



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

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Gavin J. Donohue, *President &
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March 15, 2006

Hon. George E. Pataki
Governor
New York State
Executive Chamber, State Capitol
Albany, NY 12224

Majority Leader Joseph L. Bruno
New York State Senate
Legislative Office Building, Room 909
Albany, New York 12247

Speaker Sheldon Silver
Member of Assembly
Legislative Office Building, Room 932
Albany, NY 12248

Dear Governor Pataki, Majority Leader Bruno and Speaker Sheldon Silver:

As you negotiate the 2006-2007 New York State Budget, IPPNY urges you to reject a provision in the NYS Senate Budget Bill (Part FF of S.6459-B), which would allow the NYS Office of Parks, Recreation and Historic Preservation to prohibit the construction of wind generating facilities in and near towns that have historic districts.

IPPNY opposes this budget language for the following four major reasons:

1. The budget language 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 even for all types of project development.
2. 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

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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 budget language would allow the Office to pre-determine the outcome of the SEQRA process.

3. Investment in new electric generating facilities has not kept pace with rising electricity demand in New York. This budget language 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. The budget language 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 projects already begun too expensive and uncertain to pursue.

4. Finally, the budget provision 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.

As you proceed with your negotiations, IPPNY urges you to reject this budget language, which contravenes the State's energy facility siting process and inhibits the fulfillment of the State's energy policy goals for reliable and diverse energy supplies.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin J. Donohue". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gavin J. Donohue
President & CEO

Cc: Joint Legislative Budget Committees on Economic Development, Environmental Conservation and General Government