

Memorandum in Support of A.2965 / S.7341

April 02, 2008

A.2965 (DeMonte) / S.7341 (Maziarz) - 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 almost 75 percent of the electric generating capacity in New York.

IPPNY supports the passage of A.2965 / S.7341. This bill allows municipal officials to purchase renewable energy resources at reasonably competitive prices. It is New York State's energy policy to diversify its supply portfolio, and this legislation provides municipalities with the necessary flexibility to help accomplish that goal. The bill ensures that all renewable energy resources are eligible to be purchased.

The General Municipal Law currently requires that 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 fairly cost-effective. It is consistent to allow similar exceptions for renewable energy resources, given their benefits.

A diverse energy fuel portfolio protects the reliability of New York'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. Given the benefits of its existing fuel-diverse sources of supply, the state has committed to expanding that mix further. Allowing municipalities to purchase renewable energy resources supports existing energy producers and also sends the message to potential investors that the state recognizes the importance of including a variety of resources in its energy supplies.

For the reasons stated above, IPPNY supports A.2965 / S.7341.