



Independent Power Producers of New York, Inc. (IPPNY)

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President & CEO

S.5675-A / A.8836-A

Memorandum in Support

June 19, 2006

S.5675-A (Wright) / A.8836-A (Tonko) - AN ACT to amend the energy law, in relation to creating the renewable energy conversion, storage and transport act of 2006

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 over 75 percent of the electric generating capacity in New York.

IPPNY supports the passage of S.5675-A / A.8836-A. This bill allows selected pilot projects to use methane gas in liquid form (LNG), in order to address energy and environmental concerns and bolster new economic opportunities. Even though it is one of the most energy constrained states in the nation, New York currently is the only state that does not allow the construction of LNG projects or transport of LNG.

Subject to final siting approval by local land use entities, the bill makes possible a limited number of small scale LNG facilities. The use of LNG has significant environmental benefits, primarily associated with reductions in particulate matter (PM 2.5), volatile organic compounds (VOC's), nitrogen oxides (NOx), and carbon dioxide (CO₂) emissions. In addition, the use of LNG and methane liquefying technologies increases the diversity of energy supplies.

Furthermore, LNG and associated infrastructure can serve as a bridge to the hydrogen economy, in particular to a hydrogen vehicle market. Since methane (Natural gas – LNG), composed primarily of hydrogen (CH₄-one carbon atom for each hydrogen atom), it is one of the primary feed stocks that can be used to produce hydrogen for consumption in fuel cells or in vehicles that burn hydrogen alone or in combination with other fuels. Infrastructure constructed to provide LNG can be easily modified at the appropriate time to provide hydrogen to meet future energy needs as technology develops.

For the reasons stated above, IPPNY supports S.5675-A / A.8836-A.

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