

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 the Long Island

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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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