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February 17, 2015

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

**RE: Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision
Case 14-M-0101**

Dear Secretary Burgess and Commissioners,

Please accept the following comments from Catskill Citizens for Safe Energy (CCSE) on Reforming the Energy Vision (REV).

Although CCSE recognizes that a distributed network of electricity generation has the potential to encourage renewables and energy efficiency, we are extremely concerned that, as presently proposed, REV is not structured to ensure that this will occur in any substantial way. Further, we are concerned that without controls in place, REV may actually foster greater dependency on fossil fuels, particularly natural gas produced from fracking. We find that the current proposal is fraught with ambiguity regarding its purpose, scope, and terminology. Significant changes are necessary to demonstrate that REV is not simply a utility deregulation scheme masquerading as a renewable energy program.

Respectfully, we request that the Public Service Commission (PSC) extend the formal comment period and delay plans for deciding on key elements of the program—including the role of Distributed Service Platform Providers—until after the public, municipalities, and interested organizations have had an adequate opportunity to review and provide meaningful comment. We also request full disclosure of all communications that have occurred to date with utilities, trade groups, and industry regarding REV.

A moral imperative to act on climate change

The best science tells us that preventing climate catastrophe requires a rapid decarbonization of our energy system that can only be accomplished by the swift transition away from fossil fuels. This includes ending our reliance on natural gas, a powerful driver of climate change due to combustion emissions that produce carbon dioxide (CO₂) and systemic venting and leakage of methane (CH₄). Although REV has been described as a vehicle for encouraging greater deployment of renewables such as wind and solar, there are actually no provisions in the program to ensure that renewables will be the principal benefactor. The inconvenient truth is that a decentralized electrical grid is also conducive to the build-out of small and mid-size gas-fired power plants that could proliferate throughout New York to replace or augment today's larger coal and nuclear facilities. With more pipelines being built and expanded throughout the northeast on a daily basis, the danger of this is very real and the implications to climate change and human health severe.

Moreover, this scenario actually appears to be predicted and encouraged by the draft NYS Energy Plan proposed by NYSEDA last year. Widely criticized as misleading, the document contained colorful pictures of solar panels and wind turbines but its forecasts of energy needs, projections of required facilities, and flawed analysis of renewable energy potential reveal that the plan's main thrust was not to encourage renewables, but rather to satisfy New York's demand for energy in the future by constructing new gas-fired power plants and accelerating the development of gas infrastructure. In fact, the draft plan projected essentially no increase in the percentage of electricity in New York that would be derived from renewables in 2030 compared to today's share, which is about 20%. Further, while the draft plan paid lip-service to a goal of reducing greenhouse gas emissions significantly (80% from all sources by 2050), it provided no strategy for how that would be accomplished.

Respectfully, New Yorkers deserve to know whether REV is a departure from that misguided vision of the future or simply the implementation of it. CCSE urges the PSC to coordinate the development of REV with a rewrite of the New York State Energy Plan, setting forth a bold strategy for rapidly transitioning our state away from fossil fuels, establishing short and long-term goals for renewable energy and energy efficiency, and putting solid policies in place to ensure that REV will achieve them. The role of REV should be informed by a robust Energy Plan. Determining its structure in the absence of that is premature.

Ceding of Authority to Utilities

The PSC's proposed structure for REV would cede control over the regulation of distributed networks to existing utilities, described as Distributed Service Platform Providers (DSPP's). This concept is deeply flawed. Handing such authority to large investor-owned utilities that lack accountability and have corporate ties to the entrenched fossil fuel industry is an abrogation of necessary governmental oversight. Doing so would create an environment that invites collusion, would coddle established industry/investor relations, and could actually thwart or limit access by renewable energy generators—the very antithesis of REV's purported intent.

As reported in the Pulitzer Prize-winning publication, *The Guardian*, a similar scenario has already unfolded in Europe where large fossil fuel companies have taken control of trade organizations such as the European Wind Energy Association (EWEA) and European Photovoltaic Industry Association (EPIA) to influence government policy on climate change, weaken renewable energy targets, and slow the penetration of renewables. (See http://www.theguardian.com/environment/2015/jan/22/fossil-fuel-firms-accused-renewable-lobby-takeover-push-gas?CMPshare_btn_fb.) Disturbingly and not coincidentally, a major culprit in that scheme was Iberdrola, the parent company of New York State Electric and Gas (NYSEG).

The regulation of energy markets must remain the role of transparent, public institutions rather than the function of large investor-owned utilities like ConEdison, National Grid, and RG&E. The growth of renewable energy is clearly in the public interest, and it is essential that barriers to its access be removed, not created. Further, the implementation of renewable energy targets to meet greenhouse gas reduction goals demands continued public oversight. The State must retain and exercise regulatory authority over distributed energy markets, and to the extent that a separate oversight body is needed to support that effort, the PSC should create an independent entity which represents a variety of interests, operates democratically and is fully transparent in its deliberations.

Likewise, REV should afford local communities a say in their energy future, rather than further concentrating power in the hands of national and multi-national corporations. Allowing utilities to operate electric-generation facilities could lead to the local monopolization of energy and thwart independent, community, or public development of renewables. Not unlike the distinction between telephony communication and equipment established during the breakup of Ma Bell during the 1980's, a clear line must exist between electricity generation and transmission. This is also the best way to promote competition which drives innovation and ensure that electricity remains affordable.

A need for bold targets

REV has been promoted as a “market-based” alternative to existing government programs that seek specific targets for the advancement of renewable energy and energy efficiency. However, the environmental and societal impacts of our continued dependency on fossil fuels are not adequately reflected in the cost of energy today. Thus a purely “market-based” approach will not achieve the swift shift to renewables needed to avoid climate catastrophe. Instead of phasing out renewable energy and efficiency programs, the PSC should support much more aggressive targets and design REV to ensure that they are met.

Specifically, New York should adopt a goal of meeting at least 50% of its electricity needs with renewable energy by 2025 and make this part of its energy plan for the state. This is an aggressive but attainable target necessary to respond to the climate crisis, and REV should support it with clear policies and programs to govern how projects are reviewed and funded. Moreover, by rapidly developing renewable energy in-state instead of importing more fossil fuels from beyond our borders, New York could promote true energy independence, generate thousands of jobs, and set an example for the rest of the nation. Energy efficiency should also be a core component of REV, with energy saving programs available to all people, including low-income communities. To this end, New York should set a target of meeting at least 20% of forecasted demand through efficiency improvements by 2025.

In concert with the above, REV should include greenhouse gas reduction goals that apply to all emissions, not only carbon dioxide produced by combustion. In assessing the carbon footprint of natural gas, full life-cycle emissions need to be evaluated, including methane vented or leaked during extraction, processing, transport, and distribution. This should be coupled with accurate data on emission rates and the global warming potential for methane, which the Intergovernmental Panel on Climate Change has determined to be 86 times more potent than carbon dioxide over 20 years. (Scientists warn that greenhouse gas emissions must be reduced significantly over the next of couple of decades to avoid the worst impacts of climate change, so this timeframe is critical.)

Allocation of Funding and Micro-grids

The PSC has advocated the creation of a “Clean Energy Fund” to promote the objectives of REV, but since those objectives have not been adequately defined, it is not clear how that funding would be spent. First and foremost, those funds must not be spent to further our dependency on fossil fuels. As previously discussed, natural gas is not a “clean” source of energy with respect to climate change. Furthermore, as clearly articulated in the recent testimony of acting Department of Health Commissioner Zucker and Department of Environmental Conservation Commissioner Martens, the primary method of gas extraction—fracking—jeopardizes human health. The announcement by Governor Cuomo in January that high-volume hydraulic fracturing will be prohibited in New York was a sound, responsible decision. However this also means that it would be ethically inconsistent to promote the increased use of fracked gas from elsewhere.

Presently, New York State holds the dubious distinction of being the fifth largest user of natural gas in the nation. In order to reduce greenhouse gas emissions, discourage fracking, and limit exposure to the volatile price of fuel, REV must reverse the current trend of increased natural gas use for all purposes, including electricity and space heating. The proposed “Clean Energy Fund” should be strictly limited to renewable energy projects and measures that reduce energy demand. Under no circumstances should such funds be used to finance new gas-fired power plants, expand natural gas infrastructure or increase the amount of gas used in our energy mix.

We are also very concerned that the PSC may phase out existing tax incentives for renewables. Again, this appears to be an effort to redirect financial support away from consumers toward larger corporate entities. Current programs that make energy alternatives such as roof-top solar or geo-thermal heat affordable to consumers are very popular and have been instrumental in allowing New Yorkers to benefit from renewable energy. These programs should be enhanced, not discontinued.

Relating to this, the PSC should better define the structure of “micro-grids” and the scale at which they could operate. A distributed network of “micro-grids” promoting opportunities for consumer-located solar, remote net-metering systems and localized wind generation would be a positive development. However REV’s support of those systems should not be confused with the development of regionally based systems that foster a network of gas-fired electricity generation.

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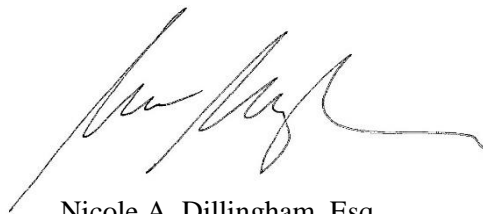
The PSC has promoted REV as a “revolutionary” program during recent public hearings held around the state. However the true test of that claim will be whether REV achieves a revolutionary shift away from fossil fuels to a system in which renewables dominate. Building a sustainable future and ensuring access also requires protecting the rights of communities who have a stake in their energy future.

We are concerned that “Reforming the Energy Vision” does not live up to its name. Before deciding on an implementation strategy, it is essential that New York first define a vision of the sustainable energy portfolio it seeks to create. To avoid embarking upon a course that fails to achieve necessary results, we urge the PSC to step back from its current proposal, seek further public input in developing a vision for the future, and come back with a strategy for turning that vision into reality.

Thank you for considering these comments.



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