



Independent Power Producers of New York, Inc.

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Official Statement by Gavin J. Donohue, President and CEO of the Independent Power Producers of New York, Inc.

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NYS Public Service Commission hearing on the proposed Champlain-Hudson Power Express Transmission Line

On behalf of the Independent Power Producers of New York, Inc., a trade association representing companies involved in the development of electric generating facilities, the generation, sale and marketing of electric power, and the transmission of natural gas in the State of New York, we are here to represent the interest of our Members in voicing our opposition to this proposed project. IPPNY Member companies produce more than 75 percent of the state's electric power, and are large employers with more than 10,000 individuals and taxpayers working to support and bolster the New York State economy.

The Champlain-Hudson Power Express line, which proposes to bring 1,000 megawatts of power directly from Canada to New York City, makes little sense from an economic, public policy, or energy perspective. Relying on foreign-generated power instead of upgrading in-state energy infrastructure does not put the interests of New Yorkers first.

In his 2012 State of the State Address, Governor Cuomo called for an energy highway development effort seeking investment in New York State resources to upgrade the state's energy infrastructure in both transmission and generation. The Champlain-Hudson line will transmit Canadian power into New York City while bypassing any existing New York generators who will not have access to the line. Specifically, Upstate New York power plants that have an excess of available power will not be able to provide their low-cost power to their fellow New Yorkers. Rather than spurring investment in new facilities, the Champlain-Hudson Power Express line would undercut critical investments for both in-state generation and transmission and potentially shutter upstate power generators. This project is therefore contrary to the stated goals of the Governor to build public-private partnerships and invest in New York resources, workers, and communities.

Numerous and independent studies have shown that upgrades to our system are necessary, and we should be utilizing current and future in-state resources to best address the energy needs throughout the state. The proposed Champlain-Hudson project will not alleviate existing congestion issues in the state's power grid or address any in-state transmission issues; it only will circumvent them by bringing in power from another country.

In addition to shutting out the existing power plants in Upstate New York, this proposed plan would shut out Upstate New York's growing renewable energy market from a conduit to transmit its non-emitting power to other parts of the state. Threatening the development of such renewable resources impedes the state in meeting its Renewable Portfolio Standard goal of having 30 % of the electricity consumed by New Yorkers come from renewable resources by 2015.

In written testimony as part of the Article VII proceeding, IPPNY argued that the line does not provide any benefit and, in fact, serves as a threat to competitive energy markets, existing resources in New York State and the associated jobs and numerous benefits provided by in-state power generators, including property taxes. We urge the Public Service Commission to deny issuing a certificate to the proposed project and to keep New York's interests first.