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Comments of the Long Island Association

Application of Islander East Pipeline Company

FILED
OFFICE OF THE
SECRETARY
2007 MAY 30 PM 3:25
FEDERAL ENERGY
REGULATORY COMMISSION

For approval to construct *natural gas transmission pipeline*

Docket Nos. CPO1-384-000, CPO1-385-000, CPO1-386-000

The Long Island Association ("LIA") submits these comments to the *Federal Energy Regulatory Commission* with respect to the application of *Islander East Pipeline Company* for approval to construct a natural gas transmission pipeline from Connecticut to Long Island under Long Island Sound.

The LIA is Long Island's largest business and civic organization with over 5000 member organizations representing approximately half of Long Island's workforce. The LIA brings together business, labor, government and academia in a shared effort to improve the Island as a place to live, work and do business.

The LIA's primary purpose in submitting these comments in this proceeding is to underscore the critical importance of approving, in a timely manner, and constructing new natural gas pipelines and other energy generating facilities to meet Long Island's growing need for power as well as to replace aging and obsolete generating facilities. These LIA comments are not directed at the environmental, economic, or community impact issues specific to this proposed project. Rather, they are submitted to emphasize the concern we have regarding the current electric power situation and the importance we feel should be placed on the region's need for new power generation and transmission facilities in your agency's consideration of this application.

The power situation on Long Island has deteriorated significantly over the past few years. Due to substantial load growth over the past half decade, the demand for power has reached the point where existing generation facilities and transmission interties are no longer adequate to meet the demand for power. The Chairman of the Long Island Power Authority ("LIPA") has issued dire warnings of blackouts if new power facilities are not brought on line. Similarly, the Chairman of the New York State Public Service Commission has also indicated that the power supply situation has deteriorated and that it is imperative that new power facilities be brought on line on an urgent basis in the near future in the downstate area (specifically including Long Island) to avoid power supply shortages. Twice in the past three summers, the Island came extraordinarily close to rolling blackouts because the reserve margin between available supply and the demand for power is simply too low.

020606-0653-2

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In addition to the need for new facilities to meet growing load, new power facilities are also needed to replace older generation facilities. Half of the existing power generating capacity on Long Island is over thirty years old and is composed of plants that are far more polluting and are significantly less efficient than new power plants. Environmental quality would be improved, energy security would be enhanced, the emission of global warming gases reduced, the reliability of supply would be increased, and the region's exposure to higher fuel prices decreased if newer power facilities substituted for older generating units on Long Island.

Additional supplies of natural gas will also help support new gas-fired electric generating facilities, which will not only help Long Island meet its growing power needs, but, will be more friendly to the environment. The New York Independent System Operator has stated that with demand for electricity and natural gas increasing on Long Island, additional gas-fired electric plants will need to be developed, along with the associated expansion of the region's natural gas transmission infrastructure. The NYISO has stated "it is critical that new plants be located "on-island" to maintain reliability, enhance competition and support economic growth.

The Long Island Association urges you to take these comments into account as you decide whether to allow this project to proceed to construction. Thank you very much.

Mitchell H. Pally

Vice President for Government Affairs