

1

1

2 LONG ISLAND POWER AUTHORITY

3 -----x

4 Public Hearing

5 RE: LIPA Energy Master Plan

6 -----x

7 Nassau County

8 Legislative Chamber

9 1550 Franklin Avenue

10 Mineola, New York

11

12 April 29, 2008

13 10:12 a.m.

14 B e f o r e:

15

16

17

18

19 KEVIN S. LAW,

20 President & CEO, LIPA,

21 THE MODERATOR

22

23

24

25

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

2

2 APPEARANCES:

3 For the Long Island Power Authority:

4 Michael Deering

5 Vice President Environmental Affairs

6 Jim Parmelee

7 Executive Director Power Markets

8 ALSO PRESENT:

9

10 The Public

11 The Press

12

13

14

15

16

17

18

19

20

21

Marc Russo

22 Reporter

23

24

25

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

INDEX OF SPEAKERS

Speaker:	Page:
KEVIN LAW.....	5
LIPA President and CEO	
ROSS AIN.....	11
Senior Vice President - Caithness Long Island Energy Center	
DAVID DENEBERG.....	17
Nassau County Legislator - District #19	
HARRY DAVITIAN.....	23
President - Long Island Association	
ROBERT SYMPSON.....	32
New York ReLeaf	
PETER QUINN.....	36
LISA TYSON.....	41
Executive Director - Long Island Progressive Coalition	
CARMINE VASILE.....	47
DAVID G. SCHIEREN.....	52
CEO - EmPower Clean Energy Solutions	

22 KEVIN MACLEOD.....56

23 Long Island Solar Energy

24 Industries Association (LISEIA)

25

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

INDEX OF SPEAKERS

Speaker:	Page:
GORDIAN RAACKE.....	62
Executive Director, RELI - Renewable Energy Long Island	
NEAL LEWIS.....	68
Long Island Neighborhood Network	
ADRIENNE ESPOSITO.....	79
Executive Director - Citizens Campaign For the Environment	
GREGORY SACHS.....	87
Long Island Solar Energy Industries Association	
PHIL HEALY.....	97
Incorporated Village of Lynbrook	
GABRIEL TORDAI.....	101
Vice President - Commercial Illuminations, Inc. (The-ElectricSaver)	

22

23

24

25

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

5

2

PROCEEDINGS

3

4

THE MODERATOR: Good morning,

5

folks.

6

My name is Kevin Law. I'm going to

7

be a little bit more informal. I think I'll need

8

binoculars if I sit over here. All right.

9

(Laughter.)

10

THE MODERATOR: So I figured

11

we'll do it a little more informal. I'm not going

12

to have a big presentation because I really want to

13

hear from the folks in the room.

14

As many of you know, I asked, I

15

requested that LIPA update its master plan earlier

16

this year. And we have prepared an outline and we

17

circulated it. And it's a draft outline. And I'm

18

going to tweak it myself. And I wanted to hear

19

input from members of the community before we

20

finalized the outline and before we're heading down

21

the path of doing the plan.

22 I've been talking to certain
23 groups already about getting some help and input.
24 And I did want it to be an open and a transparent
25 process.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

6

2 I think it's important that we do
3 a plan. I've used this line before. Yogi Berra
4 once said that if you aim for nothing, you'll hit
5 it. And so it's important to have goals and I want
6 to have some goals to help plan for our energy
7 future.

8 You know, I think it's important
9 that we have certain objectives, some strategic
10 objectives. Of course we want to make sure we have
11 good, reliable, efficient generation and
12 distribution transmission system. But we also need
13 to make sure that we're doing things that are in
14 the interest of ratepayers and also in the interest
15 of our environment.

16 And so we have some competing
17 opportunities which present some challenges in
18 terms of ultimate decisions, but we need to get
19 everything on the table in terms of where we're
20 heading with our energy future.

21 I'm going to be working with a

22 couple of different groups. I've committed to
23 working with the Long Island Regional Planning
24 Board. I'm happy to see the Chairman of the
25 Regional Planning Board, John Cameron, here to make

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

7

2 sure that we're coordinating our efforts. And they
3 have a lot of work on their plate. And to the
4 extent we can do most of the energy planning and
5 then that allows them to concentrate on other more
6 critical issues facing Long Island, including
7 transportation, affordable housing, other things
8 like that.

9 So we're working with them as well
10 as some of the big business groups. We've received
11 some very good comments from the Long Island
12 Association and some other associations and we're
13 looking forward to hear from other groups and
14 individuals. And so -- how about that? Does
15 that work better?

16 VOICES: Yes.

17 THE MODERATOR: Did anybody miss
18 anything I said?

19 VOICES: No.

20 THE MODERATOR: Hi, Adrienne.

21 One of the things, too I noticed

22 from the last plan is that the last plan LIPA did
23 -- and there have been a lot of changes since the
24 last plan. Technology is changing. The cost of a
25 barrel of oil is changing. It's amazing. When

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

8

2 LIPA took over LILCO ten years ago, a barrel of oil
3 was \$14. You know, it closed yesterday at \$119.
4 That's less than ten years. We need to be doing
5 things differently, smarter and better.

6 There have been some new state
7 objectives, the 15 by '15 program; commitment on
8 certainly my part, the Governor's part on renewable
9 power.

10 If you saw last week, we announced
11 an RFP, we issued an RFP for the largest solar
12 energy project in the State of New York. And we're
13 excited about that. We look at that as the first
14 aggressive step towards bringing more renewable
15 power into our system. So I'm excited about that.

16 But the point I was going to make
17 is the last plan didn't really address gas issues.
18 And I don't see how we can have an energy plan or
19 call what we're doing an energy plan without
20 addressing supply and infrastructure for our gas
21 needs as well, especially in light of the

22 Department of State's decision that Governor

23 Paterson announced on Broadwater two weeks ago.

24 So I've asked National Grid to

25 partner with us as well to help us address those

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 issues in our plan as well. And they'll be
3 attending the next meeting in Brookhaven to share
4 with us what they'll be doing regarding that
5 element of the plan.

6 So, you know I'm excited. I've
7 laid out a very ambitious agenda for LIPA. For
8 those who saw my Op-Ed piece in Newsday the other
9 day, we really are doing a lot. We're doing a
10 master plan for the Island. We just put out the
11 largest solar RFP last week.

12 Tomorrow at our Board of Trustees
13 meeting we are rolling out the largest energy
14 efficiency program for any public utility in the
15 country. And there are some people in the room who
16 are participating in our repowering study efforts
17 that are ongoing.

18 And with all of those good
19 initiatives going on, I'm also struggling with
20 incredible rate pressure as oil flirts at \$120 a
21 barrel and the cost of a decatherm of gas continues

22 to increase as well.

23 So, you know, but we need to plan.

24 We need to move forward. I'm excited about moving

25 forward and making LIPA what I think it was

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

10

2 originally intended to be - a true public utility
3 looking out for things differently than a private
4 utility does.

5 And with that, I'm going to sit
6 down. There are a bunch of people who asked to
7 testify, to submit some comments to us. We're going
8 to limit people to five minutes.

9 And I'd be happy to get the
10 program rolling. Mike or Jim, did I miss anything?

11 Okay. So I thank you all for
12 coming.

13 Again, what the process is going
14 to be, we're going to submit testimony today and
15 next week in Suffolk. Then we'll allow for some
16 written testimony for the week after that to May
17 15th.

18 We'll finalize the outline. We
19 hope to then have a draft plan in the fall. We will
20 then have more public hearings on the draft energy
21 plan. We will then hopefully have a final plan

22 ready in about a year. So we're on an ambitious
23 schedule. But we need to have a tight schedule
24 because the issues before us are significant and we
25 need to start addressing them.

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

So thank you very much for coming.

And I think I have the list up here. And we will begin calling people up as they signed up.

The first person is not here. But the second person is, Ross Ain from Caithness.

MR. ROSS AIN: Thank you very much, Kevin.

I am very pleased to be here representing the Caithness Long Island Energy Center. My name is Ross Ain. I'm the Senior Vice President of Caithness.

I want to applaud LIPA for taking the proactive steps to look to the energy future of Long Island. This hearing is to take comments on the Draft Energy Master Plan. And I agree with Kevin, much has changed since the plan was adopted in 2004.

And LIPA is now assessing various generating resource possibilities, including exercising its option to purchase certain National

22 Grid power plants and repowering the Northport and

23 Port Jefferson Stations.

24 First let me say that thanks to

25 the highly-skilled and productive construction

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 trades working on the Caithness Long Island Energy
3 Center, and the professionalism of the Long
4 Island-based contractors working together with
5 Seamans Power Generation, the construction of the
6 Caithness plant in Yaphank is progressing very
7 well.

8 We believe the project would be
9 brought on service on schedule and will be a
10 welcome addition to LIPA's current generating
11 supplies.

12 A few observations regarding the
13 options available to LIPA that I'd like to make
14 this morning.

15 In spite of the great efforts to
16 modernize generation, LIPA still relies,
17 day-to-day, for much too much of its megawatt hours
18 on plants that were built more than thirty years
19 ago. And stated historically, if these plants were
20 cars, they would have antique plates on them.

21 LIPA may need these plants for the

22 foreseeable future for capacity, for peak load and
23 some intermediate service, but they should be
24 minimized in terms of their base load service to
25 save energy, dollars and to minimize environmental

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 damage.

3

Therefore, new clean, efficient

4

generation, especially at the current energy

5

prices, we believe, pays for itself in fuel savings

6

to LIPA's customers. Building new modern plants is

7

a very complex process involving permitting,

8

engineering, construction, financing and other

9

disciplines. We believe there are many companies

10

like Caithness who are prepared to risk its capital

11

to respond to LIPA's need.

12

We believe that repowering should

13

compete with our options to give LIPA choices to

14

achieve the best results for its ratepayers.

15

National Grid owns these older plants. It can

16

develop repowering strategies that may provide

17

winning formulas without LIPA ratepayers taking the

18

risk of development or environmental mitigation.

19

After all, for the last ten years,

20

KeySpan, now National Grid shareholders have been

21

making money off these plants. It shouldn't now

22 pass the environmental cleanup risk onto LIPA's

23 ratepayers.

24 It's curious to me that when we

25 talk about repowering, when KeySpan last proposed a

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

14

2 project on Long Island to develop new generation,
3 it did not propose repowering, but rather proposed
4 Spagnoli Road, a greenfield plant. That's got to
5 tell us something. New plants on Long Island in my
6 view should be dual-fuel. What does that mean? It
7 should be principally, at least the fossil plants,
8 should be principally natural gas with the ability
9 to go onto oil during the coldest days of the
10 winter.

11 Studies by the New York State ISO
12 and the New England Power Pool demonstrate the
13 enhanced reliability of dual-fuel plants. Also
14 dual-fuel plants offer significant cost savings to
15 LIPA's ratepayers in the hundreds of millions of
16 dollars over a twenty-year term.

17 LIPA, in my view, should be very
18 cautious in burdening ratepayers with any
19 additional debt, risk or environmental cleanup
20 responsibility by exercising any option to buy any
21 National Grid plants. LIPA is not in the

22 development business and doesn't have to be.
23 Transferring those costs and risks from the private
24 sector to a governmental authority may never
25 produce the benefits intended.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

I would urge you to be careful
relying on studies. Studies are not commercial
proposals backed by LC's that end up in large -- in
large amounts of security.

What contingencies have the
studies put in for cost overruns, for changes in
law, for other factors? What assumptions have been
included in those studies as to labor rates,
commodity rates, equipment costs? Studies are only
studies. They are not a commercial proposal.

Finally, let me share with you a
few observations on what Caithness is prepared to
do to assist LIPA in meeting its future energy
needs. I have given you a letter, Kevin where I
outline in greater detail some of those -- some of
those options.

Let me just summarize them quickly
for you.

Given the large --

(Cellphone interruption.)

22 MR. ROSS AIN: That's all right.

23 That's all right.

24 THE MODERATOR: That was actually

25 good timing. It's five minutes.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

MR. ROSS AIN: Is it five?

THE MODERATOR: I'll give you one

extra minute.

MR. ROSS AIN: I'll summarize

very briefly.

Caithness Long Island is prepared

to work in a competitive process with LIPA to

develop a proposal, that we would offer to LIPA, as

we did in 2003 when fourteen proposals came to

LIPA, of which two were selected.

We recognize we may not be the

winner. We recognize that others may have better

ideas including repowering some of the existing

stations. But we believe with the -- with the

success we're having at our current site and with

some studies we've undertaken to demonstrate cost

savings and economies that could be achieved in an

additional unit at that site, we're prepared to

participate in a competitive solicitation process

for the benefit of LIPA and its ratepayers.

22 Thank you.

23 THE MODERATOR: Thank you, Ross.

24 And for everyone's information, we

25 do have a court stenographer here transcribing

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

17

2 everything that gets said here.

3 I am going to exercise the
4 prerogative of chairing this hearing. I do see an
5 elected official here, Legislator David Deneberg.
6 And Dave, if you wanted to say some words, I'll
7 allow you to come up.

8 A VOICE: Can I ask a question?

9 THE MODERATOR: Excuse me, sir?

10 A VOICE: Can I ask a question to
11 the speaker who just spoke?

12 THE MODERATOR: To the last
13 speaker?

14 A VOICE: Yes.

15 THE MODERATOR: Wait. We're here
16 soliciting testimony on comments for our plan. If
17 you have individual questions for the gentleman,
18 feel free to go and talk to him.

19 Thank you.

20 LEGISLATOR DAVID DENEBERG: Good
21 morning. I want to thank you very much for being

22 here at our legislative chambers.

23 My name is Dave Deneberg. I'm the

24 Nassau County Legislator for District #19. I'm

25 also the Chairman of the Planning, Development and

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 Environment Committee.

3

Your predecessor testified

4 annually, you know, typically in July, at the

5 Nassau County Legislature on LIPA's energy plan and

6 various energy issues. Something that's very

7 important to the people of Nassau County - I'm sure

8 Suffolk County as well - are the issues of

9 repowering, both from an environmental standpoint

10 as well as from an energy efficiency standpoint.

11

I want to commend you on the work

12 that I think you're doing towards the Barrett

13 plant. But I want to assure you and urge you that

14 repowering of the Barrett plant in Nassau County is

15 something that is imperative in our view and

16 certainly for the people in Nassau County both in

17 terms of protecting the environment from a plant

18 that is certainly not efficient nor running

19 cleanly.

20

We do think that you could get

21 more power and at the same time clean the

22 environment.

23 In terms of long-term issues --

24 and I don't want to bore you. And I see a lot of

25 different groups here that represent various

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 environmental interests and I'm sure they're going
3 to cover repowering in Suffolk County plants as
4 well as Nassau County plants.

5 I do think that some of the
6 projects that LIPA has been through in recent
7 years, as well as others, really show that an open
8 process - a process where you include the public,
9 tell the public exactly what's going on and seek
10 information from the public - is not only the best
11 way, it's essential. Because the public is
12 actually very, very smart. People will give you
13 good ideas. People will understand, provide the
14 information to people and you'll see that the
15 project, the ultimate project will be a lot better.

16 I'll take, for example, with
17 Neptune.

18 When I became aware of Neptune,
19 the issue of where the conversion would be located
20 was an issue. And some of the initial proposals by
21 Neptune and LIPA were in an area where I felt like

22 for whatever reason it was going to get a lot of
23 public opposition.

24 The end result is six-hundred-plus
25 kilowatts of energy coming to Long Island from the

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 mainland grid in a way that the public ended up
3 supporting. And I think part of the reason was
4 that your predecessor, Mr. Law, Mr. Kessel, was
5 open about it, came to meetings with me, the County
6 Executive, went to the public as to where the
7 conversion should be located. And the end result
8 was a lot better.

9 I think when it came to the wind
10 power issue, I think you did something that was
11 incredible. You turned it around. You said let's
12 really get a handle on what the costs are. And if
13 I can't get a handle of what those costs are, I'm
14 going to let the public know that this is not, you
15 know, whether it was misinformation intended or
16 unintended, let me take a step back and let me try
17 to clear this up. And if it's something I justify
18 cost-wise, I'm going to take a step back, stop
19 pushing something that the public doesn't know
20 enough about and I don't know enough about.

21 So I really commend you on that.

22 And I commend you on everything I've seen you do
23 since you've become President and CEO, which is to
24 keep the public informed and let the public know
25 exactly what's going on.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 I would encourage you to do that.

3

4 I do think that one of the most
5 critical issues that we have right now is the
6 repowering issue because that attacks what is going
7 into our environment right now in a way that can
8 make real change to better the environment, but
9 also deliver more power ultimately because of
10 efficiencies.

11

12 So I'm going to invite you right
13 now. We will -- I want you to speak about the
14 energy plan before the Nassau County Legislature.
15 And I'm going to try to coordinate that with your
16 office. And knowing how accessible you've been
17 Kevin, Mr. Law, I'm sorry, I know it's going to
18 work very, very well.

19

20 So I want to thank you. I want to
21 thank you for being here. And I really want to
22 thank you for including the public and looking at
23 the public as someone that you can learn from
24 because they really are very, very smart.

22 Thank you very much.

23 THE MODERATOR: Thank you very

24 much, David. And thanks for your leadership on

25 environmental and energy issues here in Nassau

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 County and in Suffolk. Because I know, I testified
3 before a joint committee on your committee and the
4 Suffolk Legislature Committee. [I'm happy to -- in
5 June and July]. And it would be a good time with
6 going over storm preparation plans as well.

7

And then in terms of repowering, I
8 am going to be reaching out to the community and to
9 the other stakeholders before we make any
10 decisions. And so I look forward to your
11 participation in that.

12

LEG. DAVID DENEGER: Okay. Well,
13 again, thank you. Certainly the Barrett repowering
14 is foremost in our minds here in Nassau. But
15 Legislator Horsley in Suffolk and I have done
16 about, I think it's up to six joint meetings now,
17 usually -- always on energy issues. So we know
18 we're in it together. We're breathing the same
19 air. We're part of the same grid. And any solution
20 for Suffolk is also a solution for Nassau.

21

Thank you.

22 THE MODERATOR: Great. Thank

23 you.

24 Going back to our list, the next

25 speaker is Harry Davitian from Entek.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2

And speakers have five minutes

3

and Mike Deering is watching my watch because I

4

can't see it.

5

MR. HARRY DAVITIAN: Good morning.

6

I'm Harry Davitian. I'm President

7

of Entek Power Services, but I'm also Chair -- but

8

I'm also Chair of the Long Island Association's

9

Energy Environment Committee. And it is the LIA

10

that I'm representing here this morning.

11

And the comments that I'm

12

submitting were those that were discussed and

13

approved by the Energy Committee of the Long Island

14

Association and subsequently by the board.

15

In my oral comments I'm going to

16

give a greatly compressed version of the written

17

comments that I've just given you, in the interest

18

of trying to keep within your time constraint. So

19

this is a compressed version. It's just some of

20

the highlights.

21

I'm going talk about four key

- 22 areas, key principles and objectives that should
- 23 guide the development of the plan: Conventional
- 24 power resources, renewable power resources and
- 25 energy efficiency.

1

24

2 So let me begin by discussing a
3 few key principles and objectives that we think
4 should guide the development of the plan.

5 First, lower rates.

6 I'm sure you're not surprised by
7 that one. High electric rates increase the cost of
8 living here on Long Island and make it hard to
9 attract business and retain businesses here. And
10 in considering the actions to help reduce the cost
11 of electricity in the plan, it should focus on
12 those that have the potential to cause meaningful,
13 long-run reductions in the cost of power.

14 The second area is reliability.

15 Since LIPA took over, the
16 reliability of LIPA's transmission system has gone
17 from worst in the state to best in the state. It's
18 very important that that be maintained going
19 forward given our society's increasing reliance on
20 electronic equipment and devices that require
21 stable voltage and continuous power supply.

22 The third area: Reducing fossil

23 fuel consumption.

24 The world's demand for fossil

25 fuels, particularly for conventionally-extracted

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 oil and gas, the premium quality fossil fuels,
3 continues to grow rapidly at the same time as the
4 growth in the reserves of those fuels is not
5 keeping pace with the growing demand.

6 A robust energy plan would reduce
7 LIPA's dependance on fossil fuels including both
8 LIPA's direct purchases of those fuels as well as
9 the fuels used in on-Island and off-Island plants
10 from which LIPA purchases powers.

11 The fourth area is environmental
12 protection with regard to the key principles.

13 First let me speak with regard to
14 greenhouse gas reductions.

15 Long Island may be particularly
16 vulnerable to the effect of climate change that are
17 expected from greenhouse emissions. New York has
18 entered into the Northeast, with other states in
19 the Northeast, with respect to the Regional
20 Greenhouse Gas Initiative that creates regional
21 wide cap and trade program.

22 The financial impact on LIPA due
23 to this will be material. Accordingly, LIPA can and
24 should make the reduction of greenhouse gas
25 emission an important goal as it considers its

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 various energy supply options for the plan.

3 And now with respect to the
4 conventional air emissions, it's important for the
5 plan to recognize that power plants to the west of
6 us contribute substantially to the emission
7 concentrations on Long Island. In particular, all
8 coal-fired plants with minimal pollution control
9 equipment in the PJM system emit a disproportionate
10 share of the power generation-led pollution on Long
11 Island's area.

12 Therefore, the plan should
13 recognize the continuing importance of reducing
14 emissions from power plant generation and
15 explicitly incorporate consideration of the effect
16 of imports of power to Long Island from PJM from
17 the overall emissions from power generating
18 facilities.

19 The second major area I want to
20 address is conventional power resources. And we
21 have five key recommendations regarding

22 conventional power resources.

23 Firstly, LIPA should not incur the

24 risks of construction and ownership of generating

25 facilities. Given the disastrous long-term effect

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 of the Shoreham debacle on electric rates, it is
3 important to remember that the risks and
4 liabilities of building and operating power plants
5 is not a theoretical concept. There are serious
6 long-term meat-and-potatoes consequences when
7 things don't go according to plan.

8 Utility customers should not once
9 again be put in a position of being unwitting
10 risk-takers insuring utilities against mistakes
11 they may make in construction projects or in
12 operating power plants. LIPA should select new
13 generation facilities through competitive bids to
14 make sure LIPA pays the lowest price.

15 LIPA should open the bids to all
16 conventional generating facilities to make sure
17 that the Island gets the benefits of the very best
18 ideas and proposals.

19 Thirdly, the long-range plan
20 developed by LIPA needs to take into consideration
21 the expiration of LIPA's contract with National

22 Grid for the provision of 4,000-plus megawatts of
23 power generating facilities which expires in 2013.

24 Fourthly, LIPA needs to consider
25 the interest of all of Long Island's electric rate

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 customers when making its generating resource
3 decisions and not those of particular communities
4 on Long Island that benefit disproportionately from
5 tax rates that greatly exceed the normal rates
6 applicable to industrial/commercial facilities.

7 And finally, the environmental
8 cleanup costs and decommissioning costs associates
9 with older power plants should remain the liability
10 of the owners of the power plants and not be passed
11 onto LIPA's ratepayers.

12 The third broad area I wanted to
13 talk about was energy efficiency programs. And the
14 first thing I wanted to discuss in that area is the
15 criteria for selecting program elements.

16 Our recommendation is that LIPA
17 quantitatively compare the benefits that the
18 implementation of each program element will bring
19 about to -- as compared to the cost of that program
20 element.

21 A minimum cost benefit ratio

22 should be established as a threshold that every
23 program element must need to be considered. It's
24 important that LIPA make sure that each specific
25 program element included in the plan actually

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 achieve the desired benefits and do so at a cost
3 that is reasonable.

4 We strongly -- we have strongly
5 supported energy conservation efforts over the
6 years, whether they be appliance efficiency
7 standards, Energy Star programs, or utility
8 conservation programs. Our only point here is not
9 that we strongly support those programs, we just
10 want to make sure they are effective programs.

11 Secondly, with respect to energy
12 efficiency we think LIPA should learn from
13 experience and to conduct a thorough review of
14 energy conservation programs that it's involved in.

15 And thirdly, we think public input
16 and transparency is important to -- so that the
17 public understands how those dollars are being
18 spent. It is invested in that process. It's extra
19 monies that are being collected that are being
20 spent from those programs and the public should
21 understand how those monies are being spent.

22 And finally, we think that
23 transparency is a two-way street. LIPA can benefit
24 by an open process in which it is getting feedback
25 with respect to its programs.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 The fourth --

3 THE MODERATOR: If you can wrap

4 up.

5 MR. HARRY DAVITIAN: This is the

6 fourth and last area that I wanted to discuss is

7 renewable energy programs.

8 We recognize that some level of

9 subsidies will be required in the near term to

10 allow promising renewable energy projects to

11 proceed. Given the potential of the long-range

12 benefits of renewable energy and resources to LIPA,

13 it is appropriate and prudent for LIPA to provide

14 such subsidies. However, reasonable limits should

15 be placed on the magnitude of such subsidies so

16 that the rate increases needed to support such

17 subsidies are minimal.

18 With respect to standalone

19 projects, those that are not on rooftops or behind

20 the fence, LIPA should establish a mechanism to

21 purchase power from renewable projects through

22 purchase tariff rates and through a reverse

23 auction.

24 Our comments were written before

25 your recent RFP was proposed. We think that falls

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 in perfectly with this idea we've expressed here.

3 With regard to customer sited or
4 other projects, we think LIPA should ensure that
5 its tariffs and interconnection procedures
6 facilitate the development of such renewable
7 projects and not create unnecessary obstacles.

8 And LIPA should purchase power
9 from such facilities, customer-sited facilities at
10 a price which is no less than its avoided cost of
11 generation-using mechanisms such as net metering
12 which we think can be very effective.

13 And my final comment is with
14 regard to the role of waste energy projects, which
15 here on Long Island provide approximately two
16 percent of our Island's electric generating
17 capacity and also dispose of, in effect, 1.6
18 million tons of the Island's municipal solid waste.

19 The problem is growing and getting
20 worse each year.

21 In effect, waste energy facilities

22 have many of the characteristics of a renewable
23 resource. And the LIA's position is that LIPA
24 should -- should treat, and the state should treat
25 real waste energy as a renewable energy resource

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 and LIPA should consider a modest subsidy for new
3 waste energy capacity.

4

Thank you. I appreciate the
5 opportunity to provide these comments. I hope I've
6 stayed within your time guidelines.

7

And if we had any questions
8 subsequently, we'd be glad to work with you on
9 that.

10

THE MODERATOR: Well, you didn't.
11 But thank you.

12

MR. HARRY DAVITIAN: Thank you,
13 Kevin.

14

THE MODERATOR: Thank you, Harry.

15

The next signed up speaker is Bob
16 Sympson from New York ReLeaf.

17

MR. ROBERT SYMPSON: Thank you,
18 Mr. Law for the opportunity to express my views in
19 regards to this energy issue.

20

I come here as a member of New
21 York ReLeaf, the Long Island Committee, and also as

22 the Vice President of Cornell Cooperative Extension

23 of Nassau County.

24 I chair a "4h" camp program

25 facilities committee. And I just received an

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 e-mail this morning. And I want to thank you. Our
3 camp Director, Maria Devlin, indicated that
4 LIPA actually volunteered to trim some trees at our
5 camp. It's a very costly thing and we appreciate
6 that very much.

7 The other thing I wanted to thank
8 you for is your modest contributions to New York
9 ReLeaf. We turn around and have a New York -- have
10 a school spruce-up program to try to develop an
11 understanding of the importance of trees in the
12 school's life and so forth.

13 I want to make you aware of the
14 fact that we have a hundred-million-dollar bond
15 issue that was passed. And in that is a modest
16 proposal for a Nassau County forest management
17 plan. And I think it's imperative that LIPA be
18 part of that forestry management plan.

19 So if you could please be alert to
20 that.

21 I want to tell you I also chair,

22 since last year, the Tree Advisory Board in East
23 Rockaway. And we made a determination last year
24 that we would have a tree planting program,
25 not a street tree planting program. And this is a

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 partnership with the residents. And they -- each
3 resident had to contribute \$100 and they selected
4 the tree. We helped them do that. And the trees
5 will be planted shortly.

6 And we have in that small
7 community, we're going to be planting about 85
8 trees, not on the street, on residential
9 properties. We'll have no more sidewalk issues and
10 no more wire issues going forward. And the program
11 has been very well received and we want to continue
12 that.

13 But the real reason I'm here today
14 is to tell you that -- and I did testify five or
15 six years ago. And by the way, (indicating) the
16 management, forestry management plan I hope will be
17 something like this that was done in Syracuse by
18 some professors from forestry schools.

19 But what I am really excited about
20 today is the opportunity to bring to you the
21 knowledge of the Sacramento Municipal Utility

22 District.

23 For the last fifteen years or so

24 -- and, you know, I have the data here. Mr.

25 Davitian was talking about cost benefit analysis.

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

35

2 I could not believe what they were doing. I've had
3 communications with the director out there. They're
4 planting -- they're funding thousands of trees to
5 be planted on private property because they have
6 figured out that ten years down the road it is
7 cheaper to plant trees now than to build power
8 plants out into the future, that the demand side --
9 in other words, it's cost effective.

10 I want to encourage you to look
11 into that because you're a big operation on Long
12 Island. You can effect an awful lot of change. And
13 as a matter of fact, where my little committee in
14 East Rockaway will be developing a program for next
15 year where we're going to try, with the help of a
16 Scout who wants the Eagle Scout Award, we're going
17 to try to duplicate what SMUD's doing.

18 Maybe you want to help us. I
19 don't know. But we're going to be planting large
20 trees in locations on the south and the west sides
21 of homes. People, you know, want to participate in

22 this program to bring about energy savings because
23 the science is there; twenty, thirty, forty percent
24 savings in those summer months: June, July and
25 August.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

36

2 So that's really all I have to
3 say. And I look forward to, you know, hearing from
4 you and helping you in whatever way we can.

5 THE MODERATOR: Well, thank you
6 very much and good advice to us.

7 MR. ROBERT SYMPSON: Thank you.

8 THE MODERATOR: The next
9 scheduled speaker, Peter Quinn.

10 MR. PETER QUINN: Good morning,
11 Kevin. Nice -- delighted that you are holding this
12 hearing.

13 First of all, I have been, since
14 the announcement of repowering, been strongly
15 opposed to the concept. One requires the utility to
16 go into debt to reconstruct those facilities.

17 Two, the toxics at those
18 facilities are so numerous that no matter which
19 kind of repowering is done, it will be very
20 difficult to spend less than \$800 million per
21 facility. And considering you've got 53 generating

22 plants, it becomes problematic for a company that

23 already has high debt like LIPA.

24 Second, you're thinking about

25 buying four generating plants. We've been through

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 this twice before with LIPA. And one side wants to
3 insist on market value and LIPA says book value.

4 But you're still talking about a sizable cost.

5 I think the last time around,
6 Catell from KeySpan wanted two billion and Richie
7 said, no, it will be less than that and I know what
8 happens in negotiations, it's somewhere in between.
9 It probably would have been \$1.4 billion for the
10 arrangement in '05 and finally it was killed.

11 So to come back and do that now,
12 particularly since you don't have any generating
13 capacity at Port Jefferson and Wading River, as you
14 indicated last week, it seems unnecessary to
15 consider that cost now, which will be borne by
16 ratepayers, to buy those plants.

17 Third, the -- you need to openly
18 publish, as I have indicated to you both at the
19 board meeting and in a meeting last week, the
20 thermal heating percentage for each of the
21 generating plants.

22 It would be absurd to buy any
23 generating plants that are thermally -- the thermal
24 heat percentage is less than twenty percent. And
25 who knows, given the long length of time that these

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 generating plants have been in existence, there may
3 be many that are poorly -- provide poor amounts of
4 energy efficiency at those plants. And that
5 information should be publicized before any
6 decision is made.

7

And I recall County Executive
8 Steve Levy saying unless we know the price
9 beforehand, we shouldn't be involved in that kind
10 of buyout of those generating plants.

11

Fourth, I had proposed, at various
12 times -- and you've been there when I talked about
13 nano-solar, a company in Palo Alto, California.
14 They produced a very cheap way of producing solar
15 panels, aluminum foil with solar chips encrypted on
16 them. It rolls off a roller the same way that ink
17 does on a newspaper.

18

It can be produced for ninety-nine
19 cents a watt, which is the equal of coal and
20 considerably less than oil and natural gas.
21 Unfortunately, they sold their entire supply to

22 Germany to the year 2009, the summer of 2009.

23 So I called the New York State

24 Economic Development office and urged them to

25 provide incentives to the company to build a second

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 factory here on Long Island. My preference was for
3 Islip Town where there are people who are
4 unemployed in Brentwood and in the surrounding area
5 of Wyandanch thinking that that would be appealing.

6 They checked out and found that it
7 was extremely energy efficient, that it was cost
8 effective. But no, they thought they would site
9 the plant Upstate.

10 Well, since then, Spitzer has
11 left. Pat Foye has left the Energy Development
12 office. And I encouraged them to recreate the site
13 that I had proposed in the first place near
14 Entenmann's on Fifth Avenue in Brentwood.

15 But in addition, think of the
16 possible additions. If you sited -- I'll finish up
17 with the last point.

18 If you sited the solar panels in
19 parking lots everywhere - a proposal I made to
20 David Freeman when he was the head of NYPA under
21 Cuomo - to use electric cars plugged in, free of

22 the LIPA grid and receiving their electric charge
23 to go less than twenty miles from a parking lot and
24 a railroad station or a hospital or school,
25 whatever, we could site -- we could take on that

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

40

2 challenge to lower the price of gasoline and at the
3 same time provide for adequate electricity for
4 solar roofs to complete the agenda Kessel promised
5 nine years ago to do ten thousand solar roofs when,
6 in fact, over the ten years he's only met ten
7 percent commitment of one thousand.

8 Thank you very much.

9 THE MODERATOR: Thank you, Peter.

10 And while you and I don't always
11 agree on each item all the time, I do appreciate
12 your passion and commitment on energy issues.

13 MR. PETER QUINN: Okay. I just
14 wanted to comment that you always say to me, "while
15 we don't always agree." Well, I would hope that on
16 these energy issues you do.

17 THE MODERATOR: I do. And I
18 appreciate the meeting we had last week on the
19 nano-solar because that is definitely very
20 interesting. And so and I want to work with the
21 State on trying to get companies like that to

22 locate out here on the Island.

23 So thanks. And I lot of times we

24 do agree.

25 Thank you, Peter.

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

2 The next signed up speaker is Lisa
3 Tyson from the Long Island Progressive Coalition.

4 MS. LISA TYSON: Good morning.

5 I'm Lisa Tyson from the Long
6 Island Progressive Coalition. And we're organized
7 for social, economic and racial justice.

8 So, of course, rates are important
9 to us and our membership. And, you know, there are
10 so many low-income people on Long Island, you know,
11 struggling through prescription drugs and all the
12 other issues that we have, high energy costs, you
13 know, mortgage rates, taxes, that we have to
14 consider rates. And that's something that we as an
15 organization always consider.

16 The one piece here that we're
17 really hopeful for and we really hope that you go
18 forward with is repowering the Barrett Power Plant.

19 We see this as a win/win for the
20 community. It's a win/win for energy. And it's
21 really, as long as the studies show that it's

22 economically viable and there's a week to do it,
23 and a good engineering plan, we really hope that
24 you go forward. May 31st is the deadline.

25 So we've been going door-to-door

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 and speaking with people in the community and, you
3 know, with the Mayor and other people. And there is
4 a lot of support for this plan.

5 People say where's the -- where's
6 the catch? Where's the hook? So it really has a
7 lot of good support.

8 And the other piece on repowering
9 is we do believe there should be an Island-wide
10 plan, part of what this energy master plan is. But
11 we really need to look at repowering.

12 We are part of the Repowering
13 Stakeholders Committee. The Committee is going
14 really well in the sense of who you brought around
15 the table. And in a sense we'd like something like
16 this for this energy action plan, where there are
17 community stakeholders around the table.

18 It's hard in a public hearing. I
19 thought, you know, they'd be like waiting room only
20 in here and so many people are here. I should have
21 realized, you know, this is like other energy

22 issues. Not enough people come out and turn out.

23 And I think the stakeholders

24 committee is an alternative to that where you

25 really get people's ideas. There's discussion. I

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 mean its amazing, in the repowering one, just the
3 side discussion between people who never spoke
4 before. So by bringing all of the people around the
5 table, that could be a way to move this process
6 forward.

7 We were thinking of -- there's a
8 project called SWAGS, Sustainability Within A
9 Generation, which David Suzuski has done in Canada.
10 And it got a lot of political support. And it
11 really said, you know, well, with CO2s, what is the
12 goal and how are we going to get there and CO2
13 reduction and SO2 reduction. So it really says, you
14 know, these are the goals and then it creates a
15 plan to go after it.

16 We see the energy master plan as
17 that kind of a system where you have your goals and
18 then every year we go and we say well, where are we
19 at with these goals? And then there's
20 recommendations. Well, how else can we meet these
21 goals. So if the solar program isn't getting enough

22 people to join it, well, what are some different

23 strategies to do that.

24 But I do think that citizens here

25 have some great ideas and organizations

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 Island-wide. So I hope that you use us. Because
3 there's a lot of brain power on Long Island. And
4 unfortunately in a public hearing you're just not
5 going to get the kind of dialogue. We have five
6 minutes. We've got to speak quickly. We don't get
7 to have the back and forth conversations.

8 So we hope that you move forward
9 on that.

10 There is a business on Long Island
11 who actually rents some space from us. And it's a
12 business that's doing solar. And it's actually
13 brilliant in their strategy.

14 Rather than trying to go into a
15 house and say well, this is what your energy use is
16 today and I'm going to build a solar system for you
17 today around what your uses are, let's first reduce
18 your usage by changing light bulbs, by going in the
19 whole house and making it so that all of a sudden
20 the cost of the solar is half the price. And
21 they've invested in 2 to \$3,000 in insulation and

22 windows and other technologies.

23 So I think there has been a

24 problem in marketing and getting enough people to

25 do the solar. If you do the other fixes in the

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

45

2 house, then it will be cheaper. And then you're
3 talking about how much money the homeowner has to
4 lay out will significantly reduce.

5 And unfortunately this company
6 can't be part of your program yet because there's a
7 period of time that you have to wait. But we think
8 that -- you know, we think all companies should be
9 doing that because, you know, people are getting
10 double the system that they actually need if they
11 did the other changes in the house.

12 We think maybe you want to --
13 maybe you can change the name of a blueprint to a
14 "greenprint" which says what the goals are here.

15 And then maybe something fun. I
16 was just thinking there could be like a LIPA family
17 challenge. Look at your energy usage as a family
18 and have goals as a family in how to reduce it and
19 check in and maybe the family that has the most
20 reduction gets an award from LIPA, you know, really
21 thinking about outside the box of how do people

22 think about energy.

23 And if you get the young people to

24 understand well, if I shut this light off and it's

25 not just shutting light, it's about a family goal

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

46

2 so I think that they're working together. So I
3 think there's a lot of creative things you can do
4 with that.

5 And the other piece of it, which
6 I'm hearing today, LIPA is a public authority. We
7 were calling for this for the past fifteen years as
8 an organization. Do not be scared to purchase a
9 power plant if it makes sense. Do not be scared to
10 do it what's right. Because when we take the
11 private companies and their shareholders out of the
12 scenario, we can save significant amounts of money.

13 Of course, liability is important
14 and to look at all of the financial situations. But
15 do not be scared to do this. Because when we talk
16 about public authorities and look at other public
17 authorities, they do run generation and they do
18 have a different role than you might have.

19 So, of course, the private entity
20 is going to say don't do that. But we think if it's
21 right, you should go for it. We are a public

22 authority and let's have more of a public in that.

23 Thank you.

24 THE MODERATOR: Thank you, Lisa.

25 And we look forward to sharing that with you and

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 the community.

3

4 You know, we'll have the results
5 of our due diligence on Barrett next month. And
6 for those of you who have joined us here today, we
7 are soliciting testimony on our web site and
8 through e-mails and/or letters. So we will continue
9 to receive some comments.

10

11 And the next speaker is Carmine
12 Vasile.

13

14 MR. CARMINE VASILE: Good morning,
15 Mr. Law.

16

17 I had planned to talk about --
18 dust off this old proposal that Kessel asked me to
19 write ten years ago. But based on the comments,
20 I'm going to change what I'm going to say.

21

22 I'd like to create a -- eliminate
23 a misconception.

24

25 Peter Quinn and I met with Patrone
26 last year. And he said that had Spagnoli Road been
27 built, they would have repowered one unit in

22 Northport at no cost. So -- and the reason
23 Spagnoli Road wasn't built, even though it was
24 totally Article 10 permitted, was that LIPA, Kessel
25 would not execute a purchase power agreement.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 That's what he told us. So I just want to
3 eliminate misconception.

4 The other thing is, before you get
5 to repowering you have to increase the efficiency
6 of the old plants.

7 Now, there's an old report by
8 NYPIRG and they're saying that the Northport power
9 station is dirtier than the coal-fired plant. The
10 only way that can be is that nobody ever tuned up
11 the power plants.

12 Now, they talk about an efficiency
13 of 33 percent. But one of the units was running at
14 twenty percent. So that's a violation of the Power
15 Supply Agreements that LIPA has with KeySpan and
16 now National Grid. Those plants should be tuned
17 up.

18 Now, the other thing is this -- in
19 the last issue of the Long Islander, Ed Dumas made
20 a statement that they don't burn contaminated or
21 waste oil in the power plants in Northport. And I

22 have the air permit right here.

23 And it says here, in addition to

24 No. 1, No. 2 and No. 6 fuel oil and natural gas,

25 these boilers burn waste oil generated on site and

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 other company facilities for energy recovery, and
3 incinerate CitraSolve, a boiler-cleaning solution,
4 following the boiler cleaning.

5 Now, in addition to this, they're
6 violating the air permits and the DEC is inspecting
7 it now, because Eric Knudsen testified to FERC. We
8 were -- Peter Quinn, John McConnell and I. He said
9 they were burning Jiffy Lube, oil from Jiffy Lube
10 which is a violation of this air permit.

11 Jiffy Lube, I talked to them.
12 What's in their waste oil from Jiffy Lube? And
13 it's a blend. All the fluids that that come out of
14 automobiles they dump into one 6,000-gallon tank
15 and the one on Route 112. And then they -- it goes
16 off to wherever it goes.

17 Now, I don't know how it's getting
18 into the Northport Power Plant. But that has to be
19 stopped immediately.

20 And then there's a couple of other
21 things.

22 Last year Dave Manning gave a
23 presentation before the Suffolk County Legislature.
24 And he's talking about modernizing the generating
25 facilities. And Northport, it would be ten million

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 per unit, whereas you're talking about billions to
3 repower it. So at a minimum it should be tuned up.

4 And if you look at the emissions
5 plots that Manning showed, when LIPA took over the
6 power plants, they were at a certain efficiency.
7 These have degraded since then. KeySpan never tuned
8 up these power plants. They let them go to pot.
9 And according to Eric Knudsen's testimony to FERC,
10 they got as low as thirteen percent.

11 Now, when you talk about
12 conservation, you've got to talk about savings to
13 investment ratio.

14 If you have to spend \$10 million
15 on a power plant to increase its efficiency back to
16 35 to 40 percent, your payback is tremendous. So
17 you want to talk source energy 'cause that's where
18 all the pollution comes from.

19 A regular power plant, oil-fired,
20 is 3.4 to oil. You're delivering one unit of
21 electricity for 3.4 units of fuel. These power

22 plants, it's like five or six to one.

23 So in addition to polluting the

24 environment, they're polluting the Sound. They

25 have to put dilution pumps because there's so much

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 waste heat.

3

4 And I don't know if you read Judge
5 Lynch's report. In there he was saying the boiler
6 doors were warping because they were over-firing
7 the boilers. There were positive drafts. The
8 baffles blew out of the stacks. And the
9 contaminated oil, some of the contaminants which
10 come from China and the Mideast, according to FERC,
11 they're explosive. I mean one guy was testing a
12 barge. He blew up. The barge blue up. Bunker oil
13 does not explode.

14

15 THE MODERATOR: If you could wrap
16 up, please.

17

18 MR. CARMINE VASILE: Okay.

19

20 Now, the other -- the last thing
21 was this. When I -- in February, I think it was, I
22 went to a hearing by Kessel. And I suggested
23 putting everybody on LIPA's Green Choice program
24 and eliminating the surcharge and everybody will be
25 happy.

22 Now, Kessel said they would put a

23 cap, he would put a cap on that if everybody tried

24 to sign up for Green Choice.

25 Now, I talked to Joe Schroeder

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 after that and Joe said he can't put everybody on
3 Green Choice because they have Power Supply
4 Agreements with all these power producers. But
5 since they violated these agreements by burning
6 waste oil, you might be able to put everybody on
7 Green Choice. And it's a lot cheaper to beef up
8 the transmission lines from Upstate than to, you
9 know, repower.

10 THE MODERATOR: Okay. Thank
11 you.

12 MR. CARMINE VASILE: Thank you.

13 THE MODERATOR: David Schieren
14 from Empower.

15 MR. DAVID SCHIEREN: Thank you
16 very much. Thank you for holding these hearings
17 and also thank you for your commitment to clean
18 energy.

19 My name is David Schieren. I'm the
20 CEO of Empower Clean Energy Solutions. We are a
21 solar design and installation company and

22 alternative fuel consultant based in Island Park.

23 Today I am testifying in support

24 of solar energy, energy efficiency and

25 sustainability.

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

2 EmPower is a member of LISEIA, the
3 Long Island Solar Energy Industries Association.
4 We're also members of the Greater Long Island Clean
5 Cities Coalition.

6 I co-led the 2005 NYT U.S.
7 Merchant Marine Academy Solar Decathlon Project,
8 which LIPA was involved with. The Solar Decathlon
9 is a biannual U.S. Department of Energy competition
10 that challenges nineteen schools to build solar,
11 off-grid homes first at their campuses and then on
12 the Mall in Washington, D.C.

13 This Solar Decathlon demonstrates
14 that today - today we know how to build efficient
15 solar homes that require very little energy from
16 the grid. Today we have this capability. Solar
17 energy and sustainable design is now in the DNA of
18 the thousands of architects and engineers that
19 participate in this competition.

20 As the founder of the Solar
21 Decathlon Alumni Association, I'm here representing

22 the "can do" attitude of this national group.

23 Just a few comments in support of

24 solar energy.

25 We believe that solar offers a

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 viable technology pathway to clean the air and end
3 oil dependency. Because of the support of LIPA and
4 others, the solar industry is making great
5 progress.

6 With fifty to sixty percent annual
7 growth rates, the industry is gaining momentum.
8 Continuing at this growth rate, we will add 65
9 gigawatts to U.S. capacity over the next ten years.
10 This represents twenty percent of new generation
11 capacity.

12 With this growth record, a flurry
13 of investment and innovation is upon us. The smart
14 money and minds from Shanghai to Silicon Valley to
15 Wall Street are participating.

16 Pundits estimate that the industry
17 will achieve grid parity - the price at which solar
18 energy is on par with the grid - within the next
19 ten years. In some places such as Long Island,
20 during peak times, solar energy is already cost
21 competitive.

22 Ten years may seem like a long
23 time but not in light of our country's history and
24 considering the many years of prosperity that will
25 follow.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

The potential benefits of pursuing an energy strategy, anchored by solar energy, are deep and profound. The body of analysis in support of distributed generation and solar in particular, is vast.

I recommend one particular reference called, Small is Profitable, by Emery Lovins. This is a very comprehensive work. And it's profitable. And we're very happy to engage in a more robust technical analysis.

To conclude here.

We applaud LIPA's past and growing support for solar energy. One small point in support of solar energy is evident in the timeline for your fifty megawatt RFP. You can deploy fifty megawatts with a relative snap of the fingers.

The message here is that solar and DG is scalable, easy to deploy, therefore, it offers inherently secure energy system.

Again, thank you for your support.

22 For this planning process we believe that great
23 local investment is warranted and that the benefit
24 to ratepayers, our citizens, will be profound.

25 There are many different ways to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

56

2 implement solar programs and we look forward to
3 engaging with you on those. If we keep up this
4 momentum, there is great cause for optimism.

5 Thank you very much.

6 THE MODERATOR: Thank you,
7 David.

8 Next, Kevin MacLeod from LISEIA.

9 MR. KEVIN MACLEOD: Good morning,
10 gentlemen.

11 Thank you for giving me this
12 opportunity to speak in front of you. My name is
13 Kevin MacLeod. I'm the chairman of LISEIA, the Long
14 Island Solar Energy Industries Association.

15 First of all, what I'd like to do
16 is commend you on the fifty megawatt RFP that you
17 put forth for solar energy.

18 And what I want to talk about is,
19 obviously we need to continue to move into the
20 renewable energy distribution here because as you
21 already heard, within the next fifty or sixty years

22 the scarcity of fossil fuels is going to be
23 increasing. And obviously the demand from the
24 developing countries like China and India is also
25 going to take away some of our share of the oil

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 market too.

3

So what's going to happen? Our

4 rates are going to -- oil prices, gas prices, our

5 rates are going continue to go up over the next

6 fifty years

7

So what we need to do is, LIPA

8 needs to shift more away from fossil fuels and more

9 towards this to achieve that goal. I know --

10 obviously we must have a rate increase coming here

11 any day now being the fact that gas and oil is \$119

12 a barrel.

13

So what I would like to do here is

14 recommend three particular points that maybe could

15 help LIPA achieve this goal of moving towards the

16 renewable market.

17

One, it would be commercial net

18 metering;

19

Two, smart metering; and

20

Three, low-interest loans for

21 solar energy projects.

22 First I would like to talk about

23 commercial net metering.

24 What I want do to is make a

25 statement on this that LIPA has the authority to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 implement commercial net metering on their own
3 without the state legislation. And we believe
4 that we're not going to see the lead from the state
5 this year in commercial net metering.

6 And the reason is is that the
7 Upstate utility companies in the Niagara Mohawk
8 Region, who depend more on hydropower, are less
9 concerned about solar energy.

10 So what they do is they'll lobby
11 strongly against the legislation within the state.
12 So with LIPA's uniqueness down here, the fact that
13 we can do that without the state legislation, and
14 the uniqueness of the fact that we don't have that
15 luxury of being able to generate our power with
16 hydro, with water, that we should have commercial
17 net metering. And we need to have it. Because
18 schools, libraries, public institutions, all these
19 -- all these areas could benefit greatly from
20 having commercial metering, in other words,
21 allowing their meters to go backwards.

22 This will help with the
23 implementation of solar energy in your program also
24 and enhance and increase the number of
25 installations.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 So what we're asking from you is
3 to please let's not wait for the State any longer.
4 Let's do it now. I mean it's -- we're getting to
5 the point here like when are we going to get it? We
6 were talking last year and it didn't happen and now
7 we're looking this year and maybe it's not going to
8 happen either.

9

 The next point I would like to
10 talk about is smart metering. I don't know if
11 you're familiar with the concept. But what it is
12 is obviously LIPA has two base rates that they deal
13 with: The higher peak rate during the day, 3:00 PM,
14 4:00PM when everybody has their air conditioning on
15 versus the nighttime rates when it's less usage,
16 it's getting dark, you know, things like that, less
17 air conditioning uses.

18

 So by allowing a customer to have
19 a meter where they can be encouraged to use their
20 energy more on the off-peak air times and get a
21 benefit from a lower rate versus a higher rate

22 during the peak times, would greatly enhance

23 reducing LIPA's base load in this area.

24 So we would encourage this also.

25 And I know we've been hearing talk about this for a

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 while now. And this is something I think we can
3 easily achieve too. And this will also benefit
4 solar energy customers too if they also include
5 smart metering within their net metering process.

6 The third point would be
7 low-interest loans for solar energy projects.

8 As you know, like as a contractor
9 myself, we're faced with having to sell a system to
10 a customer that is considerably of high cost, in
11 most cases 20 to \$30,000 out of their pocket for an
12 average solar system for their home.

13 So what we would like to see is
14 LIPA work with several financial institutions to
15 offer a low-interest loan program, maybe coupled
16 with their electric bills, so that it could make it
17 a little bit more achievable for residential,
18 commercial customers to be able to purchase solar.
19 A lot of homeowners who are in the lower income
20 brackets can't do that. They can't afford it.

21 So what I tell my customers here

22 is like, hey, you can either put solar on your roof
23 and wipe out your LIPA bill and take that and pay
24 towards the balance of the loan or you just can
25 continue doing the same thing, don't do solar and

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

61

2 just keep on paying your LIPA bill each month like
3 renting and owning.

4 So what I'm saying is have a
5 low-interest loan program, allow the customers
6 maybe to pay that loan off through their LIPA
7 bills, if it's possible, maybe even a small fee to
8 recover for administrative charges so you would
9 make the whole program a little bit more affordable
10 and also achieve the insulation goals that we're
11 looking for.

12 So that's it. Thank you for this
13 opportunity and hopefully we'll see better projects
14 and more projects in the future.

15 THE MODERATOR: Thank you,
16 Kevin.

17 And I'm waiting for a legal
18 opinion on the net metering. I'm interested in
19 doing that. I told Gordian Raacke I'm interested in
20 doing that.

21 And if you could do me a favor,

22 can you chat with Peter Quinn and talk about the
23 nano-solar company that he's working with and if
24 you guys, you know, can have some information and
25 share it with me, that would be great.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 MR. KEVIN MACLEOD: Yes, we will.

3 Thank you.

4 THE MODERATOR: Thank you.

5 MR. KEVIN MACLEOD: Thank you.

6 THE MODERATOR: The next

7 speaker is Gordian Raacke from RELI.

8 MR. GORDIAN RAACKE: Good morning.

9 My name is Gordian Raacke. I'm

10 Executive Director of Renewable Energy Long Island.

11 And as someone who provided

12 extensive impetus and input on LIPA's energy plan,

13 and even co-chairing some of the public hearings, I

14 can No. 1, feel for you. And also must commend you

15 for embarking upon this undertaking which is a

16 grueling task at times, but is really very

17 important.

18 So I appreciate the opportunity to

19 comment.

20 And I have reviewed LIPA's draft

21 outline for the planned update of the master plan,

22 which will cover the years from 2008 to 2017. I
23 must say that you've done an excellent job of
24 organizing the very complex subject matters in five
25 volumes and various appendices.

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

63

2 I know that Jim Parmelee, who I've
3 known for a long time, will continue to do an
4 excellent job trying to make us all understand this
5 very complex issue. So I'm very confident that you
6 have some very good help here.

7 While a few additional
8 technologies probably should be added - I'm
9 thinking maybe solar thermal, large-scale ground
10 mount PV - the Alternative Technologies Table that
11 you have in there and the Alternative Scenarios,
12 are generally well thought out and contain and
13 cover a broad range of technologies and scenarios.

14 Despite this very careful
15 attention to detail, something is missing in the
16 plan. And that something is so big that it just
17 may be easy to miss when you're focusing on
18 hundreds and thousands of details and very complex
19 issues. Yet, we can't afford to miss this
20 something because it effects the life of everyone
21 on Long Island and, in fact, it effects the life of

22 every human being and every creature on this.

23 I'll give you a little clue. I

24 brought this (indicating) water bottle. I'm not

25 going to drink from this. Last August I went to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 Montana Glacier National Park. And I went up
3 hiking up into the mountains to see some of these
4 magnificent glaciers that are thousands and tens of
5 thousands of years old.

6 Glacier National Park used to have
7 150 glaciers in it. The rangers up there told me
8 that there are only a couple of dozen or so left at
9 this point. And they expect that by 2030 -- and
10 actually when I was up there, they had just done a
11 new aerial survey and the scientists have told them
12 that by 2020 there will be no more glaciers in
13 Glacier National Park.

14 I have to tell you that I'll never
15 forget the moment when I got up to Grinnell
16 Glacier, after a pretty strenuous hike, and I got
17 down on my knees and filled up my water bottle with
18 the last remnants of Grinnell Glacier.

19 This is liquid glacier in a
20 bottle. I put this on my desk and I have this at
21 home in the kitchen just to remind me everyday that

22 what I'm doing, by using energy, and what we're all
23 doing by consuming energy, fossil energy the way we
24 do today, has far reaching and dramatic impacts.

25 We're changing the face of this

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 planet in a way that we've never done before.

3 For several years scientists have
4 told us in no uncertain terms that we need to
5 drastically and quickly cut carbon emissions to
6 avert irreversible damage from climate change.

7 The best minds in the field have
8 calculated that we need to act immediately and
9 reduce our carbon emissions eighty percent by the
10 year 2050.

11 And recently we have learned - and
12 the news seems to be getting worse by the day -
13 we've learned that we might have to achieve this
14 eighty percent reduction, which is a tall order in
15 itself, not by 2050 but by 2020 if we want to
16 stabilize atmospheric CO₂ concentrations at 400
17 parts per million. We're now at about, what, 384
18 last time I checked.

19 If we act decisively, we still
20 have a chance to stabilize temperature and avoid
21 widespread and irreversible damage to our planet's

22 ecosystem.

23 Our technicians, our engineers,

24 our policy experts tell us that we have the

25 technologies and we have the know-how to do this.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

66

2 But what we need obviously is the political will.

3 And that is exactly where LIPA comes in. This is

4 why LIPA can play a leading role as a state

5 authority acting in the public interest.

6 LIPA has a unique responsibility

7 and LIPA's update of this energy master plan, I

8 believe, provides a prefect opportunity to focus on

9 climate change mitigation and making this a guiding

10 principle of this new plan.

11 I completely agree with Kevin Law

12 when you say that changes just over the last few

13 years have been dramatic and we need to update the

14 planning accordingly. I heard you this morning on

15 the news and I thought you were absolutely right.

16 Climate change is part of that.

17 So I believe LIPA's draft outline

18 should be amended in three ways:

19 No. 1, it should recognize the

20 urgent need for immediate and aggressive policies

21 that can mitigate the devastating impacts of

22 climate change on Long Island and other parts of

23 the world.

24 No. 2, it should consider adoption

25 of a 2017 - because that's your planning horizon or

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1
2 maybe a 2020 target because that's what scientists
3 are telling us now - of emission reductions of
4 eighty percent over "business as usual" and set
5 annual milestones to ensure periodic progress
6 review.

7 And thirdly, once these annual CO2
8 milestones have been established over the ten-year
9 target horizon, LIPA can evaluate various supply
10 and demand side scenarios and see which ones will
11 deliver the required cuts in carbon emissions from
12 Long Island's electricity sector in the most
13 effective manner.

14 Now, it goes without saying that
15 LIPA, as our electric provider, will not be able to
16 do this alone. We need, of course, help from other
17 sectors.

18 LIPA is well positioned to meet
19 this effort on the Island. But others, including
20 the energy providers, the transportation and
21 building sectors, the Municipal state, federal

22 government sectors, and the private sector will
23 play a pivotal role in the enormous effort to
24 mobilize our rapid response to climate -- to the
25 climate challenge.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Now, all this may sound daunting
but it's really pretty straightforward and I can
sum it up in five easy points:

- One, there is no Planet B;
- Two, time is of the essence;
- Three, we have a few months to
develop this plan;
- Four, we have ten years to act;
- And five, and lastly, when it
comes to climate, failure is not an option.

So thank you for the opportunity
to provide these comments. We will be providing
additional, more detailed comments and I look
forward to working with you in the coming months
and years.

THE MODERATOR: Thank you,
Gordian for those comments and for working with us
on some of the other matters as well.

The next scheduled speaker is Neal
Lewis from the Long Island Neighborhood Network.

22 MR. NEAL LEWIS: Good morning,

23 Kevin Law and Michael Deering and everybody.

24 Neal Lewis representing the

25 Neighborhood Network.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 I want to look at the subject of
3 LIPA updating its master plan from the point of
4 view of, you know, what is really a master plan,
5 what is its purpose and how should it be
6 structured.

7 The Neighborhood Network was
8 founded in 1984. And at that time one of our
9 primary issues was to support turning LILCO into a
10 public utility.

11 We, of course, for almost ten
12 years now do have a public utility. I think that
13 the master plan should start by explaining how is
14 that different than private utility. What's the
15 mission of LIPA. What are the statutory
16 requirements as it applies to issues of renewables
17 and energy efficiency.

18 I think there should be an
19 explicit analysis in the beginning of the plan of
20 the competing goals; the need to pay down bonds,
21 the need to, in essence, generate income by

22 generating and selling energy and how that goal
23 competes with some of these other goals in terms of
24 the need to address the impact that our energy
25 generation has on global warming.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 I think that it would then make
3 sense to flow into a discussion of goals and how to
4 set goals when it comes to the issue of reducing
5 CO2 emissions. It's still somewhat unclear to me
6 as to what is LIPA's position on the renewable
7 portfolio standard, for example. We understand
8 it's not compulsory upon LIPA, but nonetheless it
9 should be in the master plan.

10 Similarly, the 15 by '15 goal, it
11 does not appear that as we sit here today that it's
12 LIPA's stated goal to achieve those numbers. I
13 could be mistaken, but it just doesn't seem to add
14 up number-wise.

15 If we flow from a discussion of
16 those kinds of goals, it then makes sense to set
17 out what will, in fact, be the new set of goals for
18 LIPA. And I think Gordian Raacke has stated well
19 what a greenhouse gas reduction plan would look
20 like and should look like. And I would certainly
21 support the way he's described that. But I think

22 this needs to be put into this context of these
23 competing goals that LIPA has and realistically
24 where we're headed.

25 I think at that moment it then

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1
2 makes sense for the plan to address the discussion
3 of growth. Is LIPA still seeking to grow? That I
4 think is a fundamental question that needs to be
5 addressed. And this is the opportunity, I think, to
6 do that.

7 This growth paradigm question is
8 critical.

9 I think one analogy is we see news
10 of Newsday being sold because perhaps it's
11 unprofitable. Well, actually when you look into
12 it, you find that they're very profitable. The
13 reason they're being sold and the reason why
14 there's concerns about it is that when you look
15 into the future, it's hard to see the growth
16 continuing because of the Internet and competition.

17 So the growth paradigm is what's
18 creating the demand to find a new owner and buyer
19 and such.

20 Well, similarly, the growth
21 paradigm pervades all discussions of energy. And

22 we need to address the question, for example, with

23 repowering.

24 If you look at the East Northport

25 plant, I think the one thing that's come out of the

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 work of your committee so far is it looks fairly
3 obvious that we could build two units as backyard
4 repowering at East Northport very easily - the
5 space is there, all the kind of stuff - without
6 tearing everything down. Mothball three of the
7 units, keep one unit, whichever is the best, as a
8 peaker and boom, you've repowered. You've
9 increased efficiency dramatically and you didn't
10 even necessarily resolve who's paying for cleanup
11 because you built them on a clean site that's right
12 at the location.

13 That can all be done but that will
14 not increase the capacity at East Northport. That
15 would probably reduce the capacity or just about
16 break even.

17 So the growth paradigm is going to
18 force you to consider a much more complicated and a
19 more expensive solution. But if we make a series of
20 decisions about where we're headed and then
21 conclude we don't need to grow the LIPA system, the

22 results could be very different and frankly, could

23 be less complicated to figure out where we're

24 headed with all this.

25 So to me I think that we need to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 sort of set up a structure for how we're analyzing
3 these issues.

4 I would encourage the report to
5 include the McKenzie report work. And we know that
6 there's two different reports that they did. So I
7 want to address both.

8 One is the NRDC. And at the time,
9 KeySpan funded the report that McKenzie did, which
10 we invited them to come to Long Island on Friday to
11 give a report in which I think it was very helpful.
12 I'm not going to say I fully digested it all. It
13 gets kind of complicated.

14 But, in essence, they do question
15 whether repowering is the best way to go from the
16 amount that you get for the amount that you pay.
17 They clearly say what we've all heard which is
18 efficiency is the area where you get the best bang
19 for the dollar.

20 There's more to the report. It's
21 much more complex than that. That's my quickie,

22 simplistic analysis. But I'm encouraging this
23 report to use their charts and analyze how what
24 you're doing in your long-term planning fits in
25 with it either being consistent or inconsistent to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 what they're doing.

3

I think the other report that they

4

did is, the other thing that's being talked about

5

-- and I think you mentioned the Long Island

6

Regional Planning Board and the idea of doing a

7

parallel for Long island of what was done in New

8

York City in terms of PlaNYC is a sort of longer

9

term sustainability study -- is something that LIPA

10

should very much be involved in and I would

11

encourage that to be part of this whole equation.

12

It's said in the business

13

community that you can't manage what you don't

14

measure. I think it's absolutely critical that we

15

bring in resources to begin to analyze what's going

16

on.

17

Are the business -- is the

18

business community continuing to go up in its

19

demand? Are homeowners going up in demand? Is the

20

Hamptons going through the roof with large houses

21

forcing a seven percent growth or something like

22 that while the rest of the Island is at two percent
23 growth? We need to know all of those numbers. We
24 need to be able to talk about schools and
25 institutions.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 And so I really encourage much
3 more detailed numbers being generated about where
4 we are today, how it's grown to get to where we are
5 today. Because otherwise, talking about plans and
6 such it's just not grounded. And so I think
7 there's mechanisms and resources available to do
8 that.

9 The main point that I want to end
10 with -- and first I want to point out that I do
11 have a one-page handout that I'm going to give
12 you -- I found it kind of confusing to follow all
13 the different announcements of California is going
14 to reduce by eighty percent by 2050, which is one
15 of the goals.

16 We have, you know, different
17 standards in New York in terms of various
18 announcements, the 15 by 2015. So I did sort of a
19 summary of them all and I'm going to hand that to
20 you.

21 Part of my point is that we need

22 to have this debate here on Long Island and decide
23 what our set of goals are. So that relates back to
24 Gordian's recommendation for a clear plan with
25 clear numbers, with benchmarks and timelines.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

76

2 I also want to just use an analogy
3 and close on my point about capacity. And that is
4 that I helped out a volunteer group in Massapequa
5 that's educating high school kids about the
6 preserve to try and discourage them from polluting
7 the preserve.

8 We went and did a videotape with
9 this company that does video. And they walked us
10 down the hallway. And we went into one room where
11 there was tens of thousands of dollars worth of
12 expensive equipment that's used for creating
13 videos, one of those blue screen rooms, all that
14 kind of stuff.

15 And I said, wow, this is kind of
16 exciting. I was sort of sitting in the back kind of
17 taking it all in. And then he says, no, we're not
18 going to go in. And we go down to the next room
19 and it's two Macintosh computers, which each cost
20 probably about \$5,000.

21 So investing in that other

22 technology the guy was kind of proud of it, but he

23 also felt like a little bit of a fool and it was

24 all about timing.

25 And so if LIPA continues to invest

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 in growing the system -- you know, it was revealed
3 at one of these meetings that we can be looking at
4 more than \$100 million for a cable to go from East
5 Northport to perhaps to 110 or some other key
6 location, that's all about growth.

7 And these investments in the grid
8 do have an impact on the ratepayers. And their
9 inconsistent with the goals of reducing CO2
10 emission. So we need to really question whether
11 we're building up a system that in the future we're
12 going to say we don't need such a big system.

13 And so that I think needs to be
14 resolved one way or another.

15 I'm going to save my comments on
16 the efforts to promote efficiency recognizing that
17 you've got a meeting coming up and you're going to
18 have another hearing. I do have some additional
19 comments I want to submit.

20 But clearly in the area of
21 efficiency, obviously some of the issues that have

22 been mentioned of smart meters, on bill financing,

23 I just think in that area I want encourage that

24 there be a process.

25 I do think there's good ideas out

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 here similarly to what Legislator Deneberg said.

3 For example, audits seem to take a
4 long time and the enthusiasm for implementing the
5 items in the audit just many times doesn't seem to
6 happen. So a good audit takes place, lots of good
7 information, but a six-month lag time doesn't
8 necessarily result in action.

9 So I do think there are ways to,
10 process-wise, to get everybody more involved
11 analyzing the efficiency programs and making them
12 more efficient and more effective.

13 And lastly I would just echo the
14 point that Gordian also made which is it's not just
15 about LIPA. And I think your comment that you want
16 to bring in National Grid on the gas side is very
17 important. And let's not forget about oil which as
18 much as LIPA is in the paper all the time I
19 virtually never read an article about home heating
20 oil which is the worst CO2 emitter really on Long
21 Island.

22 So, you know, we need to talk
23 about all of our energy use and get different
24 players at the table. Because if you do set the
25 goals that we're calling for, they're so aggressive

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 that it can probably be resolved, that we really
3 can't achieve it simply with LIPA. We're going to
4 need government and everybody else to play a bigger
5 role.

6 And so I do encourage you with
7 this process and I do compliment you for setting
8 these hearings on energy efficiency.

9 Thank you.

10 THE MODERATOR: Thank you,
11 Neal.

12 And you have some really good
13 suggestions. And I look forward to working with you
14 some more on a whole bunch of issues.

15 And in addition to all the other
16 players, remember that cars are probably one of the
17 worst things in terms of CO2 emissions on Long
18 Island too. So LIPA, I don't think we get blamed
19 for that. So that is a good thing. But thanks.

20 Who's next? Adrienne Esposito
21 from Citizens Campaign. You know, Neal took two of

22 your minutes.

23 MS. ADRIENNE ESPOSITO: Neal does

24 that to me all the time.

25 Good afternoon. My name is

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 Adrienne Esposito. I'm the Executive Director of
3 Citizens Campaign for the Environment.

4 And in the interest of not being
5 redundant, I'm going to focus on really one
6 specific topic that hasn't been focused as of yet
7 and that is, Kevin the engagement and involvement
8 of the public in finding the solution to lowering
9 energy bills as well. It's not just LIPA's
10 responsibility to lower our electric bills. It's
11 our responsibility as well. But we need help. We
12 need your help.

13 And it's not a normal thing for
14 the public to be able to ask for and expect to
15 receive help from the local utility. But for the
16 life of me I don't know why you took this job, Mr.
17 Law. But I can only believe that it must be
18 because you want to help people succeed in finding
19 a better way, a better energy answer and a better
20 energy solution.

21 So it's with that intent that I

22 offer the following suggestions.

23 The first is to have some section

24 in the plan that is about financing for homeowners

25 and small businesses.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 Now, yes, you could use what was
3 mentioned earlier, what I call the Berkeley City
4 model which is where the utility company provides
5 low-interest loans to homeowners and small
6 businesses so that they can implement solar heating
7 or solar thermal, solar warming, solar thermal for
8 hot water. And that works because it gets added to
9 the electric bill. It's paid out per month. It
10 takes away the blockade of that people can't afford
11 to implement it.

12 That's one solution.

13 Another one is to also use what I
14 call the Green Levittown model which is engaging a
15 financial institution.

16 If I look at Green Levittown, in
17 this case it would be the Bethpage Federal Credit
18 Union, where the financial institution is given a
19 low-cost loan to the homeowner. The homeowner can
20 pick a five-year payback, ten-year payback,
21 whatever the homeowner is comfortable with. And the

22 cost of the monthly payback of the loan is less

23 than the savings of the energy.

24 So let me say that a different

25 way, a better way: The savings is greater than

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 the cost of the payback of the loan. So the
3 homeowner has two options in the Green Levittown
4 program. They can either pay back the cost of the
5 loan over five years in which case they basically
6 break even for five years and then save a lot of
7 money for the next ten or twenty, or they can have
8 a loan for ten years in which case they'll save a
9 little each year.

10 Imagine that to be the choice of
11 the public. I can save a little bit over the next
12 ten years or I can break even for five years and
13 then save a lot on my energy costs. Those are two
14 great choices we'd like to have for the public.

15 And so we'll lose. Somebody must
16 lose because this can't be a win/win. But the truth
17 is no one loses. The financial institution makes a
18 loan that they otherwise wouldn't have. The public
19 invests in the infrastructure of their home and
20 saves on energy costs. You pay nothing - got to
21 like that - and we lower our carbon dioxide

22 footprint so everybody wins.

23 So we believe that financial --

24 that the Bethpage Federal Credit Union is not alone

25 in wanting to help communities, wanting to help the

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 public go green and wanting to help Long Island
3 engage in an energy plan that's implementable,
4 achievable, and cost effective for the public.

5 So we would encourage you, as part
6 of this plan, to have a financing section where you
7 seek to engage the other banking institutions and
8 credit union institutions to do that for the
9 public. It helps them, good PR, everybody wins.

10 The second thing that I'd ask you
11 to do is in the plan to have a section on how you
12 will implement massive, effective, meaningful,
13 substantive, public involvement.

14 And as I started to say earlier,
15 you know, the public doesn't like to hear that it's
16 also their responsibility to lower their electric
17 bills. I know that. You know that. You probably
18 hate to say that. But it's true. And we don't mind
19 saying it.

20 And I think that, you know, it's
21 easy for the public to say OPEC and LIPA and all

22 those other things that we like to blame and all of

23 those are true. Well, the OPEC. But we'd like to

24 negate our own responsibilities.

25 But yet, you know, we want oil to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 be cheaper so that -- you know, some people want it
3 to be cheaper so they can drive their Hummers. And
4 some people want it to be cheaper so they can leave
5 the business door open in the middle of the summer
6 with the air conditioning blasting because they
7 want people to come in, the foot traffic. But we
8 all need to better understand our responsibilities.

9 So my point is I don't think LIPA
10 has been effective enough on finding ways to engage
11 the public in the solutions and we need a plan to
12 do that.

13 And the bottom line to that plan,
14 frankly is partners, partners, partners. It
15 wouldn't be unheard of for LIPA to engage with
16 National Grid, now that they're going to have an
17 energy efficiency partnership, I mean program, to
18 do public education.

19 We need kind of a
20 one-stop-shopping center for the public to
21 understand energy. And what I mean by that -- and

22 I'm sorry to keep going back to the Green Levittown
23 as a model. But in that model if someone wants to
24 change their light bulbs, we have a partner who
25 does that. If they want home insulation, we have a

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 partner who does that. If they want to change the
3 oil burner, well, we have a partner who does that.
4 If they want an energy audit, we have a partner who
5 does that.

6 So there would be a centralized
7 area where the public could streamline the process,
8 go to that place where they can understand better
9 what they can do and what their options are. And
10 that's part of public education, making it easier
11 and doable for the public.

12 Two last quick things.

13 One is I know you're waiting for a
14 legal ruling on net metering. When you get it, we
15 believe -- we believe you can do it. We want you to
16 be a champion. Okay? We want LIPA to be a
17 champion for net metering.

18 I disagree with testimony earlier
19 that we're not going to get from the state. We are
20 going to get from the state this year, net metering
21 for solar, wind, and anaerobic digestors for the

22 farmers. We're going to do it but we need LIPA to

23 help us do that.

24 Lastly, talking about fleets.

25 There should be something in there

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 about LIPA retrofitting their fleets on carbon
3 reduction also and energy fuel efficiency.

4 Thank you very much for the
5 opportunity to comment. We appreciate it and we
6 look forward to the plan.

7 THE MODERATOR: Thank you,
8 Adrienne.

9 And we're going to have to count
10 on groups like yours to help us with the public.
11 And I think we should probably sit down separately
12 with you and others because we're not going to be
13 able to do it on our own.

14 MS. ADRIENNE ESPOSITO: That's
15 right.

16 THE MODERATOR: And you're right,
17 we're going to need -- we hire consultants all the
18 time. But we really need grassroots groups like
19 yours to help us educate the public. We have a
20 market transformation challenge ahead of us but we
21 also have a big public education challenge ahead of

22 us. So we're going to need groups like yours.

23 And I thank you for your

24 involvement and commitment to these issues.

25 MS. ADRIENNE ESPOSITO: Well, I

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 just -- I hope you know we're ready, willing and
3 able to move forth in the millennia and help you do
4 that.

5 THE MODERATOR: Great. Thank
6 you.

7 The next scheduled speaker is G.
8 Sachs. Oh, that's Gregory.

9 MR. GREGORY SACHS: Yes. Good
10 morning, gentlemen. Thank you, Mr. Law,
11 Mr. Deering, gentleman.

12 Of course, you know, the question
13 is why we're here. And we're here to discuss the
14 long-term objectives, of course, of the LIPA master
15 plan. So we're setting targets. We're really
16 trying to look at where we want to go with these
17 things.

18 Now, with that in mind, I'm here
19 to speak on behalf of mainly, in my case, two
20 principles, two crucial principles which I believe
21 to be part of the most important solutions. Now,

22 there are others.

23 But specifically one of them is

24 distributed generation, distributed generation from

25 what in this case? Namely, solar, the existing

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 guys that are out there.

3

4 And the second principle that I
5 want to talk about is ultimately looking at this
6 goal of powering completely from renewables.

6

7 Now, clearly, you know -- I mean
8 keeping an eye on a long-term prize, are we going
9 to be able to power -- are we going to get
10 completely off of fossil fuels in the next year,
11 ten years? Of course not. But, again, we're
12 talking about the master plan.

12

13 So if we're keeping in mind this,
14 this paradigm shift of where we ultimately need to
15 go, we can feel in our gut that ultimately this is
16 where we want to go.

16

17 How do we get ourselves on that
18 path in getting there?

18

19 So with that in mind, basically
20 I'm here in two capacities. First I'm here as a
21 representative of LISEIA, which, as you know, is
22 the Long Island Solar Energy Industry Association.

22 I'm, in fact, one of the three elected officers for

23 the company.

24 And I'm also here as an individual

25 and as a business owner. I'm the Chief Technology

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 Officer of a solar energy and consulting company
3 for large, renewable energy products.

4 Now, starting with LISEIA, the
5 industry that exists, the solar energy that exists
6 really exists because of a belief, a common belief
7 that we all share in the values, those virtues that
8 I mentioned before, distributed generation and
9 ultimately being a part for renewables.

10 And, of course, we don't need to
11 go back and reiterate some of things. But we know
12 of the economic benefits, the environmental
13 benefits and the technological benefits;
14 technological because distributed generation, of
15 course, it causes a very robust system.

16 Now, having independent power
17 nodes all around instead of having centralized
18 power plants, let's basically bring up the whole
19 thing, distribution cost. I mean we can go into
20 the details.

21 Now, this is in the details of the

22 discussion, but I just want to like plant that seed

23 again to remember what are the principles that

24 we're searching for.

25 The other thing with regard to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 LISEIA is we want to thank you guys for all that
3 you've done so far. I mean this -- a vast majority
4 of all the solar that's installed in New York State
5 is on Long Island. It's because of what you guys
6 have done. But this is just the beginning.

7 The existing rebates are -- it's a
8 good structure to help to get where we are now. But
9 when we want to talk about real grassroots,
10 long-term growth, we ought to be looking at some of
11 the precedent that's been set by, you know, not
12 that they're perfect models, but in New Jersey,
13 California, Germany, and those are much more
14 different.

15 Now, again, I commend you on the
16 fifty megawatt RFP. But that's only one step. And
17 that's great. But let's also look at feeder models.
18 Let's also look at various -- the sale of long-term
19 contracts for solar renewable energy credits and
20 kind of revisit these things.

21 And I know they're not necessarily

22 tomorrow. But LISEIA exists to help us figure out
23 these very hard details and figure out how we can
24 set wise and astute policies so we can keep going
25 for that pie-in-the-sky, that goal that we

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 ultimately are going to get.

3

4 So the other thing is, as an
5 individual, as mentioned, I'm the CTO of a small
6 energy company. And I guess I just want to give a
7 little testimony as to why I and many others are
8 doing this. We're doing this because we truly
9 believe in the importance and that's it's doable.

10

11 I used to have a very promising
12 job as a Professor at the Merchant Marine Academy.

13

14 And I left that. I left that because of the
15 promise by my colleagues and 'cause we're
16 committed. I and LISEIA and the people here really
17 represents where we think we can go with all this.
18 And so we want to help.

19

20 So in closing, it's not easy, of
21 course. It's going to be complex. But, again, this
22 is just beginning. Remember the principles. Go back
23 to the principles, distributed generation, seeking
24 for these paradigm shifts, getting off of oil,
25 seeking our feedback at any time. Just let us know.

22 And we're eager to help.

23 So thank you.

24 THE MODERATOR: Thank you, Greg

25 and we look forward to working with LISEIA in the

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

future.

The next speaker, Nelson Stewart.

MR. NELSON STEWART: I am here and I represent Liquid Air Energy. And I'm here to talk about a seven trillion dollar energy and pollution tax rebate for Long Island residents.

Okay?

Just so that I can introduce myself, I use to build, refurbish, added to, every single energy plant in the Metropolitan area, including LNG. I did the two LNG's, peak shavers for Brooklyn Union. I did Distra Gas (ph) in Staten Island which we never put a drop of gas in. I did the LNG facility on 62. I refurbished Northport, Port Jefferson, Island Park.

If we go into Con Edison, every facility in Con Edison, including Orange and Rockland, including transformer stations, everything. I built the last unleaded refinery in the Northeast in Belleville, New Jersey (ph). All

22 right.

23 So I have 45 years in the energy

24 and power business. And I know energy. And the

25 one thing I know is it's not technology it's

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 biology. If you have a hundred people in this
3 room and they all weigh a hundred pounds, you're
4 putting out three hundred kilowatts.

5 I have in production a prototype.
6 I've run it. It's on my website. You can watch it.
7 The lights go on. That's cold energy. Nothing is
8 burned. It comes from a cylinder that has 3,000
9 pounds of energy.

10 I built liquefaction plants and
11 liquid air plants that produce anywhere from three
12 to ten million gallons a day of liquid air.

13 When you to the hospital and you
14 put the oxygen mask on your face, I built that.
15 And in order to put that on your face, we first had
16 to make it a liquid. It's exactly the same process
17 we use to make LNG. There's no difference. The
18 only difference is one will blow you to hell and
19 the other is perfectly safe. Right.

20 The energy content in a cubic foot
21 of Broadwater LNG is one quarter of the energy

22 content of a ten-pound -- the energy content of

23 Broadwater for the gas is one thousand BTU. The

24 energy content of a gallon of liquid natural gas,

25 liquid natural air is - it could be anything I want

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

94

2 it to be - 850,000 megawatts. That's enough
3 megawatts for the entire United States.

4 I have a prototype and it works.

5 And the prototype is a 17.5-kilowatt machine. It
6 puts out 17.5 kilowatts per hour without pollution
7 cost, without emission, without heat, without
8 terrorism, without anything. And you can make it
9 right here in this room. All right.

10 But it's got 17.5 kilowatts.

11 That's one barrel of oil equivalent fuel per day.

12 THE MODERATOR: Do you have a
13 patent?

14 MR. NELSON STEWART: Let me
15 finish. All right?

16 It puts out one barrel of oil per
17 day. All right? So the plan is to give every
18 woman and their child one barrel of oil per day.
19 It costs absolutely nothing. You want to retrofit
20 Northport and all your power plants. I'll do it
21 for free. It won't cost you a dime. But when I'm

22 finished and I put these units out, you take it

23 down.

24 This is point-of-use. It's the

25 only way you will get this. You have to sign a

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

95

2 license.

3 I'm going to build, personally, a
4 thousand units a day starting on July 4th. All
5 right? That will put into the Long Island
6 community two billion dollars a day. A barrel a
7 day at today's price, \$120, right, and that's for
8 now. Because you're looking at \$200 oil. A barrel
9 a day, 365 days for fifty years, which is how Exxon
10 values that oil reserve, is worth \$2.5 million.

11 You get 85 percent of it. And all
12 I'm giving you is the waste. Right now you're
13 wasting 85 percent of every kilowatt that you put
14 out. And I have it here. I have my bill for -- my
15 LIPA bill. All right? I'll be happy to give you a
16 copy of it.

17 But anyway, I had 6,040 kilowatts.
18 But I don't want to get off the subject. We're
19 talking about one barrel of oil per day per person
20 in -- on Long Island. That's three million people.
21 And all I have to do is plug it in and get 85

22 percent of the revenue.

23 At thirty cents a kilowatt you're

24 talking, it's \$125 rebate per person. If you're a

25 family of four, it's \$500. And there's no cost.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

96

2 There's no cost because this doesn't cost me
3 anything. I just --

4 THE MODERATOR: It's
5 interesting. But you need to wrap up if you have
6 more information to share with me.

7 MR. NELSON STEWART: Yes. I'll
8 share it with you. I'm going to be at the next one
9 on May 7th. But let me wrap up.

10 I used 6,000 kilowatts times 3412
11 BTU, that's the kilowatt ratio, the kilowatt rate
12 for one -- the BTU rate for one kilowatt. All
13 right? It comes to 21 million BTU. All right? I
14 divided that into the rate of \$1248, which is what
15 you charged me. I paid \$60 a million BTU. Right?
16 The plant is paid for, right?

17 You're hedged on gas at \$7 a
18 million. I'm paying \$60 a million for BTU. Now,
19 if I go back ten years, I'm paying \$40. It doesn't
20 make any difference. You have an eighty percent
21 waste factor in every bill that you send out.

22 And all I'm doing is taking that

23 waste and giving it to the people. And that is the

24 sum and substance of what I'm doing.

25 THE MODERATOR: Thank you very

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 much, Mr. Stewart.

3

4 The next scheduled speaker is Phil
5 Healy from Lynbrook, Inc. Did I get that right?

6

7 MR. PHIL HEALY: Close enough,
8 yes.

9

10 Good morning. How are you doing?

11

12 THE MODERATOR: Good. How are
13 you doing?

14

15 MR. PHIL HEALY: That's the
16 Incorporated Village of Lynbrook.

17

18 THE MODERATOR: Oh, I'm sorry.

19

20 MR. PHIL HEALY: I shortened it.
21 Not enough room on the paper.

22

23 But there are some great comments.

24

25 And thank you for having the hearing.

26

27 What Mr. Lewis is saying is to
28 know where we're going is critical. And we've had
29 that complaint for a long time both on the civic
30 level and the municipal level of just where are we
31 going.

22 But I just want to tell a quick
23 story and hopefully -- and it's in the direction of
24 net metering and how it would help a municipality.

25 Over the last eight weeks we've

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 been wrestling with our budget, municipal budget.

3 And last night we had to announce a tax increase as

4 to the other school districts, painful as it is.

5 So, you know, we get criticized for that.

6 But we had to make choices about,

7 you know, whether we hire a police officer or buy

8 an ambulance because of the soaring utility costs.

9 And our utility costs in the municipality I work

10 for range around a quarter of a million dollars.

11 It seems that, you know, with a

12 simple change in the law, that municipalities,

13 school districts, even large municipalities like

14 the County, what we could return to the taxpayer,

15 who would then have the ability to buy things,

16 increase the sales tax and all those good issues

17 that go with spending, by just changing a few laws.

18 Once sentence in the law, in the

19 tariff law that restricts you from allowing a

20 municipality to tie into a solar issue to generate

21 enough power not only to zero us out, but to sell

22 it back to you at a fair rate, the amount of money
23 that the municipality would save just as a tax
24 issue and being able to keep people on Long Island
25 and for residents to be able to survive here, I

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 mean if I could return a quarter of a million
3 dollars to my taxpayers that I -- that I answer to,
4 that would unbelievable.

5 It's just -- it's beyond just the
6 greenhouse gas issue. It's beyond all the solar
7 issues. But I'm looking at it last night with the
8 Mayor and the Board. And it's like if we could
9 find a way to cut our utility by two hundred grand
10 in a small municipality on an annual basis, it's
11 just -- that's an ambulance that we weren't able to
12 buy, you know, that's two or three officers that we
13 need that we're not able to hire.

14 So it has a real-life thing. And I
15 for the life of me over these years cannot
16 understand why elected officials haven't given that
17 issue some legs to relieve you of that burden.

18 We know you have to pay a huge
19 debt, a bond that, you know, to pay a utility. I'm
20 sure the Upstate people would kind of complain that
21 they may not get the revenue they need back from

22 you in a timely fashion to pay off the debt. But

23 it's about keeping people on Long Island. It's

24 about making jobs and being able to live here.

25 So whatever you can do. I know

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

100

2 -- you just need somebody to
3 champion the cause politically and you would have a
4 lot of followers. So whatever you can do to relieve
5 of us that burden would be tremendous.

6 Thank you.

7 THE MODERATOR: Thank you, Phil.

8 Two comments: I haven't been
9 making many comments, but two comments. One, a
10 fact and then I'd like to move the ball forward
11 with my own comment.

12 The fact of the matter is LIPA
13 pays eleven percent of its budget for property
14 taxes to the municipalities. And so to have
15 municipalities complain about their having to raise
16 taxes to pay the utility bills, I understand
17 everybody's bills are going up, but the shoe is
18 really on the other foot.

19 I can cut everybody's utility
20 bills eleven percent if LIPA didn't pay property
21 taxes. And we're the only state authority or state

22 agency or governmental agency in New York that does
23 pay property taxes. But that doesn't move the ball
24 forward. That's just a fact.

25 In our energy efficiency program

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1
2 that we are now rolling out tomorrow at our board
3 meeting, a big component of that program is going
4 to be directed towards municipalities, villages,
5 towns, counties and school districts.

6 And we want to work with you just
7 like we want to work with our homeowners to have
8 you be smarter about the energy you use, become
9 more efficient with helping you upgrade your
10 lighting and the other infrastructure of our
11 facilities that you own to help you lower your
12 bills.

13 So we definitely want to and need
14 to be partners with municipalities but the fact of
15 the matter is I could cut everyone's bill ten
16 percent, almost eleven percent if we didn't pay
17 property taxes.

18 And thanks for coming down, Phil.

19 The last scheduled speaker is -
20 I'm having a hard time reading it. Is that Gordian
21 Ronda from the electric -- Gabriel from the, what

22 is that? I'm sorry.

23 MR. GABRIEL TORDAI: It's Tordai

24 Gabriel, t-o-r-d-a-i. I'm sorry for that.

25 I wasn't sure if I was able to

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

speak today but I appreciate this opportunity.

My name is Gabriel Tordai and I'm
 the Vice President with Commercial Illuminations,
 Inc.

I'm basically in charge for a
 special product which is a division of this company
 and I just wanted to take maybe five minutes of
 your time.

THE MODERATOR: You only have
 five.

(Laughter.)

MR. GABRIEL TORDAI: Sure. Sure.

Basically I would like to give you
 a short background of what this is.

In the fourth quarter of 2007 we
 brought this capacitor based power-factor
 correction device to the market which is a well
 known technology or it has been existing for
 several decades.

And we were hoping to address the

22 problem of the never-ending energy increases and to
23 help businesses to reducing the environmental
24 footprint and also help the homeowners to reduce
25 their electric bills. So that's what this product

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 is for.

3

Basically so far in the last six

4

to eight months, because of our background, we are

5

focusing on the commercial operations, the

6

company's owners and myself and also other sales

7

associates basically coming from the food service

8

industry so we have basically proven that this

9

product works in business environment.

10

And we installed over 120 units in

11

several operations. I would like to give you a few

12

names that probably are very familiar to you:

13

ShopRite Supermarkets;

14

FedEx Express;

15

Kings Supermarkets;

16

Garden of Eden Supermarket.

17

Currently we're also in talks with some of the

18

largest U.S. manufacturers and retail chains and

19

operators:

20

General Motors;

21

CB Richard Ellis;

22 SYSCO Foods;

23 GOYA Foods.

24 We even received a letter of

25 interest from New York City Board of Education,

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

104

2 from the New Jersey Board of Education as well so
3 far.

4 The reason why I came to speak is
5 because we were submitting test units to LIPA
6 before hoping that eventually it will be put under
7 a program. And at least we were hoping that it
8 would be endorsed by LIPA.

9 This product was tested. I don't
10 want to go into details. It took us a few months to
11 get there, but it was tested. And a few weeks later
12 we got back results. Basically the department that
13 submitted this test unit was -- liked it very much.
14 And we got a very interesting response that it
15 could not be endorsed or put under any programs in
16 the future because of the short return on the
17 investment.

18 We could definitely save five,
19 ten, fifteen percent with this product for the
20 homeowners. That's what we've been doing for
21 commercial operations for these supermarkets, for

22 instance. So it's been proven.

23 And basically why this would be

24 important for the utility company, such as LIPA,

25 because as you know, energy savings won't come

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1
2 easily, but buildings that are retrofitted with a
3 capacitor, which I want to talk a little later,
4 suddenly becomes greener with a great effect. It
5 can bring up the power factor, which is basically
6 the efficiency of the home, near to the desired 100
7 percent unit level which meets or even exceeds the
8 Energy Star standards. That's without changing a
9 single appliance in the home.

10 In fact, since only two percent of
11 the buildings in America were built in the last two
12 years, we kind of expect that retrofit is the way
13 to go. And this is -- this should have a huge part
14 in the efficiency improvements.

15 Well, with this we would also like
16 to emphasize some of the environmental
17 friendliness. It's quite easy to see that by using
18 less electricity you're saving the planet's energy
19 resources, reducing the pollution and reducing the
20 production of greenhouse gases.

21 Another positive impact for

22 everybody, as we all know in many areas, utility
23 company's grid capacity is on the verge. I think
24 that's what you've been hearing all the time. So
25 the capacity is on the verge to keep up with

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

106

2 increased demand, especially in the summer months.

3 And this is causing basically blackouts sometimes

4 and brownouts and causing millions of dollars of

5 loss for operations and discomfort for many, which

6 is priceless.

7 We believe that our unit helps the

8 utility companies to better allocate and distribute

9 the electricity throughout their grid therefore

10 helping to reduce the chance of these unwanted

11 events.

12 And I would like to wrap up my

13 speech. I kind of hope that there's maybe a chance

14 for us that you would reconsider and test this unit

15 again because as I see that you have great efforts

16 putting together a great plan, this energy master

17 plan, and somewhat experiencing is that lower

18 levels of different departments losing motivation

19 and it's basically going against the plan a little

20 bit.

21 So that's basically what I wanted

22 to say.

23 Thank you very much for the time.

24 THE MODERATOR: Well, thank you

25 very much.

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____

1

2 MR. GABRIEL TORDAI: If you like

3 to -- I would like to submit or leave you with a

4 copy of this.

5 THE MODERATOR: You can submit

6 it.

7 MR. GABRIEL TORDAI: Thank you

8 very much.

9 THE MODERATOR: That's it for

10 all of our scheduled speakers who have signed up to

11 speak.

12 We have everything on our website

13 at lipower.org and we are accepting e-mails

14 directly to Energyplan@lipower.org or you can mail

15 comments to me directly.

16 I'm going to adjourn this hearing

17 until March -- May 7th where we will be at

18 Brookhaven Town Hall for the continuation of the

19 public hearing.

20 And then we will continue to

21 receive comments through May 15th at those

22 addresses I just shared with you. So thank you very

23 much for coming down.

24 (At 12:09 p.m., the proceedings

25 were concluded.)

1167 _____ROY ALLEN & ASSOCIATES, INC., 212-840-

1

108

2 C E R T I F I C A T I O N

3

4 S T A T E O F N E W Y O R K)

5 S S.

6 C O U N T Y O F N E W Y O R K)

7

8

9 I, MARC RUSSO, a Shorthand

10 (Stenotype) Reporter and Notary

11 Public within and for the State of

12 New York, do hereby certify that the

13 foregoing pages 1 through 108 taken

14 at the time and place aforesaid, is

15 a true and correct transcription of

16 my shorthand notes.

17 IN WITNESS WHEREOF, I have

18 hereunto set my name this 12th day

19 of May, 2008.

20

21

MARC RUSSO

22

23

* * *

24

25

_____ROY ALLEN & ASSOCIATES, INC., 212-840-
1167_____