



CONSTRUCTION INDUSTRY COUNCIL

OF WESTCHESTER AND HUDSON VALLEY, INC.

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STATEMENT

In Support of The Millennium Pipeline Project

Presented by

Ross J. Pepe

President

**Construction Industry Council of Westchester & Hudson Valley, Inc.
Tarrytown, New York**

Wednesday, November 13, 2002

Thank you for the chance to voice my support for the Millennium Pipeline. My name is Ross J. Pepe, and I am a resident of Rockland County, where I reside in New City. Our trade association's headquarters are in Tarrytown. I'm therefore in a unique position to speak on behalf of interests from both sides of the Hudson River. So on behalf of myself and the more than 650 contractors, suppliers and specialty companies that comprise our association's membership, I am here to reiterate our support for the Millennium Project. The Construction Industry Council urges the New York State Department of Commerce to complete its review and support FERC's decision that the pipeline is an acceptable and needed energy project.

There is a clear and immediate need for new energy projects in New York. The state's Independent System Operator and the New York State Public Service Commission have both issued strong statements about the critical energy problems we face in the near future if new energy projects are not completed.

Let me elaborate. We're all aware of the tragic events of September 11 and our dependence on foreign oil. It's easy to lose sight of the electricity crisis that New York City and the entire down state region faces.

Even before the tragic events of September 11, New York experienced stressful moments that went generally unreported. There were five consecutive business days during a week in August 2001 of record temperature that resulted in a surge in electricity demand. This surge exceeded the peak load forecast by 115 megawatts. It created widespread and well-founded concern that the City would not have enough electricity to avoid power outages. In short, the California experience of rolling brownouts and blackouts would soon be appearing on the East Coast.

In response, the New York State Independent System Operator declared a series of power emergencies. Through a special public and private partnership in the City, many of the City's building owners shut down 25 to 30 percent of their elevators and escalators, and they trimmed perimeter and lobby lighting. All of these measures reduced electricity demand by 160 megawatts when the power system demand was most crushing.

I would like to remind the Department that this project meets Governor Pataki's stated goals to create clean, dependable and economical energy projects. It relieves our area's dependence on Middle East oil, and it will provide market stability in the areas of pricing and supply for the companies that do business in this region of New York State.

Finally, we agree with FERC that modern gas pipe installation procedures are safe and protective of the environment including habitats and other public facilities. Similar excavation techniques are now occurring under a permit of New York State's Department of State just a short distance from where Millennium will cross the Hudson River. Thank you.

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