

Memorandum in Support of S.191 (Maziarz)

February 28, 2011

S. 191 (Maziarz) - AN ACT to amend the public service law, in relation to siting electric generating facilities; to amend the environmental conservation law, in relation to making certain conforming changes relating to the siting of electric generating facilities; to amend the public authorities law, in relation to making provisions of law relating to the siting of electric generating facilities applicable to the power authority of the state of New York and the Long Island power authority; and to amend the state finance law, in relation to establishing the intervenor account

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 strongly supports S.191. This legislation will re-authorize Article 10 of the Public Service Law, which is a key component of competitive electricity markets. Article 10, which expired eight years ago and which governed the siting of major electric generating stations in New York, is vitally important to New York's future and the continued delivery of a safe, secure, and reliable supply of electricity for New York's consumers and businesses.

With fierce competition for investment dollars in the competitive energy markets, sending a strong signal to the financial world is important to demonstrate that New York is committed to developing new, efficient sources of electric generation. Without a workable Article 10 and its procedural certainty, power companies simply will build plants in other states, and New York will rely increasingly on imported electricity to meet the state's need for power. However, a limit exists as to the amount of power New York can import, without jeopardizing the reliability of its electric system. Additionally, electricity imported from other states will not be generated under New York's strict environmental rules and may not be available on peak demand days, when it is most needed.

Indeed, since the expiration of the prior Article 10 statute on January 1, 2003, the New York State Department of Environmental Conservation (DEC) has promulgated many regulations and policies to require significant reductions in the emissions of mercury, nitrogen oxides, sulfur dioxide, particulate matter, carbon dioxide, and other greenhouse gases, and additional initiatives by the DEC are pending. In the near future, these air emission reduction requirements likely will drive the need to repower existing facilities and to develop additional sources of lower-emitting electricity supplies. Given that it takes about five years for new power plants actually to come on line, including time for permitting, construction and interconnection, reenactment of Article 10 is needed now.

For the above mentioned reasons, IPPNY strongly supports S.191.

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