



540 Broadway, P.O. Box 22222, Albany, New York 12201-2222 • (518) 426-4600

November 30, 2015

VIA ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: New York State Register I.D. No. PSC-41-15-00008-P – Petition Seeking the New York State Public Service Commission’s Approval for Deferral and Recovery of Lost Revenue Resulting from Central Hudson Gas & Electric Corporation’s Provision of an Empire Zone Rate - Case 15-E-0569

Dear Secretary Burgess:

Multiple Intervenor, an unincorporated association of 60 large industrial, commercial and institutional energy consumers with manufacturing and other facilities located throughout New York State, hereby submits these comments in response to the *Notice of Proposed Rule Making* (“Notice”) published by the Commission in the October 14, 2015 edition of the New York State Register examining the request of Central Hudson Gas & Electric Corporation (“Central Hudson”) consistent with Section 66(12-c) of the New York Public Service Law, to approve tariff provisions to implement an electric delivery rate discount for certified Empire Zone (“EZ Rate”) customers. As set forth below, Multiple Intervenor fully supports the comments filed by GLOBALFOUNDRIES U.S., Inc. (“Global”) and urges the New York State Public Service Commission (“Commission”) to approve the implementation of the proposed EZ Rate in the Central Hudson service territory without delay; and to clarify that Central Hudson customers qualifying for the EZ Rate will be exempt from paying the System Benefits Charge (“SBC”) the Energy Efficiency Portfolio Standard (“EEPS”) and Renewable Portfolio Standard (“RPS”) surcharges (hereinafter “Existing Surcharges”).

The Empire Zone program recognizes that New York State is in economic competition with other states and countries where electricity costs are lower, and that the State needs to create an attractive environment for job creation and growth. Businesses across New York State face significant concerns regarding the ability of their respective facilities in New York State to remain competitive and viable given the multiple competitive pressures facing them internally, nationally, and worldwide. A primary contributing factor to this concern is the high cost of

energy in New York State. In fact, New York State consumers currently pay among the highest electricity prices in the continental United States – paying 48% more than the national average price for electricity. Accordingly, approval of an EZ Rate in the Central Hudson territory is consistent with State law and policy.

Moreover, approval of the EZ Rate in the Central Hudson territory is also consistent with Commission precedent. As the Commission has held, “[EZ] rates must be set [and available] at the utility’s incremental cost.”¹ Upon information and belief, the Commission has established EZ Rates in all other service territories where certified Empire Zones and customers are located.² Thus, Commission approval of an EZ Rate in the Central Hudson territory is necessary to ensure the utility’s certified Empire Zone customers similarly receive the benefits to which they are entitled.

Multiple Intervenors also supports Global’s request to exempt qualified EZ load from Existing Surcharges. As Global demonstrates, an exemption of qualifying EZ load from Existing Surcharges is consistent with the directives set forth under the State Energy Plan. Specifically, the State Energy Plan directs that the State “maintain its focus on affordability, so ... more competitive industrial rates contribute to the growing mix of attributes that will attract new business to, and retain existing businesses in New York.”³ Importantly, the Energy Plan further states that “[m]ore needs to be done to lower rates given utility costs are frequently cited as barriers to business relocation or expansion across the State.”⁴

The Existing Surcharges, which can exceed a large commercial or industrial customer’s monthly delivery charges, are such a barrier. From an economic development perspective, it is counter-productive to unduly burden large employers – such as manufacturers – that are struggling to remain competitive in New York with additional volumetric surcharges. The Existing Surcharges add tens or even hundreds of thousands of dollars to large customers’ delivery bills every month, which makes alternative locations in other states and countries more attractive. Consistent with the State’s goals in developing more competitive industrial rates to

¹ Cases 01-E-0359, *et al.*, New York State Electric & Gas Corporation – Petition for Approval of its Electric Price Protection Plan, Order Adoption Economic Development Plan in Part and Providing for Further Proceedings (issued October 9, 2002), p. 13.

² For example, the following utilities have EZ Rates established in their respective tariffs for certified EZ customers: Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”); New York State Electric & Gas Corporation (“NYSEG”); and Rochester Gas and Electric Corporation (“RG&E”). See National Grid, PSC No: 220 Electricity Tariff, Leaf 170 (effective January 1, 2014); NYSEG PSC No. 120 – Electricity Tariff, Leaf No. 27 (effective May 23, 2013); RG&E PSC No. 19 – Electricity Tariff, Leaf No. 82 (effective January 1, 2005).

³ The Energy to Lead: 2015 New York State Energy Plan, Volume 1, New York State Energy Planning Board (issued June 2015) at 9 (“Energy Plan”).

⁴ *Id.*, at 9-10.

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attract new business to, and retain existing businesses in New York State, the Commission should exempt qualifying EZ load in the Central Hudson territory from Existing Surcharges.

Accordingly, Multiple Intervenors respectfully urges the Commission to take immediate action and approve the tariff modifications implementing an EZ rate in the Central Hudson territory and exempt qualified EZ load from Existing Surcharges.

Please contact the undersigned at rloughney@couchwhite.com if you have any questions.

Very truly yours,

Robert M. Loughney

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JSK/glm