



PHILIP A. PALMESANO  
 Assemblyman 132<sup>nd</sup> District  
 Chemung, Schuyler, Seneca,  
 Steuben, and Yates Counties

THE ASSEMBLY  
 STATE OF NEW YORK  
 ALBANY

ASSISTANT MINORITY LEADER  
 RANKING MINORITY MEMBER  
 Energy Committee  
 COMMITTEES  
 Corporations, Authorities, and Commissions  
 Correction  
 Insurance  
 Ways and Means  
 Legislative Commission on Rural Resources

March 11, 2021

Mr. Basil Seggos, Commissioner  
 New York State Department of Environmental Conservation  
 Co-Chair, Climate Action Council  
 625 Broadway  
 Albany, NY 12233

Ms. Doreen Harris, President and CEO  
 New York State Energy Research and Development Authority  
 Co-Chair, Climate Action Council  
 17 Columbia Circle  
 Albany, NY 12203

Dear Commissioner Seggos, President Harris and Climate Action Council Members:

We write to express concern about the full spectrum of economic effects pursuant to the permitting, siting and construction of major renewable energy projects in the state as part of its efforts to comply with Climate Leadership and Community Protection Act (CLCPA) mandates.

As the Climate Action Council (CAC) continues its work on the implementation of the CLCPA, as you know, there have been many projections regarding the significant economic and fiscal implications the full implementation of the CLCPA will cost. Some estimates show it will cost individuals, families, farmers and businesses billions of dollars per year through increased taxes, utility/electric rates/bills and home and business conversion and retrofit costs.

Given the wide-ranging impact the CLCPA will have on families and businesses, we strongly believe that a full, clear, detailed and transparent process must take place to provide the public with a full accounting of the true and actual financial costs the full implementation of the CLCPA will have on them before moving forward. Therefore, we, and other stakeholder groups, are calling for a full cost/benefit analysis showing the true and actual costs residents and businesses are expected to pay to fully comply with the implementation of the CLCPA. We fully urge the CAC to act so that this detailed cost/benefit analysis is completed and released to the public before any action is taken to move forward with the full implementation of the CLCPA. The public deserves to have this full accounting and information provided to them so they will fully know what is expected from them and how much this will actually cost them. We owe New York families and businesses a full and transparent process providing these important answers.

While the objective of cleaner air, cleaner water and a more healthful environment is laudable, such objectives must be balanced with the energy needs of a stable, thriving first-world economy, which is and will remain dependent upon both a diverse energy mix and a guaranteed, affordable and reliable supply of on-demand electrical power. The need for, and maintenance of, a reliable electrical grid and the sources to supply it are only going to increase over time, and heretofore insufficient attention has been paid to how reliance upon renewables (specifically wind- and solar-powered generation facilities) will affect the reliability and cost of the electrical grid as well as land use across the state, in addition to many other factors at play.

With these concerns in mind, it is essential that the state require that the totality of its efforts to comply with CLCPA mandates undergo a complete cost/benefit analysis, undertaken by a third-party independent consultant, before recommendations to implement the CLCPA mandates take effect; we intend to introduce legislation to require that this effort take place before 2023. Such a cost/benefit analysis should cover the following areas, including, but not limited to:

- The impact of CLCPA renewable energy target compliance on electricity wholesale prices, delivery rates and total bills that New York State residents and businesses will pay, including indirect energy costs. This would include the impacts of subsidies to site land-based and offshore renewable energy projects, the build out of the electric infrastructure to receive and transmit renewable power, subsidies of energy storage projects, and the addition of new loads associated with deep electrification efforts in the residential, commercial, industrial and transportation sectors. The analysis should address long-term maintenance costs, not just upfront costs; for example, according to data provided to FTI Consulting by the American Gas Association (AGA), the 20-year cost of ownership for a representative home with electrical equipment could be between \$27,200 and \$31,000 – costs with high-efficiency natural gas could in comparison be as low as \$18,400. For a representative customer in the commercial sector, the 20-year cost of ownership for electrical equipment could be \$167,200, compared to only \$64,200 for gas-fired equipment.
- A detailed, comprehensive study of civilian state of the art nuclear reactor technology and the role such technology could play in transition to a cleaner, more reliable, and more resilient energy portfolio in New York State; this is of paramount importance given our recent nationwide experience with extreme winter weather events and the looming April 2021 shutdown of the final reactor unit at Indian Point, with immediate ramifications for New York City’s daily energy needs.
- The impact of renewable energy facilities on the reliability of the electric system in the State. Among other things, the study should address voltage sags and how reliability will be maintained when solar and wind resources are not generating power. It also should address how reliability will be maintained when fast-ramping gas-fired generation is phased-out.

- Costs and logistical issues associated with end-of-life disposal of renewable facility components, which cannot be recycled, and which have been determined to be highly toxic and hazardous to handle on a commercial scale.
- Costs (both short-term and long-term) associated with building-out and maintaining adequate energy storage/battery capacity for periods when renewable electricity generation is intermittent. Several analyses based upon NYISO data indicate that the expected cost of the batteries needed for energy storage may be as high as \$176.3 billion.
- Direct and indirect transportation costs associated with such things as charging station infrastructure, a moratorium on gas pipeline construction (which necessitates increased transport of natural gas by truck or rail), and over-the-road transport of agricultural products from smaller farms farther away, especially concerning urban demand for agricultural products.
- The impact of CLCPA compliance on natural gas market prices, delivery rates and total bills that NYS residents and businesses will pay. The analysis should address long-term maintenance costs, not just upfront costs.
- The impact of CLCPA compliance on the reliability of the natural gas system in the State and its ability to support manufacturing processes for which today there are not any known replacement fuels. For instance, many manufacturers utilize and depend upon natural gas for process purposes; additionally, New York State's restaurant and food-service industries rely extensively on natural gas service for cooking, due to the ability of gas ranges and ovens to heat foods more evenly than their electric counterparts; finally, it should not be overlooked that natural gas is used for heating in 46% of households in the Northeast; it is not clear how reliable and affordable gas service will be maintained for all of these customers if gas use is phased-out in New York.
- Clarification of the impact of CLCPA compliance on industrial use of fossil fuels (for emergency generators, environmental emissions abatement, boilers etc.).
- Flexibility concerning major assumptions; such cost/benefit analyses should reflect awareness that if underlying assumptions change, conclusions based on those assumptions will change as well- "garbage in, garbage out."
- Finally, but by no means less importantly, this cost/benefit analysis should explore the land use implications of every major renewable facility, both from the standpoint of tourism and the State's tourism-based economic sectors as well as potential effects on State agriculture. As we have seen over the past year, the maintenance of a secure food-supply chain based within the State can only be of benefit to the well-being of all New Yorkers; this places a premium on the availability of arable land and the ability to farm it.

We have attached a letter drafted by National Fuel and the Independent Power Producers of New York which has been signed by over 70 organizations in support of such a cost/benefit analysis moving forward.

We strongly urge you to respond to our letter in a timely manner, while at the same time giving such a cost/benefit proposal serious consideration; it is incumbent upon legislators and regulatory agencies to promulgate laws and regulations which ensure a more affordable, diverse and reliable

energy portfolio for New York, instead of our present course of action which will lead to a more expensive, less reliable and less resilient energy portfolio in the near future.

Sincerely,



Philip A. Palmesano  
Minority Ranking Member  
Assembly Committee on Energy



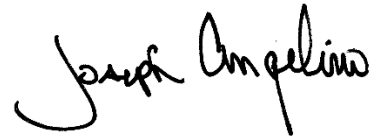
Will Barclay  
Assembly Minority Leader



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Michael J. Fitzpatrick  
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Jacob Ashby  
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Kenneth D. Blankenbush  
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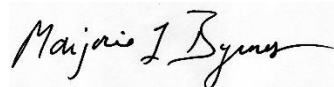
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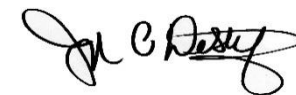
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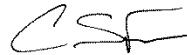
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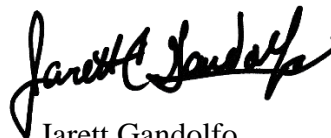
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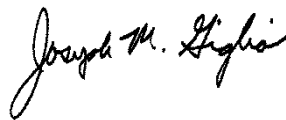
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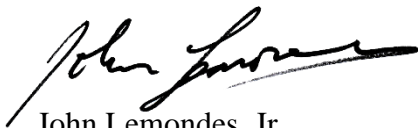
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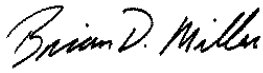
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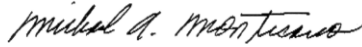
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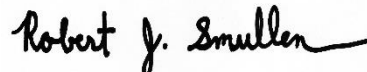
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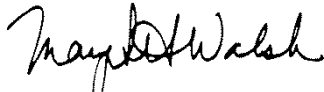
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Mark C. Walczyk  
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Mary Beth Walsh  
112<sup>th</sup> Assembly District

cc: Hon. Andrew M. Cuomo, Governor of New York State  
Hon. Andrea Stewart-Cousins, Senate Majority Leader  
Hon. Robert Ort, Senate Minority Leader  
Hon. Carl E. Heastie, Assembly Speaker  
Hon. William A. Barclay, Assembly Minority Leader

Enclosure:

Letter in Support of Multiple Intervenors' Request for a Quantitative Analysis of the Costs of CLCPA Compliance dated January 21, 2021.