

Memorandum in Strong Opposition of S.1125-A (Perkins) / A.10210-A (Kavanagh)

May 24, 2010

S.1125-A (Perkins) / A.10210-A (Kavanagh) - AN ACT to amend the administrative code of the city of New York, in relation to contracts with school bus companies; and to amend the environmental conservation law, in relation to eliminating the cap on air pollution fees

The Independent Power Producers of New York, Inc. (IPPNY) is a trade association representing companies involved in the development of electric generating facilities, the generation, sale, and marketing of electric power, and the development of natural gas facilities in the State of New York. IPPNY represents almost 75 percent of the electric generating capacity in New York.

IPPNY opposes S.1125-A (Perkins) / A.10210-A (Kavanagh). These bills would require school buses in New York City to reduce air emissions from their operations. However, the legislation also would remove the cap on emissions that would be subject to fees paid by power plant owners and other businesses under the Operating Permit Program governing sources subject to the Federal Clean Air Act.

IPPNY strongly opposes the removal of this emissions cap, due to the large fee increase that would result and because these fees already were raised substantially by the enacted 2009-2010 New York State Budget (Chapter 59 of the Laws of 2009). The fees increased by this legislation will escalate further electricity bills for the states businesses and residents during arduous economic times. Also, this added financial burden will exacerbate competitive disadvantages, such as high taxes, faced by the impacted facilities, hampering the ability of companies to continue to make needed investments to reduce emissions from their own facilities, while providing reliable energy supplies and improving the states economy.

The Sponsors Memo for the legislation implies that the additional revenues that would be collected from the removal of the emissions cap are necessary to finance reductions in emissions from New York City school buses. In fact, other programs that are operated and funded by the New York Power Authority (NYPA) and the New York State Energy Research and Development Authority (NYSERDA) already provide financial assistance to achieve those emission reductions. To the extent that the sponsors of the bills believe that additional funding is needed, the legislation should be amended to direct NYPA and NYSERDA instead to provide those resources.

Specifically, NYPA conducts a School Bus Emission Reduction Program to install pollution control systems on school buses in New York City. NYPA has partnered with the New York City Board of Education to outfit city school buses with emission reduction devices, and this equipment was installed on buses owned by independent fleet operators participating in NYPAs program. Additionally, NYSERDAs Clean Air School Bus program seeks to maximize the environmental, energy, and economic benefits of introducing emission-reduction technology for school buses.

As a result, the legislation should be amended to remove the language that would delete the emissions cap, and, in 2009, IPPNY has supplied such an amendment to the sponsors of the legislation; however, our recommended change still has not been incorporated into the bills.

For the reasons stated above, IPPNY respectfully opposes the passage of S.1125-A (Perkins) / A.10210-A (Kavanagh).