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October 15, 2009

The Honorable David A. Paterson
Governor, State of New York
The Capitol
Albany, NY 12224

RE: Draft 2009 New York State Energy Plan

Dear Governor Paterson:

I am writing on behalf of the New York Building Congress and our Energy Committee to offer comments on the State of New York's draft 2009 Energy Plan ("the Plan"). We appreciate your leadership on this important issue.

New York State's energy consumers pay among the highest rates in the nation for power. If we are to encourage future economic growth, we must use this Plan to look strategically at developing new sources of power, reducing per capita consumption, and lowering the overall cost of energy to end users.

Given these imperatives, we disagree with the State's opposition to the license renewals of Indian Point Units 2 and 3, whose license terms expire in 2013 and 2015, respectively. The significant supply provided by Indian Point – 2,000 MW of non-emitting power providing up to 40 percent of the New York City region's generating capacity – would leave a significant gap in the state's energy and environmental plans, and subject the downstate economy to additional energy price and reliability risks.

Furthermore, the State's opposition to continued operation of Indian Point conflicts with several of the energy plan's main objectives – development of in-state energy supplies, maintaining system reliability and reducing greenhouse gas emissions. Consequently, we respectfully request that the final Plan acknowledge the need for the continued operation of the State's generating facilities while developing a framework for future energy development.

To better address future demand, the Building Congress urges enactment of a one-stop, fuel-neutral power plant siting law that facilitates the timely construction of new, environmentally superior power plants. We support the Plan's vision for a siting law that provides greater market certainty and bolsters the State's grid, and we will work with the Governor and the Legislature in the coming year to make sure that a new plant siting law is enacted.

The energy-efficiency measures proposed in the Plan can help mitigate overall demand and meet the immediate capacity requirements. As such, the NYBC supports the Plan's recommendations to improve energy efficiency programs, increase the efficiency of the



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State's electric system and implement alternative financing programs to fund energy efficiency retrofits.

In addition to these broad efforts, we believe that NYSERDA's programs and incentives have encouraged sensible, replicable energy efficiency improvements at a relatively low cost. We recommend applying more of NYSERDA's resources to New York City and the surrounding region, where the bulk of NYSERDA's revenue is generated. Focusing resources here will amplify the program's benefits by allowing more large customers access to the program and creating economies of scale in a dense, energy intensive region.

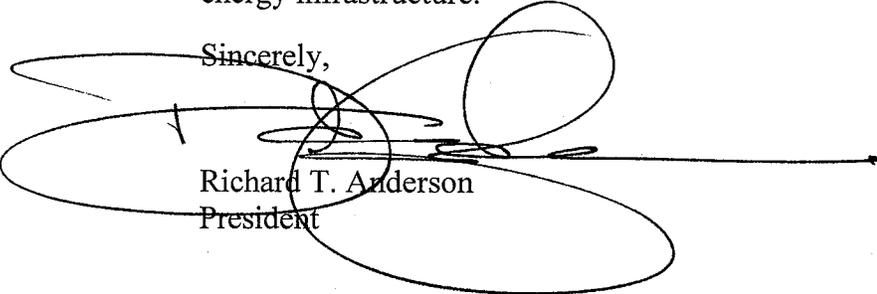
A comprehensive energy plan must also address the myriad fees and surcharges contained in energy bills which today add 27 percent on average to energy bills. In particular, in the most recent State budget, the State increased the 18-A assessment six fold, revenues which were applied entirely to the State's general fund. This is one example of the hidden fees which increase consumer costs, discourage business development, and in no way help finance energy resource development or efficiency.

The Building Congress was also pleased to see the Plan's recognition of New York's transportation infrastructure needs. Nowhere is transportation infrastructure more critical than in New York City. Consequently, the Building Congress supports the Energy Plan's recommendations calling on the State to advocate more federal funding for public transportation in the reauthorization of the federal surface transportation bill.

In conclusion, while there are positions set forth in the Draft Energy Plan that the Building Congress does not support, in particular concerning the future of Indian Point, we believe that it is important to finalize the Plan with some amendments. Moreover, given the variety of forward-looking proposals it contains, encouraging efficiency, innovation and investment, we would urge that the final Plan be actively used as the State's energy policy.

Thank you for the opportunity to comment on the State's 2009 Draft Energy Plan. The Building Congress looks forward to continuing to work together to plan and implement policies that will ensure a strong economy and continued investment in New York's energy infrastructure.

Sincerely,



Richard T. Anderson
President