

1 NYS DEPARTMENT OF PUBLIC SERVICE

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3 Proceeding in the Matter of MATTER#14-01299

4 PSEG-LI UTILITY 2.0 LONG RANGE PLAN

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6
7 725 Memorial Highway
Smithtown, New York 11787

8 August 19, 2014
9 7:18 p.m.

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13 Presiding Officer: JULIA BOVEY, Director - Department of Public
14 Service/Long Island

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16 Reporter: Tommy Phengthavone
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1 MS. BOVEY: Okay, folks, I think we're ready to start the
2 public comment portion of our evening. Keep in mind that
3 comments that you make will be part of the record for this
4 Island. Comments will be considered as we work with PSEG, LIPA
5 to get this plan into its final form, and again, I appreciate
6 you all being here.

7 Let's start tonight here with Matthew Kerns, please.

8 MR. KERNS: Good evening, So I want to thank PSEG for
9 having the hearings here in Hauppauge, and the many hearings
10 throughout the week, so I appreciate the opportunity to speak.
11 I appreciate everyone's service here. It's a wonderful
12 opportunity.

13 My name is Matthew Kerns. I'm an executive community
14 member of the Sierra Club Long Island Group. We are a national
15 environmental organization. We have tens of thousands of
16 members statewide, and well over 6,000 members here in Long
17 Island, and, you know, I have to say we are pleased at some of
18 the promises, some of the things we're hearing about the
19 efficiency programs and solar. It's definitely a step in the
20 right direction.

21 I also happen to be a certified BPI, an energy auditor.
22 I've performed hundreds of audits all over Long Island the last
23 couple of years, and I can say efficiency programs worked.
24 They're good for small businesses, they're good for customers,
25 and they're a good way to kind of introduce people, just to an

1 understanding of where their energy comes from, and these types
2 of things. So, I'm looking forward to kind of seeing those
3 programs develop, and seeing those come to fruition.

4 In order to really be a 21st Century utility, I think we
5 need to move away from last centuries fuels, and really make a
6 strong commitment to invest in clean renewable energy like
7 offshore wind. Renewable energy will combat climate change, and
8 provide diversity and stability in our rates. We must have
9 strong commitments with this plan to reach our goals of thirty
10 percent renewable by 2015. I think right now, Long Island is at
11 maybe three percent of the RPS that was promised in our
12 portfolio, and that's just not going to get us where we need to
13 be. So, choosing to invest in offshore wind thirty miles off
14 the coast of Montauk will not only signal to better utilities --
15 that our utilities are truly ready to embrace innovative,
16 efficient, safe energy sources of the future, but it will
17 position Long Island as a national leader, and this summer we
18 had Sierra Club Wind 100 Run where I attempted to run from
19 Montauk to Long Beach, and made it about ninety miles all from
20 offshore wind. We had one of the largest environmental rallies
21 in the history of Long Island. We had 650, 750 people show up,
22 and I had well-wishes from all across Long Island, people reach
23 out to me.

24 What I wanted to convey this evening was that I had people
25 from Los Angeles, Louisiana, Toronto, Virgin Islands, and

1 throughout Europe reach out to me, all excited about the
2 possibility of offshore wind becoming a reality soon on Long
3 Island, and I think it's important that we grab this
4 opportunity, and really do something with this.

5 So, I urge the Governor Cuomo, PSEG to incorporate goal
6 renewable energy visions that includes energy storage, and wind
7 in our Utility 2.0 Plan, and for the board this fall to make the
8 first step in that direction to invest in clean, safe, renewable
9 wind power off shores. Thank you very much.

10 MS. BOVEY: Thank you.

11 Next, we have Rose Van Guilder, please.

12 MS. VAN GUILDER: May I just have a minute or two, please?
13 Could you call me next?

14 MS. BOVEY: Yes.

15 Daniel Karpen? While Mr. Karpen is passing this out, I do
16 want to mention that I would like to not have a time limit
17 tonight, and have people say their peace, but I will ask
18 everyone to be respectful of everyone's time, and try to stay on
19 message though, and that's how we're going to run it, and we're
20 going to try to not have a time limit.

21 MR. KARPEN: My name is Daniel Karpen. I reside at 3
22 Harbor Hill Drive, Huntington, New York. I am a licensed
23 professional engineer. My engineering practice has been in
24 energy conservation mostly.

25 I wrote this paper twenty years ago on technology called

1 full spectrum polarized lighting to reproduce daylight in a
2 building. Unfortunately, LIPA never adopted it as part of their
3 rebate programs and pushed it. It's time to do it. A full
4 spectrum polarized lighting combines full spectrum lamps with a
5 correlating core temperature of 5,000 degrees or above, and a
6 color rendering index of ninety or above with a polarized
7 infuser to reproduce daylight inside a building. Typical
8 lighting violets in buildings is one to two watts per square
9 foot. I have been able to achieve 0.3, 0.4 watts a square foot
10 using this technology.

11 In the early 1990s, I had it put in some schools, some
12 libraries, police stations, fire houses with standard State
13 energy office grant money, but after Governor Pataki abolished
14 the New York State Energy Office in 1995, my efforts to put this
15 technology in buildings on Long Island came to a screeching
16 halt.

17 In the Merrick Public Library, and this is about the Law of
18 Unintended Consequences, I was able to reduce peak electric load
19 in the building, not for just lighting, total peak electric load
20 by sixty percent. The library was so well lit that the number
21 of people using it went way up. They suddenly realized the
22 building was totally inadequate. They tore the entire building
23 down, put in a new building, and did not use my technology, and
24 the lighting bill escalated. We got the electric cost down of
25 that building to about \$0.85 per square foot per year with LILCO

1 or LIPA rates.

2 Another example of where I put the system in was Greenport
3 Floyd Memorial Library in Greenport, New York. I was able to
4 cut the total electric usage in the building an astounding
5 seventy-two percent. Again, the building became so much better
6 lit, the people loved it so much more, the usage of the building
7 went way up. They rigged into the entire library, and they
8 ripped up my lighting system, Law of Intended Consequences,
9 something we, unfortunately, have to live with.

10 The recent developments in LED lighting have been rather
11 spectacular. I have had vidium diam-oxide built incandescence
12 in my house, the GE Reveal Choromalox and Verilux lamps. I was
13 able to take 120 watts of incandescent lighting over my kitchen
14 table, reduce it to nine watts with an LED, a daylight type
15 5,000 LED Crite, these are relatively efficient lamps running
16 around eighty to ninety luminescence per watt, which is
17 extremely high.

18 In fact, I belive that LEDs are probably more efficient
19 than fluorescence because one can control the light distribution
20 a great deal better. Fluorescent fixtures are notoriously
21 inefficient. At times, one can lose fifty percent of light in a
22 florescent fixture before it gets out due to internal
23 reflections, and dirt inside the lens, and so forth.

24 One of the big problems with PSEG, if they haven't noticed
25 yet, is the extremely -- do you know where some of the most

1 inefficient lighting is located, in the Hicksville Offices of
2 National Grid. Some of the most inefficient lighting systems I
3 have ever seen, and yet, LILCO could never do anything to its
4 own buildings to fix them up. The duct work is dirty. I have
5 had situations where I've done a lot of indoor air quality
6 remediation work, cleaning up duct work in the Merrick Public
7 Library before we did any of the energy conservation work,
8 cleaning the duct work alone, and reduction of fan energy
9 resulted in ten percent reduction electric usage in the building
10 typically within two to three percent increase in efficiency by
11 cleaning the duct work, cleaning the coils, cleaning the fans,
12 so the fans are more efficient.

13 Unfortunately, LIPA or PSEG has never pushed duct and coil
14 cleaning as a way of improving efficiency of air conditions.
15 It's not in the program, I don't know why, and yet, some of the
16 dirtiest air conditioning systems are in the old LILCO building.
17 The Hicksville facility was built in the early 1950s.

18 Now, let's talk about wind turbines. I suggest that Bob
19 Catell when he was CEO of Keyspan that they plant wind turbines
20 at the power plant sites. There's enough room, there's enough
21 space. The only issue is zoning the towns. There's no reason
22 why we can't put up a couple of 3.5 megawatt Vestas wind
23 turbines in Port Jefferson on 120 meter towers. They would
24 generate power at about \$.08 to \$.09 per kilowatt hour, which is
25 half the cost of power from solar, and we know that on Long

1 Island during the summer, the offshore winds pick up mostly in
2 the late afternoon where you're looking for that additional
3 power.

4 I know of one midsize wind turbine on Long Island, it's in
5 Long Beach. It's midsize in the 105, 100 KW rate. It seems to
6 be spinning all the time. For a while, it wasn't, probably
7 after Hurricane Sandy, but you can definitely take Port Jeff,
8 put a couple of wind turbines there, Northport, Glenwood
9 Landing, Barrett, Island Park, there's no reason why it can't be
10 done, and they can purchase it themselves, not working with a
11 third-party vender that can rip them off. Since the site is
12 right there, you know, you can interconnect to the grid very
13 easily at relatively low cost with a step up transformer as
14 necessary or inject the power locally into the primary lines in
15 the area.

16 It's hard to believe, but I have a solar and wind powered
17 clothes dryer in my house. It's fifty-nine years old, does
18 anyone here know how it works? It's called the clothesline. We
19 have not pushed solar emitted clothes dryers on Long Island. My
20 electric dryer broke twenty-nine years ago. I decided not to
21 fix it, so my solar wind powered clothes dryer is used
22 twelve months a year on any day it doesn't rain, and even works
23 in the wintertime when the temperature is fifteen degrees. You
24 might get some frostbitten fingers putting the clothes out, but
25 by 5:00, if they're out by 10:00, because I have time on the

1 electric meter, I want to get them out by 10:00 in morning, by
2 5:00 in the afternoon, they're usually more or less dry except
3 for heavy corduroy pants, maybe some heavy towels, or something,
4 but it really works, and the clothes come out beautiful.

5 I have to congratulate you for moving the inside meters to
6 outside of the building, and putting in automatic monitoring.
7 In 1990, I know it's hard to believe, but I applied for a job
8 position of President of the Long Island Lighting Company, and I
9 suggested in a report to Dr. Catacosinos, which was part of --
10 I actually had an interview with him, but he wouldn't hire me.
11 I suggested that electric meters that would read the electric
12 meter every day, and then electronically debit your account
13 every day giving people a one and a half reduction in their
14 electric bill for having -- and this would be for large
15 customers who were routinely behind in paying -- that would help
16 the accounts receivable portion of the company because the
17 accounts receivable is simply enormous. Unfortunately, they
18 didn't take this idea up.

19 Another big problem in inefficiency is all of those
20 inefficient pole transformers. I once asked Dr. Catacosinos a
21 question at a stockholders meeting, I have a few shares of
22 stock, Dr. Catacosinos, how come LILCO doesn't paint its pole
23 transformers white, so they don't overheat in the summer months?
24 I said to him in a one sentence letter, and six months later was
25 the stockholders meeting to see if he really reads his mail, he

1 actually read his mail. Well, Mr. Karpen, we did receive your
2 letter, and we did respond to it, but that's something you can
3 do, would be to paint all the pole transformers white, so they
4 don't overheat in the summer months because if you know, copper
5 wires when they get hot, the resistance goes up. It's one
6 reason why pole transformers fail when you don't want them to.
7 How much would it cost for a guy in a bucket truck and a spray
8 can of white paint to paint the pole transformers white, so it
9 wouldn't overheat in the summer months and cool it down?

10 MS. BOVEY: Mr. Karpen, these are great ideas for
11 efficiency. I think it's a part bigger discussion of what we
12 call the hanging fruit, but do you have any comments
13 specifically about the 2.0 plan?

14 MR. KARPEN: Well, I can't object to anything you're doing,
15 but there's a lot of low hanging fruit on the ground that they
16 haven't picked up yet.

17 Here's another idea, it's a new 800 number to report
18 electric outages, 1-800-NO-LILCO.

19 MS. BOVEY: Thank you so much for your comments tonight,
20 and I want to remind everyone that you're welcome to always go
21 online and submit comments that way by mail, by telephone, and
22 we'll make sure they all become part of the record.

23 Rose Van Guilder, is this a good time?

24 MS. VAN GUILDER: Good evening, this is a very pleasant
25 surprise. When I read the article in the newspaper, I didn't

1 know you were going to be here, so welcome, and this is your
2 ground debut, it's a pleasure.

3 Good evening, everyone, I'm Rose Van Guilder. I'm
4 President of the Long Island and Rockaway Ratepayers Alliance,
5 and this Sunday, we, The Long Island and Rockaway Ratepayers got
6 a tremendous shock when we learned that LIPA surplus power is
7 costing the ratepayers \$641 million.

8 I'm sure you all saw the article written by Mark Harrington
9 who was sitting there, and it put my life in a little whirlwind,
10 and I started writing a few letters, and I addressed them to the
11 President and CEO of LIPA. I sent him the letter, and I asked
12 him, what does LIPA plan to do concerning this matter? I don't
13 have a copy of the letter because I already addressed it to him,
14 but I expressed to him that considering the fact that this
15 surplus power was not used, and will no longer be needed, that
16 they should stop charging the ratepayers immediately, and that
17 perhaps, he should start entertaining a credit to the
18 ratepayers, and that I am hoping he will do the right thing.

19 I also said to him that how lucky we are that PSEG is
20 managing LIPA because had they not done the study that they did,
21 we would today had a green light for Caithness Two Plant, and we
22 would have another plant that would have been producing 752
23 megawatts of power that we do not need. I said, we, the
24 ratepayers, are very grateful to PSEG. I then said to him -- I
25 met him at a meeting at the board of directors a while ago, and

1 he and I are friends. He thinks I'm sweet, and, therefore, I
2 said I would appreciate a response to my letter, and I said I
3 hope you enjoy your summer, and I look forward to hearing from
4 you.

5 I told him that I was sending Mr. David Daly a copy of this
6 letter. I then sent a letter to David Daly, and I said this is
7 a reference to PSEG report that's presented to LIPA, and the
8 recommendation not to build the Caithness Two Power plant in
9 Yaphank since there was no need for it. It was a good
10 recommendation and we applaud your firm in the study. Sunday's
11 Newsday revealed that a report indicates that LIPA had been
12 purchasing too much surplus power, which has cost ratepayers
13 \$641 million, this fact we have known for many years. We have
14 made the lawmakers, and LIPA aware of it, and we are extremely
15 pleased that your findings came to the same conclusion that we
16 had years ago. Thank you for your honesty and hard work.

17 Attached is a copy of letter that I sent to John McMahon,
18 CEO of LIPA, wishing you great success in managing LIPA,
19 sincerely, Rose Van Guilder. I have an extra copy of this
20 letter, so therefore, I have it here.

21 Yesterday, I spoke to Mr. Robert Ward, Deputy Controller of
22 New York State Comptroller's Office. I discussed with him doing
23 an audit of LIPA's surplus power. I asked him if whether they
24 had ever done this, and he did not think so. I also put on my
25 PGS -- whatever you call it, the report for PSEG, and I sent it

1 to him, as well as all the lawmakers, and he also had seen it
2 online, and he was going to discuss it with Tom DiNapoli, who by
3 the way are friends of mine, not personal friends, but
4 colleagues. He said, they were going to discuss it, and see if
5 it was warranted because this charge on our bill is still
6 ongoing. They're not stopping charging the ratepayers for the
7 surplus power.

8 By the way, I called Public Service Commission regarding
9 this matter, and I asked him, what do they plan to do about it,
10 and Regina did not know, she's not able to answer this question.
11 This will take a while to get answers, so therefore, I took the
12 bull by the horn, and I started doing what I usually do, so I
13 felt that if the Comptroller's Office verified the report that
14 PSEG came up with the answers, and they both came up with the
15 same conclusion, and what Mark Harrington in Newsday pointed out
16 is that LIPA has been using the standard of 1,000 years versus a
17 ten-year standard, and that's how they came up billing
18 ratepayers 641 -- that's fraud, I have already checked with an
19 attorney, and that is something that can -- is a -- we can sue.
20 That is a fraudulent situation.

21 I spoke with Senator LaValle's Office, and I want a meeting
22 with him. I would much rather sit down with the officers of
23 LIPA and negotiate and discuss this matter and settle it between
24 us.

25 MS. BOVEY: I think that's a really good idea, and

1 certainly the issue of what LIPA's planning criteria was in the
2 past versus the criteria that we will be using forward is the
3 issue.

4 MS. VAN GUILDER: I would like to resolve things.

5 MS. BOVEY: Well, I think we should probably take this
6 offline, and talk about what kind of meeting would get this
7 resolved.

8 MS. VAN GUILDER: I just want to read to you my e-mail I
9 sent to the Comptroller, "Due to the article in Newsday on
10 August 17, 2014 that stated LIPA's excess surplus power cost
11 ratepayers \$641 million, I am officially requesting an audit of
12 the surplus power. Ratepayers should not have to pay for
13 surplus power that they do not need or use and that are above
14 New York State requirements. Our rates are among the highest in
15 the nation. LIPA used 1,000 year standard instead of our
16 accepted ten year standard, which resulted in \$641 million to
17 the ratepayers. This is very poor standard method in doing the
18 calculations."

19 MS. BOVEY: And Ms. Van Guilder, I'm not disagreeing with
20 you at all.

21 MS. VAN GUILDER: I'm almost done. LIPA needs to stop
22 billing the ratepayers all the surplus power immediately since
23 we are aware that this surplus power is not being used, and we
24 refuse to pay for it no longer. We would extremely appreciate
25 your cooperation in doing this audit, sincerely, Rose Van

1 Guilder. I got the sponsors, from Senator Flanagan, Senator
2 Bonacic, Robert Sweeney, Andrew Raia, and many, many others.
3 So, these lawmakers when they do this, they are in agreement
4 with my request, and I let Mr. Bob Orm, the Deputy Comptroller
5 know, I called his office, and I called him, and I got responses
6 on this, so we need to work together.

7 I'm not saying I'm ready to do a lawsuit, this is not my
8 intent. I want to work together, that's why I called Senator
9 Laibow's Office to have a meeting with him.

10 By the way I looked up the salaries of LIPA employees, they
11 start out at \$333,000, it's obscene, and you have to know
12 someone in the political system, or be a relative of someone in
13 order to be employed in LIPA. This is not the way to run this.
14 This is also thanks to Mark Harrington in today's newspapers. I
15 just want the Public Service Commission to know how LIPA has
16 been run. You got to know someone, you got to be connected.
17 It's unfair and unwarranted, and they only work 260 days of the
18 year. It's 100 days less than anyone else has worked. Thank
19 you everyone. I'm sorry if I over extended.

20 MS. BOVEY: Thank you. Those are the three cards that I
21 have here. Is there anyone else who would like to make a public
22 comment that hasn't signed up to do so?

23 MR. SEUBERT: I'll take a stab. My name is Don Seubert. I
24 live in Medford, and I'm very glad that PSEG rejected the
25 Caithness Power Plant. Too bad they didn't reject the first one

1 also. There was a lot of information that there was enough
2 power then. They told us Neptune cable, a Massachusetts cable,
3 or the sound cables, so that was all going to be timed to
4 repower other plants, and, of course, that's never happened
5 anyhow, but I think one thing we could do --

6 I haven't had a chance to read Utility 2.0, but I think
7 maybe it should be more advertised, and since a lot of the
8 generation is all focussing on Brookhaven Township, I don't see
9 any meeting that has been scheduled for Brookhaven Town. If
10 maybe more people knew about it, and were made access to the
11 plan, they can make comments that you need.

12 So far, so you're going in the right direction, but we
13 don't seem to know what percent is going to be renewable, what
14 percent, can you tell us that now, what percentage? I didn't
15 see that in the presentation, what is going to be renewable
16 because right now, it's around two percent like the gentleman
17 said before. What can we expect from that, and what commitment
18 would this be a plan?

19 I, today, could have at least brought forty pounds of
20 papers here that things we have heard about over the years,
21 newspaper articles, some of these newspapers don't even exist
22 anymore. What is going to stay on the shelf, so it can get
23 dust, or what? Can you tell us of what percentage it would be
24 from conservation? Do you see any more fossil fuel plants in
25 the works? Are you going to repower other ones, or whatever,

1 and what about on our bills?

2 Other states have it, I don't know if it really matters,
3 but if you have a pie graph that said what part comes from
4 fossil fuels, or gas, or oil, and so forth, I think that would
5 be very helpful.

6 Also, solar, I talked to Beth before and a lot of people go
7 into solar, and get into the solar deal, but they're actually
8 worried more about their heating bills now. If they use oil,
9 that's a huge amount of heating bills in the winter. So, if
10 something could be worked out that was easy to convert to
11 electric heat, if it was cheaper, so all the solar people would
12 be generating that either, that would help with global warming
13 and the environment also, and putting a power plant over the
14 river, Carmen's River area, is completely ridiculous.

15 If you could tell me some of those numbers that you might
16 have, that what part of this plan is going to be. If you could
17 give us a date in September for Brookhaven, and maybe continue
18 this period that you could have input a little longer.

19 MS. BOVEY: Thank you for your comments. I want to
20 somewhat extend an invitation. I want to hear from you. I know
21 that the numbers are out there, and the State would like to have
22 thirty percent renewables by 2015. If that's what you want from
23 Long Island, that's what we want to hear from ratepayers.

24 MR. SEUBERT: I think it was actually 2013, which I think
25 was passed, which at least it was twenty-five percent by 2013,

1 which we're not even close to, and how they generated, as you
2 know, that they take the upstate power from hydropower that
3 we're not getting down there, and that's eighteen percent, so
4 you didn't have far to go to meet that standard.

5 What I'm saying is that we should have a goal on
6 Long Island of thirty percent at least of that generated here on
7 Long Island, not somewhere else in some other county in our
8 numbers. Thank you.

9 MS. BOVEY: Thank you very much. I appreciate it. Okay,
10 this is the last call, ladies and gentlemen. Thank you all for
11 coming tonight for being a respectful audience. We appreciate
12 it very much, and thanks to PSEG for Mike being here, and all of
13 the staff at NPS Long Island for organizing the hearing.

14 Hearings will be in Nassau County tomorrow, and be in East
15 Hampton next week, and the Rockaways on Thursday, so thank you.
16 I look forward to getting a complete set of comments of everyone
17 who invested in these comments.


18 (Whereupon, the public state hearing was concluded at 7:50
19 p.m.)
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C E R T I F I C A T E

I, Tommy Phengthavone, a shorthand reporter and Notary Public within and for the State of New York, do hereby certify:

That the foregoing is a true record of the within meeting.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



TOMMY PHENGTHAVONE