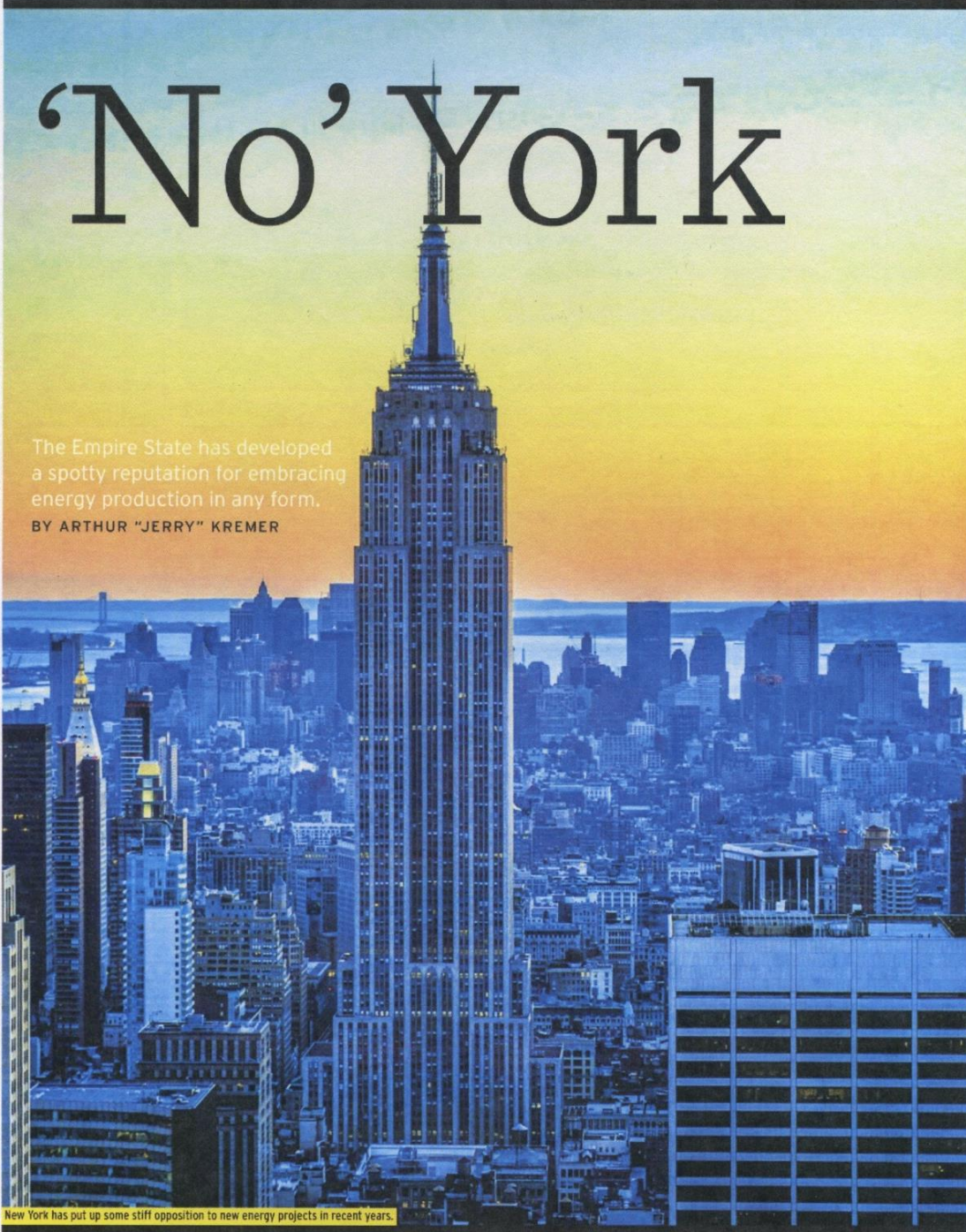




'No' York

The Empire State has developed a spotty reputation for embracing energy production in any form.

BY ARTHUR "JERRY" KREMER



New York has put up some stiff opposition to new energy projects in recent years.



New York state is rapidly developing the reputation as the place where energy-production projects go to die. Whether it is wind, nuclear or hydro-fracking, New York residents “just say no.”

Across the country, wind-power projects are the darlings of virtually every prominent environmental group. It is no different in New York. Empire State environmentalists and green-energy advocates extol the virtues of wind power-generation: It is non-polluting, renewable, and works well in rural and agricultural communities. Wind is the future of energy production, they say, and everybody loves it – as long as the turbines needed to generate wind power do not block their views.

EverPower Holdings learned that first-hand. The company was granted a permit in 2011 to build a wind farm in Allegany County in upstate New York. The project was to be constructed in a remote area of the county on less than 250 acres of privately leased land. According to EverPower, the Allegany Wind Project would have produced enough electricity to power more than 17,500 homes annually, while generating approximately \$12 million in payments to the county, school district, and town over the life of the project and offsetting 98,000 tons of CO2 emissions each year.

Within days of the project being announced, some residents complained about the prospects of noise and visual disturbances. A local environmental group stoked fears by painting a picture of EverPower wind turbines stretching across the region as far as the eye could see and demanded new and costly environmental reviews. EverPower tried to

fight at first, but ultimately gave up and cancelled the project in October 2013 because it feared long delays and escalating costs.

Reunion Power met a similar fate in its attempt to build wind turbines in Cherry Valley, N.Y. The project faced strong opposition from residents of Cape Wycoff, the proposed location of the turbines. The company said the wind there is strong enough to “knock you over,” but groups argued they would lose their views of the adjoining terrain and the project was killed.

The resources necessary for meeting New York's energy needs are being held hostage by a handful of vocal objectors. Consequently, very few energy producers are willing to invest in New York.

Opposition to wind-power turbines is not confined just to the land in New York. In 2007 the Long Island Power Authority (LIPA) proposed building a wind farm in the Atlantic Ocean, five miles south of Jones Beach. Vociferous complaints about visual pollution, coupled with the prospect of costly delays and legal challenges, caused the developer, Florida Power & Light, to abandon the project even though six prominent environmental groups supported it.

HOLDING FRACKING HOSTAGE

Efforts to increase energy availability in New York extend to natural gas, and so does the opposition. Liberty Natural Gas is proposing to build a gas transfer sta-

tion in the Atlantic Ocean about 10 miles off of Long Island's South Shore. If completed, the project would enable tankers to tap into a 50-plus-year-old underwater pipeline that serves Long Island and New York City. The tankers would carry as much as 3.75 billion cubic feet of liquefied natural gas, convert it into natural gas, and pump it through buoys into the system.

Opponents trying to block the project claim it will encourage hydro-fracking in upstate New York and Pennsylvania and that the gas will be exported. The facts are otherwise. Utility company National Grid says it is prepared to buy all the gas for local consumption.

In New York, as in many places across the country, fracking is a hot-button issue. The vast Marcellus Shale formation, one of the largest natural gas fields in North America, lies partly within the state. Some estimates say the Marcellus formation holds as much as 500 trillion cubic feet (tcf) of natural gas. To put that in perspective, the entire United States consumes only about 23 tcf of natural gas per year, according to the Independent Oil & Gas Association of New York.

Yet New York State's ban on fracking, imposed in 2008, remains in place while the state continues to study its potential effects on the environment. That has angered many New York residents, who can see the economic benefits and jobs created by fracking in the Marcellus Shale formation just across the border in Pennsylvania.

A 2011 study by the Manhattan Institute says ending the moratorium would stimulate more than \$11.4 billion in economic output, create 15,000 to 18,000 jobs in New York's Southern Tier and Western regions, and add another



75,000 to 90,000 jobs if the exploration and drilling area were expanded to include the Utica shale and southeastern New York. According to the report, localities and the state would reap \$1.4 billion in tax revenues if the ban is lifted.

Earlier this year, the commissioner of New York State's Dept. of Environmental Conservation (DEC) said regulations to allow fracking would not be issued before April 2015 at the earliest.

DERAILING CRUDE OIL PROCESSING

In Albany County, home of the state capital, expansion of crude oil processing at the Port of Albany has come to a halt after the county imposed a moratorium

on rail shipments of oil. Waltham, Mass.-based Global Partners planned to add seven facilities to heat rail cars to liquefy the thick North Dakota Bakken Shale crude oil it was bringing by rail.

The county said it would conduct a health-impact study before allowing Global Partners to resume shipping and processing. There was no word on how long that might take. Meanwhile, the DEC ordered Global Partners to perform an "environmental justice" study, while environmental groups and elected officials are calling for DEC to revoke Global's permit.

On the nuclear power front, New York continues to wage war on the Indian

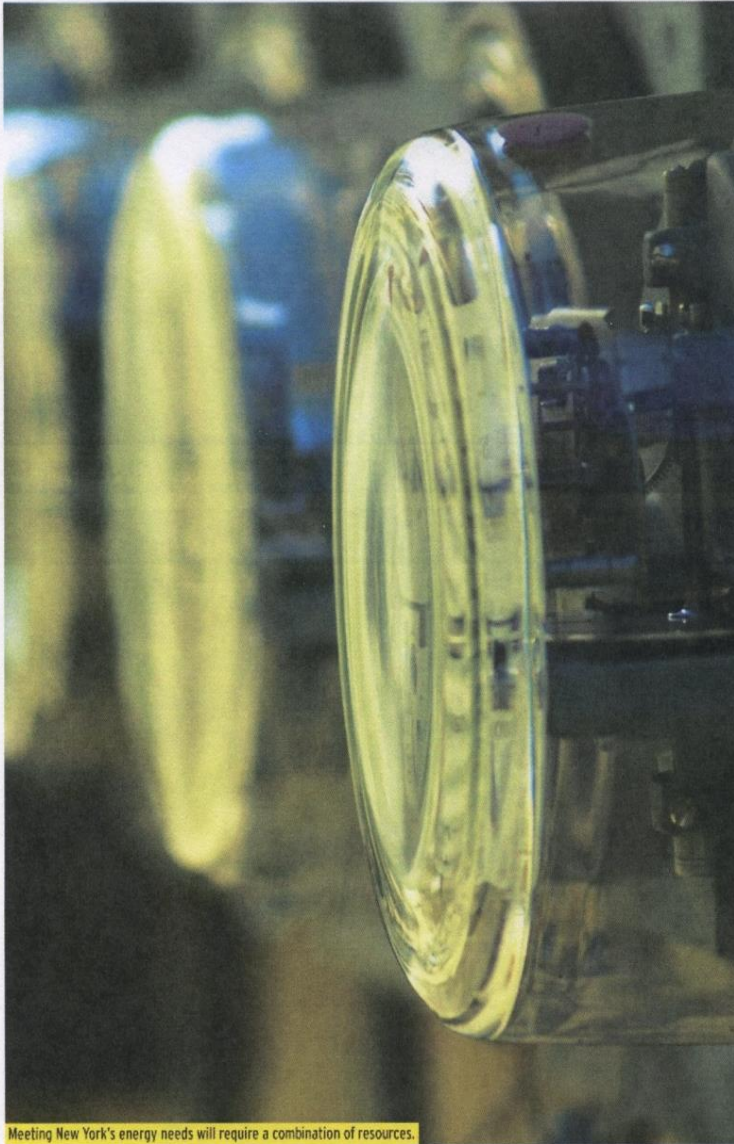
Point facility in an effort to force its shutdown. A study by the Westchester Business Council found that shuttering Indian Point would mean the loss of 2,065 MW of electric-generating capacity – and the resulting higher prices – plus an estimated 11,000 jobs, \$2.1 billion in cumulative wages and nearly \$5.5 billion in cumulative economic output. Furthermore, the replacement power to make up the shortfall would increase carbon emissions by 6 million tons a year.

LESS SUPPLY, GREATER DEMAND

All of these anti-energy production efforts come at a time when demand for



The state's obstinance will mean higher energy costs, according to experts.



Meeting New York's energy needs will require a combination of resources.

electricity continues to rise in New York. As the laws of economics dictate that less supply plus increased demand equals higher prices. According to Federal Energy Information Administration data, New Yorkers pay the second-highest electricity rates in the continental United States; only Connecticut residents pay more.

Meanwhile, New York Gov. Andrew Cuomo recently announced the state has earmarked \$1 billion to increase solar power generation 10-fold over the next decade. The money is supposed to help homeowners and businesses install three gigawatts, or 3,000 megawatts, of solar power. That works out to an exorbitant price of about \$333,000 per

megawatt of solar power, with New York's taxpayers picking up the tab.

The governor certainly means well and his commitment to investing in clean energy is commendable. However, some New Yorkers might argue that more cost-effective energy options already are available to power the state's economy, if the state would just set them free.

Meeting New York's energy needs requires a smart mix of all available resources. As newer technologies such as solar and wind become more viable and cost-efficient, less reliance on fossil fuels is inevitable.

Objections to clean energy sources such as wind, nuclear and natural gas tend to be more agenda-driven than practical. Certainly every possible precaution must govern our use of nuclear power, but many countries in the world rely on what is one of the cleanest sources of electricity available.

The resources necessary for meeting New York's energy needs are being held hostage by a handful of vocal objectors, groups who distort the truth to derail any and every project, endless and arbitrary reviews, and costly litigation. Consequently, very few energy producers are willing to invest in New York.

Unless that changes, New York truly will be "No" York when it comes to energy production. [EMI]

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