



NEW YORK STATE SENATOR

Joseph A. Griffo

SENATORS GRIFFO, DeFRANCISCO CONDUCT SENATE HEARING TO QUESTION ENERGY OFFICIALS

JOSEPH A. GRIFFO May 20, 2015

| ISSUE: **ENERGY, FINANCE, RENEWABLE ENERGY, HEATING, ELECTRICITY**

| COMMITTEE: **ENERGY AND TELECOMMUNICATIONS**



ALBANY – State senators Joseph Griffo and John DeFrancisco are urging the Governor’s energy policy makers and regulators to seriously consider the concerns of private sector businesses, clean and renewable energy generation developers and labor interests as the State moves forward with its energy sector modernization initiatives.

Griffo and DeFrancisco conducted a Joint Hearing this week, sponsored by the Senate Energy and Telecommunications and Finance committees, during which the senators sought answers from various administration officials about what they’re doing to ensure that electricity delivered to ratepayers in New York is reliable, safe, and that rates are kept down for consumers.

“The State’s Energy Highway initiative to replace, upgrade and modernize our high voltage

electricity grid should work in conjunction with the state's Reforming the Energy Vision (REV) initiative to modify the state's local energy delivery industry and regulatory practices," said Griffo, R-Rome, whose district covers portions of Oneida, Lewis and St. Lawrence counties.

"New York State is a leader in energy policy and other states are looking to New York as we tackle challenging issues necessary to reform and modernize our energy sector," Griffo said.

Griffo is Chairman of the Senate Energy and Telecommunications Committee, while State Senator John DeFranciso, R-Syracuse, chairs the Senate Finance Committee.

Richard Kauffman, New York's "Energy Czar," New York State Public Service Commission Chairwoman Audrey Zibelman, New York Power Authority President Gil Quiniones, and New York State Energy Research and Development Authority (NYSERDA) President John Rhodes were among those who testified at Wednesday's hearing in Albany, as well as members of various business and industry groups.

"New York State has the fourth highest electricity prices in the nation, and approximately 25 percent of our utility bill is made up of fees, the bulk of which are transferred to NYSERDA for various programs that total approximately \$1 billion per year," said Senator John DeFrancisco R-Syracuse. "Now, the administration appears to be moving forward with a Renewing the Energy Vision (REV) proceeding that could cost billions more, without providing clear answers regarding the anticipated cost, project timelines and benefits to ratepayers. The Governor should listen to the experts in the field who spoke loud and clear on Wednesday."

DeFrancisco added, "The Energy Highway initiative that will allow upstate generators to sell energy to downstate markets should be the priority because it creates jobs, lowers energy costs and strengthens the grid."

It is the State's plan to address the need for upgrades, replacement and modernization along "Energy Highway" high voltage transmission corridors, while encouraging the addition of more large and small-scale renewable and clean energy generation. The plan also calls for the REV initiative, which would include weaving distributed generation technology – such as microgrids, back-up generators, small-scale solar and wind facilities and battery storage – onto the grid to ensure system resiliency. REV will also involve changing the current regulatory structure so that utilities play a different role in facilitating local electricity distribution along lines that they own.

Senator Griffo agrees that renewable energy sources need to become a larger part of our state's generation portfolio and will enable us to reduce our State's carbon footprint. However, as evidenced by the difficulties and increased prices for consumers in countries such as France and Germany, Senator Griffo maintains that our State is blessed with a diverse portfolio of generation sources, such as hydro, wind, solar, nuclear, clean natural gas and fuel cells, and this diversity will protect our ratepayers from volatile commodity prices.

"We should generate energy using as many sources as possible because it is in the best interests of those consumers who pay for electricity," Griffo said. "Energy generation isn't the only challenge; we have an excess of clean and renewable energy generated upstate that is getting bottlenecked in

outdated transmission lines, so this energy cannot easily flow to the areas in downstate where the need for electricity is greatest. Our goal is to maintain our diverse energy supply and increase renewable generation while also upgrading our high voltage grid so we're not wasting any of the clean energy that is already created and ready to move to consumers. Any transmission line upgrades will be along existing lines and existing rights-of way, and in many cases, poles will be consolidated and will have less visual impact.”

Replacing and upgrading the current grid was the focus of business and industry representatives – like Phil Wilcox of the International Brotherhood of Electrical Workers (IBEW) – who testified at the hearing that they are concerned about outdated transmission lines that make it difficult to efficiently distribute the energy that is currently being generated.

Therefore, Griffo emphasized that, “Given our aging infrastructure, Energy Highway upgrades are particularly essential and should be the first line of defense in ensuring reliability, safety, cost containment and improved air quality for ratepayers.”

By fostering transparent and open communication between the two panels of industry experts at the Joint Hearing, senators Griffo and DeFrancisco were able to engage in an open dialogue that provided a better understanding of how the State envisions our energy future, and how business and labor experts believe we can achieve the State’s goals.

Senators Griffo and DeFrancisco want to help State energy officials fully understand the concerns of the Senate and the energy sector’s various stakeholders to ensure that, as the State’s energy initiatives move forward, they can do so transparently, effectively and successfully