

## **Memorandum in Support of S.2501-A / A.5877-A**

March 27, 2009

### **S.2501-A (Parker) / A.5877-A (Cahill) - AN ACT to amend the energy law and the public authorities law, in relation to establishing the state energy planning board**

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

**IPPNY supports the passage of S.2501-A / A.5877.** This legislation would establish a State Energy Planning Board to develop a State Energy Plan. The Board would consider and present policies and programs that are designed to improve the reliability of the state's energy systems, among other matters. The statutory planning process would encourage broader upfront public input into the planning process than was required under the law that expired on January 1, 2003. Importantly, this new planning process would not impede the current process that is ongoing pursuant to Governor Paterson's Executive Order.

Significantly, the bills acknowledge the existing role of the New York Independent System Operator (NYISO) and its Comprehensive Reliability Planning Process (CRPP) by the inclusion of the presiding officer of the federally designated regional transmission organization as a non-voting member of the Board. Also, the measure would allow the Board to obtain information from owners and operators of electric generating power plants, as may be required to carry out the purposes of the state energy planning process, subject to appropriate confidentiality provisions. Similarly, the initiative would require providers of natural gas transmission to prepare a comprehensive long-range plan for future operations.

Since the successful restructuring of the electric industry, utilities in most cases no longer generate the electricity that they transmit to customers. Instead, independent power producers now own and operate power plants. The bills would be improved further by providing that the Board would obtain information about electricity supply, in coordination with the existing NYISO's CRPP with input from power producers and other market participants and not by utilities alone.

**For the reasons stated above, IPPNY supports S.2501-A / A.5877.**

###