STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard.

NOTICE INVITING COMMENTS ON SEQRA ENVIRONMENTAL ASSESSMENT FORM

(Issued June 11, 2007)

NOTICE is hereby given inviting comments on a proposed Environmental Assessment Form (EAF), prepared pursuant to Part 617 of the implementing regulations pertaining to Article 8 of the State Environmental Quality Review Act (SEQRA) of the Environmental Conservation Law, in connection with a proposed action by the Public Service Commission to establish an electric and natural gas energy efficiency portfolio standard in New York State and potentially to establish implementation measures. The action contemplated is an unlisted action as defined in 6 NYCRR §617.2. The Public Service Commission is the lead agency for purposes of environmental quality review of this action.

The Commission is soliciting comments on the attached proposed EAF in order to assist it to thoroughly identify and assess potential environmental impacts that may result from the proposed action. After the Commission receives and reviews comments submitted in response to this Notice, it will issue a determination of significance pursuant to SEQRA.

Not later than fifteen (15) days after issuance of this notice, parties should file an original and three copies of their comments with Jaclyn A. Brilling, Secretary, New York State Public Service Commission, 3 Empire State Plaza, Albany, New York 12223-1350, and serve electronically on each party identified in the active party list for Case 07-M-0548.

(SIGNED) JACLYN A. BRILLING
Secretary

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Case 07-M-0548 - Proceeding on Motion of the Commission Regarding and Energy Efficiency Portfolio Standard.

ENVIRONMENTAL ASSESSMENT FORM

Prepared By:

THE NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE
Three Empire State Plaza
Albany, New York 12223-1350

Dated: June 11, 2007
Albany, New York

State Environmental Quality Review
Environmental Assessment Form

Introduction

An environmental assessment is an evaluation of the known or potential environmental consequences of a proposed action. Such an assessment also determines whether additional relevant information about such impacts is needed. Environmental assessments help involved and interested agencies identify their concerns about the action and provide guidance to the lead agency in making its determination of significance. This document provides the substantive information solicited by Appendix C of 6 NYCRR 617.20, part of the regulations promulgated by the New York State Department of Environmental Conservation pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the New York Environmental Conservation Law. Because the proposed action is in the nature of policy making rather than physical construction, a narrative exposition of impact categories was chosen to communicate the information solicited rather than using the standard form of the Environmental Assessment Form (EAF).

An EAF provides an organized approach to identifying the information needed by the lead agency to make its determination of significance. A properly completed EAF describes a proposed action, its location, its purpose and its potential impacts on the environment. The EAF is the first step in the environmental impact review process and leads to either a positive declaration (requiring further analysis of the environmental impacts) or a negative declaration (requiring no further action) of potentially significant adverse environmental impact(s).

Part I – PROJECT INFORMATION

1. Applicant/Sponsor:

New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

2. Name of Action:

Public Service Commission approval of an electric and gas Energy Efficiency Portfolio Standard (EPS) and potentially the approval of implementation measures, in Case 07-M-0548.

3 & 4. Location of the Action:

New York State

5. [should there be an underlined title here?] The proposed action is new.

6. Description of Action:

A proceeding has been instituted by the Commission to establish an electric and gas EPS in New York State and potentially to establish implementation measures. In the order instituting the proceeding, the Commission identified the following threshold issues to be considered in the design of an EPS, which include:

a) Examining critical design options for the near and longer term, including cost-effectiveness, and whether certain types of efficiency programs are best administered centrally while others are more suited to delivery by utilities, competitive load-serving entities, or others;

b) Measuring and comparing the expected benefits and costs of various design options;

c) Integrating generic Commission determinations with existing and new programs developed in individual rate cases;

d) Considering and prioritizing end-user efficiency programs, market transformation approaches, research and development, and generation, distribution and transmission efficiencies, including the efficiency potential of distributed generation;

e) Developing target goals and timetables for natural gas usage efficiency;

f) Developing energy efficiency programs to ensure that all New Yorkers, especially those with low incomes, have the opportunity to benefit from lower bills resulting from lowered usage, and taking environmental justice concerns into consideration in program design;

g) Assessing best practices to integrate demand response technology and utility rate incentives into program design to encourage customers to shift usage and reduce peak loads;

h) Addressing coordination of the development of energy efficiency resources with other State initiatives as well as with New York City and other municipal and local energy efficiency programs; and

i) Ensuring transparent and technically sound methods for monitoring and verifying net energy savings, benefits, and costs, as well as assessments of customer satisfaction and program efficacy.

7-9. The action to be undertaken by the Commission does not include direct approval for the siting or construction of any facilities. Therefore, a consideration of site-specific amounts of land affected, and compliance with existing zoning or other land–use controls are inapplicable to this evaluation.

10-12. The action does not involve any permit approval, permit modification or funding, now or ultimately from any other government agency.

Part II – IMPACT ASSESSMENT

1. The action does not exceed any Type I threshold as set forth in 6 NYCRR Part 617.4.

2. There are no other "involved agencies" (state or local agencies with permitting or regulatory authority) regarding the action. Therefore, a "coordinated review" as provided for in the unlisted action in 6 NYCRR, Part 617.6 is inapplicable.

3. Potential for Adverse Effects:

The described action is not likely to cause any direct environmental effects, since the action alone does not involve physical activities that might have impacts on the environment. Instead, the action would likely create circumstances that subsequently induce activities, which in turn may cause environmental effects. This environmental assessment sets out an evaluation of a range of conceivable secondary consequences of the action. The evaluation relies on qualitative judgments as to the potential changes resulting from the proposed actions and the magnitude and importance of the corresponding potential environmental impacts.

a. Impact to Air

The action is not likely to cause any direct environmental effects, since the action is intended to and would likely reduce the demand for electricity generated by the combustion of coal, oil, and natural gas which in turn should result in reductions in the emissions of sulfur dioxide, nitrogen oxides, particulates, and carbon dioxide emitted as byproducts of such combustion processes employed in the burning of fossil fuels by central generating plants. To the extent that distributed generation (DG) facilities are a conceivable consequence of the action, the result may be smaller reductions in emissions of sulphur dioxide, nitrogen oxides, particulates and carbon dioxide. To the extent that replacement of air conditioning and refrigeration equipment is a conceivable consequence of this action, removal or leakage of chlorofluorocarbon refrigerants from disposed equipment may occur. Finally, depending on how the EPS is designed, there is potential that some end-users might be induced to choose oil as a fuel-source in lieu of natural gas, potentially resulting in an increase in air pollution.

b. Impact to Water

The implementation of the action would likely result in a reduction in the emission of sulfur dioxide, nitrogen oxides and particulates that could reduce acid rain and similar chemical impacts on fragile water bodies.

c. Impact to Land

The implementation of the action would likely not have any significant adverse impact on land drainage or soil erosion. To the extent that replacement of building materials is a conceivable consequence of this action, a modest increase in solid waste production and disposal may result. To the extent that DG facilities are constructed, it is likely that most will be located within or could be a possible expansion of buildings' existing footprint. Any possible expansion assumes local land use conformance, meeting any municipal performance standards and site plan approval.

d. Impact on Plants and Animals

The implementation of the action would likely result in the reduction in the emissions of sulfur dioxide, nitrogen oxides and particulates

that could reduce acid rain and similar chemical impacts on fragile terrestrial and aquatic plant and animal species.

e. Impact on Agricultural Land Resources

The implementation of the action would likely not have any significant adverse impact on agricultural land resources.

f. Impact on Aesthetic Resources

The implementation of the action would likely not have any significant adverse impact on aesthetic resources.

g. Impact on Historic and Archaeological Resources

The implementation of the action would likely not have any significant adverse impact on historic and archaeological resources.

h. Impact on Open Space and Recreation

The implementation of the action would likely not have any significant adverse impact on open space and recreation.

i. Impact on Transportation

The implementation of the action would likely not have any significant adverse impact on transportation.

j. Impact on Energy

The implementation of the action would likely result in reduced demand for electricity and natural gas. However, the action, as described above, could involve changes in policy, practices and economic arrangements affecting the choice and development of new generation sources and dispatch and retirement decisions of existing sources. Also, any decrease in electricity demand would likely result in a corresponding decrease in demand for commodity fuels consumed in the generation of electricity.

k. Noise and Odor Impact

The implementation of the action would likely result in a reduction in noise and odors from central electric generation facilities due to

reduced demand for electricity. To the extent that DG facilities are a consequence of the action, there could be some noise impacts related to the construction and operation of these facilities.

l. Impact on Public Health

The implementation of the action would likely result in a reduction in the emission of sulfur dioxide, nitrogen oxides and particulates. Such a reduction could reduce asthma and other respiratory impacts on humans. In addition, indoor air quality affecting public health may benefit from optimizing the energy performance of buildings and products. To the extent that increased reliance upon mercury-containing compact fluorescent light bulbs is a conceivable consequence of this action, introducing trace amounts of mercury into the environment from disposed light bulbs is possible.

m. Impact on Growth and the Character of a Community or Neighborhood

The implementation of the action would likely not have any significant adverse impact on the growth and the character of any communities or neighborhoods.

n. Cumulative Impacts

There are no other long-term, short-term, cumulative, or other effects not identified above.

1. The approval of the action does not include direct approval for the siting or construction of any facilities. Therefore, a consideration of potential site-specific impacts on the environmental characteristics that cause the establishment of a critical environmental area is inapplicable to this evaluation.

2. There is not likely to be significant public controversy related to potential adverse environmental impacts that may result from the approval of this action.

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Name of Lead Agency

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Print or Type Name of Responsible Officer in Lead Agency

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Title of Responsible Officer

_____

Signature of Responsible Officer in Lead Agency

_____

Signature of Preparer (if different from responsible officer)

_____

Date