



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

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S.155 / A.565

Memorandum in Opposition

May 19, 2006

S.155 (Seward) / A. 565 (Magee) -AN ACT to amend the parks, recreation and historic preservation law, in relation to the construction of wind energy production facilities

The Independent Power Producer's of New York, Inc. (IPPNY) is a trade association representing more than 100 member 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 the passage of S.155 / A.565. This bill singles out a particular type of technology for siting legislation and provides a single agency with veto power over project siting approvals. This unilateral veto power is inappropriate and sets a dangerous precedent for all types of power generation and for all types of project development.

Both the State Environmental Quality Review Act (SEQRA) and the State's expired power plant siting law involve multiple State agencies (including the Office of Parks) in the approval process for new power plants, including wind energy projects. Among other requirements, existing SEQRA regulations already provide for the balancing of environmental impacts with social, economic and other considerations, and require that projects avoid or minimize adverse environmental impacts to the maximum extent practicable by requiring mitigation measures. SEQRA currently provides the process for decision-making on the siting of generating facilities, based upon input from local governments and the public, in addition to State agencies. Also, the Office of Parks' regulations provide that the Office participate in a single consolidated review of environmental impacts on historic districts through SEQRA. By empowering the Office to prohibit the construction of wind facilities, the bill would allow the Office to pre-determine the outcome of the SEQRA process.

Furthermore, investment in new electric generating facilities has not kept pace with rising electricity demand in New York. This bill would discourage further investments in generating facilities needed to serve the State's electricity consumers. The legislation increases risk for investments by generators and casts a cloud of uncertainty over the financing for energy projects. This bill would impact most of the wind energy developments contemplated in New York, which would adversely impact corporate confidence in the New York market and prevent much needed economic development in upstate New York communities. Simply put, companies either will avoid making investments in potential project development or will find proceeding with current projects too expensive and uncertain to pursue.



Additionally, the bill would prohibit projects which are in the public interest. New York State's energy policy is to obtain and maintain safe, reliable, and diverse energy supplies, accelerate the development and use of renewable energy resources, and increase its energy independence, in order to promote the State's economic growth, to maintain the security of its energy supplies, and to protect its environmental values. New York's existing facilities are powered by a mix of fuels. As an extension of that fuel diversity policy, the State has committed to increasing renewable energy supplies.

For the reasons state above, IPPNY respectfully opposes S.155 / A.565

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