to be made concerning these units, the competitive market had not been established to the degree necessary to allow the forces of competition to control. As the competitive market and new programs for demand reduction mature over the next few years, the need for market interventions should decline. The ability of NYPA to intervene when necessary is an important asset for New York State.

New York State Sustainable Energy Coalition (NYS-SEC) et al.

The Draft State Energy Plan encourages the New York Power Authority and the Long Island Power Authority to rely more on so-called mini-power plants which do not have to go through the formal approval process, particularly in the New York City Metropolitan area. It must be recognized that these smaller power plants have significant environmental and health impacts on a community and, in almost all cases, are targeted for low-income communities of color.

Response: The Energy Plan does not encourage New York Power Authority and Long Island Power Authority to rely on mini-power plants. The Plan acknowledges the existence and benefits of such facilities and discusses efforts under way to construct several additional facilities to meet system needs. The output from these facilities is essential at least until new base-load generation, transmission interconnection, and effective load-reduction measures are available. The State, especially in the New York City and Long Island areas, needs additional resources of supply and demand reduction; the NYPA and LIPA facilities are meeting those needs.

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Jesse Moore

Our community, which is Williamsburg, has a number of power plants and a new one which was built by the New York Power Authority last year. The speed with which the plants were sited that the NYPA built last year really prevented the community effectively from involving itself in the process.

Assemblyman Felix W. Ortiz

Assemblyman Ortiz is from the Sunset Park area of Brooklyn. He submitted both oral and written statements regarding their problems with New York Power Authority. “NYPA has made itself an unwanted neighbor in our community . . . they ignored pre-existing health concerns in our community, produced an inadequate Environmental Impact Statement, and have shown consistent reluctance in working with our community.

New York Public Interest Research Group (NYPIRG)

New York should not move forward with the building of new facilities until there's an adequate plan in place, especially with the proposed building of ten new turbine generators here on Long Island. These generators completely circumvent the Article X process by siting two plants on some sites that are designated for 80 megawatts. This problem is going to continue unless there is a plan that specifies specific actions that Long Island Power Authority has to adhere to, and currently they do not have to adhere to the Energy Plan.

Ann Link

With reference to page 2-8 of the Draft State Energy Plan, mini power plants in New York City should not be exempt from the Article X process. These plants can have very negative consequences for concentrated populations from increased pollution, noise, and traffic.

Response: The small units installed or being installed by NYPA and LIPA, while not subject to Article X of the Public Service Law, were required to meet applicable State and local requirements, and public comments were solicited as required. The Energy Plan is not the proper forum to review the siting decisions made for such facilities.

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Parks, Recreation and Historic Preservation

New York State Office of Parks, Recreation and Historic Preservation

The State Energy Plan calls for State Parks to become a statutory party in every certification process under Article X of the Public Service Law (PSL). The State Energy Plan indicates that statutory parties to the certification process are required to submit expert testimony if they determine that a proposed facility impacts a resource under their jurisdiction. This is inaccurate. Section 166 of the PSL only requires that Department of Environmental Conservation and Department of Public Service staff participate in the certification process. No such requirement is placed on other statutory parties contained in that section including the departments of Agriculture and Markets, Health, and Economic Development and New York NYSERDA. In cases where a federal permit is necessary, §14.09 requires that the Commissioner issue an impact determination in the context of §106 and the federal historic preservation review process. To the extent that the Commissioner can consult with State agencies to the certification process she has done so and will continue to do so, but should not be called upon to offer testimony in the State process. The benefit however to listing State Parks as a statutory partner under Article X is that it will receive notification of proposed facilities and will receive documentation in a timely manner.

Response: The State Energy Plan has been modified to reflect the correct language.

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15. Infrastructure

Senator James W. Wright

Equally important to continuing the progress that has been made in siting new generation is enhancement of the systems in place for delivering energy. A key element of the State Energy Plan's energy policy must be provision of incentives to the owners and operators of transmission and distribution systems to maintain and upgrade facilities. New generation will not be effective in responding to the State's energy needs if the systems necessary to delivery power to users are not safe and reliable. It has been fairly observed that the State's energy needs are as much a matter of distribution as generation. The bottleneck that prevents the transmission of electricity to the areas of highest demand warrants attention. So, too, do the deficiencies in the natural gas distribution system. We believe that clean, efficient natural gas is important for the economic vitality of rural areas like ours and will continue to look for means to extend service where needed.

Independent Power Producers of New York, Inc. (IPPNY)

The State must encourage development of the infrastructure necessary to support competitive markets. The State Energy Plan must encourage improvements in the bulk electric transmission system. Article VII of the Public Service Law, which governs transmission line siting, should be reviewed with an eye towards streamlining the process.

Independent Power Producers of New York, Inc. (IPPNY)

We are still unable to efficiently transport electricity from where it is generated to where it is needed.

Independent Power Producers of New York, Inc. (IPPNY)

The Draft State Energy Plan supports the extension of natural gas pipelines to meet growing demand but must also encourage improvements in the bulk electric transmission system. Article VII of the Public Service Law which governs transmission line siting should be reviewed with an eye towards streamlining the process much as Article X has for power plant siting. We are still unable to efficiently transport electricity from where it is generated to where it is needed. The Energy Plan should address this issue.

Niagara Mohawk Power Corporation

The Article VII process, by which major electric and gas transmission facilities are certified, would also benefit from some improvement. When new generating facilities

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are proposed, better coordination of the Article VII and Article X processes would be beneficial.

R.G.S. Energy Group/Rochester Gas & Electric Corporation

The financial stability of the transmission and distribution (T&D) companies is critical to the world class reliability we have come to expect and demand in New York. The statewide T&D system was constructed over many decades. This vast and complex system demands constant maintenance and reconstruction to meet the daily demands of a modern economy. Capital reinvestment is more critical than ever, but remnants of the old regulatory system strain company finances and keep energy prices high.

The State Energy Plan should identify hold-over statutory and regulatory policy that may impact the financial integrity of the T&D companies, increase the cost of energy, and detract from the ability of these companies to maintain and improve system reliability.

Response: The Energy Planning Board concurs that the infrastructure necessary to support competitive markets must be maintained and expanded where appropriate. The Energy Planning Board defines “infrastructure” to include existing, new, and upgraded central station and distributed power supply resources, existing, new, and upgraded transmission and distribution facilities, and existing, new, and improved demand reduction techniques and measures. Each of these resources is important in the development and expansion of competitive markets. In the long term, each of these must be self sustaining on its own merits based on the desires of consumers.

Similarly, the Energy Planning Board supports efforts to eliminate barriers to the introduction and expansion of energy resources that will be in the public interest. The State Energy Plan supports extension of Article X of the Public Service Law. The Energy Planning Board urges that the Legislature give consideration to any changes that would benefit the process and be in the public interest. With regard to Article VII of the Public Service Law, which addresses transmission line siting, The Energy Planning Board also concurs that streamlining should be considered if any changes would be beneficial and if the changes support coordination with the Article X process. No party, however, has indicated what, if any, specific changes are necessary. The Public Service Commission will certainly consider changes to the Article VII procedures if need should be demonstrated. Similarly, coordination of Article VII and Article X proceedings can be accomplished by the applicants if they submit their proposals in a timely manner and

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keep the parties and the Judges in both proceedings adequately informed of scheduling requirements.

Natural Resources Defense Council (NRDC)

On page 1-35, the draft State Energy Plan calls for efforts to improve the efficiency of energy generation; that's a step in the right direction. The Long Island Power Authority, in particular, should aggressively pursue power strategy (*i.e.*, repowering existing plants to make them more efficient) for all their plants.

Response: In general, the Long Island Power Authority does not own generation plants but purchases power, primarily from Key Span but also from other generators. Even so, as the energy market becomes more competitive, the natural action of market forces will likely impel all power generators to replace and upgrade inefficient units. In the State Energy Plan, the Energy Planning Board supports ongoing development of the emerging energy market.

Dani Glaser

Regarding the Draft State Energy Plan, I want to point out what I saw as one tremendous omission, which is the impact of construction [of infrastructure projects]. There was much discussion of the benefits of deregulation but at what price do these benefits come? To not have addressed the impact of construction of a project such as the Millennium pipeline, I feel is irresponsible. It will have a devastating effect on the Hudson River and on the New York City watershed. Millennium has totally underestimated the rock blasting that will occur and 50,000 trees will come down in the county. These are issue of construction that were not addressed. The omission of the concept of what construction will do with new plants, new projects, and new gas pipelines, is something that really needs to be looked into.

Response: Construction impacts occur whenever transmission and generation projects are built. The certification and permitting processes for such facilities, therefore, must (and do) consider such impacts in relation to other costs and the benefits of the projects. Procedures exist in those processes to address any significant omissions in the record that may be found. The Energy Planning Board urges parties to use the processes that have been established for review of specific projects. The State Energy Plan is designed to address long-range policies and is not the proper forum to consider the impacts of specific projects.

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Green Party

The Millennium pipeline should be stopped at Indian Point and not continued down to Mount Vernon. The continuation of the pipeline into Mount Vernon raises a lot of issues. It's a heavily populated area. There is a large environmental justice issue. The pipeline would impact many minorities and people of very low income.

I read the brief discussion of the Millennium pipeline in the draft State Energy Plan, it didn't cover my concerns at all.

Response: The State Energy Plan provides factual information describing pipeline projects but does not take a position on the issues pending in proceedings to consider applications to construct any individual pipeline. The Millennium pipeline is subject to the approval of the Federal Energy Regulatory Commission, and routing issues are being considered in that proceeding.

Marshah-Reaff Barrett

The infrastructure for natural gas must be expanded with the intention of phasing out coal as much as possible.

Response: The Energy Planning Board concurs that the natural gas infrastructure needs to be expanded. While additional use of natural gas will tend to offset less efficient facilities, including less efficient coal units, the Energy Planning Board supports the continued safe operation of existing generation facilities, to the extent they can continue to meet environmental and health and safety standards, as part of a diverse portfolio of electricity generation resources. The Energy Planning Board and the Energy Plan support advanced coal technologies where they contribute to the State's fuel diversity.

Mirant New York, Inc.

The Energy Planning Board should retain flexibility and reserve judgment, where appropriate, beyond submission of the State Energy Plan if necessary to consider the findings of the joint NYSERDA-NYISO gas and electricity study on the State's natural gas infrastructure and its interaction with the electric system infrastructure.

Building on the work being undertaken by the study, The Energy Planning Board should examine New York's energy related policies for their impacts on the ability of power producers to continue operating existing facilities fueled by sources other than natural gas, the ability of power producers to install new base load generation within the

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State that is not fueled by natural gas, and the ability of utilities to delivery energy from a variety of generation sources seamlessly throughout the region.

Response: The findings of the joint NYSERDA/NYISO gas and electric study, *The Interaction of the Gas and Electricity Systems in New York State*, are incorporated in the State Energy Plan. The full text of the study will be published in summer 2002.

Mirant New York, Inc.

The State Energy Plan should endorse and promote an environment that encourages the maintenance and expansion of transmission and distribution systems by:

- Including assurances of financial recovery and fair return on investment
- Facilitating short amortization periods
- Provide stable financial opportunities for market participants
- Offer streamlined approval for projects and avoid artificial financial constraints
- Recognize the importance of maintaining and enhancing the system relative to minimizing end user prices.

New York State Electric and Gas (NYSEG)

The State Energy Plan fails to detail the process and new policies by which it expects much needed New York State electric transmission system infrastructure improvements to be made. The Energy Plan needs to address and identify specific policies that will facilitate economic transmission investment.

Response: The Energy Planning Board supports the maintenance of the State's transmission and distribution systems and expansion of those systems when in the public interest. The New York Independent System Operator is currently working to address issues that might otherwise deter necessary and beneficial system expansions. Accordingly, The Energy Planning Board will await the outcome of that work before considering if the State should establish its own policies and processes.

Kenya Browning

Pipeline projects mentioned on pages 3-137 and 3-139 are refreshing to see. Natural gas should take over where fossil fuels leave off.

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Stop the Barge

An assessment of the grid should be a mandate of the Draft State Energy Plan. A revision of the grid should be implemented as part of the Energy Plan. When suitable, non-residential properties are identified for the placement of new power plants, an update of the changes needed for the grid can be determined. Most grid 247 KV lines run through once industrial neighborhoods. This must be changed.

Response: Technical assessments of the transmission grid are performed regularly by transmission owners, by the New York Independent System Operator, and by the Northeast Power Coordinating Council. The State supports the performance of such assessments, monitors the results, and also participates in the approval of any new major transmission lines, as required by Article VII of the Public Service Law.

New York Gas Group (NYGAS)

NYGAS encourages the Energy Planning Board to recommend the development of policies to ensure the timely licensing and approval of natural gas transmission infrastructure projects to support future increase in demand for natural gas in New York State. The State Energy Plan should reinforce the need for policies to encourage the capital investments that will be needed to support the demands placed on the State's energy delivery infrastructure over the next 20 years.

NYGAS believes the Energy Plan should address the concern of ensuring that pipelines fully add the capacity and swing capability necessary to serve much higher gas fired generation loads.

Response: The Federal Energy Regulatory Commission (FERC) is responsible for the licensing and approval of most natural gas transmission lines. State agencies have encouraged and will continue to encourage the FERC to approve needed pipeline projects in a timely manner. The State Energy Plan requests the New York Independent System Operator to consider the certainty and availability of primary and back-up fuel supplies in valuing capacity from electric generators or to consider the certainty and availability of primary and backup fuels in establishing local reliability rules. Policies adopted pursuant to this recommendation should encourage gas-fired generators to invest in pipeline capacity.

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New York Gas Group (NYGAS)

Another key issue regarding adequacy of supply and reliability of service is the Public Service Commission's desire to have local distribution companies exit the merchant function. NYGAS urges the State to reconsider this objective and ensure that it will not conflict with the need to preserve reliability of service.

Response: The Public Service Commission (PSC) is considering the future role of utilities in Case 00-M-0504, Proceeding on Motion of the Commission Regarding Provider of Last Resort Responsibilities, the Role of Utilities in Competitive Energy Markets, and Fostering the Development of Retail Competitive Opportunities. In its Policy Statement on the Future of the Natural Gas Industry, the Commission stated that no compromise in reliability would be permitted and that an exit of Local Distribution Companies (LDCs) from the merchant role would not be allowed until continued reliability is assured. The Commission also stated that reliability issues should be addressed through collaboration. The PSC staff has established a Natural Gas Collaborative and a Natural Gas Reliability Advisory Group to address reliability issues, on which NYGAS is well represented.

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16. Regional Transmission Organization

Independent Power Producers of New York, Inc. (IPPNY)

The State Energy Plan should encourage the State to work cooperatively with the Federal Energy Regulatory Commission in its efforts to develop a regional transmission organization.

The State Energy Plan should firmly endorse the concept of increasing the size of electric markets in which New York participates. As the federal government continues to encourage larger markets across the country, New York must take these developments into consideration when adopting any New-York-only regulations.

A.E.S. Ltd.

A.E.S. supports the State Energy Plan's recommendation with respect to the northeast RTO and has the following concerns:

- Maintaining system reliability
- Development of market best practices
- Single independent governing body
- Need to develop fair, but less intrusive, market monitoring and mitigation procedures.

New York Public Interest Research Group

We should not be moving to a Regional Transmission Organization or regional approach. Other states would have decisionmaking power over New York but do not have New York's interests at heart. The link between the consumer and the decision maker is further blurred.

Sustainable Energy Alliance, Suffolk County Electrical Agency, Long Island Coalition for Democracy

No regional Independent System Operator. Keep the New York State Independent System Operator in place.

Better Queens Environment (BQE)

Regionalization of transmission should be linked with regional cooperation to reduce pollution downwind of participating states. Joint efforts by states in the region to equalize tax rates of fossil fuels will also assist in the retention of local industries and jobs. BQE proposes that all regional coordination efforts address pollution reduction and fossil-fuel taxes.

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American Ref-Fuel

The State Energy Plan should work with the Federal Energy Regulatory Commission in its efforts to develop an effective Regional Transmission Organization.

New York State Electric and Gas (NYSEG)

NYSEG strongly supports a 3-region Regional Transmission Organization.

Response: The Energy Planning Board in the State Energy Plan supports working expeditiously toward a regional market in the Northeast. The Planning Board recognizes the concerns raised by some parties that decisionmaking power under an expanded regional market approach might be moved further from New York State's control and calls for the State to continue to participate in negotiations to bring about a regional market to ensure the incorporation of best practices and fair representation on the part of market participants, including affected State governments, in the common market governance structure. Any system for merging the NYISO into an expanded market must incorporate appropriate State and local reliability requirements and ensure that the reliable operation of New York's electric system. A future system must allow full participation of demand management resources in the competitive procurement process.

Supporting Comments (No responses are necessary in this section.)

New York Independent System Operator (NYISO)

With respect to the draft State Energy Plan's recommendations for a Regional Transmission Organization (RTO), NYISO is currently exploring the costs and benefits of a merger with the ISO-NE and the formation of a northeast RTO that may at some point include the eastern Canadian provinces. In response to the concerns expressed in the draft State Energy Plan, any such organization formed would in fact be operated in accordance with best practices and would be designed to incorporate local reliability requirements and, indeed, not shortchange the reliable operation of New York's integrated electric system. To accomplish these objectives, stakeholder working groups on market design and system implementation are being formed as part of the RTO Development Review Process.

Consolidated Edison Company of New York

Con Edison supports the Draft State Energy Plan's position that New York State support the development of a Regional Transmission Organization. We think that a well-functioning RTO will include in it a planning process that allows ample opportunities for

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market-based generation, transmission projects, and demand side measures to be used to meet the growing energy needs of the State.

We think consumers will benefit from the enhanced competition that will result from larger markets, but the pursuit of savings cannot come at the cost of degraded system reliability.

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17. Distributed Generation

Natural Resources Defense Council (NRDC)

The NRDC is very adamant about getting the electric utilities incentives correct. Currently they have incentive to block distributed energy projects or energy efficiency. And as long as utilities have an adversarial relationship with these good public benefit projects, it's going to be like pulling teeth every time you want to promote these technologies.

It's very important to address regulatory barriers, address the regulatory incentives that utilities have so they can become partners with the state and the citizens in achieving a really balanced and sustainable and clean energy future.

Environmental Advocates

In the section of the State Energy Plan on distributed generation and renewable fuels, a bullet mentions regulatory barriers to distributed generation and at the technical briefing environmental regulations were mentioned as a barrier to renewable energy. If there are environmental regulations that are barriers to renewable energy, then they should be discussed in the State Energy Plan and recommendations put forward for overcoming those barriers.

Sierra Club, NYC Group

The State has actively supported programs for energy efficient appliances, machinery, and buildings. New technologies for power generation should also be supported. These have the potential to create heat and electricity with reduced pollution and decreased resource use. Such technologies include fuel cells, geothermal, clean distribution, renewable energy, and others. The creation of many new jobs is likely to result from employment of these technologies. The Draft State Energy Plan should analyze this possibility.

Response: The Energy Planning Board in the State Energy Plan acknowledges and details policy objectives concerning the development and use of distributed generation and combined heat and power technologies. Throughout the Energy Plan, distributed generation is acknowledged as a major way to address system reliability concerns that, in tandem with demand management strategies, will ensure adequate and diverse supplies of energy.

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The New York State Department of Environmental Conservation (DEC) is currently developing emissions standards for distributed generation technologies, and NYSERDA is working with DEC and various groups to ensure that the standards are rational and fair. NYSERDA is collecting data to characterize the emissions from distributed generation equipment through its *Efficiency and Renewable Energy Potential Assessment*. In the State Energy Plan, the Energy Planning Board sets national leadership in deployment of clean distributed generation technologies as the State's goal. In particular, the Energy Plan calls for continuing research and development for distributed generation and CHP technologies in connection with renewable energy resources and facilitating interconnection of distributed generation and CHP into the electricity system. Investment tax credits are recommended as a means of spurring private investment in these technologies. See Section 1.3 of the Energy Plan.

The Joint Supporters

The 2002 Draft State Energy Plan needs to go further than it does in setting objectives and in measuring progress toward the goals of developing and securing indigenous resources and realizing energy independence for North America.

More effort is needed by the State and in the Draft State Energy Plan to recognize the State's continuing interest in promoting market transformation in demand resources.

The definition of energy facilities should include fuel facilities (transport and storage), generation (large, small, combined heat and power, renewables), transmission, distribution, and on-site facilities (on-site generation, meters, energy management systems, and communications and energy usage systems). Building codes also need further reform.

The Draft State Energy Plan should be dramatically expanded in the final Plan to include numerous distribution and transmission upgrades, *e.g.*, the numbers should be tripled to 75 or more across the State. LIPA should adhere to a similar standard.

Interconnection is another area where New York's position as a market leader has been overshadowed by inertia.

Response: The State Energy Plan is a plan for New York State and not North America. Nevertheless, the Energy Plan recognizes the important roles played by surrounding states and the northeastern states in general in addressing regional and national energy issues. The State Energy Plan supports the State's continued commitment

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to energy efficiency and renewable energy development and to transformation of energy markets toward self-sustaining energy efficiency and demand management. The State Energy Plan supports and encourages investment in energy and transportation infrastructures, including transmission and distribution, distributed generation and alternative energy development, roadways and public transportation, among other areas, as recommended in Section 1 of the State Energy Plan. Regarding interconnection issues, the Energy Plan supports easier interconnection and standardization of interconnection procedures, while recognizing that many complex issues need to be resolved before transparent interconnection can be realized.

Plug Power, Incorporated

We are enthusiastic about the increased interest generated in the area of distributed generation and are encouraged that it is referenced in the Draft State Energy Plan. We need the State to do more.

Robert Lambert

The overall plan should allow for the location of electric generating plants so that existing distribution systems could carry newly generated power, electric (with steam to follow) for the immediate community.

Currently operating generating plants using fossil fuels to should be converted and upgraded to cogenerating units where excess steam can supply surrounding communities with heating, cooling, refrigeration, and electricity at greatly reduced rates.

Lake Shore Environmental Action of Wolcott

The present plan seems to favor large inefficient centralized producers. Cogeneration should be encouraged.

Response: The State Energy Plan encourages the implementation of combined heat and power (cogeneration) facilities. The recommendation that existing facilities be converted is, in general, infeasible because of location and technology constraints. Currently, most existing, large-scale electric generation plants are located in remote areas. The cost of piping thermal energy in the form of steam and hot water to end users would be prohibitive. In addition, the local use of thermal energy is usually very small when compared with the amount of thermal energy generated by a typical large power plant.

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For years New York State and NYSERDA have supported the development of highly efficient combined heat and power (cogeneration) systems where the generating equipment is appropriately located and the thermal energy output is well matched to the needs of a single customer or group of customers. In addition to ConEdison's longrunning CHP steam generation system, a more recent success story in cogenerated, district energy is Jamestown, New York, a project supported by NYSERDA.

Ann Link

We are concerned that the Draft State Energy Plan's preoccupation with increased use of natural gas for large-scale generation is preempting appropriate attention from natural gas fired distributed generation and combined heat and power systems (CHP) in favor of other clean distributed generation technologies. In fact, one of the best measures available to extend the natural gas supply is to shift generation into CHP with its efficiencies in the 70-80 percent range. We anticipate that increased use of competitive natural gas pipelines and natural gas distribution infrastructures should make natural gas available for distributed generation and CHP engine and turbine technologies that meet emission requirements. Therefore, these technologies should not be disadvantaged in forecasts and in the identification and removal of disincentives to deployment.

Response: NYSERDA is very involved with and optimistic about the potential contributions of distributed generation and combined heat and power technologies (CHP). In fact, distributed generation is a consequential ingredient in the electricity deregulation model. Increasing distributed generation contributes to a free electricity market because it offers direct competition with energy services companies.

See Section 3.4, Electricity Assessment, of the State Energy Plan for a discussion of distributed generation. The New York State Public Service Commission has extended and expanded the system benefits charge in 2001, providing nearly \$57 million over the next five years to improve the viability of distributed generation and CHP as economic energy options in New York State.

The Joint Supporters

To assess resource potential more fully, we think the combined heat and power analysis NYSERDA has already performed, or had performed by Nexus, will be fully reflected in the State Energy Plan's analysis and resource assessments.

Response: The Energy Nexus Study is not complete. A draft report is undergoing major revisions in response to feedback from the Project Advisory Board. However,

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selected information from the partially revised report was used in the regional electricity load and price modeling in the State Energy Plan. See Section 3.4, Electricity Assessment.

Battery Park City Authority

The State's energy planners can encourage more energy efficiencies by making certain that on-site generation, for example, can proceed without red tape and an endless bureaucracy.

New York Gas Group (NYGAS)

NYGAS conditionally supports the statement in the Draft State Energy Plan that the State should support and encourage the development and use of distributed generation and combined heat and power. However, the State Energy Plan should avoid policies that subsidize development.

Lake Shore Environmental Action of Wolcott

Co-generation should be encouraged.

Battery Park City Authority

The State's energy planners can encourage more energy efficiencies by making certain that on-site generation, for example, can proceed without red tape and an endless bureaucracy.

Response: The State Energy Plan reflects a major commitment by the Energy Planning Board to distributed generation and combined heat and power systems, sometimes referred to as cogeneration, because these technologies significantly contribute to increasing the State's energy diversity and facilitating economic development. Section 3.B. of Section 1.3 of the State Energy Plan contains recommendations that enunciate New York's goal of becoming a national leader in the deployment of clean distributed generation technologies. The State Energy Plan calls for the State to continue with research and development of these technologies, support new installations, improve interconnections with the electricity system, and consider investment tax credits for environmentally-sound, cost-effective distributed generation and combined heat and power systems.

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Don Neuroth

I'm a little annoyed that we cannot generate our own power on a micro basis because of some of the rules and regulations. We cannot generate power for ourselves without being penalized for it. If you want to have true competition, that would be one political way you could have it come about, by moving some of these roadblocks so we can generate our own power.

Response: Impediments to self-generation are being examined by the New York Public Service Commission and, to the extent that public and worker safety can be assured and inappropriate subsidies can be avoided, those impediments are being removed.

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18. Standby Rates

Alfred University

The issue of standby rates and net metering, as barriers to promoting distributed generation and renewable technologies from wind, solar, and combined power, should be confronted or at least mentioned in the State Energy Plan.

Harbec Plastics, Inc.

Harbec Plastics, Inc. was happy to see the draft State Energy Plan encourage distributed generation. However, the standby rates, if adopted by Rochester Gas & Electric Corporation, would kill distributed generation.

American Wind Energy Association (AWEA)

Utilities should exempt on-site renewable powered generation from standby rates.

The Joint Supporters

Standby rates should not be designed in a way that artificially increases rates. They should reflect the cost of service. The collection of so-called strandable costs in some areas of the State in standby rates is sufficient to render an otherwise economic project uneconomic.

Although the Public Service Commission approved a generic decision in October 2000, at this point considerable work needs to be done to implement reasonable rates for small generation in the real world.

Response: The Public Service Commission issued its generic *Opinion and Order Approving Guidelines for the Design of Standby Service Rates, No. 01-4*, in Case 99-E-1470, dated October 26, 2001. These guidelines specify the parameters of cost-based rates for standby delivery service, in compliance with which all utilities are required to file new standby rates. Rates previously filed by Rochester Gas & Electric Corporation prior to the release of this order have been cancelled. In compliance with this order, all standby rates currently in effect or previously filed by the utilities will be replaced with new rates during 2002.

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19. Energy Costs

Independent Power Producers of New York, Inc. (IPPNY)

We encourage an examination of the impact of New York State's specific taxes on energy prices and regional competitiveness, with an eye toward reducing the burden on consumers and businesses.

R.G.S. Energy Group/Rochester Gas & Electric Corporation

Local property taxes, including the special franchise tax, continue to be one of the most significant factors driving energy costs in New York. Current practices are clearly inconsistent with the State policy of reducing energy costs. The local tax system discourages investment and penalizes utility companies and their customers for improvements made to the energy system. The Draft State Energy Plan should recommend an overhaul of these policies, including the practices used to value utility property for real property and special franchise tax purposes.

Response: Section 2.2 of the New York State Energy Plan, Energy and Economic Development, presents discussions of the effects of New York's taxes on energy prices and describes policies the State has established to reduce energy prices. The Energy Planning Board supports efforts to reduce the impact of taxes on energy prices in the State.

Renewable Energy Works

Since the onset of deregulation, an alarming trend has been allowed for utility rate structures. Monthly service charges have been allowed to increase in exchange for keeping unit energy costs down. Those who conserve energy are penalized while those who waste energy are rewarded. These new rate structures also put new companies trying to market clean, renewable energy at a competitive disadvantage. The State Energy Plan should address rate structures as an important no-net-cost means for advancing energy efficiency and renewables.

Independent Power Producers of New York, Inc. (IPPNY)

In order for competition to flourish fully, consumers must have the opportunity to recognize and respond to the true costs of their consumption. This requires retail rate designs, for example, time of pricing, that send proper price signals to consumers and the development of policies that reward users who reduce consumption at times of peak demand.

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Response: Current utility rate structures are changing in recognition of the fact that the industry is in transition from offering fully regulated bundled services to offering a combination of unbundled “competitive” commodity and retailing services and “regulated” delivery services. In the future, utilities will continue to provide fully regulated retail delivery services to all customers using commodity services, whether purchased from the utility or from another provider.

Conservation principles are most directly linked to the “commodity” portion of the consumer’s traditionally bundled utility service. The investments and resources (*i.e.*, costs) required to build and maintain the delivery service infrastructure, including wires, pipes, poles, and transformers, are driven primarily by the maximum degree to which customers might individually or coincidentally use the service, rather than its average or ongoing use. Hence, delivery system costs tend to be more fixed in nature, not varying much with changes in customer demand from day to day or season to season as do commodity costs and prices. Therefore, in order to move utility delivery rate designs in a direction that better reflects costs, increases in the fixed charge components of the rates, particularly for the lower-use customer classes, have been necessary. Such changes are not intended to signal customers to consume the “commodity services” wastefully or excessively.

Jamestown Board of Public Utilities (JBPU)

Jamestown is a municipally owned electric utility. The development of the New York Independent System Operator has dramatically expanded our cost in providing service to our community. Without obvious benefit, the NYISO charges have raised costs to supply electricity to our economically depressed community by 25 to 30 percent. We recommend that the State Energy Plan examine these costs seriously and assess the propriety of such costs.

Response: Tariffs and Federal Energy Regulatory Commission orders add to the cost of electricity generation, transmission, and distribution. The additional charges could come from any portion of the total electricity cost.

New York State Environmental Justice Alliance

Residential consumers should be allowed to aggregate their purchase of electricity by geographical area. This would enable a city or county to purchase a large amount of electricity at more favorable large customer rates.

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Consumers should be able to choose innovative energy packages that include efficiency and renewables.

Consumers Union

The State should assist residential consumers to aggregate their purchasing power to achieve the thus-far illusory benefits of market competition.

Response: All customers of regulated utilities are, and have been, allowed to aggregate their purchases of electricity and natural gas. Cities, counties, and other interested organizations can render valuable services to their citizens and members by facilitating aggregation. The Department of Public Service provides information and assistance to organizations and individuals that wish to provide or use aggregation services and NYSERDA provides assistance through its **New York Energy \$martSM** programs .

Alternative Power, Inc.

Some of the things that could really help get more business and more clean energy in New York City would be financial incentives for the distribution companies. With respect to connection to the grid, if there was a financial incentive for a distribution company to allow the loss of revenue to be somehow, through the State or through increased rates afterwards, depending on how they have been impacted, it would be great. Because they will lose business.

Western New York Sustainable Energy Association

The recommendation has to do with establishing efficiency incentives for electric distribution companies. When electricity was deregulated in New York State, not only were efficiency funds for rate payer programs slashed, but the efficiency incentives that utility companies had were also eliminated. There were rate adjustment mechanisms that would reward as well as hold harmless utility companies when they actively promoted efficiency.

Those incentives are gone, and, consequently, the electric utilities make more money by selling or delivering more electricity, and the more we use and the more we waste, the more money that goes into their pockets.

That's contrary to public interest, and there needs to be a decoupling of revenues from sales so that the utility companies can be partners with rate payers and with NYSERDA and others who are looking for a much more energy efficient State.

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Mirant New York, Inc.

In the larger context of costs, there is another raised by the Draft State Energy Plan that needs to be addressed. The Draft State Energy Plan contains a recommendation that “The State should examine the feasibility of effectively aligning public policy interests in energy efficiency, combined heat and power, and indigenous renewable based electricity generation, with the financial interests of utility shareholders and ratepayers.” (Recommendation 5.A.)

To the extent that this recommendation is intended to support the concept of revenue decoupling as that is understood, it is outdated, unnecessary, incompatible with competitive energy markets, and we would oppose it.

Environmental Advocates

There are interconnection barriers, insurance costs, exit fees, back-up charges that are serving as barriers to the development of on-site clean distributed generation. The State Energy Plan should present specific recommendations for overcoming those barriers. The most effective approach will be to de-link the utilities revenue from the volume of sale in order to remove their underlying incentive to block clean distributed generation.

Response: As mentioned elsewhere in the responses to comments, the unbundling or decoupling of delivery and commodity services provides an opportunity to restructure rate designs to better link prices and costs. Transferring delivery service recoveries from variable (per kilowatt hour) to fixed monthly charges in and of itself produces no particular incentive to use more or less of the delivery. In fact, once a customer's access to the delivery system is established, the amount of actual energy (commodity) delivered becomes strictly subject to the commodity price.

Allowing commodity prices to vary with the market enables customers with discretionary uses to either pay or avoid higher prices, depending on their individual energy needs and financial circumstances. Commodity prices can vary on a monthly basis for classes of customers with low levels of use, *e.g.*, residential and non-demand metered commercial customers, or on an hourly basis for high use customers.

Revenue decoupling mechanisms were tried in the late 1980s and 1990s in an effort to encourage regulated utilities to become promoters of customer energy conservation and demand-side management measures. They may be less effective in achieving the desired price signaling to customers than the rate decoupling currently in

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progress as we transition to more competitive service environments. The State Energy Plan suggests that the Public Service Commission study how best to align public policy goals with the interests of utility rate payers and shareholders. (See Section 1.3, Energy Policy Objectives and Recommendations.)

Ann Link

New Yorkers spent \$38 billion on energy in 2000. [too high]

New York is the fourth largest petroleum fuel market in the U.S. and largest market for home heating oil. [too high]

Response: Competition in energy markets will provide consumers with choices among their sources of energy and with choices among methods for reducing their demand for energy. As consumers begin to exercise these options, they will be able to shop for lower energy prices and take advantage of new technologies designed to reduce energy use.

Alternative Power, Inc.

One of the big things that we think can really help us out would be to have a green credit or a trading mechanism available to us, some kind of platform where the green credits that we make, through the green energy that we supply, can somehow be valued, which will help our customers and help us as a business.

Response: Using System Benefits Charge (SBC) funding instituted by the Public Service Commission, NYSERDA is offering several programs through its **New York Energy \$martSM** program to promote green energy. One of these programs is the Environmental Attribute Accounting and Trading System (REACTS) Program. NYSERDA has funded contractors to explore the viability of a system that will facilitate the unique sale and purchase of environmental attributes associated with energy sold and purchased through the Location Based Marginal Pricing market of the New York Independent System Operator.

Mirant New York, Inc.

Extraordinarily, the Draft State Energy Plan offers almost nothing to address one of the most fundamental components of energy prices: government-added costs. Government-added energy costs must be reduced, not increased as they would under the Draft State Energy Plan and as a result of other State actions that are incompatible with the goal of more competitive prices. New York State energy companies have consistently

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lowered their costs and frozen or reduced their prices. Those reductions continue to be largely negated by government-imposed costs: environmental mandates like the pending NOx and SO2 emissions regulations, social and other public programs, off-budget support for State agencies, inappropriate and inefficient facilities relocation practices. (See Response on page 19-7.)

Multiple Intervenors

It is imperative that the Draft State Energy Plan not include any recommendations that will increase energy costs in New York State.

Any recommendations in the State State Energy Plan pertaining to Article X and the siting of power plants should recommend expediting the siting process not imposing additional requirements that will delay construction or increase the cost of new power plants.

The Board should delete any recommendations pertaining to alternative fuels that will increase the price of electricity in New York State. One example is the recommendation that the New York Power Authority and Long Island Power Authority should competitively solicit bids for long-term contracts for the purchase of electricity from renewable energy resources.

The recommendation relating to the development of an indigenous biofuels industry in New York and an expansion of biofuels research and development activities should not be included in the State Energy Plan.

The recommendation that the State significantly increase the amount of renewable energy resources also be deleted from the State Energy Plan. (See Response on page 19-7.)

Multiple Intervenors

Multiple Intervenors lauds the Draft State Energy Plan for recommending the State move expeditiously to a fully competitive electric retail market. The failure to include lower energy prices as an objective of the Plan is inexplicable.

The final Plan must emphasize the need for lower energy prices in New York State. The State Energy Plan should include a specific reduction projection for each year. The Plan's forecast that electric prices will decrease over the Planning Period is overly

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optimistic. The Plan does not recognize the important role of economic development programs in retaining and attracting business to the State.

The draft State Energy Plan does not emphasize the need to move to a fully competitive electric market expeditiously. (See Response on page 19-7.)

Niagara Mohawk Power Corporation

The draft State Energy Plan places a disproportionate emphasis on energy efficiency and renewables relative to their potential contributions to meeting the State's energy requirements. We are even more concerned that the draft State Energy Plan suggests various forms of subsidies and mandates in support of these technologies. Niagara Mohawk is working with marketers of renewable energy products and the Department of Public Service to launch a program that will help promote renewable energy markets. The draft State Energy Plan should emphasize such market based approaches in preference over subsidies and mandates.

Response: New York State has undertaken extensive efforts to reduce its portion of the costs of energy to consumers in the State. Section 2.2 in the State Energy Plan, Energy and Economic Development, addresses some of the steps that the State has taken and some of the steps that still need to be taken. It must be understood, however, that some government-imposed costs are necessary and in the public interest.

Environmental Advocates of New York

We believe there is a need for a conservation contingency plan. No specifics are laid out in the plan for what would happen in case of a fuel cut off for some catastrophic reason.

Response: The State Energy Plan aggressively supports energy efficiency and renewable energy as a means to meet growing demand and encourage energy diversity. This commitment is evidenced by the Energy Planning Board's recommendations in Section 1 of the State Energy Plan. For information about those State energy efficiency programs that are similar in concept to the conservation contingency plan, see Section 3.2 of the Energy Plan. Increased energy efficiency, in effect, reduces the State's need for energy generated from coal, oil, natural gas, and other sources thereby reducing environmental emissions that would occur during the generation process.

The Electricity Assessment, Section 3.4 of the State Energy Plan, describes several actions taken by the State to develop rapid efficiency deployment to meet needs

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during critical times. In March 2001, the PSC approved several programs designed to reduce peak demand for electricity in Con Edison's service area. The PSC also directed all of the State's investor-owned utilities to submit plans to implement customer-incentive programs to reduce peak demand. The PSC subsequently approved these programs and tariffs to implement them. These actions allowed ESCOs and utility supply customers to take advantage of new demand reduction programs offered by the NYISO. By the end of August of 2001, approximately 680 megawatts of demand reduction had registered in the NYISO's Emergency Demand Response Program, which provided 456 megawatts of demand reduction during system emergencies in 2001.

The NYISO's Day Ahead Demand Response Bidding Program similarly provided opportunity for relief during summer 2001, with as much as 171 megawatts of reduction available in a given hour from parties registered to participate in this program.

In addition, the System Benefits Charge programs administered by NYSERDA reduced demand by about 90 megawatts. Additional savings resulted from plans developed to reduce government energy usage during peak periods, public appeals, and other utility programs.

The PSC also required utilities to prepare detailed public awareness plans describing their steps to raise awareness and inform customers on the load and capacity situation and describing actions that consumers can take to control their energy use. Special focus was on the business community where the greatest results are expected in the shortest amount of time.

Pace University School of Law; Pace Energy Project

The Draft State Energy Plan fails to address the fundamental barrier to greater retail choice – the prevailing “shopping credit” or “price to compare.” With current utility rates, small consumers have no financial incentive to migrate from default service. The New York PSC and the State Energy Plan should seriously consider options to be pursued in the event that few customers are inclined to leave the regulated utilities.

Another issue that receives scant attention in the Draft State Energy Plan is whether there will be sufficient price responsive load to produce workably competitive markets. Many analysts have concluded that only ten to 20 percent of the total load or demand needs to be price responsive in order to capture most of the price reductions that are possible. However, there is no evidence that New York will be able to achieve that level of price responsiveness. The State Energy Plan should examine this issue

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thoroughly because it is of great consequence in terms of prices and the exercise of market power.

Further, the State Energy Plan should consider the consequences and alternatives in the event that adequate price responsiveness is not forthcoming from the market. We should have a reasonably good idea of how much price responsiveness can be achieved after the next two years' experience with the NYISO's economic day ahead price response program. If that program fails to gain a five to ten percent peak price responsiveness, using its significant incentives, then there should be considerable doubt about the market's ability to provide adequate price responsiveness. The State Energy Plan should address this possibility, consider its implications, and perhaps being to develop alternatives.

The State Energy Plan should evaluate and adopt policy options for addressing the meager choices and mediocre service currently available to residential and small commercial consumers.

Another issue that should be discussed is competitive bidding for the role of default supplier. The default service function should not inevitably devolve to the distribution utility but instead be subject to competitive bid.

Response: The matters raised by Pace are currently the subject of ongoing proceedings taking place at the Public Service Commission. Consequently, it would be premature to attempt to address these matters at this time. The PSC currently has a proceeding underway to unbundle utility rates. Out of this proceeding will come the appropriate charges for commodity and related commodity services. This proceeding will also determine the future course of retail competition in New York State, including the several issues raised by Pace.

With regard to the price responsiveness programs, efforts are underway to expand on the benefits achieved in 2001. If the market chooses not to provide the necessary demand responsiveness, additional generation resources may be required.

Wedlyne Guerrier

I think instead of the State having little direct control over wholesale price of energy, the State should petition to U.S. Congress to have more control over the situation, not necessarily total control, but enough to have a significant impact on the competitive market.

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Response: As noted elsewhere in the responses to comments, effective competition in the natural gas and electricity markets, where practical, is the policy of the State. The policies and recommendations forming the State Energy Plan are based on this concept, and the State Energy Plans, since 1994, have embraced the idea that competition has the potential to reduce energy costs, increase customer choices and satisfaction, promote economic development, enhance system reliability, improve environmental quality, and promote technological growth. In the past, regulatory controls were inadequate to protect consumer against volatile and inefficient prices of energy. The Energy Planning Board believes that, in the long run, market forces are the best mechanism to control wholesale prices.

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20. Electric Markets

A.E.S. Ltd.

Dependence on market interventions versus allowing market dynamics to provide investment incentive will only slow market development and result in a longer than necessary transition to a mature stage of our market.

Independent Power Producers of New York, Inc. (IPPNY)

The electric markets in New York, as administered by the New York Independent System Operator, must be allowed to continue developing without undue government intervention.

During the transition to newer, more efficient generation sources, existing sources of electricity must not be forced out of business.

Response: The Energy Planning Board in the State Energy Plan supports long-term policies that allow market dynamics to provide investment incentives. To protect consumers, however, short-term market interventions are necessary, until sufficient numbers of new competitors enter the market and demand side programs have more fully developed. If done correctly, such intervention will not delay the maturation process, and the Planning Board believes that an approach that prevents price spikes for consumers will lead to the appropriate long-term result.

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21. Coal and Propane

Coal

A.E.S. Ltd.

The Draft State Energy Plan states specifically that the State should support clean coal technology, research, demonstration, and commercialization. This should include working closely with the energy industry to create incentives that lead to the retrofit of existing brownfield sites and potential new coal-fired generation.

Response: The State Energy Plan calls for the State to support research, demonstration, and commercialization of advanced electricity generating technologies, which would include advanced coal technologies, and encourages the retrofit and repowering of existing generating facilities in the State to maintain the State's energy diversity. The recommendations for the promotion of a cleaner and healthier environment include developing a program that allows businesses to enter into voluntary agreements to meet certain energy efficiency objectives and reduce greenhouse gas emissions. To assist businesses in meeting such voluntary goals, the State Energy Plan recommends that the State offer, where appropriate and necessary, technical assistance, expedited regulatory permit review, financial incentives, and public recognition.

A.E.S. Ltd.

To alleviate the need to develop greenfield sites, the State should further develop appropriate procedures that would provide for the expansion of the State's generation infrastructure through the modification of, or repowering of, existing facilities. This should include direct incentives for expansion of new, clean-coal generation projects.

Response: The State Energy Plan calls for the State to support research, demonstration, and commercialization of advanced electricity generating technologies, which would include advanced coal technologies, and encourages the retrofit and repowering of existing generating facilities in the State to maintain the State's energy diversity.

Center for Energy and Economic Development, Inc.

Coal transport and generation provide vital contributions to the New York State economy. Maintaining and providing opportunities to expand household income and employment attributable to coal transport and generation in New York State should be among the central objectives of the State Energy Plan.

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Response: The Energy Planning Board recognizes the important contribution of coal transportation revenue to the upstate rail industry and the importance of coal-fired electric generation to the State's fuel diversity. These issues are addressed in the State Energy Plan. (See Section 2.2, Energy and Economic Development, and Section 3.7, Coal Resource Assessment.) The State Energy Plan calls for the State to support research, demonstration, and commercialization of advanced electricity generating technologies, which would include advanced coal technologies, and encourages the retrofit and repowering of existing generating facilities in the State to maintain the State's energy diversity. The Energy Plan also supports continued operation of all existing generation in the State that meets applicable permit requirements.

R.G.S. Energy Group/Rochester Gas & Electric Corporation

The State Energy Plan should promote clean-coal technology in general, not specifically promoting any particular technology.

Response: Implementation of advanced coal technologies has been, and will continue to be, important for to achieving the State's energy, economic, and environmental goals. In recent years, technological advancements have led to substantial reductions in the cost of controlling sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions. Some of the most successful advancements are low-NO_x burners, selective catalytic reduction and scrubbers. Also, advanced coal technologies under development show promise of being environmentally superior to the technologies in common use today. The State Energy Plan does not promote particular technologies as superior to others.

American Wind Energy Association (AWEA)

The only clean-coal technology the State should support is integrated gas combined cycle with carbon sequestration.

Response: Integrated gas combined cycle technologies are one of several innovative advanced coal technologies that are more environmentally benign than many systems in common use today. Most are the products of research conducted over the last 20 years. New pollution control devices, such as advanced scrubbers, clean pollutants from flue gases before they exit the plant's smokestack. New combustion processes, such as circulating fluidized bed combustion, improve efficiency and control emissions. Integrated gasification combined cycle technology converts coal to a gaseous form similar to natural gas before it is burned. The Energy Plan does not promote particular technologies as superior to others.

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Environmental Advocates

All the coal plants in New York should be required to meet modern standards. The State Energy Plan should specifically analyze the impact on electricity markets if all plants were upgraded to meet modern control standards. You could have a birthday provision that on the 30th birthday of these plants they must be required to meet modern standards.

Response: The Governor's Acid Deposition Reduction Program, announced in 1999, is expected to result in regulations that will require New York's electricity generation plants to reduce sulfur dioxide (SO₂) emissions by 50 percent below the levels required by the federal Clean Air Act amendments of 1990. The initiative will also require such plants to implement year-round controls for nitrogen oxides (NO_x). This represents a substantial extension of the five-month summer ozone season controls required under current federal and State regulations. The first full year of fully-implemented NO_x controls is expected to be 2005, and SO₂ controls are expected to be fully phased in by January 2008. The State will review the recommendations of the Governor's Greenhouse Gas Task Force and implement appropriate recommendations in a timely manner. In addition to these initiatives that are specific to New York, the State also supports new source review standards.

Ann Link

Clean coal is an oxymoron. There is no such thing for the following reasons: [1] even with new technology, burning coal will pollute the air, [2] there is a hidden cost to coal, the health costs of respiratory disease including asthma, [3] coal mining causes destruction of small towns and the surrounding environment in Virginia, West Virginia, and Kentucky.

Response: A major consideration in the use of coal as a fuel in electricity generation is the emission of sulfur dioxide, nitrogen oxides, particulate matter, and carbon dioxide. Advanced coal technologies offer utilities options for making substantial reductions in acid rain and greenhouse gas emissions, while providing health benefits from improved air quality and energy, security, and reliability benefits through contributions to energy diversity. Emissions of sulfur dioxide and nitrogen oxides from coal plants using advanced coal technologies are expected to be 80 percent to 90 percent lower than those from typical existing coal plants.

As noted in the State Energy Plan, coal mining can have significant negative effects on land and water resources. Soil subsidence and erosion are long-standing

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problems associated with underground and surface mining. These are addressed by the Surface Mining Control and Reclamation Act of 1977 and the Abandoned Mine Reclamation Act of 1990. Water resources are degraded by mining and coal preparation. The Federal Water Pollution Control Act of 1972 and the Clean Water Act of 1977 both contain provisions to limit water pollution and run-off from coal extraction and processing.

Better Queens Environment (BQE)

The Draft State Energy Plan's analysis of demand predicts that demand for coal will decrease in the immediate future but that coal will make a comeback as nuclear facilities are retired and gas displaces oil. Rising gas prices will then make coal more economically attractive. Coal currently produces 4,000 megawatts of New York State's power (8 percent). Compare this with the 48 megawatts now produced by wind, and we see how the Draft State Energy Plan, rather than promoting a "balanced portfolio of energy resources" heavily promotes fossil fuels to the detriment of clean, renewable energy sources.

Nor is this plan coherent. New York Power Authority's Clean Air for Schools Program, which replaces coal burning furnaces with gas, is cited as reducing emissions by 911,200 pounds annually. Yet the demand for coal is predicted to increase by either 24.09 or 38.5 percent in the next 20 years. The school program, while positive and certainly symbolic, hardly tips the scales. Indeed, its gains stand to be buried in a pile of coal. Is this what we want for our children?

The Draft State Energy Plan also calls for an expansion of research and development of "clean coal technology." This is highly unnecessary and redundant. New York State could easily supply all its energy needs with technologies, such as wind and solar, that are known to be clean.

Response: The State has made significant progress in reducing emissions that cause acid deposition and soon will adopt stringent new standards for power plants to further reduce these emissions. The State Energy Plan calls for the State to support research, demonstration, and commercialization of advanced electricity generating technologies, which would include advanced coal technologies, and encourages the retrofit and repowering of existing generating facilities in the State to maintain the State's energy diversity. Emissions control technologies emerging from research and development in the 1980s and 1990s have moved into the utility and industrial marketplace and now provide cost-effective measures for reducing pollution.

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New York State is making significant progress compared to other states in promotion of renewable energy. Higher costs for renewable energy will continue to be a barrier to widespread adoption of renewable energy technologies. The State will continue to take actions to bring renewable energy costs more in line with national energy prices and promote renewable energy development.

Environmental Energy Alliance of New York

The State Energy Plan should include [a discussion of] the interrelationship of coal use, the availability of low cost rail service, and health of the upstate economy.

Response: These interrelationships are described in the State Energy Plan, Section 3.7, the Coal Resource Assessment.

Brett Maxwell

Increase investments in clean-coal technologies and increase the emphasis on quick-growing biomass fuel sources such as willow (Section 3-III, page 3-55).

Response: NYSERDA currently is conducting an *Efficiency and Renewable Energy Potential Assessment* which is looking at the potential of renewable energy sources and technologies and will provide specific data regarding the effects of co-firing biomass with coal.

NYSERDA has partnered with the SUNY College of Environmental Science and Forestry and more than 20 other organizations to form the Salix Consortium to undertake a multi-year project to grow and harvest willow for co-firing with coal.

Mary Griffin

A graph comparing natural gas emissions to coal plants using clean coal technology would be helpful.

Response: In Section 3.7, the Coal Resource Assessment, Table 10, Emission Rates for Electric Generation, has been expanded to include estimated emission rates for sulfur dioxide, nitrogen oxides, carbon dioxide, and mercury for natural gas combined-cycle plants compared to estimated emission rates for coal plants that burn low-sulfur coal, plants with advanced emission controls, and plants that have incorporated two new advanced coal technologies.

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Propane

Paraco Gas

Both federal and State data report propane stocks and prices as distinct from petroleum, we suggest that, beginning with this report, propane be broken out and discussed separately.

Response: The Petroleum Assessment in the State Energy Plan includes a section addressing propane prices, supplies, and infrastructure.

Paraco Gas

In the past, we recommended that storage be increased in the State by removal of barriers to siting. Section 379 of the Executive Law allowed local governments to adopt more restrictive standards for construction and fire protection. While local governments are supposed to act only upon good cause, the NYS Fire Prevention and Building Code Council has failed to enforce the requirements of the statute for adoption of such local standards. We recommend that 379 be altered to bar all local laws unless and until they are approved by the council imposing legally required review of such requests.

Response: With respect to Section 379 of the Executive Law, such issues are the purview of the State Legislature. The Energy Planning Board has not studied this issue in sufficient depth to offer guidance.

Paraco Gas

To promote greater safety and educational training, we suggest that New York establish a State-level Propane Education and Research Council to be used to expand programs and promote research and development of efficient propane applications. Funds could also be used for consumer education.

Response: Establishment of a State-level Propane Education and Research Council would require that legislation be enacted by the New York State Legislature. Absent legislation, there is, at the present time, nothing that prevents the propane industry from establishing an education and research council with voluntary contributions from industry participants.

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Doug Goodman

I'm here as an individual on behalf of the propane industry. When I reviewed the draft State Energy Plan, I noticed the lack of involvement of the propane industry in the plan. It did not appear that there was anybody from the LPG industry that was involved in the focus group or interest group.

I would like to have the opportunity to have propane revisited as part of the Draft State Energy Plan.

Response: The State Energy Plan, Section 3.6, Petroleum Assessment, includes a section addressing propane prices, supplies, and infrastructure.

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22. Evening Hearings and Access

Evening Hearings

The following individuals and organizations in their comments suggested that hearings be held in the evening:

New York Public Interest Research Group
Chenango North Energy Awareness Group
Green Party
New York State Environmental Justice Alliance
Babylon Greens, Town of Babylon
Ann Link
Sierra Club, NYC Group
UPROSE

Marah Hall

I would like to commend the Energy Planning Board for having so many hearings. I do hope that in the future at least one of the hearings will be held at a time that is a little more accessible to a majority of New York's working public.

Response: While the legislation governing the State Energy Plan calls for three public hearings, nine were held at various sites across New York State to permit the widest possible response to the Draft State Energy Plan. No hearings on previous State Energy Plans were held in the evening. The Energy Planning Board is sensitive to the value of such sessions. One major problem associated with holding hearings in the evening concerns security for the panel and for the attendees. The Energy Planning Board will consider this issue in preparing for future public hearings on the State Energy Plan and other public planning documents.

Access – Libraries

Green Party

Copies of the draft State Energy Plan should be more widely distributed to the public by sending copies to New York's libraries.

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Response: Copies of the draft State Energy Plan were sent to 1300 New York libraries in early January 2002, and copies of the State Energy Plan will be distributed to the same mailing list shortly after it is approved by the Energy Planning Board.

Publicize Better – Importance of Publicity

Riverkeeper, Inc.

The Energy Planning Board should involved the public to the greatest extent possible. However, with regard to the public process, there have been a number of glaring inadequacies. Indeed, it appears fairly obvious that the Energy Planning Board is either disinterested in public comment on the State Energy Plan or is actively discouraging public input.

For example, when the draft State Energy Plan was released in December 2001, we were informed that the Energy Planning Board had produced only enough copies of the plan to distribute to the few members of the public that had participated in the scoping process. Other interested citizens and groups were told they had to download and print the more than 300 page long document from the NYSERDA web site. Further, the Energy Planning Board's technical briefing and nine public hearings were scheduled at either 9:00 AM and 1:00 PM or 10:00 AM and 2:00 PM on weekdays. As a result, the vast majority of the general public were unable to attend because of conflicting employment obligations. Such timing, of course, presents no barriers to energy industry representatives. Speakers were limited to five minutes each. No hearings were held in the Hudson Valley, although that region bears a disproportionate burden in terms of existing power plants and new facility proposals.

As a result, New York State Sustainable Energy Campaign organized the People's Energy Forum for the evening of March 14, 2002 in Rockland County. It is particularly telling that ordinary citizens have had to take it upon themselves to organize a public hearing which was incumbent on the Energy Planning Board to hold.

Response: As noted elsewhere, the Energy Planning Board held nine public hearings rather than the three that are called for in the legislation governing the State Energy Plan. The Energy Planning Board made every effort to ensure reasonable access by all the citizens of New York. Two hearings were held in Manhattan and Brooklyn, which were accessible by public transportation and within easy driving distance of most sites in Westchester County. Evening hearings will be considered by the Energy Planning Board for future State Energy Plans and other public planning documents. Speakers were

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allotted ten minutes each and in numerous instances were allowed to make additional comments as time permitted. Also, an extensive period was available for submission of written comments, which were not limited in size. Over 2,350 copies of the draft State Energy Plan were distributed to interested parties and to individuals upon request. Another 1,300 were distributed to public libraries across New York State. Extensive public outreach was conducted throughout development of the draft and State Energy Plans, as described in Section 1.1 of the State Energy Plan.

Timothy McCorry

The meeting was not well attended by residents. Other, more well-attended meetings, were better publicized and held in the evening.

Babylon Greens, Town of Babylon

I just happened to get this [notice about the hearings] because I get certain emails from the State Green Party. I haven't seen anything about this on the Island.

Pat DeAngelis

I can't stress enough the fact that we need to have been information going out to people about hearings.

Green Party

It is clear that the State needs to assume greater leadership in bringing New Yorkers into the decisions made about our energy sources.

Energy decisions should not be made by fast-track decisions as stated in the intro of the Draft State Energy Plan. These decisions should be thoroughly thought through and must include public comment opportunities at all levels of decision making.

Response: The Energy Planning Board's goal is to obtain the widest input from organizations and individuals across the State. While some of the publication processes are mandated by regulations and legislation, other are undertaken in the spirit of inclusion. The following steps were undertaken by the Board in publicizing the State Energy Plan:

- A Notice was published in the *New York State Register* on December 26, 2001.
- The draft State Energy Plan were posted the web sites of all the Energy Planning Board member agencies.
- More than 2,350 copies of the draft State Energy Plan were distributed with the Notice of Technical Briefing and Hearings.

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- A press release was issued on December 11, 2001.
- A Public Notice of Planning Proceeding appeared in the *New York State Register* on April 18, 2001.
- Media advisories and press releases were distributed for each hearing locale in advance of the hearings.
- Copies of the draft State Energy Plan were sent to 1300 New York libraries in early January 2002.
- In addition, the Energy Planning Board agencies' staff participated in a two and one-half hour live television broadcast “Peoples Forum on Energy” held at the Ramapo Town Hall to discuss and receive comment on the draft State Energy Plan.

Hold in Westchester County

Westchester County Board

Perhaps for the next State Energy Plan, you might consider Westchester County. Obviously it has critical energy needs as much as the entire State does, and it would provide an opportunity for some Westchester residents to comment directly.

Dani Glaser

I also respectfully request that a meeting such as this be held in Westchester County. We are home to Indian Point nuclear power plant. We are home of the proposed Millennium pipeline project and home of many other energy projects and infrastructures, and the residents of Westchester deserve to have their own forum.

Green Party, New York

I do feel there is an unfortunate oversight that you did not include Westchester County in placing these hearings. There are a lot of people in Westchester County that would have like to have had a hearing in our neighborhood.

Response: The Energy Planning Board held nine public hearings rather than the three that are called for in the legislation governing the State Energy Plan and made every effort to ensure reasonable access by all the citizens of New York. Two hearings were held in Manhattan and Brooklyn which were accessible by public transportation and within easy driving distance of most sites in Westchester County, and the Energy Planning Board agencies' staff participated in a two and one-half hour live television broadcast “People's Forum on Energy” held at the Ramapo Town Hall to discuss and receive comment on the draft State Energy Plan.

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**NEW YORK STATE ENERGY PLAN AND
FINAL ENVIRONMENTAL IMPACT STATEMENT
June 2002**

RESPONSE TO COMMENTS

State of New York
George E. Pataki, Governor

New York State
Energy Planning Board
William M. Flynn, Chairman