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2 LONG ISLAND POWER AUTHORITY

3 -----X

4 Public Hearing

5 Re: LIPA Draft Electric Resource Plan

6 -----X

7 William H. Rogers Legislature

8 Building

9 725 Veterans Memorial Highway

10 Smithtown, New York

11

12 April 2, 2009

13 10:08 a.m.

14

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16

17 B e f o r e:

18

19 KEVIN S. LAW,

20 President/CEO, LIPA,

21 The Moderator

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2 A P P E A R A N C E S:

3 For Long Island Power Authority:

4 Mike Deering -

5 Vice President of Environmental Affairs

6 Jim Parmelee

7 Executive Director - Power Markets

8

9 A L S O P R E S E N T:

10 Other LIPA staff

11 The Press

12 The Media

13 The Public

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Marc Russo

22 Reporter

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PROCEEDINGS

THE MODERATOR: Good morning. We are going to get started on the public hearing on our draft electric resource plan. My name is Kevin Law. I'm the president and the CEO of the Long Island Power Authority.

Before we get started, if we could all stand and say the Pledge of Allegiance.

(Pledge of Allegiance.)

THE MODERATOR: Thank you.
Good morning.

About a year ago -- actually, a little bit more than that, when -- soon after I took over as the new president of LIPA, I called for a new master plan, a new energy master plan, an updated master plan for LIPA and Long Island. And we started out by first putting together a draft outline. And we had some public hearings in Nassau and Suffolk Counties last spring to solicit input

22 on the outline as to what the plan should cover and
23 what we should be examining and the things that we
24 should be emphasizing.

25 And we got some really good public

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2 comments, and took into consideration a lot of the
3 comments. And for those we didn't, we also have an
4 appendix of what we did with the comments and/or
5 why we couldn't -- or why we're not in position at
6 this time to address that.

7 So we spent a better part of the
8 year putting together a draft plan. And as I have
9 said last year, I wanted it to be an open and
10 transparent process. And I would have more public
11 hearings on the draft plan. And so today is the
12 first of three public hearings on the draft plan.

13 And what we envision doing is
14 soliciting comments again, and then finalizing the
15 plan, which we hope to do in June of this year. At
16 which time we will release that again.

17 And what's interesting, you know,
18 is that the -- you know, the entire world is
19 focused on energy. The President doesn't give a
20 speech without mentioning energy, and Governor
21 Paterson is saying. And LIPA is showing leadership

22 in so many areas, you know. We weren't mandated to

23 do a plan. I thought it was appropriate to have a

24 plan.

25 We are showing leadership in the

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2 area of efficiency, solar, and renewables. We are
3 looking to repower our aging plants. And those are
4 going to be the priorities of this plan, becoming
5 more energy-efficient, introducing more renewables
6 into the portfolio of fuels that we use. And then
7 repowering some of our older plants that are now
8 approaching 60 years old and that need to be
9 modernized.

10 And those are going to be the
11 goals. I need to balance that with our customer's
12 ability to pay. And so we are not going to be able
13 to do everything all at once. This is a plan
14 that's going to take us over at least -- it's a
15 plan for the next ten years, but some of the things
16 will be implemented over a 20-year period. And so
17 it's -- it's ambitious, but I think plans need to
18 be ambitious.

19 Again, I need to balance the
20 public policy objectives on doing more in the areas
21 of renewables and efficiency and repowering with

22 our customer's ability to pay. And that's what I

23 need to be sensitive to. I need to strike that

24 balance.

25 But I'm excited about the plan.

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2 I'm excited about the things that LIPA's trying to
3 do. We're doing more than any utility in the State
4 of New York and we're doing more than most
5 utilities in the country when it comes to these
6 efforts. So I'm excited about that. I'm
7 privileged to be in the position to help implement
8 some of it.

9 And with that, I am going to hand
10 it over to Jim Parmelee, who's overseen the
11 preparation of our draft resource plan. He is
12 going to walk you through a PowerPoint
13 presentation, and then we'll solicit comments from
14 the public.

15 With that, Jim.

16 MR. JIM PARMELEE: Thank you,
17 Kevin.

18 Can everybody hear me okay?

19 The driver of the plan is, what do
20 our customers need for electricity. And we start
21 our -- the preparation of our plan by looking at

22 the forecasted load. What you see here on the --

23 this screen is the forecasted load that we've had

24 each year, one year out, for -- for the first part

25 of this century. That's what we were forecasting.

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2 Now, one of the problems that we
3 deal with in doing this is that the actual load
4 bounces around a lot. The fluctuation is primarily
5 driven by changing weather conditions but also
6 changing economic conditions and can cause those
7 fluctuations.

8 So when we are doing our -- the
9 development of our plan, the first step we do is we
10 take a look at this history. And we then normalize
11 it, saying, Well, what if we had had normal weather
12 every year in the past? And so this dark blue line
13 that is on the screen here shows what the actual
14 load was when we have normal weather, if we'd had
15 normal weather.

16 We used that information plus
17 projections of the economic conditions, technology
18 changes, and other things like that, and we develop
19 a projected forecast. And this is the projected
20 forecast that we had back in September of 2008 and
21 it underlies much of the analysis of the plan.

22 Now, as everybody is well aware,
23 the economy has taken a downturn recently. We have
24 updated those forecasts. And under the new
25 economic conditions, this green line is what our

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2 projected load is. So as we develop this plan, we
3 had to make adjustments to our projected resource
4 needs.

5 And so as I go through this plan,
6 when I talk about what type of capacity do we need,
7 it's based on this green line, the updated economic
8 conditions. Unfortunately, the analysis date began
9 well before this November forecast was available.

10 So some of the analysis is based on the older
11 forecast. But as we get into it, I don't think
12 that that's going to be significant. There's a lot
13 we can learn from that analysis, and I will be
14 going over some of those findings.

15 The -- we talked about load
16 uncertainty. There's uncertainty that we need to
17 deal with. There is uncertainty on how much of
18 the load our customers will choose to move to other
19 suppliers. We need to deal with that.

20 There's uncertainty on the success
21 of the energy efficiency programs. We're embarking

22 on a very ambitious program, how that plays out,

23 will we exceed expectations? Will we fall short?

24 Will we meet our expectations? That needs to be

25 accounted for.

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2 Also, new resources coming online.

3 There can be delays in those new resources. The
4 requirements of the New York State Reliability
5 Council and the New York ISO, which determine how
6 much capacity Long Island needs to have change from
7 year to year. They make those forecasts on a
8 one-year-at-a-time basis.

9 There's also reliability
10 fluctuations of the existing fleet. The fleet
11 operates less reliably for a year or two. The ISO
12 and Reliability Council is known to give as much
13 credit for those existing resources as if they had
14 operated more reliably. And they -- they
15 fluctuate.

16 So we account for all of these
17 uncertainties by estimating probability
18 distributions for each source of uncertainty and
19 gives a statistical model of supply, demand,
20 markets, resources to develop a probability
21 distribution for our need for capacity. And then

22 we plan to a specific level of uncertainty.

23 There are basically two key

24 drivers that drive the need for capacity in this

25 plan. The first is the New York State Reliability

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2 Council Installed Reserve Margin. And what we do
3 is we plan to meet the standard with the expected
4 value or the -- what the midpoint is of that need.
5 And if this shortfall is projected, we evaluate the
6 projected conditions of the statewide New York spot
7 market and determine whether the market looks
8 favorable or not. And we purchase -- and if the
9 market is favorable, we plan to purchase from that
10 spot market. Otherwise, we will take corrective
11 actions and develop long-term contracts with the
12 intent to make sure that there's capacity we can
13 purchase.

14 Long Island is a little bit more
15 difficult. The market is less robust on
16 Long Island. Most people aren't willing to build
17 new generation on a speculative basis. So we have
18 to make sure that what happens on Long Island,
19 because we have limited transmission connections,
20 is able to meet those requirements.

21 So we plan to a higher level of

22 reliability. We plan to exceed the New York ISO

23 standards with an 80 percent probability of

24 success. If -- and then we use the LIPA and other

25 Long Island market resources to meet those

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2 requirements. And we -- when we see shortfalls, we
3 take corrective actions, both the long-term and the
4 short-term.

5 THE MODERATOR: So, Jim, we just
6 don't plan on in the dark. We have the New York
7 State Reliability Council and the New York State
8 Independent System Operator, and they dictate to us
9 what capacity we need to have here on Long Island
10 for what we need to import off Long Island. And
11 we're obligated to meet those reliability
12 standards, correct?

13 MR. JIM PARMELEE: That's correct.

14 THE MODERATOR: Thank you.

15 MR. JIM PARMELEE: But I want to
16 take a snapshot here of the peak load resources.
17 In history, our record peak occurred in 2006, and
18 this is the peak that is served by LIPA for
19 customers that are under contract to LIPA.

20 There are lots of ways of
21 measuring peak, and it can get very confusing. But

22 this is looking at just those customers that we are
23 responsible for supplying the power for. And you
24 can see that the peak at that point was 5294 for
25 our -- our own customers. And if you take that --

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2 that peak, though, that's without weather
3 normalization.

4 If you go back and look at the
5 weather-normalized load, that dark blue line I
6 showed on the first slide, our record peak was in
7 2008. So even though the actual peaks measured had
8 fluctuated due to weather, we have seen a
9 continually increasing load -- load from our
10 customers' underlying growth of demand.

11 So in 2008 we had a projected load
12 of about 4880. The actual peak load came in a
13 little bit lower because it was a relatively cool
14 summer. When you normalize that, the peak turned
15 out to be 4840, about forty megawatts less than our
16 forecast. Based on that, our installed reserve
17 requirements in that period, statewide basis is
18 5612 megawatts. And of that capacity, 5336 needed
19 to be on Long Island. And -- and because of that,
20 in order to meet that IRM requirement, we had to
21 purchase 276 megawatts from the spot market.

22 If we take a probabilistic
23 projection going out for 2010, the forecasted peak
24 load is a little bit higher, 5019 megawatts. The
25 IRM requirements are a lot higher because the ISO

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2 has changed the standards. Since -- since they
3 developed the standard for 2008, they've increased
4 those requirements. And the projected total
5 capacity resources that we expect to have in the
6 summer of 2010 includes both the Neptune cable,
7 which came on recently and in Caithness power
8 plant, which we're projecting to begin operation
9 this summer.

10 It puts us about four megawatts
11 over that statewide requirement. So we're just
12 about where we need to be. There won't be a need
13 to make purchases from the spot market to meet
14 these minimum requirements.

15 If you take this analysis and you
16 run it out through -- through 2023 -- and this is
17 15 years in this particular slide. And that
18 emphasis here is our goal in planning is to be --
19 our goal -- our goal is to be less than this IRM
20 requirement and buy from the spot market as long as
21 that market looks good every year. And we meet

22 that with exception of those small changes, more

23 megawatts surplus projected for 2010.

24 If you go to the locational

25 requirement, it's a quite different story. Here,

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2 our goal is to be above the line. And we find that
3 given the current probabilistic analysis, it would
4 be 80 percent confident level. Our capacity
5 resources are good through 2015. This includes
6 those new resources I mentioned, Caithness and
7 Neptune, and also rolls in a credit for the solar
8 RFP, assuming that that 50-megawatt proposal is
9 executed and approved by the trustees. We'll still
10 need new resources beyond that starting in 2016.

11 Moving onto the plan that we have
12 released. The plan has a number, four to five
13 major volumes. An electric resource plan. It
14 includes sections that are listed here, an
15 Appendix A, which does, presents detailed technical
16 analysis. Its design is to give you an idea of how
17 the plan was developed and why we made the
18 decisions that we've made in developing the plan.
19 An energy primer which gives a basic background
20 about the Long Island and its electric -- electric
21 system.

22 Appendix C, as Kevin mentioned, is
23 the response to the comments that we had received
24 where we take each comment that we received during
25 the hearings on our outline and talk about how we

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2 address those -- those issues that were raised.

3 And then there's detailed

4 technical appendices of the variety of content of

5 Appendix D. Right now, the main report,

6 Appendix C, and approximately two-thirds of

7 Appendix D are posted on the website. We're still

8 finalizing Appendix A and the rest of Appendix D.

9 The strategic objectives in our

10 plan are:

11 Promoting a healthy environment

12 through efficiency and renewables;

13 Balancing the objectives of the

14 plan against the impact on customer bills;

15 Maintaining a high reliability of

16 the bulk power system as to the transmission system

17 and the power supply;

18 Maintaining high reliability in

19 distribution system which gets it to our customers;

20 and

21 Most importantly, is to position

22 LIPA with the ability to respond rapidly to change
23 as a way of managing the risk. We know that we
24 can't foresee the future. We need to be prepared
25 to respond.

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The resource plan strategy

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contains four major approaches: Energy

4

efficiencies, renewable resources, upgrading the

5

existing fleet, and improving the interconnections

6

and maintaining the reliability. And in our plan,

7

we've classified each of these strategies as where

8

we are right now.

9

Those resources that are listed in

10

green are committed, meaning they've received the

11

approval from the Trustees.

12

Planned is things that we are

13

planning to do but we still need to have approval

14

from the trustees with those individual actions.

15

And then the red are those things

16

that are under study, we think we want to do them

17

but we need to have information before we're

18

convinced that they're good ideas to do.

19

So you'll see a mix of those types

20

of programs in both the committed, planned, and

21

under study. Energy efficiency and renewable

22 resources is one area where we have a number of

23 committed programs already as part of this plan.

24 In the plan itself, we take a look

25 at trying to measure the performance of this plan.

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2 And what we've established were two different
3 plans: A reference plan, which is used as a
4 benchmark for comparison. And the key thing here
5 is that this reference plan is not intended to be a
6 plan that we would execute. It's not something
7 that we're thinking about doing, but it's -- it
8 establishes a baseline so that when we look at
9 doing something, we can see the effect of that.
10 And this plan has no energy efficiency in it. It
11 has no renewable portfolio standard compliance, and
12 it's beyond those contracts that we've already
13 executed.

14 And when we need capacity for that
15 system, it's expanded by using new base load
16 gas-fired combined cycle units scattered across
17 Long Island. They're similar to the Caithness unit
18 that's under construction right now, but a slightly
19 larger size.

20 During the development of the
21 plan, we looked at oh, 20 to 25 different scenarios

22 and alternative ways of meeting our customer
23 requirements. And we picked one plan to be a
24 representative plan. It's one of many possible
25 ways we could implement the resource strategy that

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2 is outlined there. We can't say it's a firm plan
3 at this time because each component of the plan, as
4 it's -- as it's built, needs to be approved by our
5 trustees on an individual basis.

6 But we take -- took the major
7 features of the resource strategy, including
8 renewables, meeting the 30 percent target, the 15
9 by 15 energy efficiency program, repowering the
10 power -- the major power plants across Long Island.
11 And we put them all into this plan to see how far
12 can we go, what can we do with our plan if we
13 basically tried to draw from all of the strategies
14 that were outlined on the previous slide.

15 It includes solar and wind and
16 retirement of some of the older power plants and
17 improved interconnections. So we've taken all
18 these features and put them into the plan in order
19 to measure what that can be.

20 When we looked at the resource
21 requirements under the two plans, under the -- as

22 we mentioned before, our goal here on the
23 Long Island requirement, is to make sure that we
24 have enough resources on Long Island to exceed the
25 projected requirement in every year to meet that

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2 minimum standard.

3 Under the representative plan, we
4 are able to reduce the need for capacity, as shown
5 by -- as shown by this green line, the energy
6 efficiency programs reduced those capacity
7 requirements from the blue line. And that allows
8 us to do additional things, retirement of the
9 existing older plant and repowering of the older --
10 older plant. You can see that these green bars are
11 lower than under the -- the reference plan, under
12 this representative plan.

13 And it -- and then we still need
14 to build new resources. A number of the new
15 resources in this representative plan are repowered
16 units. But you can see that the height of these
17 blue bars are smaller than under the reference
18 plan. Because of the efficiency, we are able to
19 do both. We are able to retire or repower some of
20 the existing plants, but we need to build fewer
21 resources.

1
2 This next slide shows what happens
3 when you put that plan for Long Island into place
4 against the statewide planning goal. And it shows
5 that under the -- both the -- both plans, that we
6 are below the statewide's requirement each year,
7 consistent with our planning goal. The assessment
8 that we have right now is that the statewide market
9 is still strong. There's adequate resources out
10 there. So we don't need to take additional action
11 beyond the Long Island requirements.

12 This slide shows what happens to
13 our fuel mix.

14 One of the concerns is, if you put
15 all your eggs into one basket, if something goes
16 wrong in one area, you may have a problem. So you
17 can see in 2008 that we have a relatively diverse
18 mix of a number of different resources. We've got
19 natural gas, the economy purchases from off of Long
20 Island. And then the next is energy efficiency
21 renewables, nuclear power from the 9-mile point

22 plant upstate, and residual oil.

23 Under the reference plan, when you

24 pursue a single strategy of building only new power

25 plants, you increase LIPA's dependence on natural

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2 gas to 52 percent. And that -- that puts us at a
3 greater risk if you were to follow that reference
4 plan.

5 Under the representative plan,
6 we've got a much more diverse mix. We've got
7 natural gas usage declining. We have a big slice
8 for renewable energy. We have energy efficiency.
9 And we are continuing to use the market. So it's a
10 much more diverse plan and that provides us much
11 more flexibility to respond, change, and mitigate
12 changes that occur in any one part of the -- of the
13 energy supply sector.

14 One of the key features that we
15 wanted to look at was measuring emissions of carbon
16 dioxide which contribute to global warming. In
17 looking at this, we wanted to measure against the
18 target. The problem is how do you establish a
19 target.

20 We looked at two different ways of
21 this. One is the Regional Greenhouse Gas

22 Initiative. That initiative is a consortium of
23 states that has said as a group, we are going to
24 reduce emissions of CO2 and control them. We --
25 New York State has a certain allocation of

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2 emissions.

3 Now, to establish a target for
4 LIPA, there is no rule or regulation that says you
5 have to do these levels. It's a market-based
6 system. But for measurement purposes, we
7 established a yardstick that basically said, what
8 if we got our proportionate share of emissions
9 credits for Long Island, and we tried to plan to
10 keep under that.

11 And under the reference plan, we
12 exceed the target. We're below that target every
13 year through 2015.

14 Under the representative plan,
15 those actions that we take, that allow us to be
16 under that -- that goal through 2024. The
17 increases that you are seeing are caused by the
18 addition of new on-Island repowering and new power
19 plants in both of these scenarios.

20 This measure in itself is maybe
21 not the best measure to have because it only looks

22 at part of the picture. If we were to shut down
23 all the power plants and import all the power, this
24 measurement would say zero emissions. So we looked
25 at another target, which was the footprint for

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2 LIPA.

3 And here, we looked at the
4 emissions from everything we bought, whether it's
5 economy energy, short-term contracts, long-term
6 contracts. And we said, as a goal for measurement
7 of this plan, we are going to look at reducing the
8 CO2 emissions to -- by ten percent from the 2005
9 values of emissions by 2020, and to 30 percent by
10 2028.

11 And you can see how the two plans
12 performed. The reference plan has increasing
13 emissions and then those emissions stay at a
14 relatively high level throughout the remainder of
15 the study period.

16 The representative plan, where we
17 put in most of our bag of tricks, doesn't actually
18 go below that target in any year. But we do see
19 that we are able to come close to that target with
20 what we've got -- what we've put into the plan in a
21 number of years.

22 This to me indicates that, well,
23 we're on the right track. This plan needs to be
24 refined. And as we work through developing the
25 final plan, and as we continue to evolve our

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2 strategy going forward, if we want to attain this
3 goal, we are going to need to do additional
4 measures and fine-tune this plan. And how to do
5 that is going to be an ongoing work over the next
6 decade.

7 We also looked at emissions of
8 nitrous oxide and SO₂. Again, we have a thing,
9 there's no firm measurement for -- under proposed
10 regulations, there's no firm measurements. They're
11 looking at market-based systems. But we based
12 these -- these targets on the current allowances
13 that we have. We can see that under the reference
14 plan we're doing pretty -- pretty well except for
15 two years.

16 Under the representative plan, we
17 address that blip in the middle of the study
18 period. And SO₂, it appears that we're well within
19 the allowances that we expect to be working with.

20 We looked at production
21 efficiency. While we had energy efficiency as one

22 of our goals, another measurement is how can we
23 reduce the amount of fuel that we use to make the
24 electricity that we do make on Long Island. And
25 the reference plan, because we're adding new

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2 efficient units, reduces our heat rate by
3 nine percent making the system more efficient. The
4 representative plan does even better. It reduces
5 the heat rate by sixteen percent. So it's
6 performing better.

7 Just this note. Since 1999, the
8 measures we've already implemented has reduced the
9 system heat rate, made our electricity production
10 ten percent more efficient than it was when -- in
11 1999. So we've made a lot of progress already and
12 we're projecting to be able to make more progress
13 in the future.

14 So in conclusion, some of the
15 benefits of this representative plan is that we
16 have a more -- compared to the reference plan, is
17 that we have a more diverse energy resource.

18 In the representative plan, we're
19 able to meet the Governor's 45-by-15 goal. We've
20 built that into the plan. It has, meets the
21 15-by-15 target for energy efficiency and the

22 thirty percent RPS target, which, at this point,
23 neither one of these targets has been adopted by
24 the state government in its final form so we used
25 estimates for what those would be, lower CO2

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2 emissions. It meets the NOX and SO2 targets.

3 Electric production efficiency improves, and

4 customer bills are lower over the time period

5 compared to the reference plan.

6 The plan is not without

7 challenges. We need to refine the plan to meet the

8 CO2 footprint targets as we develop the plan. We

9 need to secure funding to keep customer bills under

10 control early on while we're investing for the

11 future efficiency and improvements on the system.

12 And we need to assure that the system efficiency

13 programs are effective so that all of our customers

14 benefit.

15 One of the concerns is that some

16 customers benefit and others don't. So the

17 design of the program is striving to make sure

18 everybody benefits so everybody sees the benefit of

19 reduced bills.

20 And that concludes my

21 presentation.

22 THE MODERATOR: All right. Thank

23 you very much, Jim.

24 And I think what this shows, folks

25 is that, and as I said in my opening remarks, that

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2 when it comes to efficiency and renewables,
3 planning and efforts, LIPA is doing more than any
4 utility in the state and more than most utilities
5 in the country. And this plan will keep us in a
6 leadership role. And that's where my commitment
7 is, is to continue to make us a leader in all these
8 areas while we're still trying to balance our
9 customer's ability to pay for everything that we
10 want to do.

11 And so it's ambitious. It's, some
12 may say aspirational. It may not go as far as some
13 people want in life, but it's a balancing act.

14 And, again, we are demonstrating
15 leadership, first in actually preparing a plan, and
16 then in doing all the things that we've already
17 implemented and will continue to implement going
18 forward.

19 So, Jim, thanks for the
20 presentation. Where we see our demand going over
21 the next ten years and how we plan on meeting that

22 demand and the mandates that we have in terms of

23 reliability standards to meet at the end.

24 We are now going to solicit

25 testimony in the order that people signed up to

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2 speak.

3 And the first person who signed up

4 was Charles Hersh.

5 MR. CHARLES HERSH: Good morning,

6 folks.

7 I'm Charles Hersh. I'm a retired

8 electrical engineer. And one of the things I

9 resent is that New York State is actually telling

10 Kevin Law and LIPA how to meet these requirements.

11 But what they should be doing is simply saying, cut

12 your fuel and your carbon dioxide and other

13 pollutants as fast as you can and set emissions and

14 efficiency requirements for your overall electrical

15 production. That would make sense.

16 I'm afraid of waiting for

17 renewable energy projects, like wind and solar, is

18 really bad. They're expensive and is really a

19 burden on the ratepayers. And you could do far

20 more by upgrading your electrical generation. In

21 fact, it would cost five times as much doing either

22 wind or solar. And they're not reliable, especially
23 the winds, you know. And so that's a bad idea what
24 they've been doing.

25 And I don't see why you should

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2 have a preference for renewables when energy
3 efficiency and repowering counts as energy
4 efficiency, would work much better. It's just a
5 bad idea. And I'm sorry that you have to do these
6 wind projects.

7 That wind project, I think that I
8 read that it was going to be two and a half billion
9 dollars and you would have \$800 million for a
10 transmission line for it.

11 Now, you know, they talk about a
12 smart grid. Well, a grid that's smart wouldn't be
13 attached to a wind farm. It's no -- that kind of a
14 grid would be a bulky grid. And I could tell you
15 why. If you have a power plant that's producing
16 500 megawatts and you attached a grid, you know to
17 design it to 500 megawatts and have a built-in
18 safety factor.

19 If you have a 300-megawatt wind
20 farm, you know to design it to the 300 megawatts,
21 only the average power would only be 75 megawatts.

22 So it would be much bulkier than what the actual
23 power would be delivering but there's no way you
24 could get around it because, yes, you could have
25 300 megawatts with a burst.

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2 With wind, you don't know what
3 you're getting because all you would know is to
4 look at a wind chart and see what was the wind
5 blowing at that day, and that's no way to meet the
6 demand either. It's just a foolish thing to do.

7 And so -- you know, I would like
8 you to try and not do these renewable projects.
9 It's actually confusing to me because, you know, I
10 agree that wind and solar are renewable. The
11 problem is, natural gas is also renewable. The
12 fact of the matter is, that cattle make it, plants
13 make it. We have a huge gas supply, gas hydrates
14 at the bottom of our ocean.

15 How could you say that natural gas
16 is being made but not renewed? That makes no sense
17 at all. And so you could do all repowering and be
18 at -- and it would be a renewable energy.

19 You know, Governor Paterson has
20 been getting some very bad advice from a lot of
21 environmental organizations that seems to be

22 promoting the wrong agenda. And it's unfortunate.

23 All I can say is please try and cut your emissions,

24 your carbon dioxide, your fuel the best way you can

25 that would help the ratepayers the most.

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2 Thank you very much.

3 THE MODERATOR: Thank you, Mr.

4 Hersh.

5 The next speaker is Peter Quinn.

6 MR. PETER QUINN: Good morning,

7 Kevin.

8 THE MODERATOR: Hi, Peter.

9 MR. PETER QUINN: When I look at

10 econometric/statistical modeling for twenty years,

11 I think to myself it's outdated probably in three

12 or four years. So I would recommend they change in

13 a 20-year plan to ten years.

14 And when I think that Obama has

15 pushed this stimulus energy package where you've

16 got Waxman and Markey in the House coming up with a

17 ten-year emissions plan that does far more than the

18 weak efforts that are being proposed in your plan

19 for carbon emission reductions, it seems to me

20 prudent that you should, I won't say scrap the

21 plan, but the idea of some of the data being spent

22 on consideration of what we were going to be doing

23 in 2028, it seems to be superfluous.

24 And I would ask you to consider,

25 which is something I have done in the past, that

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2 you get from National Grid -- I guess when I asked,
3 there was KeySpan, that you -- of the 53 generating
4 plants, you do some thermal heat percentages.

5 Because that's certainly ought to be factored into
6 the weather, the economy, and so on when you do
7 your modeling. Because if you've got a generating
8 plant that's operating efficiently at only thirteen
9 or fourteen percent, you're wasting oil and natural
10 gas, and you're polluting the environment more.

11 So there ought to be a standard
12 whereby which you say to National Grid, spend the
13 money and upgrade your system and don't stick it on
14 our -- us as ratepayers as they might be attempting
15 to do with the twenty manufactured gas plants over
16 which they assumed control when they merged with
17 KeySpan.

18 And the liability there for those
19 manufactured gas plants, which may run a billion
20 dollars, I don't want to see it shifted over to
21 ratepayers because that curbs your ability to do

22 the kinds of things that you want to do as a

23 company.

24 And there are only three ways that

25 manufactured gas plant costs can be done. Either

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2 the shareholders of National Grid assume the
3 responsibility, the insurance company assume the
4 responsibility, or National Grid goes to the Public
5 Service Commission, gets approval, and shifts the
6 cost to ratepayers. They were the ones, back in
7 '98, who was -- when they took over the generating
8 plants, assumed the liability from LILCO. So I
9 don't want to see those costs shifted to us.

10 Moreover, I'm concerned about
11 bonding. Much of what you attempt to do will have
12 to be bonded. And we already know that this is a
13 debt-ridden utility with nearly 6.8 billion in
14 debt. And each year that's factored into your
15 budget as your 2009 budget indicated that we are
16 paying sixteen percent of our costs in debt service
17 amortization and interest. I mean that's like
18 paying for electricity with a credit card and we
19 shouldn't be doing that.

20 Now, as you plan to do the wind
21 farm in partnership with Con Ed thirteen miles

22 offshore, you're going to need transmission lines.

23 All -- and the cost, I hope you're not considering

24 2.5-megawatt windmill, at least five, because that

25 will be a waste to do half of what should be done.

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2 But there -- than the transmission lines will cost,
3 so that the initial figures that may be presented,
4 and they should be outlined for the public, all the
5 ratepayers to see, what these precise costs are and
6 what the percent of fixed rates that we should be
7 asked to pay.

8 And I find it kind of amusing that
9 we used to believe in variable rates. But now with
10 the rating agencies and the bonding firms
11 struggling after the crash, now they're insisting
12 on fixed rates. And as I recall last year, you
13 floated bonds for \$605 million. The last one
14 involved twelve different bonding firms and the
15 three rating agencies and they came up with a fixed
16 rate of 5.5 percent in contrast to the earlier
17 costs which were only four-and-change percent.

18 And considering that mortgagees
19 who are facing foreclosure but still keeping up
20 their costs who are now being offered
21 four-and-a-quarter percent interest, it seems to me

22 prudent for you to go back to the table with the
23 rating agencies and say, we're not paying any more
24 than four-and-a-quarter percent and maybe even
25 less. So try to do some refinancing, and maybe

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2 you'll have more funding to be able to do the kinds
3 of renewables that you would like to do.

4 THE MODERATOR: Okay. Peter,
5 you've got to wrap up. We got a lot of speakers
6 and I'm giving you well beyond three minutes.

7 MR. PETER QUINN: I saw about
8 eight names on the total list. Have you got some
9 place to go for lunch?

10 (Laughter.)

11 MR. PETER QUINN: I don't know.
12 But it seems to me -- I wanted to make some other
13 recommendations, if I could.

14 A VOICE: Peter, you can take my
15 time. I think I speak next.

16 MR. PETER QUINN: Can I come back
17 and speak when you're finished with the other
18 eight?

19 THE MODERATOR: And lunch is not
20 part of the equation. I don't eat lunch.

21 MR. PETER QUINN: I thought maybe

22 you'd invite me. Maybe I could have a chance to --

23 (Laughter.)

24 THE MODERATOR: You look so good

25 now with your -- you know, with your -- without

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2 your glasses and everything.

3 Listen, I'm happy to chat with you

4 more, but if you could just wrap it up, will you.

5 And other people want a chance to speak.

6 MR. PETER QUINN: All right.

7 You've got the Barrett plant, \$940

8 million. By the time you do the removal of the

9 toxic wastes up -- and by the way, I'm concerned

10 about illegal dumping of these toxic wastes across

11 Long Island in the past several years, its impact

12 on our water supply, especially if there's illegal

13 dumping and allow any waste hauling company because

14 they had -- dumps waste at nighttime. I think

15 there ought to be police out there checking that

16 out.

17 But to get back to the other

18 point, solar.

19 I'd be bothered if you want to do

20 solar atop landfills or out in acres of fields.

21 Why? Because it's inefficient. Besides, you've

22 got to build transmission lines to connect those
23 solar fields. And everybody knows or should that
24 the most efficient and least costly solar is what
25 is built atop a roof closest to the user's need,

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2 whether that's a householder, a business, or a
3 government.

4 So I would urge that you rethink
5 your solar projects. And by the way, originally,
6 Kessel told us there were going to be 10,000 over
7 ten years back in 2001. So far you've done less
8 than 2,000. And you ought to be adopting what many
9 cities in the country like Gainesville, Florida,
10 San Diego, where -- and Palm Beach, where they're
11 infusing the public with big incentives to do solar
12 roofs.

13 I know that it impacts on the
14 deals you've got with long-term bonds. And you've
15 got to be concerned about the bondholders. But
16 it's time to start thinking, most of all, about
17 ratepayers, especially in this economy.

18 Thank you.

19 THE MODERATOR: Thank you, Peter.

20 Sid, you said a "maybe."

21 MR. SID BAIL: No.

22 THE MODERATOR: No? Okay.

23 MR. SID BAIL: It's my

24 contribution.

25 THE MODERATOR: Thank you, Sid.

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2 Thank you.

3 Jody Pumillo.

4 MR. JODY PUMILLO: I was going to

5 speak about solar, but he's done enough. I'm more

6 interested about residential solar projects or --

7 and the rebates, residential rebates.

8 THE MODERATOR: Well, thank you,

9 Jody.

10 Again, we do -- we are doing the

11 largest solar energy program in the state, and I'm

12 committed to it and we've got to continue with it.

13 Thank you, Jody.

14 Charles Kayton. No? Thanks for

15 coming, Charles.

16 Peter Maniscalcio.

17 MR. PETER MANISCALCIO: Good

18 morning, Kevin.

19 THE MODERATOR: How are you?

20 MR. PETER MANISCALCIO: Fine.

21 Thank you. How are you doing?

22 THE MODERATOR: Good.

23 Are you on my schedule for

24 tomorrow?

25 MR. PETER MANISCALCIO: I am.

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2 I'm speaking as the Co-chair of
3 Action Long Island's Subcommittee on Energy
4 Efficiency and Renewable Energy.

5 And I guess that this plan, you
6 know, for us, is a good news and bad news plan.
7 You know, the bad news being that it really is not
8 the plan that we need for today's world. The good
9 news is that, you know, we have time to alter it in
10 a direction that we feel would be better for
11 Long Islanders.

12 The major underlying sense that I
13 get from reading the plan is that, as Albert
14 Einstein once said about the nuclear age,
15 everything has changed but our way of thinking.
16 That is absolutely true in the climate change era.
17 Everything has changed but our way of thinking. We
18 can't go down the road that's outlined in this plan
19 in order to meet the challenge that's before us.

20 We would like to suggest -- we
21 have come up with an alternative way of approaching

22 energy. And I want to support some of what Pete

23 Quinn just said, where the first investment would

24 be in energy efficiency.

25 It's important the way that

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2 program is designed. And as I mentioned to you the
3 last time that we spoke, was that the model for
4 this program would be something that NYPA did some
5 years ago under S. David Freeman, a program called
6 the Help Program, where NYPA fronted the money for
7 all the schools on Long Island to retrofit their
8 lighting. And the schools paid back out of
9 savings. So there's never front money put up.
10 That, we believe, is a better way to do energy
11 efficiency than your Efficiency Long Island
12 program.

13 What we would suggest is a program
14 similar to Babylon's where you would either take
15 the stimulus money, some large chunk of money, a
16 pool of money, and redo all of the homes on Long
17 Island, all of the businesses to make them energy
18 efficient. And we all know that that will save at
19 least 35 percent off of the energy bill. This is
20 also labor intensive. It will be a boon to the
21 local economy. It's a way to jump-start the

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2 talking about.

3 I was just recently in Austin,
4 Texas. And it was interesting for me -- Austin is
5 going to do this major solar program. They cannot
6 buy the solar panels in the United States. They're
7 buying it from China. If we did a small-scale solar
8 program, this -- once again, having this large
9 chunk of money, the solar could be done on the
10 rooftop, and the homeowner or the business pays
11 back out of savings on the energy bill.

12 That is the only effective way
13 that either energy efficiency or small-scale solar
14 could be done. Plus it will stimulate the economy
15 with jobs. Plus it will start with, you know, what
16 Representative Israel keeps talking about, building
17 this New Solar Economy. And so that would be an
18 integrated way of looking at this issue.

19 The third element is the
20 repowering element. Repowering is a catastrophe on
21 the scale of building the Shoreham Nuclear power

22 plant. The amount of money that would go into
23 repowering is a black hole. And I would support
24 what Peter is saying, the politics behind this is
25 for National Grid to unload these worthless

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2 machines and to stick us with the cleanup.

3 I believe this issue is being

4 floated as a trial balloon. And I would hope that

5 Long Islanders will respond with outrage at this

6 idea. If in -- I heard you say at that meeting at

7 Island Park that it's your personal belief that

8 fossil fuels are here to stay.

9 On a national level, on an

10 international level --

11 THE MODERATOR: I didn't. You put

12 words in my mouth, but go on and then I'll respond.

13 MR. PETER MANISCALCIO: Yeah. And

14 I'm not putting words in your mouth. I'm just

15 saying what I heard.

16 And so it is -- to me, it's a

17 reinforcement of that we really don't get it, that

18 we really haven't changed our way of thinking. We

19 have to not make what I would call a zombie energy

20 policy in repowering, which -- which will commit us

21 to fossil fuels for the next 50 years. That is an

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2 and step two first, then we'll take a look at
3 whether -- we're not opposed to repowering, but
4 that would be the point to see whether or not we
5 need to repower, not to try to have this balanced
6 approach that you're speaking of doing everything
7 at one time. That is -- that is an inappropriate
8 way, from our point of view, to look at this --

9 THE MODERATOR: Peter, let me
10 interrupt you.

11 Have you -- you were here for
12 Jim's presentation, correct?

13 MR. PETER MANISCALCIO: Yes.

14 THE MODERATOR: We have
15 reliability standards we must meet. And we must
16 meet that by demonstrating the existing capacity
17 and our future capacity. And right now, LIPA, we
18 are the leader among all utilities in the state in
19 terms of renewables, but it's a drop in the bucket
20 in terms of meeting our overall demand.

21 And the point I made in Island

22 Park and my question to you now is, what I said is,
23 as ambitious as we can be with solar and efficiency
24 and wind, we still need to meet reliability
25 standards. And the only way I see that happening

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2 over the next ten, fifteen years is still with the
3 power plants that we have on Long Island because
4 we're mandated to meet those reliability standards.

5 So we can't just drop these plants
6 and be introducing, you know, renewables as much as
7 I want to because we need to keep the lights on.
8 And my thought about repowering is, as long as
9 they're going to be here, let's make them more
10 efficient. Let's make them less polluting. And
11 let's make them burn half the amount of energy that
12 old ones are burning.

13 And so I have to strike that
14 balance, meeting standards and requirements with my
15 desire to introduce as much renewables as I can
16 into our portfolio.

17 MR. PETER MANISCALCIO: You know,
18 I understand what you're saying and have a
19 different point of view.

20 Now, we talked about one time, the
21 last time about setting up a committee that would

22 be more like a visioning committee of the people
23 who are progressive activists, progressive business
24 leaders, to look, to work with you, to work
25 through, you know, the issues that you're speaking

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2 of. That hasn't happened.

3 THE MODERATOR: Let's talk about

4 that tomorrow when --

5 MR. PETER MANISCALCIO: We'll talk

6 about that tomorrow. I think that would be some

7 place to start so that we could meet your needs and

8 also get our needs served at the same time.

9 Because at the present time, you know, I think

10 we're possibly working at cross purposes and when

11 we can maybe find common ground. It's at least

12 worth a try.

13 THE MODERATOR: I think we'll find

14 a lot of common ground.

15 MR. PETER MANISCALCIO: Okay.

16 Well, we'll find out. No lunch, I guess. There's

17 not going to be lunch. Or maybe Peter Quinn will

18 buy lunch.

19 (Laughter.)

20 MR. PETER MANISCALCIO: That's --

21 that's really what I can say. I would just like to

22 conclude that we're -- it's hard to really

23 understand that we're in a new era that demands a

24 new way of thinking. And while there are

25 obstacles, obstacles are the way to get us all use

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2 our creative energy so that we can find a new way
3 forward. And if we don't do that -- you know, I
4 was the coordinator of the Stop Shoreham Campaign.
5 I work on the Anti-Broadwater issue. I've been
6 waiting for 30 years to say yes to something.
7 Kevin, let's work together so we can all say yes
8 and feel good about what we've done.

9 THE MODERATOR: Well, good. And
10 Peter, I want you and others to feel good about
11 something, too.

12 I didn't have to do a plan. I
13 felt it was important to be doing a plan. We need
14 to have some goals. I'm interested in hearing all
15 the comments to say, all right, how are we going to
16 refine these goals? So I'm interested in what you
17 have to say. I share a lot of the common goals
18 that you have.

19 I've already -- we've launched the
20 largest energy efficiency program for any public
21 utility in the country, more than any other

22 utilities in the State. We've just announced the
23 largest solar energy project in the entire state
24 and I'm exploring with Con Ed the largest offshore
25 wind project in the country.

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2 Give me some credit for moving in
3 the right direction. We -- there's where we're
4 going to have some common ground. Let's discuss
5 the repowering more tomorrow. But, again, I'm
6 trying to take us in a new direction. It may not
7 be ultimately where you want to get, but I think
8 I'm heading at the right direction.

9 MR. PETER MANISCALCIO: Well,
10 we're going to find out at the end of -- at the end
11 of this process. And all's I can say is, if you
12 include repowering in this -- with what you're
13 going to do here, I'll venture a guess, that we're
14 going to spend multiple billions of dollars. It's
15 going to take approximately six years to do this.
16 Before that six years is up, you're going to have
17 to not complete the process because the world would
18 have changed so dramatically by then. We will have
19 wasted another \$7 billion. We will be another
20 \$7 billion in debt. And it's an absolute
21 catastrophe.

22 THE MODERATOR: Let's pick it up

23 tomorrow.

24 MR. PETER MANISCALCIO: We'll pick

25 it up tomorrow.

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2 THE MODERATOR: You're coming to
3 my office, right?

4 MR. PETER MANISCALCIO: Yes. I'll
5 see you tomorrow.

6 (Applause.)

7 THE MODERATOR: Lisa Tyson.

8 MS. LISA TYSON: Good morning.

9 THE MODERATOR: Hi, Lisa.

10 MS. LISA TYSON: My name is Lisa
11 Tyson, director -- excuse me -- director of the
12 Long Island Progressive Coalition. We're dedicated
13 towards social, economic, and racial justice.

14 I want to congratulate LIPA on
15 creating an aggressive energy plan that balances
16 the environment and rates. I mean that's what LIPA
17 is about. It's about providing energy -- excuse
18 me -- it's about providing energy in a way that
19 makes people be able to continue to live in Long
20 Island. I mean our cost of living on Long Island
21 is huge. And we really feel that this plan

22 balances that out.

23 Your key strategies are right on

24 target, energy efficiency, renewable resources,

25 repowering, and improving the interconnections and

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2 reliability of the system. That's what your
3 measurements are based upon. Those are the right
4 measurements.

5 We, of course, support strongly
6 repowering power plants. It's interesting that
7 we're hearing some negative comments about it
8 because for years there has been dozens of elected
9 officials, dozens of environmentalists calling for
10 repowering. Repowering is the right strategy. We
11 are so happy that you are serious about looking at
12 it and researching it and moving it forward.

13 Unfortunately, I didn't bring it
14 with me. But we have a huge board of about a
15 hundred people, organizations and elected officials
16 that support repowering in Long Island. There is
17 huge support for it. Don't be fooled. People want
18 it. It makes sense. We had the hearing in Island
19 Park, 120 people, maybe 150, maybe 100. I don't
20 know. But there was support from the community for
21 repowering.

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2 announced, it wouldn't have been supported by as
3 many people as it was. And whether it's repowering
4 or building another power plant, we want the cost
5 told to us before the decision is made. And you've
6 committed to doing that now. We're very happy, but
7 that's imperative on any of these projects moving
8 forward. We have to know the true cost and true
9 value to the Island.

10 THE MODERATOR: And you will.

11 MS. LISA TYSON: Good. I mean
12 Caithness, we could have gotten two power plants
13 repowered for that price. It's horrifying to think
14 what happened that we took down trees to build a
15 new power plant. So -- and especially in an Empire
16 Development Zone where the community got no jobs
17 whatsoever.

18 So we believe repowering is
19 supported not only by the people across
20 Long Island, but by people who live around these
21 power plants. They want them to be cleaned. When

22 we go door to door, people are saying, there is

23 soot on my cars. I want this to be cleaned. I

24 don't want the power plant to be gone because I

25 need the taxes, but I want a cleaner power plant.

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So please move this forward. And we really, again, congratulate you on a plan that is balanced.

Thank you.

THE MODERATOR: Thank you, Lisa. John Leonard, Town of Brookhaven.

MR. JOHN LEONARD: Good morning, Kevin.

THE MODERATOR: Hi.

MR. JOHN LEONARD: My name is John Leonard. I'm the Deputy Chief of Staff of the Supervisor of the Town of Brookhaven. I'm here today on behalf of the Supervisor's Office, and also on behalf of Councilwoman Connie Kepert's office.

I have a brief statement I want to read into the record from Councilwoman Kepert.

"I'm writing on behalf of the residents of Brookhaven's Fourth Council District in support of the draft proposal of LIPA's electric

22 resource plan for 2009 through 2018.

23 "Sections 4 and 5 of the draft

24 will be of particular interest to my constituents.

25 In 2008, I introduced an initiative that will

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create jobs, help people reduce the cost of staying in their homes and benefit the environment.

"The Green Homes Initiative,"

modeled after the Town of Babylon's successful program, will assist homeowners in reducing carbon emissions and create green-collar jobs.

"We estimate that Brookhaven

residents can reduce carbon emissions by 65,000 to 130,000 tons, and energy costs by \$1160 per year.

"My recent community newsletter,

which outlines the program, is included in this letter and we'll submit written comment.

"The 'Green Homes' Program very

closely mirrors LIPA's goal of providing customers the opportunity to reduce resource costs and

address climate change as contained in Section 5.1

of the draft. Though the Brookhaven program is not means-tested and will be available to all

Brookhaven residents, it is very similar to the

goals outlined in the draft's Section 5.1.1.

22 "I look forward to seeing the
23 final draft of the Electric Resource Plan, and
24 we'll make further comments when the plan is
25 completed. Please feel free to contact my office

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2 with any questions, concerns about the Green Homes
3 Initiative."

4 THE MODERATOR: Great. Lenny, if
5 you could give that to Marc.

6 MR. JOHN LEONARD: Yes, I do.
7 That's -- there you go.

8 (Handing.)

9 THE MODERATOR: Thanks.

10 MR. JOHN LEONARD: And then just
11 in conclusion. I had the pleasure hosting a public
12 forum with you last week and here today. We
13 applaud your effort to open up this process to the
14 public. We feel that transparency and process is
15 always the best practice. So along those lines,
16 thank you for doing this.

17 THE MODERATOR: Thank you very
18 much, John.

19 Gordian Raacke.

20 MR. GORDIAN RAACKE: Good morning.

21 My name is Gordian Raacke. For

22 the record, I'm the Executive Director of the
23 Renewable Energy Long Island, a not-for-profit
24 organization.

25 First of all, I want to commend

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2 you for this planning process. I know this is a
3 lot of work. I know you didn't have to do this.
4 You're doing it in an open fashion with public
5 input, and I really think that needs to
6 be mentioned, that that in and of itself is an
7 achievement, and I want to compliment you on that.

8 I also am grateful for the fact
9 that you have considered our comments in the
10 original round of public hearings. I'm very happy
11 to see that you took some of our recommendations
12 and advice and worked it into the current draft,
13 particularly on climate change. And I think
14 it's -- as a result of that, it's already a better
15 plan. And in the spirit of constructive criticism
16 going forward, I want to assure you that we want to
17 work together with you to make this plan a better
18 plan.

19 I agree with Jim, Jim Parmelee's
20 comments that we still have some work to do, and
21 we're here to assist in that work, particularly on

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First of all, I think it's

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important to set clear targets on energy

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efficiency, on renewables, and on greenhouse gas

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emissions. Some of the targets you have in your

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plan have numeric goals and metrics in it, and some

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of them don't. I would urge you to take a look at

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that again, make sure you set those targets, and

9

make sure that those targets and numeric goals are

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in line with current and anticipated state and

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federal targets.

12

So talking about anticipated

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targets. When you go to the White House website,

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as I did just a couple of days ago, you will find a

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statement there that we need to reduce carbon

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emissions 80 percent by 2050. This is not some

17

kind of a radical French group that calls for that

18

now. This is our current administration calling

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for 80 percent greenhouse gas reductions by 2050.

20

If you look at the most recent

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bill introduced in Congress by Waxman and Markey,

22 you see a goal of reducing, or target of reducing
23 carbon emissions twenty percent by 2020, which
24 would lead to reduction of about 83 percent by
25 2050.

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2 I think we, here on Long Island,
3 should be leaders in this -- in this effort. And
4 we can be leaders. And under your direction, we
5 will be leaders, I believe. But your current --
6 your current plans would result in only about
7 one-third of that target. So I think that's an
8 area that we need to focus on and strengthen that.

9 Secondly, with respect to state
10 targets, the -- if -- I'm a little bit confused
11 because on one hand, your plan states that we're
12 meeting RGGI, Regional Greenhouse Gas Initiative,
13 and the Governor's 45-by-15 goals. But when you
14 look at some of the pie charts on page 8-27, I
15 don't see that. The pie chart there states that
16 energy efficiency would be fifteen percent by 2018,
17 so we would be three years late compared to the
18 Governor's targets, and renewables would be at
19 22 percent by 2018. So, again, we would be falling
20 about eight percent short from the Governor's
21 thirty percent goal and would be eight percent

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2 a shot at clarifying.

3 MR. GORDIAN RAACKER: Sure.

4 MR. JIM PARMELEE: On the energy

5 efficiency, I think it's a question of

6 presentation. In that pie chart, it does show

7 fifteen percent by 2018. But that is primarily

8 representing end-use efficiency of customers, and

9 our 15-by-15 program is based on the entire supply

10 chain. It looks at not only the end-use efficiency,

11 which is the bulk and the largest contribution, but

12 also the T&D efficiency and on improving the

13 efficiency at production of existing power plants

14 by basically doing the same thing, making these

15 power plants use electricity more efficiently.

16 And then finally, it looks at

17 dispatching the system more efficiency --

18 efficiently, improving the transmission system so

19 that the most efficient power plants are used.

20 So all of those components, the

21 entire supply chain, goes into meeting the 15-by-15

22 goal. The fifteen percent of that pie chart is
23 only -- is primarily the end-use efficiency. So by
24 15 -- 2015, we do, in our, in our representative
25 plan, have a fifteen percent efficiency gain built

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2 into the plan. So it's a question of
3 understanding.

4 The renewable energy goal of the
5 Governor is still under development, so we had to
6 guess on what that goal is going to be like.

7 What we did is we took the current
8 25 percent by 2013 goal and looked at how that's
9 being implemented by the Public Service Commission.

10 That goal said, well, we have an
11 existing resource base of approximately
12 seven percent renewables back in 2003 when we
13 started the process, and therefore we need to get
14 17 percent more -- I'm sorry, 18 percent more to
15 get to 25 percent by 2013.

16 Now --

17 MR. GORDIAN RAACKER: It's the
18 other way around.

19 MR. JIM PARMELEE: It's eight
20 percent more.

21 They gave credit for the Green

22 Choice programs that were under the utilities, so
23 that's one percent of that eight percent. And then
24 it said you need to get an additional seven percent
25 in order to get to the 25 percent.

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2 When we developed the thirty
3 percent target for measurement purposes, we said,
4 well, we're assuming that the thirty percent goal
5 is going to be implemented in the same way. You're
6 going to get credit for that existing
7 seventeen percent resources that existed, a
8 one percent credit for -- for the -- the Green
9 Choice programs, and then we needed to fill the gap
10 with additional resources.

11 And so that's why the number is
12 less because we're not rolling in that credit that
13 we're getting from the statewide resources that are
14 already existing there. And we don't show the
15 one percent. But it is designed there to actually
16 represent a 30-percent target and the way we think
17 it's going to be implemented by the Governor and
18 the PSC.

19 MR. GORDIAN RAACKER: Okay. That's
20 helpful. I appreciate that. And maybe you could
21 put that in a footnote in the plans just for other

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2 and annual targets. You know, it's easy to forget,
3 when we're planning for twenty years out or ten
4 years out, that we need to have milestones along
5 the road to make sure we're going at the right
6 speed towards achieving those longer-term goals. I
7 would recommend annual targets against which we can
8 measure our progress.

9 The next item is, I've mentioned
10 it already to some extent, I would go through the
11 plan and look at every target and make sure you
12 have measurable and verifiable numbers in there.

13 As for example, you have with
14 the -- the customer's service interruption targets.
15 You have a very specific, down to the decimal point
16 numbers in there, but it would be good to see those
17 numbers for energy efficiency, renewables, carbon
18 reductions, et cetera.

19 Next recommendation I wanted to
20 bring to you is, it's important to anticipate and
21 plan for possibly more stringent carbon and

22 environmental regulations. I think it's the

23 prudent thing to do that.

24 This is a rapidly changing field.

25 There are all sorts of pieces of legislation and

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2 proposals on the table now. The industry is trying
3 to adapt to that. But when you're planning for
4 something that's ten or twenty years out, you do
5 want to look at what the cost of carbon, for
6 example, might be because it will guide you in
7 making decisions when it comes to repowering versus
8 a wind farm, or energy efficiency versus
9 renewables, certain types of renewables.

10 And I wanted to direct your
11 attention to -- to a report that was done by a
12 consulting firm, Lazard consultants, in June of
13 2008. The study is called, "The Levelized Cost of
14 Energy Analysis." And it shows an interesting
15 chart. In this analysis they anticipate cost of
16 carbon of \$30 per ton, which is -- some might call
17 a relatively low number. But they -- when they
18 figured the carbon compliance cost into the cost of
19 power, which, of course, we will have to pay for
20 and ratepayers will have to pay for it, it shows
21 that many renewable forms of energy are cost

22 competitive or even below the cost of conventional
23 generations. Certainly, way below gas peakers.
24 And even below base load combined cycle gas
25 turbines.

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2 So when we're making decisions as
3 to whether to proceed with a, let's say, a
4 Caithness 2 or our repowering project, having an
5 analysis like this in our strategic plan, in our
6 long-range plan, can be very helpful. Of course,
7 it needs to be updated at that very moment when you
8 make a decision, but it's important to include
9 something like that in the planning process.

10 NYSERDA is currently -- is having
11 consultants comply to similar analysis to make
12 informed decisions as to the spending of the
13 Regional Greenhouse Gas Initiative proceeds. And I
14 would recommend that these are -- I've worked with
15 NYSERDA on a similar analysis or through its own.
16 I think that might be very helpful.

17 I would also, of course, include
18 in that kind of analysis, and maybe you have that
19 in one of the appendices that's not available yet
20 already, but some kind of an outlook on what could
21 be potentially very high and volatile fossil fuel

22 prices because obviously that is a big concern.

23 We've got -- we got sort of the

24 alarm bell going off when oil reached 140-something

25 dollars a barrel. We were able to hit the snooze

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2 button for a little bit of reprieve here, but it
3 might get up to some level like that again. It
4 would be good to have some kind of an analysis of
5 what that price volatility might look like.

6 I believe that not analyzing and
7 not planning for these kind of costs means that we
8 have no road map. And it could really prove to be
9 very, very costly to ratepayers. And that's a
10 concern to all of us, of course.

11 And lastly, I wanted to comment on
12 the -- on something that's somewhat confusing to me
13 in the plan, which is that there are certain
14 recommendations in the plan, but no -- no
15 commitment that I can see really to the goals and
16 the targets and those recommendations.

17 And I understand, of course, that
18 the LIPA Board of Trustees will have to approve
19 these decisions and this plan. But I would urge
20 you to put that plan in draft form at a certain
21 stage before the trustees and have the board of

22 trustees approve certain recommendations and the

23 plan.

24 THE MODERATOR: That's the game

25 plan.

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2 MR. GORDIAN RAACKE: And, of
3 course, that -- that would be important to have
4 something that's a document that's been approved by
5 the trustees. And we would like to be able to
6 comment, again, on those -- on those
7 recommendations before they go to the trustees for
8 obvious reasons.

9 THE MODERATOR: The game plan is
10 to, you know, finalize the plan. We'll release
11 that publicly and bring it before my trustees for
12 induction --

13 MR. GORDIAN RAACKE: Great. Okay.

14 THE MODERATOR: -- at a public
15 meeting.

16 MR. GORDIAN RAACKE: That's great.
17 And I really appreciate -- again, I appreciate the
18 open process and considering our comments and
19 encourage you to move forward in that spirit.

20 Thank you very much.

21 THE MODERATOR: Thank you.

22 Matt Cordaro.

23 MR. MATTHEW CORDARO: Thank you

24 for this opportunity to comment. And hopefully

25 I'll do it in a constructive matter. That's my

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2 intention here, you know, based on a lot of
3 experience I've in the utility industry in putting
4 plans like this together.

5 I view the plan as presented now
6 as more of a to-do list, to be very, very honest.
7 And a plan to plan rather than the detailed plans
8 I'm used to looking at when you look at electric
9 resource plan. And those detailed plans have
10 sequence of events, project timing, things that you
11 could analyze and calculate with specific numbers
12 and -- and you can't do that at this stage on
13 what's been made available.

14 I also think that it's somewhat
15 unfortunate that a number of commitments had been
16 made prior to the development of this plan and the
17 process of the plan itself. Because it would be
18 more appropriate for you to work out the framework
19 of the plan, the analytical approach, approaches
20 that you use in the plan to evaluating different
21 alternatives before you actually went ahead and

22 made a commitment to go in one direction or

23 another.

24 I think that would have enabled

25 you to have a better fix on what the impact to

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2 ratepayers would be in -- from an optimum point of
3 view before making any -- any commitments.

4 I -- as part of that, I know you

5 have a lot of things indicate or listed for study

6 and to be done. I would hope that you

7 wouldn't prior to nailing down the framework and

8 the types of analysis and the specifics, specifics

9 of this plan, that you wouldn't enter into any

10 further commitments until you could view it as a

11 whole rather than looking at it as individual

12 projects.

13 It's also -- as I mentioned at the

14 board meeting last week, it's also very hard to

15 evaluate the plan because the details of the

16 analysis are not available because they're in

17 Appendix A. And a lot of the specifics should

18 need -- really need to pass on the merits of what

19 you've done are presumably in that appendix.

20 So in a way, this is a little bit

21 premature. We can go ahead and comment on what

22 you've released. And necessarily, it has to be on

23 a superficial plane because of the details on how

24 the analysis was conducted and a lot of the

25 assumptions used is not available to us. We were

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2 really guessing on what the plans are. We know
3 what elements, we know the categories of things
4 that are included in the plan, but we don't know
5 the proportions, the timing, the specifics of it.

6 THE MODERATOR: Matt, as promised
7 you at the board meeting, we have it all. We're
8 trying to assemble it in a user-friendly format so
9 you could understand it in a form it's in today.
10 Most people won't be able to do that, and so we
11 could try to put it in user-friendly. We'll have
12 it done in two weeks. I promise you I'll keep the
13 comment period open for a period of time after that
14 to give you time to go through it and give us your
15 thoughts on it.

16 MR. MATTHEW CORDARO: Yeah. And I
17 think if we -- hopefully we have another round of
18 hearings on -- so that we can review the plan when
19 that information is available.

20 THE MODERATOR: We'll see.

21 MR. MATHEW CORDARO: Because a lot

22 of things will become clearer, and maybe many
23 criticisms or negative comments go away with having
24 some insights on the kind of process and the
25 validity of the process and the input assumption.

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2 However, as I said, you can make
3 some observations. I'll step back and make some
4 more superficial observations without having access
5 to those kind of details.

6 One comment I want to make is
7 there's a lot of confusion about the planning
8 period. It starts out, the plan starts out in
9 referring to a ten-year planning period. And then
10 you'll launch into a twenty-year period of time to
11 evaluate the total impact of the plan. And it sort
12 of introduces some confusion, are we planning for
13 ten years, are we planning capacity, additions, or
14 electric resource options in a twenty-year time
15 frame or in a ten-year time. And it gets
16 confusing. And appendix A would probably clear it
17 up to some -- to some great extent.

18 However, you know, even on that
19 basis, from my experience in the utility business
20 and in putting together plans like this, ten years
21 is very, very long. It results in a lot of

22 uncertainty being backed into the plan because you

23 have to go to your crystal ball more than you might

24 have otherwise.

25 Five years is a little more

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2 acceptable, and you have a little more certainty.

3 You're taking less risk. You're extrapolating much

4 less into the future, but even that can be

5 challenging. Even that in the third, fourth, fifth

6 year, represents some challenges.

7 THE MODERATOR: Who could have

8 think the last year alone?

9 MR. MATTHEW CORDARO: You're

10 right. Exactly. That's exactly my point. Ten

11 years introduces an extreme amount of uncertainty.

12 It's almost impossible to project accurately. I've

13 been part -- part and party to ten-year plans. And

14 the one thing you know about it, the minute you

15 issue one, it's wrong in the next day or two. I

16 mean it starts -- the validity of it starts to wane

17 away.

18 However, extending it to

19 twenty years almost borders on absurdity because

20 you're really starting to open up Pandora's box

21 with respect to the kinds of projections and the

22 validity of projections. As you know, how do you

23 project fuel costs for next year let alone twenty

24 years into the future.

25 So it really creates some doubts.

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2 It's a challenge. No question about it. But it
3 introduces a lot of uncertainty to what -- what
4 directions you're pursuing with the plan.

5 THE MODERATOR: And keeping in
6 mind, too, you know, a plan should be a living,
7 flexible document that should be susceptible and
8 easily adaptable to change. And we're not just
9 going to do this plan, put it on the shelf, and
10 say, we're doing everything in here and we're not
11 going to take another look at it. We will be
12 constantly, you know, evaluating it. We'll update
13 it, you know, roughly, for ten years to update it.
14 So, you know --

15 MR. MATTHEW CORDARO: Understand --

16 THE MODERATOR: -- we need to take
17 into account of the things you just mentioned.

18 MR. MATTHEW CORDARO: No,
19 understandable. But -- but as you -- as you view
20 the document today and the plan today, you can put
21 very little -- I can honestly say, you put -- you

22 have to put very little reliance on --

23 THE MODERATOR: Well, see, I

24 disagree with you there --

25 MR. MATTHEW CORDARO: -- what

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2 you're projecting that way in time.

3 THE MODERATOR: I disagree because
4 you know more than anyone, for energy planning you
5 had to have a long-term vision. Whether people
6 like the Caithness project or not, the decisions
7 were made before I got here. But it took six years
8 from incubation to permitting to construction. And
9 you do the challenges, you try to figure out where
10 the demand is going to be, what resources you have,
11 and what resources you'll need to meet that demand.

12 And then, okay, you've got to make
13 decisions today, anticipating it may take six years
14 to get a project off the ground. And that's
15 another part of the challenge.

16 MR. MATTHEW CORDARO: Certainly.
17 But that's your five, six, seven-year timeframe.
18 It's not your twenty-year time frame.

19 THE MODERATOR: Gotcha.

20 MR. MATTHEW CORDARO: Also, you
21 take that into account and you look at some of the

22 metrics, the economic metrics. Even with that
23 uncertainty is a very small benefit in that present
24 value basis for, you know, total expenditures over
25 that twenty-year period when comparing the

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2 representative plan, which is a proxy for the
3 recommended plan versus the reference plan. You
4 know, it's really a very small difference between
5 the two plans when you look at the base of what
6 that total net present value is.

7 And also, as you look at the
8 annual revenue requirements, the savings for the
9 representative plan, which includes more of the --
10 with the renewables and the efficiency, show up
11 very late on the time period where have more the
12 uncertainty exist.

13 But what -- and the same thing for
14 rates, the exhibit on rates shows that the
15 representative plan has higher rates over this
16 period of time. I'm not going to put much stock in
17 the numbers. I have some questions about the
18 validity of the numbers themselves.

19 From a relative standpoint, I
20 would agree, that in all probability, that the
21 representative plan is going to be more expensive

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2 whether or not we're taking the road that's the
3 cheapest for the ratepayers. I realize that we
4 have environmental concerns and a number of other
5 concerns that have to be incorporated in this kind
6 of plan. But one thing that's not subjective and
7 that can be reduced to objective measurements and
8 evaluations is ratepayer, ratepayer costs and
9 revenue requirements.

10 Now, you know, what makes this
11 even more so is that the big impact with the type
12 of plan that's been proposed or the direction
13 you're moving with this plan, is in this first
14 five-year period, the representative plan in that
15 first five-year period where you have a little bit
16 more certainty than you do in ten years and twenty
17 years.

18 It shows that the representative
19 plan has a higher impact relative to the ratepayer
20 as compared to the reference plan. And that's what
21 we know more about and we have more confidence from

22 the standpoint of projections. And, in fact, the
23 biggest -- the benefits to the ratepayer start to
24 accrue as you move out in time to this more
25 uncertain period.

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As represented, as the plan -- and

I realize you talked about a balancing, a need to balance. As a technically-trained person, I sort of resist that because it's hard to balance.

There's a lot of subjectivity and political concerns there; satisfying multiple constituencies.

I sort of found comfort in the

utility industry in making determinations based on revenue requirements because it didn't require as much subjectivity. But, you know, I think the plan as proposed, because of this desire to balance, represents a predetermined policy as far as the directions you're pursuing. And what's being done now is more of resorting to analysis to back in to support with that balancing, or that mix, that mix of different electric supply options. And it's a little bit like Johnny Carson and Carnac, I mean, you know what the answer is, now we got to go back and determine what the question -- what the process is.

22 THE MODERATOR: But you understand

23 that, you know, there's a lot of public policy

24 objectives in there, whether it's coming from the

25 President, the Governor, or from the Long Island

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2 community and some people want us -- as a public
3 utility, you should be behaving differently than a
4 private entity. I think we can be. It's just sort
5 of where my heart and commitment is.

6 And so in demonstrating leadership
7 and renewable energy and efficiency, but at the
8 same time, in terms of the balance that I'm
9 referring to, is I also have to balance everything
10 against our customer's ability to pay. Because
11 despite all the letters I get from people saying,
12 "Do wind, do solar, do repowering, or do
13 efficiency," most of the letters and e-mails I get
14 are from people saying, "Cut my rates, cut my
15 rates, cut my rates."

16 MR. MATTHEW CORDARO: I know what
17 you're going through. I don't envy your position.
18 I sat in the seat of a CEO of a public utility.
19 And I was very upset in the directions at which it
20 pulled you as far as making determinations.

21 For a private utility, as bad the

22 private utilities -- the people like to label the
23 private utilities. We used to sit in a room and
24 determine what's the cheapest route for ratepayers.
25 And that was it. That was the sole determination.

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2 A VOICE: Was that with Shoreham?

3

MR. MATTHEW CORDARO: And things
4 like Shoreham today would make a lot of economic
5 sense. If we -- you know, the start of our energy
6 problems was the abandonment of Shoreham or we
7 wouldn't be where we are today if that plant was up
8 and operating.

9

But I -- I had the ratepayers'
10 interest foremost on mind. It's the thing that I
11 could have confidence in. I wouldn't want to do
12 the balance, I wouldn't want to have the job of
13 doing the balancing because it's difficult.

14

THE MODERATOR: Well, Why don't
15 you and I sit down, too like promised Peter
16 Maniscalcio and Gordian, especially when we have in
17 another two weeks the data. And we'll get your
18 thoughts.

19

MR. MATTHEW CORDARO: Sure. That
20 would help immensely. So I -- yeah, I'm going to
21 hold off judgment. I mean none of these are

22 absolute judgements. They're observations at this

23 point.

24 THE MODERATOR: That's fine.

25 MR. MATTHEW CORDARO: When I have

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2 an opportunity to look at the details, which I'm
3 more comfortable with. You know, the thing that
4 usually turns people off, I mean a lot of the
5 numbers and calculations and evaluations, I'll be
6 glad to -- to change my opinion if that's the case.

7 THE MODERATOR: Very good. I
8 appreciate you coming down as always.

9 MR. MATTHEW CORDARO: Thank you.

10 THE MODERATOR: Thanks, Matt.

11 Mark Serotoff.

12 MR. MARK SEROTTOFF: Good morning.

13 THE MODERATOR: Hi, Mark.

14 MR. MARK SEROTTOFF: I applaud LIPA

15 for bringing before the public its draft energy
16 plan. It is gratifying to see incorporated into
17 the plan many elements of the Citizens' Energy
18 Plan, the Sustainable Energy Alliance released in
19 2002.

20 LIPA is serving the public
21 interest by including renewable energy,

22 consideration for a healthy environment,

23 reliability, cost and flexibility elements into the

24 draft plan.

25 The plan should dovetail also with

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2 Governor Paterson's goal of having 45 percent of
3 New York State energy needs met by renewables and
4 improved efficiency. Nothing is more effective
5 than improving energy efficiency than modernizing
6 the antique fleet of generators around the land
7 owned by National Grid.

8 Repowering lowers pollution over
9 90 percent, increases generation by 2- to 300
10 percent without building new power plants, reduces
11 blackouts and breakdowns, creates many jobs,
12 reduces reliance on foreign oil and increases tax
13 benefits to host communities. For these -- for
14 these reasons, LIPA should buy the power plants and
15 either repower them or sell them contingent that
16 the new owners repower them.

17 The current owner, National Grid,
18 has done no repowering. Is it acting in the public
19 interest? Should National Grid continue to be the
20 region's electrical supplier? It was fined \$81.8
21 million in its home, Great Britain, for, quote,

22 restricting competition and harming customers,

23 unquote, in 2008.

24 I will submit to you the article

25 for the record.

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It was fined one-and-a-quarter million in 2008 for Long Island service interruptions.

I will submit the article to the record.

It was fined 8.8 million by the PSC for service interruptions upstate in 2005. In fact, the blackouts were so egregious and long during a blizzard in the Albany area that public hearings were called by the PSC.

I will submit that article for the record.

And Long Island gas customers to pay \$82.4 million more in 2008.

Article in Newsday. I will submit that for the record.

Furthermore, Grid controls natural gas and electrical generation in upstate New York, New England, as well as Long Island. It is the second largest utility in the United States, and

22 it's exercising monopolistic market control.

23 I warned about this in the

24 Grid/KeySpan hearings. LIPA is obligated to obtain

25 the generating assets from an owner that is not

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2 acting in the public interest.

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4 LIPA is a state authority. You're
5 very powerful. Look at what Robert Moses did with
6 authorities and what he accomplished. And you have
7 power to possibly break up or reduce the strength
8 of the National Grid monopoly, the generating
9 monopoly, especially on Long Island.

9

10 And there are numerous energy
11 supply companies that are dying to get into this
12 energy pocket: Pennsylvania Power & Light, Duke
13 Energy, Con Edison, Florida Power and Light. They
14 will pay, I believe, premiums to obtain separate
15 power plants that you have right-of-first-refusal
16 to obtain from National Grid.

16

17 And also, because you're an
18 authority, state authority, you may be able to get
19 them or find a way to get those power plants at an
20 economical price, and then flip them and actually
21 make money. So it's a win -- it would be a win-win
22 for everybody. The plants would be repowered by

22 the new owners. National Grid will decrease its
23 market power and the environment will get cleaner
24 and will have more energy, and all the other
25 results from repowering.

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THE MODERATOR: Okay.

MR. MARK SEROTTOFF: Thank you.

THE MODERATOR: Mark, thank you
very much for coming down.

That was the last signed up
speaker. Was there anybody else? This gentleman,
you came down to our board meeting. You didn't
sign up at the board meeting either. Are you
adverse to signing up?

MR. DON SUEBERT: I know. What is
it here? Every time I get here there's nobody out
there.

THE MODERATOR: When we see you
coming, we hide the sheets.

(Laughter.)

MR. DON SUEBERT: I went out three
times too and I didn't get it.

THE MODERATOR: Can you state your
name for the record.

MR. DON SEUBERT: Yes.

22 THE MODERATOR: And I know you are

23 going to keep your comments to the master plan.

24 MR. DON SEUBERT: Right.

25 I'm Don Seubert from Medford.

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2 Okay.

3 Also, I want to ask as part of

4 ABCO if we could have like four or five copies

5 because because ABCO covers about 35 or 40 civic

6 organizations and we like to look it over and make

7 some comments from the group. Okay? Thank you.

8 The hard copies.

9 I just wanted -- the comments that

10 I left, I don't know if you received them that I

11 gave that day, I gave to one of the -- one of the

12 people on the board. If I got a chance, I'd like

13 to have those included in the comments because I

14 think they're pertinent.

15 I did get a chance to look briefly

16 through their plan. And one of the things that

17 came dramatically, you know, the greatest part is

18 to be transparent. And I think you need a plan.

19 And a part of that plan should have part -- you

20 should have policies and procedures to be

21 transparent in the plan so we know when people who

22 come to speak here who have conflicts, who have

23 interests, they have associations with the board

24 previously or whatever.

25 And as I said before in that sheet

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2 that I left, I'd like to see that you include in
3 the bills so the people -- the procedure ready so
4 people know when there's application in that area,
5 and you can include it in the bills. Okay. The
6 reorganization of the bills, I think, when we
7 talked about the other day. I know Mr. Cordaro
8 said that they may be just putting in the marbles
9 in another jar, but it's still better for the
10 people.

11 And also in that bill should be
12 part of your plan, where you're going to have --
13 from where the power is coming from, the sources of
14 power, which I discussed the other day. If it's
15 from New York State, is it renewable, is it from
16 solar electric pole, where it is, so the people
17 have a pie graph on their bill seeing that. Okay.
18 And I think that's something that's -- that I
19 didn't see there, too.

20 Also, in a plan too, any
21 legislation that you need to get through, like we

22 talked about, the bottle bills and all these and
23 the phosphates and all that, that maybe we have to
24 have legislation to make people comply to -- and I
25 think the savers in that plan, savers have to

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2 save. They can't be penalized for saving. So I
3 think there has to be a way across for that.

4 I would also like to see on the
5 bills a way to pay for the solar so it's included
6 in your bill. You could put the solar voltaic on
7 your bills. Like for many, many years, people have
8 talked about it, but that's all they did, was talk
9 about it. Including the payment of solar, if you
10 want to put it in your house, in your bill.

11 And then people will really see
12 what's going on. Like Gordian talks about one-stop
13 shopping. I think that's the way to do it, and it
14 should be.

15 The benchmarks. Looked in there.
16 There wasn't any real definitive benchmarks of what
17 you're going to do when it actually occurred in
18 like in one year at a time. So that's -- so that
19 should be in there.

20 It may be not like this choice,
21 but right now you're the -- you're in the public

22 interest. And I know on TV, last night, you did a
23 great job. You covered a lot of stuff on TV last
24 night. And that's what should be out to the
25 public. More and more of that on TV so they can

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2 see it. You covered it with one exception, maybe

3 you didn't mean it that way. You said, you know,

4 I'm not, and I heard it tonight -- today a couple

5 of times. It's -- "I'm not obligated to do this."

6 And that's something, part of the policies that

7 should be changed --

8 THE MODERATOR: You're right. I

9 shouldn't have said. I should have said mandated.

10 MR. DON SEUBERT: Right. I think

11 so. Yeah, I think they may --

12 THE MODERATOR: I feel an

13 obligation to be doing a plan --

14 MR. DON SEUBERT: Right. Because

15 there's a moral obligation that goes beyond it.

16 THE MODERATOR: I agree with you.

17 MR. DON SEUBERT: And as a public

18 entity to protect the people, we need this type of

19 protection.

20 THE MODERATOR: Okay. I won't do

21 it again.

22 MR. DON SEUBERT: Okay.

23 (Laughter.)

24 MR. DON SEUBERT: So, I mean I do

25 think that's part of it. And that's -- part of the

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2 plan should have a transparency section to it on
3 what policies you're going to do, how something's
4 going to be let out and where it's going to be
5 sited.

6 And I do think the other part
7 about where you have five years of a meteorological
8 data that you've compiled before you have to think
9 of siting or repowering the plant. Maybe the
10 places you're thinking of repowering maybe because
11 of there's lack of wind in that area or they're not
12 the proper spot to be in too. It's like -- I would
13 say the Holtsville site is one example and probably
14 the Caithness, too.

15 Anyhow, the other -- there's some
16 other ideas on it about bill savings. Besides
17 putting it on a bill about solar, I think you
18 should -- people who pay early. You have a lot of
19 people in arrears. Municipalities are great for
20 being in arrears. Okay. Because they know you're
21 not going to shut off the school, the local school.

22 You should have like Telco used to
23 have, a ten percent -- they used to give a ten
24 percent discount when paying within ten or fifteen
25 days. It's a simple thing. It gets people on it.

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2 You'll have money sooner than later. And you won't
3 be chasing, you know, the cost of going after
4 people, like myself, it's a lot of money to find
5 us. My bill is under my grandmother's name. She's
6 like -- my mother is 99, so you can envision how
7 old my grandmother is.

8 So -- anyhow, the future, I think
9 you're a public entity. Your biggest job right
10 now, unfortunately, is to protect our environment.
11 Okay. You have the heating of the homes, the
12 electricity, the energy generation. You're the
13 only one that can set the standards here. You're
14 the only one who has the overall pen.

15 And I think that is, too, with the
16 oil heat. I think it's something, too, that
17 you're going to -- someone has to take over that
18 because a lot of pollutants come out of our own
19 homes and that's what probably most of it does. So
20 we need some control of that. I don't see that
21 addressed also.

22 Article 10 -- the Article 10

23 that's sunset. I think we need -- we need

24 something similar from you people that the people

25 in the communities have the resources and the

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2 expertise to -- to address the concerns they have.

3 And I think that needs to be done also.

4 I'll leave some of these others,

5 but I think I had done the SEQRA. Oh! One other

6 thing. Right now part of the plan should be

7 especially where you are right now. The money for

8 the -- the stimulus money. You're on the plan.

9 Maybe that should be on the plan where you think as

10 a leader, since the plan is supposed to address

11 something currently, that stimulus where you think

12 that money should be directed to since you have at

13 least until June anyhow to do it, right?

14 So you're on that committee, so

15 that could be good. I think that should be in the

16 plan. I know it won't be the twenty years, but,

17 really, now is the time that's going to count. It

18 might not mean anything in five or ten years from

19 now. But right now that money and how we utilize

20 that money and use it for conservation and

21 renewable energies as a prime first choice, because

22 in the long run that gives us a little more
23 security as Long Island is in the environment. And
24 that's it. I mean, Long Island -- that was a LIPA
25 commercial years ago, LILCO commercial, Long Island

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2 is the environment. And right now you're in charge
3 of that, so --

4 THE MODERATOR: Well, that --

5 MR. DON SEUBERT: I think for us
6 to know what you're having -- you have in mind
7 should be part of the plan right now.

8 THE MODERATOR: I appreciate that.
9 And I thank you for your time.

10 You know, the first thing you
11 forgot to sign, they were taking the sign in
12 sheets, the one who hid the sheet from you. Give
13 her your address and I'll get you some copies.

14 MR. DON SEUBERT: Could you have
15 it here or anything --

16 THE MODERATOR: I got my copies,
17 but it is all marked up.

18 MR. DON SEUBERT: Okay.

19 THE MODERATOR: So we'll get you
20 four fresh ones. And you're going to share that
21 with all the civics in Brookhaven?

22 MR. DON SEUBERT: Yeah.

23 THE MODERATOR: Or your board? I

24 appreciate you coming down, though.

25 MR. DON SEUBERT: Thank you very

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2 much.

3 THE MODERATOR: Thank you.

4 Is was anybody else?

5 (No response.)

6 MS. ADRIENNE ESPOSITO: Good

7 afternoon.

8 I'm Adrienne Esposito, Citizens

9 Campaign for the Environment.

10 First, I'd like to say, thank you

11 for getting the report out. We appreciate and are

12 pleased to see that the four pillars of the report

13 are the exact right pillars, whether it be the

14 energy efficiency, renewable energy, upgrading in

15 the transmission system, and repowering. Those are

16 the energy components designed not only for the

17 future of Long Island but also, I believe, for the

18 future of New York State.

19 A couple things we're hoping that

20 the plan will contain in its final form. And the

21 first thing is, I think that a plan would be

22 beneficial -- it would be beneficial if the plan
23 had, for the public, perhaps some type of listed
24 chart that showed what were the actions, so whether
25 it'll be energy efficiency, a wind farm, solar,

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2 repowering, and then there were assigned to them
3 costs, or rough costs, environmental benefits, and
4 societal benefits. And then perhaps the mandates
5 that would compel you to participate in those.

6 And the reason I say that is
7 because, and I know you know this, but as a public
8 power authority, the public should be more engaged.
9 And in order to be more engaged, they need to
10 understand the document better. And if we have,
11 you know, someone like Gordian reading the document
12 and grappling a little bit with the numbers, I
13 don't think the public is going to be able to do
14 it.

15 So I ask you this in an effort for
16 it to be readable and understandable on behalf of
17 the public. And also, I think that'll be good
18 information for your board. Because one thing the
19 plan didn't have was a prioritization list. So if
20 you are going to start implementing or have start
21 implementing the plan and have a certain pot of

22 money, let's just pretend you have a certain pot of

23 money, what would be the first thing you'd do and

24 why?

25 And that really wasn't clear in

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2 the plan. And I heard Mr. Parmelee say in the
3 beginning that each element needs to be voted on by
4 the board. And I think if you have that chart, it
5 would allow for the board to vote on what's most
6 beneficial and not be swayed by what's the most
7 popular.

8 And there's been a lot of chanting
9 about repowering. But we need to look at
10 repowering in the context of a holistic plan, what
11 benefits or concerns or burdens does that bring as
12 compared to energy efficiency or as compared to
13 solar and wind or transmission upgrades? I don't
14 know the answer to that, perhaps you do. But it
15 would be nice to be able to look at that and be
16 able to make decisions and engage in this process
17 with that type of information. And I think that's
18 a type of information the public would seek also.

19 One other thing, real quick, is
20 that the plan supports utilizing burning of trash
21 as renewable. We would object to that. We

22 objected years ago when the legislature was looking
23 to define the term of renewable energy. It was a
24 large battle in the halls of the legislature in
25 Albany. It was then not classified as renewable

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2 because garbage, while plentiful, is not renewable.

3 So other than that, thank you for

4 your work on this. I know this is not an easy

5 endeavor. But this is -- you know, gone are the

6 days when electricity companies wake up and, as

7 Mr. Cordaro said, just decide to do what's

8 cheapest. Now you have to decide to do what's

9 best. And it's a whole different ballpark than

10 what it was just even five or six years ago.

11 You, as a public power authority,

12 feel that weight, I believe, even more so than

13 other utilities because you're our partners in

14 this. And we need to engage with you in a way

15 where we can move to our energy future together.

16 And I believe we can do that, but we need to be

17 able to understand what it is you understand about

18 the costs and the impacts and benefits and what the

19 society needs. And that information would be

20 helpful.

21 Thank you.

22 THE MODERATOR: Thank you.

23 The next hearing is going to be on

24 Monday in Nassau County, the Nassau County

25 Legislature. And then Tuesday night in Melville on

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the boarder for both counties for those who can't
make a day meeting. So we'll just keep the
hearings open through the third meeting. And I
will keep a significant -- certainly more than
thirty days for written comments and you know,
after the public hearings.

So thank you all for coming down.

(At 12:01 p.m., the proceedings
were concluded.)

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100 Church Street, Suite 817, New York, New York 10007
626 RXR Plaza, Uniondale, New York 11556

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CERTIFICATION.

STATE OF NEW YORK)

SS.

COUNTY OF NEW YORK)

I, MARC RUSSO, a Shorthand
(Stenotype) Reporter and Notary
Public within and for the State of
New York, do hereby certify that the
foregoing pages 1 through 97 taken
at the time and place aforesaid, is
a true and correct transcription of
my shorthand notes.

IN WITNESS WHEREOF, I have
hereunto set my name this 16thh day
of April, 2009.

MARC RUSSO

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