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

S.7199-A / A.11875

Memorandum in Support

June 20, 2006

S.7199-A (Wright) / A.11875 (DelMonte) – AN ACT to amend the general municipal law, in relation to expanding the products which may be purchased for public use

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.7199-A / A.11875. This bill allows municipal officials to purchase renewable energy resources at reasonably competitive prices. It is in the State's economic and environmental best interests to further diversify its energy portfolio, and this bill provides municipalities with the necessary flexibility to contribute to those interests.

Present General Municipal Law requires public product contracts be given to the lowest responsible bidder; yet, Section 104-a of that law allows exceptions to be made in the case of purchasing recycled products, as long as those products are cost-effective. It is consistent to allow similar exceptions for renewable energy resources, given the benefits of such resources.

A diverse energy fuel portfolio protects the reliability of the State's energy system and provides benefits to consumers. In general, the electric system is less reliable, if it becomes too dependent on any one fuel source. Allowing municipalities to purchase renewable energy resources supports existing renewable energy producers and also send the message to potential investors that the State recognizes the importance of including such resources in its energy supplies.

For the reasons stated above, IPPNY supports S.7199-A / A.11875.

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