BEFORE THE NEW YORK STATE SENATE
STANDING COMMITTEE ON ENERGY AND TELECOMMUNICATIONS

PUBLIC HEARING

TO DETERMINE AND ANALYZE
THE CHAMPLAIN-HUDSON POWER EXPRESS AND ITS IMPACT
ON THE RESIDENTS OF THE TOWN OF STONY POINT

Stony Point Community Center
5 Clubhouse Lane
Stony Point, New York 10980

October 23, 2012
1:00 p.m. to 4:00 p.m.

PRESIDING:

Senator George D. Maziarz
Chair

SENATE MEMBERS PRESENT:

Senator David Carlucci

Senator William J. Larkin, Jr.

ASSEMBLY MEMBERS PRESENT:

Assemblywoman Nancy Calhoun

Assemblyman Kenneth P. Zebrowski

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SENATOR MAZIARZ: My name is George Maziarz. I'm the New York State Senator in the 62nd Senatorial District, which is far away from here, the Niagara Falls-Western New York-Buffalo region.

I'm Chairman of the Senate Energy and Telecommunications Committee. I've been the Chairman for a number of years.

I am here today at the request of my good friend and colleague for many years, Senator Bill Larkin, and, Senator David Carlucci, a friend and colleague for not as many years.

When I walked in here today, a young man came up to me and said, "Are you Senator Carlucci?"

And I said --

[Laughter.]

SENATOR MAZIARZ: And I said, "No. He's younger and better looking than me."

So --

[Laughter.]

SENATOR MAZIARZ: So -- but it's always a pleasure and honor for me.

We had to start just about on time because, you know, Senator Larkin runs the New York State Senate just like he ran the Army. You know, I mean,

you say 1:00, you start at 1:00. And nobody dare disagrees with Senator Larkin.

We are also joined by two of our colleagues on the Assembly side:

Assemblyman Ken Zebrowski.

Thank you very much for being here, Assemblyman;

And, also, Assemblywoman Nancy Calhoun.

Nancy, thank you very much for being here.

This hearing will come to order.

I want to welcome everyone to this public hearing that concerns the future of our state's energy transmission and generation infrastructure, and focuses particularly on the impacts of the proposed Champlain-Hudson Power Express.

I would like to thank my colleagues, as I've done, for inviting me here today to Stony Point in Rockland County.

This is an official public hearing of the Senate Energy and Telecommunications Committee. This Committee is recorded, and there will be a transcription made.

And, as such, only those who have been invited to participate may provide testimony.

If others would like to submit written

comments, you can provide them to my staff that are here, or send them to us at the hearing, or get them to one of your representatives here, either Senator Carlucci, Senator Larkin, Assemblyman Zebrowski, or Assemblywoman Calhoun, and we will make sure that they are made a part of the record.

We are here in Stony Point because this is a major flashpoint in the fight over whether New York State should continue to control its own generation and transmission future, or whether we should simply outsource our citizens' property, jobs, and energy needs to another country.

"Not another state, but another country."

I would be remiss if I did not thank Senator Larkin and Senator Carlucci for their advocacy on behalf of this community, and thank them for all their hard work on this very important issue which the Energy Committee has been dealing with now for some time.

This is a very important fight because, in so many ways, the power-generation industry is the last great manufacturer left in our state. Wrong-headed federal and state policies have already outsourced many of our state's manufacturing jobs, and we

simply can't afford to do the same thing to our energy industry.

Beyond the economic concerns, and perhaps more importantly, we are here in Stony Point because this is where the CHPE line comes out of the water and begins to impact local people and their property.

At a meeting held here in June, Mr. Jessome, the president and CEO of the company -- who we'll be hearing from -- developing this line, was pressed to answer one very simple question: Will CHPE require the use of eminent domain here in Stony Point?

Mr. Jessome did not, at least in my opinion, answer that question directly. We are hoping to get that answer today.

In spite of the fact that, following a press conference I held in May opposing this line, Mr. Jessome informed the press that they would not use eminent domain, in other publications, he indicated that eminent domain may be necessary.

That's why this hearing is so important.

The Public Service Commission started a proceeding on this project in 2008; and, yet, public information has been scant, and the voluminous

filings at the Commission have left many questions unanswered and simply not addressed.

The voices of those that will lose their property from the construction of this line were never heard from;

The voices of the workers who will lose their jobs were silent;

And the voices of the common person, whose rates may very well go up, had no advocate.

Today, those people have a voice in this forum, and we will get to hear directly from the developer about what his intentions truly are.

I have a viewpoint about CHPE.

This project would create very few jobs. It would bypass every generator on the way and simply dump government-subsidized power into New York City.

Worse, this will devastate upstate generators, eliminate thousand of jobs.

And according to the chief economist at the Public Service Commission, cost upstate electric rates to increase while city rates decline.

The developers claim the cost will be roughly $2 billion and the ratepayers will not be asked for a dime.

Two years ago, the New York Power Authority built a power line across the Hudson River, from New Jersey into New York, a distance of only a few miles. The cost was nearly $1 billion.

Yet, we are told that this project running under the Hudson for 300 or so miles would cost only 2 billion.

Con Edison says that this project will cost at least 11 billion, not the $2 billion the developer's telling us.

If they are correct, and I believe that they are, who will pick up the remaining $9 billion?

My guess is, that you and I will, ratepayers in the state of New York.

Not only will this project create no long-term jobs, it's aim is to close a nearby facility, Indian Point Energy Center, that employs 1,300 people, pays tens of thousands -- I'm sorry -- pays ten of millions of dollars in property tax, and has a stellar safety record.

CHPE is not just uneconomic, it's also a danger to property owners in this community.

In my view, this project will use eminent domain to take away New Yorkers' property they can't get homeowners to agree to sell right

here in Stony Point.

It will run through a Revolutionary War-era cemetery and make the final resting place for American heros just another job site.

This is wrong, and we can't allow it to happen. And I know that, certainly, my colleague Senator Larkin will never let that happen.

That is why, I, along with Senator Larkin and Senator Carlucci, have proposed Senate Bill S7391, a bill that prohibits projects like CHPE from using eminent domain. This will effectively kill this project and others like it.

I need your help to make this bill a reality.

Senators Larkin and Carlucci are already co-sponsors, but we need to hear your voice, the voice of the people loud and clear, if we are going to pass this bill and to defeat this power line.

I've traveled here from Niagara County today to let you know that I stand firmly with you, the good people of Stony Point and your representatives, in your fight to protect your homes and your heritage.

I look forward to the testimony.

We are going to start with Tom Rumsey from the New York State Independent -- I'm sorry -- the

New York Independent Systems Operator.

Mr. Rumsey -- oh, first, I'm sorry, Tom. I apologize.

Before we do that, I do want to ask, first, Senator Larkin if he has any opening remarks.

Senator?

SENATOR LARKIN: Senator Maziarz, I just want to tell you how appreciative I am that you took to our request for a hearing here, so that it's not just a hearing, but it is a Senate Energy hearing, so that everybody in this state that's looking at this project will know that this is just not a fly-by-night hearing.

This is an official hearing. There's transcripts will be made available.

And I just thank you very much for coming to our attention -- coming to our aid, for our people in our district.

Thank you very much.

SENATOR MAZIARZ: Thank you, Senator.

Senator Carlucci?

SENATOR CARLUCCI: I want to echo what my colleague Senator Larkin has said, and thank Chairman Maziarz for traveling from the far stretch of New York, all the way over here to Stony Point,

to make sure that the residents of Stony Point are heard load and clear.

I want to thank Susan and Laurie, Rebecca, Michele, Barry, the local residents here in Stony Point, that once they started to get educated about this issue, and finding out, they realized they didn't have the answers.

So, I want to thank all of you for really making sure that we drill down, get the facts, and hear from the experts about what this really means for Stony Point, for Rockland County, and New York State as a whole.

So, again, I want to thank Senator Maziarz and Senator Larkin for teaming up and holding this hearing today, and making sure we can get answers to these important questions.

Thank you.

SENATOR MAZIARZ: Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: Thank you, Senator.

I just want to thank my Senate colleagues first of all, Chairman Maziarz, and, of course, Senator Larkin, and Carlucci, and Assemblywoman Calhoun, for allowing me here today.

My district starts a little bit to the south, in the town of Haverstraw; however, there's

various concerns that I think, we all represent Rockland County as a whole, have with this project.

And, specifically, Senators Carlucci, Senator Larkin, Assemblywoman Calhoun, and I, represent a school district that contains two power plants, as you said, Senator, that it's bypassing right past generating facilities which are right down in the town of Haverstraw.

So, I thank you for allowing me to take part in this hearing today.

SENATOR MAZIARZ: Thank you, Assemblyman.

Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Good afternoon, and I thank you, Senator Maziarz, for being here.

For 22 years, I've had the privilege of representing 20 years of it here in Stony Point.

I grew up in Rockland County, I love Rockland County, and I am here to say, also, that we need to be absolutely certain before we even consider having someone come in, desecrate land, and leave us with nothing but a power area without benefits for the people of this area.

So I'm very pleased to be here, and thank you for the invitation.

And, I think it's very important that you all

get a chance to speak.

Across this audience, I see Orange County -- Rockland County --

Excuse me, I'm from Orange.

-- Rockland County legislators, local town officials, and many, many people who are here just to let their voices be heard, and to also let their ears to listen.

So, thank you very much.

SENATOR MAZIARZ: Thank you, Assemblywoman Calhoun.

And now we will go to Tom Rumsey from the New York Independent Systems Operator.

Tom.

THOMAS RUMSEY: Yes, sir.

And, thank you, and good afternoon, Chairman Maziarz, and members of the Legislature.

My name is Tom Rumsey, and I'm the vice president of external and regulatory affairs for the New York Independent System Operator.

We take our responsibility to serve as the source of objective information on energy issues very seriously, and we appreciate the opportunity to speak today.

For those that may not be as familiar with

the New York ISO, I think it's important to lay a couple of important framework positions down, one of which is, we are a non-profit organization, so we are not driven by profits in any way;

And, second, we are independent and, so, we try to keep our analysis on the technical side.

The NYISO is responsible for performing several vital functions for New Yorkers.

Our primary mission is to reliably operate New York's bulk electric system in accordance with all national, regional, and state requirements.

[Cellular telephone interruption.]

THOMAS RUMSEY: If that's my mom, tell her it will be on the counter.

[Laughter.]

UNKNOWN SPEAKER: Don't hold your breath.

THOMAS RUMSEY: We also administer New York's competitive wholesale electricity market to satisfy electrical demand, and provide open and fair access to the power systems for new transmission lines and generators.

In addition, we conduct comprehensive electrical-system planning, taking a close look at long-term needs, soliciting and evaluating projects to meet those needs.

I have provided written testimony, detailing the NYISO's planning process, and the status of the Transmission Developer, Incorporated, Champlain-Hudson Project Express currently in our interconnection study queue.

The New York Public Service Commission has the primary authority, under the New York State law, for the siting of electric-transmission facilities; however, developers seeking to conduct electrical and transmission facilities in New York State are subject to our interconnection-study process.

For purposes of today's hearing, Senator, I would like to review the overall state of the grid in New York, and to make a few brief points.

First, in regards to the state of the grid, we are in a fortunate position to have excess capacity versus demand.

Over the last 12 years, since the advent of competitive markets, we have seen significant investment in generation resources, the advent of demand-response programs and companies, and transmission build.

After years of steady growth, however, in 2008 and '9, we saw the largest decline in energy demand since the Great Depression.

Since 2010, moving forward, we have seen modest increases, but we remain at pre-recession levels.

I think it's important to understand the state of the grid right now throughout New York, as we are in an oversupply status.

According to our most recent analysis conducted earlier this year, we have enough resources to meet the current and forecasted electric demand in New York State to the year 2020.

The second point I'd like to make is, regulatory certainty, and clear and coordinated public policy, play crucial roles in continued private investment in our power grid.

For the energy industry, this truly does initiate at the national level.

And for example-purposes only: We're in a position now, where the production tax credit for wind power is set to expire at the end of the year at the national level.

In the last 10 years, when we've seen that expire, you have seen up to a 90 percent decrease in wind installations the following year.

Imagine trying to run a company, when you go from 12 gigawatts this year to less than one next

year in the United States.

New York is not immune to that cycle.

Regulatory uncertainty also makes development and investment in new resources more difficult.

Fortunately for New York, we have taken important steps toward providing more of that regulatory certainty.

The Power New York Act of 2011, sponsored by yourself, Senator Maziarz, reestablished the State Siting Board for major electric-generating facilities. This ended a nearly decade-long absence of State power-setting law.

The new Act sends a clear and consistent signal to potential developers.

Similar, in 2009, the Legislature acted to reestablish the New York State Energy Planning Board, of which we were codified in that law as the technical resource.

With its comprehensive and inclusive planning process, the development of the state energy plan offers a valuable venue for the coordination and integration of economic, environmental, and energy considerations in the development of state-policy initiatives.

However, I would caution, it's critical that New York recognize both the cumulative effects of policies and the time necessary for this industry to respond.

We are a long-cycle industry. And, as you would hear at any trade event in the nation, we can respond to anything, given the time and the clarity of the rules.

And the final point I would like to make, is that it's essential to recognize New York's electric-system infrastructure is aging.

Today, nearly 60 percent of New York generation capacity and nearly 80 percent of the high-voltage transmission system was built pre-1980.

Modernizing the grid and -- provides an opportunity to both sustain and enhance the reliability.

Our electric system, and the quality and dependability of the power it provides, is essential in New York's future prosperity, and the key element in the worldwide competition for jobs.

The New York Transmission Owners, with technical support from the NYISO, recently completed the New York State Transmission Assessment and Reliability Study, known as "STARS."

That study estimated that more than 40 percent of New York's transmission lines will need replacement over the next 30 years at a projected cost of $25 billion.

Regarding -- or, rebuilding and upgrading the transmission system would enable a more diverse set of generating resources to meet New York's electricity needs.

By improving the capability of the transmission corridors, New York could increase its ability to move electricity from generating resources in the western and upstate regions to downstate load centers.

It also gives us the opportunity to further develop wind resources, predominantly in the north and in the west.

Governor Andrew Cuomo's call for a private-sector-funded Energy Highway sends a strong signal that New York interests in addressing our energy infrastructure needs.

The data and analysis developed by, both, our planning process, as combined with the STARS report, are helping to inform the implementation of that Energy Highway.

It's encouraging to note that the

Energy Highway Initiative envisions developing these steps consistent with competitive wholesale markets.

So, in closing, the three points I'd like to make is:

In the short term, outlook is very positive, but we can't lose sight of the long term;

Second, regulatory certainty is a catalyst for investment in New York State;

And, third, our aging infrastructure needs to be upgraded, not simply replaced, when the age and the condition of those lines dictate that over the next several years.

Thank you, Chairman Maziarz, for this opportunity to assist your Committee in examining these issues, and I look forward to addressing any questions you might have.

SENATOR MAZIARZ: Thank you very much, Mr. Rumsey.

And, I will start off the questioning, and then turn to my colleagues.

So, you know, given your statement there, would it be fair to say that it's the opinion of the ISO --

And keeping in mind that you are completely a

not-for-profit, you're not a government agency, you're not a for-profit agency. If anyone is objective in this whole issue, I would think it would be ISO.

-- so what you're saying then, or at least what I think you're saying, you tell me if I'm wrong, that, based on your 2012 reliability-needs assessment, which you looked at power generation and transmission in the entire state of New York, and the needs, and the future needs, for the entire state of New York --

THOMAS RUMSEY: That's right.

SENATOR MAZIARZ: -- given the STARS report, and given the Governor's recent announcement that -- or, the Governor's recent proposal on TRANSCO, to improve the transmission of in-state generated power, that you think that will, long term -- I mean, you talked about, I think -- or at least I think you talked about, you know, we -- right now, in the short term, you don't have -- we don't have problems, but --

THOMAS RUMSEY: That's correct.

SENATOR MAZIARZ: -- you know, you have to think long term, that that would resolve those long-term issues, the TRANSCO solution?

THOMAS RUMSEY: The Energy Highway.

SENATOR MAZIARZ: Right.

THOMAS RUMSEY: The TRANSCO is a -- is a -- is a -- I believe it's a response from the Transmission Owners to provide a number of projects that meet the energy levels.

SENATOR MAZIARZ: Right, the Governor's --

THOMAS RUMSEY: Yeah.

SENATOR MAZIARZ: Yes.

THOMAS RUMSEY: Yeah.

You're correct, in the 2012 RNA, sir, we looked at, from today, going forward ten years, we take into account weather patterns, economic forecasts, energy efficiency, and a number of variables, and calculate -- demographic changes, and calculate the demand, from today, over the next ten years.

We currently see no need for additional resources, in terms of generation, until the year 2020.

The challenge that New York State's grid has, as you are very aware, is there are -- there is congestion within the tran- --

Bulk transmission system, that doesn't allow for the free fill -- free-flowing of electrons

across the state.

And, we believe that the catalyst of the aging infrastructure and the opportunity that that brings is an incredible opportunity for the state, to not only replace those assets, but to improve by, as the STARS report has, 1,000 megawatts, the ability to move from power.

And I think that competition within -- will provide the opportunity, as we've discussed, in the western side of the state, the northern side of the state, and it gives us a much more flexible grid to meet reliability requirements, moving forward.

I would caution, there's no silver bullet. And it's very difficult, if the economy -- there's -- there's always five arrows in a forecast, of high low, medium, and then a couple scenarios, that all resources add value. It's just a matter of the calculus as to which is more valuable.

SENATOR MAZIARZ: Second, and last question, before I turn it over to my colleague, is, is the capacity for generation in the western part of the state.

I mean, where I am --

THOMAS RUMSEY: Yep.

SENATOR MAZIARZ: -- there are generators

that are either shut down, totally --

THOMAS RUMSEY: Correct.

SENATOR MAZIARZ: -- mothballed -- not taken out of service, but mothballed -- because, they can produce the power, they just can't move it to the area where it's needed.

There's enough generation currently in New York State, right now, isn't there?

THOMAS RUMSEY: There's absolutely enough generation.

I think if you were to have a completely unobstructed transmission system, we have roughly 4,000 megawatts of excess capacity across the state.

There are really two challenges for a lot of the generation in this state, one of which is, the binding of the transmission system.

But I think overarching is, the cost of natural gas today. The -- no one forecasted it, natural gas, at two and three dollars for extended periods of time.

Within the fossil fleet, that makes natural gas, by far, the most economic solution, and it's really made other fossil generations struggle to compete.

SENATOR MAZIARZ: Thank you.

THOMAS RUMSEY: Yes, sir.

SENATOR MAZIARZ: Senator Larkin, any questions?

SENATOR LARKIN: Tom, you covered a lot of areas in a very short time, and I hope that people were paying attention to it. And I hope that if they do need further, they'll come and get a copy.

But, you know, you had a reliability-needs assessment. You identified a lot of things.

And the question comes up about the downstate region.

And are there projects in this Energy Highway that would find this of need?

THOMAS RUMSEY: Find projects down in this area?

Well, first, there are -- there are current projects in our interconnection queue for this area. We've had a couple of generation resources come online in the last 12 to 18 months, and we've got two more currently in our interconnection queue for generation resources.

I've not seen a final project list. I believe the next step in the Energy Highway is to develop that project list, and then determine.

As you know, the Energy Highway put a large request out for a number, and I think they've received close to 100 projects submitted.

Now, the analysis of, What happens if you do this one, do you need this one? and that balancing act has to occur to get the optimum mix of all those resources.

So until we get to that point, it's going to be difficult to identify anything specific in the country -- or, in the state, excuse me.

SENATOR LARKIN: May I say something?

SENATOR MAZIARZ: Sure.

SENATOR LARKIN: Ladies and gentlemen, Tom is a combat veteran of Iraq and Afghanistan, and I want to thank him publicly, as one who served in combat and [unintelligible] --

[Audience applause.]

SENATOR LARKIN: Thank you very much for your service, Tom.

THOMAS RUMSEY: And as we often say: We stood on the shoulders of giants, like yourself, who served in World War II and Korea.

So thank you for your service, Senator.

SENATOR LARKIN: Thank you, Tom.

[Audience applause.]

SENATOR MAZIARZ: Senator Carlucci?

SENATOR CARLUCCI: Well, Tom, thank you --

THOMAS RUMSEY: I hope you're as nice.

[Laughter.]

SENATOR CARLUCCI: Well, thank you.

Thank you for your service.

THOMAS RUMSEY: Yes, sir.

SENATOR CARLUCCI: Thank you for being here today.

Now, in your opinion, what do you believe the cost savings would be to the community of Rockland, or the Hudson Valley, with the Champlain-Hudson line?

THOMAS RUMSEY: For the Champlain-Hudson line?

Our analysis to date has been, predominantly, one of the technical interconnection. So, I'm really not trying to dodge the question. We simply haven't done the math on that yet.

Where we -- where we are in our process is, we look at the interconnection queue. When a new project comes in, we do a high-level analysis as to:

If they connect, does it affect the reliability of the grid?

Can they come in and not have a detrimental

effect?

The second phase then, is a more detailed look, is, if do you plug into the grid, are there other systems that need to be upgraded?

The developer bears the cost of those upgrades.

For example, a new transformer has to come in. They have to pay for those upgrades as part of their project.

And then, ultimately, they get into a classier process, where projects -- all of the projects of a given class year are analyzed together, because, if you put one here, and you put one here, it may put a strain on the system that no individual project might have.

And, so, that cost has to be captured and then socialized, based on who's causing the issue, if you will.

So we -- we're in -- in the middle of that third stage. And, then, that's when we get into the economic analysis for, you know, whether they want to fill capacity, and those kind of -- those kind of projects.

So, unfortunately, I -- we just don't have that information for you yet.

SENATOR CARLUCCI: Okay.

And just one other question:

You talked about 2020. The year 2020.

What do you believe happens after 2020?

THOMAS RUMSEY: Well, the -- yeah, that's a great question.

And, so, our RNA puts out -- we analyze both generate -- all resources, generation, transmission, and, we then go to the market for -- we solicit the market for solutions.

So it isn't -- we don't simply say: There's an issue out there, I hope someone fixes that.

Our goal is the competitive markets. With the right information, developers will come forward with projects to address those needs.

So, we do economic planning, we do reliability planning, that is there to inform developers where -- where, and what types of projects, would best serve both New York and for capital investment.

So once a need is identified, then we do a call for solutions, for the marketplace.

If that doesn't materialize, then we always have the regulated backstop, where the PSC can direct the transmission owner to come up with a

solution.

So, reliability is number one. And as long as -- that's what we're primarily focused on, that the lights stay on.

So there's -- competitive markets have done an incredible job of meeting that demand, but there is a backstop to ensure that the lights remain on.

ASSEMBLYWOMAN CALHOUN: Nancy Calhoun here.

SENATOR MAZIARZ: Assemblywoman Calhoun.

ASSEMBLYWOMAN CALHOUN: Thank you very much.

I have a question that relates to this, but it's a little different.

When you're computing the value and the amount of capacity there is through 2020, are you including the fact that Indian Point would remain online?

THOMAS RUMSEY: Indian Point is in our base case, yes.

ASSEMBLYWOMAN CALHOUN: Okay, so that would be included --

THOMAS RUMSEY: That's right.

ASSEMBLYWOMAN CALHOUN: -- so if something -- because the Governor, as everyone's aware, is seeking to close it.

And most of the people who are in this room

look upon it -- and I just want to, if we have the record, just state for this -- that during the years I've represented this community, I have done surveys. And, overwhelmingly, the people have either felt that Indian Point was fine; but more so, that they were comfortable so long as it was safe.

And as we're here today, safety is so important, as is reliability.

But, I thank you -- I also thank you.

As the mother of a Navy flyer, I thank you for your service. And --

THOMAS RUMSEY: I was an Army pilot, so, Navy pilots --

[Laughter.]

ASSEMBLYWOMAN CALHOUN: Okay.

THOMAS RUMSEY: But, yes, ma'am --

ASSEMBLYWOMAN CALHOUN: Well, at any rate, thank you for being here.

THOMAS RUMSEY: -- Indian Point is in our base case. But, we also do a scenario, as if -- as if, it's out of base case, where the uses would come in first.

ASSEMBLYWOMAN CALHOUN: Okay. So, then, there would be -- there would be something different that would be --

THOMAS RUMSEY: Very much so.

ASSEMBLYWOMAN CALHOUN: Thank you very much.

SENATOR MAZIARZ: Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: Thank you, Tom, for joining us. And, certainly, thank you for your service as well.

THOMAS RUMSEY: Yes, sir.

ASSEMBLYMAN ZEBROWSKI: My question: When you did this analysis of this project, and other projects, have you looked at other facilities that are around, that have perhaps become a bit out of date, are producing energy, such as the Bowline facilities down in Haverstraw, but would be perhaps closer to New York City, willing to perhaps retool with clean energy, and to provide the same type of power, and, certainly, jobs and economic development, more local?

And how would -- and was there any interplay with that, with your congestion?

THOMAS RUMSEY: Yeah, when we do the RNA, we look at, not only new facilities that are in the queue or new requirements, but also forecasted retirements.

So we look at, you know, for every generation facility in the state, we know their cost structure,

we know their heat rates, we know whether, you know, by and large, whether they're profitable. We look at environmental regulations that are coming and how they'll impact the generation fleet.

We have one scenario that -- as Assemblywoman Calhoun mentioned, the Indian Point, in and out, we had one scenario, as if all coal were to retire, based on the potential of some of the regulations coming in very quickly, and their difficulty in competing with natural gas.

So we looked at that scenario as well.

We don't take into account, in our analysis -- our analysis is, very purely, technical. We don't calculate the value of, these 30 jobs mean this one should be more than that one.

It truly is a competitive marketplace, where, we provide policymakers, industry experts, and our market participants with the information in which to make those investment decisions.

Whether or not to repower is the decision of the company, and then they've got to be able to compete.

SENATOR MAZIARZ: Thank you, Assemblyman.

Thank you very much, Mr. Rumsey.

We appreciate your testimony here today.

THOMAS RUMSEY: Thank you very much.

SENATOR MAZIARZ: Our next witness is Donald Jessome, president and CEO of Transmission Developers, Inc.

Mr. Jessome.

Thank you very much, Mr. Jessome, for being here today. We appreciate your willingness to attend the hearing, and to testify.

DONALD JESSOME: Oh, my pleasure.

I'd like to begin by thanking the New York State Energy and Telecommunications Committee once again, its members and staff, for giving me the opportunity to once again talk about the Champlain-Hudson Power Express project, and the benefits that it is going to bring to the state of New York.

Transmission Developers, or, "TDI," the company that I lead as the president and chief executive officer, appreciates the importance of the work done by the Committee, and the opportunity to testify here today.

As we have done in the past, and will continue to do in the future, we are always willing and eager to assist the Committee in providing it with the information it needs in order to perform

its function.

As I noted when I testified before the Committee at the hearing held last month in Somerset, New York, a great deal of information about the project can be found at our project's website, which is in my testimony; and, also, the Department of Energy's Environmental Impact Statement website, which is also in my testimony.

In addition, TDI has made a submission regarding the project as part of the Governor's Energy Highway Initiative. A link to this submission is available on the project's website, and on the Energy Highway's website as well.

Furthermore, the record developed before the Public Service Commission with respect to this project, which bears the PSC case number, 10-T-0139, is extensive, and every document filed in this case is available online from the PSC as well.

This project will bring 1,000 megawatts of clean, hydro- and wind power to New York using two, approximately 5-inch diameter high-voltage direct-current cables, which will be buried in waterways and along railroads and highway rights-of-way.

A converter station will be built on land

owned by Consolidated Edison in Queens, to interconnect with their alternating-current system.

The project offers many benefits to the entire state of New York, which I covered at the last hearing. That testimony has been submitted to this Committee, and we are glad to provide it to any interested party as well.

While I will touch on many of the benefits, I want to use my time here today to address issues that are more important to the people of Rockland County, which is one of six upstate communities where the project will be buried under railroad and highway rights-of-way.

TDI has made a consistent effort to meet with the public at locations along the pathway, including here in Rockland County.

To that end, we have participated in two dozen -- in over two dozen public meetings, including two in Rockland County, and we have met with local agencies and legislative committees in Westchester County.

We anticipate there will be more hearings when the Department of Energy releases its Draft Environmental Impact Statement in a few months, and we welcome the opportunity to hear

from the public.

These public meetings are in addition to the meetings, our engineering team, and other TDI officials have had with local officials and planners in the communities along this pathway.

We have had several meetings with Stony Point officials, and we continue to have many more as we move forward.

We are committed to keeping the community informed and creating as little disruption as possible for these host communities.

In an effort to provide even more information to the residents of Rockland County, TDI will be holding a hearing in this very room on November the 7th, starting at 7 p.m.

I said that it is from 7 to 9, but given this turnout, I suspect I'll be here past 9:00.

I will be joined at that meeting by the members of our team, who will answer questions from members of the public, in an effort to get as much information as possible out to the public about our current plans.

We look forward to the dialogue, and we will have the community meeting on November the 7th.

I'd like to offer an update about the team we

have assembled to address engineering, design, and construction issues.

Last month we named our new vice president of engineering and construction, Woody Crouch, who has a long and distinguished career with the New York Power Authority.

Woody's experience in the transmission area dates back over three decades, to the time when he supervised the construction of the Marcy South transmission line for the Authority.

Soon after Woody came on board, TDI also retained AECOM, one of the world's leading technical and management support-services firm, to oversee the construction of the project.

Now, with respect to Rockland County and to the all -- and to all of the other upland portions of the project, I'd like to address some specific points.

Local property taxes:

In the portions of the projects that are buried on land, the project will pay property taxes. Based on current estimates, this comes -- this comes to at least 20 million per year in local property taxes to host communities and school districts.

In Rockland County, over -- our last estimates show that we will pay approximately 800,000 per year in property taxes.

Over the 40-year life of this project, that amounts to $32 million in new revenue to the area.

Furthermore, since the line will be buried out of sight and virtually maintenance-free, it will not place any additional demands on the host communities.

In addition, our project will not stop any other new development from occurring. It will not use the area's roads, schools, or social services; rather, much like any other piece of public infrastructure, it will reside unseen, safely buried underground, while it is providing significant public revenue for the localites it's in.

It should also be noted, we will pay tens of millions of dollars to the State of New York for the use of the waterways the project will occupy.

According to studies done by London Economics, it is estimated that the project will reduce energy prices paid by New York consumers by $650 million per year.

The New York State Public Service Commission

has done studies that have concluded that the project will save ratepayers on their electric bill. These savings are why groups that represent energy users, such as New York Energy Consumers Council, strongly support the project.

While the cables will interconnect in Astoria, Queens, Westchester, Rockland County, and the Lower Hudson Valley are expected to realize significant savings as well.

Our estimates show that 20 percent of the consumer savings of the 650 million per year are realized in this area.

The lower prices -- the lower prices delivered by the project will not only benefit New York ratepayers, but the economy as well.

The 2.2 billion private-sector investment will create, on average, 300 construction jobs per year, for 3 1/2 years.

Unions, such as the Laborers' International Union of North America, and the International Union of Operating Engineers, support the project and the jobs it will create.

Once in service, the lower prices -- the lower energy prices that will result from the project will create an estimated 2,400 induced and

indirect jobs across a wide spectrum of the economy.

And all of these facts and figures that I'm presenting today are fully available on our website.

When we started developing this project, one of the guiding principles that was used, was to use natural and pre-existing man-made corridors to create trans -- to create a transmission line that would preserve viewsheds and respect the environment.

This is precisely what our project will do.

Using natural rights-of-way, like Lake Champlain and the Hudson River, along with privately owned corridors, like Canadian Pacific and CSX rail lines, the project avoids disruption that other proposals create.

Specifically, as our project relates to Stoney Point, we are aware of the cultural resources located in this historic town, and we will work to make sure that we do not disrupt places like the Waldron Revolutionary War Cemetery.

To that end, we have hired additional consultants to review these areas, and we have been working with town officials and the New York State Historic Preservation Office, to ensure that

these important resources are protected.

We treat all cultural resources we encounter throughout the entire 333 miles with the utmost respect and seriousness.

Also, I'd like to reiterate that TDI intends to negotiate with all private landowners with respect to developing the project. Our goal from the beginning has been to acquire the property we need through commercial negotiations, and that remains our objective.

No homes will be taken as a result of the development of this project, and just as is the case with cultural resources, we treat private-property rights with utmost respect.

As you know, the PSC process for the development of this project has been ongoing since March of 2010 and the record before the Commission is exhaustive.

The benefits I have discussed in this testimony, as well as the testimony presented on September 25th, make a compelling case for the project.

New York needs a project that would lower power prices, create cleaner environments, and a stronger, more diverse energy grid, and enjoys

broad and deep support.

We feel our project meets all of these criteria.

Thank you again for the opportunity to speak, and I look forward to your questions.

SENATOR MAZIARZ: Thank you very much, Mr. Jessome.

And I again just want to reiterate that I very much appreciate you coming to this hearing.

The last hearing that we held in the town of Somerset, I -- I have to believe it's probably not easy to attend a hearing like this, for yourself.

DONALD JESSOME: Thoroughly enjoy it.

SENATOR MAZIARZ: Maybe not the most pleasant thing that you can think about doing, but --

[Laughter.]

DONALD JESSOME: But these are a necessary part of the process, and I completely understand that.

SENATOR MAZIARZ: They certainly are.

So, I think that I will start off the questioning. I know that -- I'm sure all of my colleagues have questions.

And I would just, you know, come right to the point, and ask you: Is there any way, shape, or

form that your company would consider using eminent domain if they cannot negotiate a settlement with a landowner?

DONALD JESSOME: Our plan, first off, is not to be on any land that is -- that we're not going be negotiating with. So whether that's CP, Canadian -- Canadian Pacific, CSX, we have painstakingly worked to ensure that we are on no residential properties. And we've been refining that.

And I very much look forward to coming here on November the 7th, to have our team, literally, do a mile-by-mile, foot-by-foot, plan in front of this community, to show how we are not going to be taking people's property.

SENATOR MAZIARZ: See, I think part of problem is that -- that -- I mean, you're saying that now, but in -- in previous meetings, perhaps, that, clearly, people walked away with the idea that -- that you would be using eminent domain.

And I believe, actually, that at a town board meeting here in Stony Point, that you specifically said that you would use eminent domain.

[Several audience members say "Yes, you did," and then make other remarks.]

SENATOR MAZIARZ: Well, excuse me. Let --

please, let the witness answer the question.

DONALD JESSOME: I can assure you, that if I said that, that it was -- it was a total mistake, because I -- our plan has never been eminent domain.

You know, if there was confusion, I apologize to this community.

We do not plan on using eminent domain because we do not plan on going through people's property.

SENATOR MAZIARZ: Well, that sort of begs my next question, Mr. Jessome.

Then, you would not oppose Senator Larkin and Senator Carlucci and my bill then, that would --

DONALD JESSOME: I wouldn't support a bill that is specific to a project.

If it was a broader bill that was similar to the Energy Highway, which was a much more comprehensive review, then certainly we would consider supporting.

SENATOR MAZIARZ: Thank you.

I have other questions, but I'm going to turn it over to my colleagues right now, because I'm sure they have many.

Mr. Larkin, would you like to start?

SENATOR LARKIN: Mr. Jessome, thank you very

much for coming.

DONALD JESSOME: Oh, my pleasure.

SENATOR LARKIN: I have a couple of questions.

When you talk about the property tax here, it says 800,000 to Rockland County, what do you estimate the assessed valuation will be on some town assessment rolls?

DONALD JESSOME: That is actually all filed with our PSC hearing, but it's approximately 2 percent of the capital cost of the project for the area that we will be traversing through this community.

SENATOR LARKIN: My other question is: London -- you had a company called "London" --

Sorry, but I had cataract surgery, it still doesn't work.

[Laughter.]

SENATOR LARKIN: -- "Economics" did the study for you.

Who paid for this study?

DONALD JESSOME: I did, our company.

SENATOR LARKIN: Raises a few questions, if you can hear the voices in the air.

DONALD JESSOME: You know, certainly, we have

to run our own economic analysis, because that's obviously important to us, because we have to figure out the benefits of the project.

But we didn't do this on our own.

Through the Public Service Commission, in the Article 7 siting process, that's one of the key components that they do. They look at, not only the environmental, the construction, but the economic benefits as well.

And, so, the Public Service Commission has done their own analysis.

We may not be exactly on top of one another, but we certainly are within a band of economic benefits that we consider to be virtually the same.

SENATOR LARKIN: And, lastly, eminent domain, I have seen that in my district, which is three counties now.

I've seen that destroy some vital projects that belong to us as American citizens.

When you talk about the Revolutionaries, in my main district, we have the National Purple Heart Hall of Honor. And we've lost projects because we fought them.

That is a place to honor those who made the supreme sacrifice for this great country.

And I take real strong objection to somebody wanting to come through and turn it over.

Some people will say: Well, it's a bunch of old cemeteries.

It isn't.

If you look at our history of our great country, you find out that that's the cornerstone of freedom and the liberty that we enjoy as Americans.

[Audience applause.]

SENATOR MAZIARZ: Thank you, Senator Larkin.

Senator Carlucci?

SENATOR CARLUCCI: Thank you.

And thank you, Mr. Jessome, for coming here today, and thank you coming on November 7th for further dialogue.

Some of the questions were asked, but more specifically, in terms of that "$650 million" number that you had mentioned, and then you talked about the 20 percent of the 650 million would be for the Lower Hudson Valley, would you be able to elaborate on that?

Because what I'm trying to get at is, pinpointing, if this project went through, what type of cost savings could we expect here in

Stony Point, Rockland County?

DONALD JESSOME: Well, just, you know, the estimates are fully available on our -- again, in our studies, in our website.

You know, 20 percent of 650 million is approximately $120 million in this community. The Lower Hudson Valley, not specifically to Stony Point or Rockland County. It's in Lower Hudson Valley.

SENATOR CARLUCCI: No, what are the -- what is your interpretation of the "Lower Hudson Valley," or, what does that make up, of?

DONALD JESSOME: It's, you know, sort of -- it would be south of the Capital District region and north of the city.

[Laughter.]

DONALD JESSOME: It is a -- I -- unfortunately --

SENATOR MAZIARZ: Excuse me.

Excuse me, please.

Let's give everyone the opportunity to be heard.

Thank you.

DONALD JESSOME: -- the --

SENATOR MAZIARZ: Mr. Jessome.

DONALD JESSOME: -- the studies that were

done by London Economics, they break them out into similar zones that the NYISO uses, so, the Lower Hudson Valley is defined as a zone within the NYISO system.

So, we have diagrams that show that general area.

SENATOR CARLUCCI: Okay.

Now, in the job creation, the 2,400 jobs, and you talked about the overall economy.

And, what -- which economy are you referring to?

Where are those 2,400 jobs? What's the scope?

Is that New York State? Is that New York City? Is it Rockland County? The Hudson Valley?

DONALD JESSOME: It's primarily where the energy cost savings are. There's no question about that.

And the whole -- where these jobs are created, is when the economy is more efficient, they can go out and hire additional people.

So, if you're not paying for electricity, you can hire additional workers as opposed to paying a power bill.

And that's where those jobs are created.

And, again, the folks at London Economics and Regional Economic Modeling, Inc., who do these macroeconomic analysis, have done a very good job of defining that across the wide spectrum of the economy. It's not just this particular segment of the economy. And, it's broken down, primarily, in this general area, the city, and in the Lower Hudson Valley, Long Island.

SENATOR CARLUCCI: Okay, so if we were to extrapolate that and really try to pinpoint a number, we would have to take that 650 million, and then take 20 percent of that, in terms of what those -- so, 650 million equals 2,400 jobs?

DONALD JESSOME: As a rough calculation, that would work. And, certainly, we could define -- you know, refine that even more if that was of interest to the community.

SENATOR CARLUCCI: Yeah, that would be great to know for the November 7th meeting. That would be nice.

The other question I had about, we heard some other speakers talk about the oversaturation.

In your opinion, do you believe -- excuse me -- that the construction of this pipe -- of this line could saturate the market, and what would that

mean?

DONALD JESSOME: So, yes, I think it was best said by the previous speaker, that, although the market today is in oversupply, these are very long-lead capital, intensive projects.

And, you know, the market will be oversupplied, but it will -- can be just as easily undersupplied.

So, our project doesn't even come online until late 2017. So, we're coming online right around the point where, just recently, the New York Independent System Operator, in its 2012 Reliability-Needs Assessment, has identified that there will be a reliability need.

So, certainly, we feel that the timing of the project is still very economic for our shippers.

SENATOR CARLUCCI: And then the question about connecting to already-existing infrastructure, could you elaborate on that, what the plans are, or -- and what it would mean for the hopes I know that we have here about updating our local infrastructure right here in the county?

DONALD JESSOME: Sure.

So, I mean, we are connecting into the AC grid of New York State by connecting into the

Astoria Complex. So right off the bat, we are connecting into the AC grid.

We've been recently asked by Assemblyman Cahill to look at potentially siting an additional converter station somewhere between the border and the city. And we've agreed to look at that, and we're going to be starting those studies this week. Actually, we'll be starting to frame that out, and that will give us a little more information.

SENATOR CARLUCCI: Now, correct me if I'm wrong; I recently have read articles where it talked about how, in other areas, that -- of this projected project that aren't on land, that it would make that -- the hookup unfeasible. And that's been a criticism.

But, here, we're on land.

Does it make it any more realistic to expect that we could have a converter station here in this county?

DONALD JESSOME: You know, it really depends on where we would interconnect, but, you know, it -- the converter station could be anywhere, from the border, you know, into the city.

And what we will look at is the economics

of where it could connect, from the perspective of, where is the best transmission interconnection point so that it would have the broadest economic value for additional generation to connect into it.

You know, certainly, an upland portion would be easier for us, just because of the fact that it's already there and it's, literally, you splice it and build a converter; whereas, if it's in the water, you got to take it out of the water, you got to move it onto the land.

So those are some of the engineering challenges.

But, ultimately, it's going to come down to the economics of it, to determine what is the optimal location.

And, so, we'll have to look at every one of those data points to figure out what is the optimal design.

SENATOR CARLUCCI: Okay.

All right, thank you.

SENATOR MAZIARZ: Thank you.

Senator Larkin had an additional question.

SENATOR LARKIN: I see by your testimony, that you're supported by some -- two labor organizations.

Does that tell me that you're going to do a project-labor agreement?

DONALD JESSOME: Yeah, absolutely.

We just -- we just received -- or, we put out our engineering, procurement, and construction contract just over a year ago. We've received the bids back.

And one of the key ingredients, is that's there a project-labor agreement built right into the EPC contract.

And, the party who we're negotiating with, as we speak, is negotiating with the unions for the construction of this project.

SENATOR LARKIN: What will be the ratio of Canadian employees versus U.S. employees?

UNKNOWN SPEAKER: That's my question.

DONALD JESSOME: Well, there will be, me, I'll be a Canadian employee.

But, otherwise, it will be U.S. employees.

SENATOR LARKIN: 100 percent?

DONALD JESSOME: 100 percent -- oh, well, sorry.

There will be some specialty folks who will be needed on the boats for the cable splicing, but that's a very minor piece of the overall design of

the project.

Of the 300 to 600 jobs, depending upon what point in time, it will be, 90-plus percent will be, mostly, in and around New York.

SENATOR LARKIN: New York City, versus --

DONALD JESSOME: Well it depends.

When we're -- when we will be in Lake Champlain, we'll be looking for local labor up there.

When we're in the Capital District region -- we're trying to match the requirements that we have with the workforce that's available to us.

SENATOR LARKIN: Thank you very much.

SENATOR MAZIARZ: Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Thank you very much, Senator.

That's a very important question.

So, the jobs that would be available would go through, both, unions, and within this area?

DONALD JESSOME: Yes.

ASSEMBLYWOMAN CALHOUN: Okay.

And would be any residual jobs that would result after the project is completed?

DONALD JESSOME: Very minimal, from an actual staff that TDI would hire.

We will need staff to actually physically run the, you know, substations, but that will be minimalist.

Where the jobs come from is really from the lower energy costs. So that, actually, that lower energy costs, as I had mentioned, is approximately 2,400 jobs that get created in the economy because of those lower energy costs.

And that's where the real big jobs' numbers are.

ASSEMBLYWOMAN CALHOUN: If you don't do this extra transmission interconnection, as Assemblyman Cahill is looking at, would we still be able to get the benefit of the energy, because you'd have to go down to Queens and hook into the AC line, and then you would have to somehow get back into the grid that feeds the Hudson Valley and other areas?

DONALD JESSOME: Right, so the -- the -- when I talk about the 20 percent in the Lower Hudson Valley, that is with the current design that we have.

ASSEMBLYWOMAN CALHOUN: Uh-huh?

DONALD JESSOME: So if -- we don't need an additional interconnection point to have those benefits flow to this community, because we're

already interconnected to this community.

Because of the AC grid system that we tie into, it is already tied into the entire state of New York's AC system.

ASSEMBLYWOMAN CALHOUN: And would you have liability insurance for after the project is in place, for anything that could potentially go wrong?

DONALD JESSOME: Absolutely.

ASSEMBLYWOMAN CALHOUN: Thank you very much.

SENATOR MAZIARZ: Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: Thank you, Senator.

I just have two questions.

My first question is: Given the prior testimony, and the information that has been surrounding this project, is it safe to say that one of your goals would be to prevent the further construction or retooling of facilities and future generation in this state, from -- or to take current facilities offline?

DONALD JESSOME: Absolutely not.

So, let me just talk a little bit about what this project is, and how we got to this point.

First off, this is -- and the previous speaker I think was very eloquent in saying this -- this is approximately a 40,000-megawatt system.

So we're talking 1,000 megawatts in a 40,000-megawatt system.

We are, at best, 2 1/2 percent of the total size of the New -- just the New York State generation system.

And if you look at the Energy Highway in particular, they did a very good job of identifying the need for the retooling and the capital-stock turnover that's going to be required for the generation and transmission system.

This project is not picking winners or losers. This is just a project that's going to lower costs for consumers.

There is -- you know, all of our studies show that the generation fleet that is here today, will be in the future, with or without our project.

ASSEMBLYMAN ZEBROWSKI: Rockland County has seen promises by energy companies broken before. Deals that have looked good to begin with end up devastating communities.

These numbers you throw out, the -- the -- both, the savings, I guess, and energy costs, as well as the property taxes, what guarantees do you give the community that these are the actual numbers, and that, five, ten years from now,

you're not in a court challenging the assessments, and --

DONALD JESSOME: Well, you know, our objective, and we've already started this in other communities, is to have a tax agreement, where we would very clearly define what the tax benefits are going to be to the community.

So, that would be what we would want to do in Rockland --

ASSEMBLYMAN ZEBROWSKI: And you anticipate them being long-term agreements?

DONALD JESSOME: As long as the community would sign for them, we'd like to do it for 40 years, if possible.

ASSEMBLYMAN ZEBROWSKI: Uh-huh, okay.

SENATOR MAZIARZ: Thank you very much.

Senator Carlucci?

SENATOR CARLUCCI: Just one question that I wanted to ask:

The previous speaker had talked about the estimates. That, the $2 billion estimate for the project cost is not realistic. They were anticipating a $9 billion overrun.

Could you speak to that?

And if that were to happen, what that would

mean to, this project? to ratepayers?

DONALD JESSOME: Sure.

So the "$11 billion" number is used a fair amount, and certainly was filed as part of the testimony of Consolidated Edison.

And, you know, I don't want to speak for Consolidated Edison, but my understanding is that their "$11 billion" figure is not the cost of our project. It's the cost of our project, plus the hydro facilities that are currently being developed in Québec, that would potentially would fill this project, and for transmission upgrades in Québec, and for transmission upgrades that will be required in Downstate New York.

So it's a -- it's a very -- you know, it's really from the water intake, all the way down into the Astoria Complex. And we are, of course, just a portion of that.

Just as an example: One of the projects this is currently being developed in Québec is $7 billion, just for the hydro facilities.

So the 11 billion is really, I think, a number not for our project, but for the entire value chain, from one end to the other.

We don't necessarily agree with that number,

but I think that's a better way to think of it.

With respect to the cost of this project, and a lot of people have questioned us very hard on this, and trust me, my investors are -- are questioning me even more than, certainly, anyone else you can imagine is questioning this, we went out for a comprehensive engineering, procurement, and construction RFP process.

We had multiple bidders who came back. And -- [technical difficulty/inaudible] -- bid numbers that came in just over a month and a half ago, we're currently in negotiations, actually came in almost virtually on top of the number that we've been carrying as our estimate since almost day one of this project.

So, you know, we are absolutely convinced that this project can be built for the $2.2 billion that we have consistently said throughout this process, as we've navigated through the regulatory world.

But, you don't have to take my word for it.

I mean, the reality is, we've made commitments to the State of New York.

The first commitment we've made, is we will not go forward with this project unless we have it

signed up for 75 percent of a shipper taking space on this line. That's a commitment that we made in the Public Service Commission's Article 7. It's in our joint proposal of settlement. It's very well documented.

So, we -- we actually went farther than other projects have gone. Other projects have committed to 50 percent; we committed to 75.

We are very confident that this project is going to be built on time, on budget, and that our customers are going to demand both of those, because they ultimately are paying for it.

SENATOR CARLUCCI: Okay.

And just two quick questions.

The -- how long do you anticipate this project to take, from start to finish?

DONALD JESSOME: We anticipate, starting in 2014, being in service late 2017.

SENATOR CARLUCCI: Okay, so, three years.

And back to the London Economics' international study from earlier this year; so in it, I noticed, on page 13, it goes into the macro impact of New York operations.

So, there, it talks about the anticipated electricity reduction or energy-cost reductions.

And in it, it talks about -- and this is what I'm just confused about, in terms of, I'm trying to figure out what this really means for us here in Rockland County, and the Lower Hudson Valley.

And it in, it says:

"Based on the" -- "an LEI analysis of the 2008 test year, the Champlain-Hudson Power Express project is estimated to reduce electricity costs by approximately 650 million per annum for New York State. 93 percent of the energy-cost reductions can be attributed to New York City and Long Island, and the rest to, Capital, Lower Hudson Valley. And, there are no projected electricity cost savings in Upstate New York."

Now, so this is saying only a 7 percent for the Hudson Valley cost reduction.

DONALD JESSOME: Yeah, I'm not sure about that, because I -- consistently, we have -- London Economics has used 20 percent.

So, I'm happy to discuss that, because I'm surprised.

SENATOR CARLUCCI: Right, so it's Part 4 of: The macro-economic impact of New York operation phase of Champlain-Hudson Power Express.

SENATOR MAZIARZ: Thank you.

Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Yes, I'd like to ask you an additional question.

Under deregulation, anyone who looks at their electric bill is going to see that the power is less than the transmission. It's running about sixty-five.

I mean, I look at mine every month.

Will the savings be on the energy portion, but will we still be charged on the number of kilowatts and pay the transmission of it?

So that, actually, you may lower, to some degree, the cost of the energy, but we will still be paying these high inflated numbers on the transmission?

DONALD JESSOME: So our transmission is not going to be in the rate base of any utility. So, our costs to build this project is going to be paid for by the shippers on our line, so it will not impact the bill from a transmission or distribution perspective.

Where it will impact is on the energy rates, because we will lower energy costs, and that's where you will see the savings on the bills.

ASSEMBLYWOMAN CALHOUN: But what I'm saying

is, we may see a reduction on those energy costs, but if you're using 1,000 kilowatts a month, you're still going to pay a transmission charge on those 1,000 kilowatts.

DONALD JESSOME: The existing transmission costs --

ASSEMBLYWOMAN CALHOUN: Yes.

DONALD JESSOME: -- that you would have paid with or without our project, you will still have to pay those.

ASSEMBLYWOMAN CALHOUN: Okay, so there will be a reduction, but it won't be on your entire bill. It will only on the portion that represents energy.

DONALD JESSOME: That's correct.

That's correct.

ASSEMBLYWOMAN CALHOUN: Thank you.

SENATOR MAZIARZ: Any further questions?

Thank you very much, Mr. Jessome.

DONALD JESSOME: A pleasure. Thank you.

SENATOR MAZIARZ: Our next witness is actually going be a group of local residents. They were invited to testify at the request of Senator Larkin and Senator Carlucci.

And I'm going apologize in advance. I am

certain, absolutely certain, that I'm going to mispronounce some of these last names.

Susan Filgueras, the president of the Stony Point Historical Society;

Laurie Cozza;

Rebecca and Wellington Casscles;

Michele [ph.] Cornish;

And Barry Brooks.

SUSAN FILGUERAS: Senator Maziarz --

SENATOR MAZIARZ: Thank you very much, Susan.

What we would very much appreciate is, if you could, I'm certain all of you would like to testify. We did this as a group, to try to consolidate and to save some time.

Again, I apologize if I mispronounced any of your last name.

Rebecca and Wellington, I'm certainly I mispronounced your last name.

Okay, Susan, are you going to start?

SUSAN FILGUERAS: I'm going to start.

And, Senator Maziarz, thank you very much for coming to Stony Point to hear our concerns.

And, Senator Carlucci and Senator Larkin, thank you.

And, Mr. Zebrowski, welcome.

We haven't seen you at Stony Point over here, but, welcome. Thank you.

And, Nancy, we've done a lot of stuff together. And, we're painting our Pyngyp schoolhouse this week.

So, thank you, thank you.

We recognize that our time is limited, and we are a panel.

I would just like to let you know that Stony Point is here. We're all the way back out in the hallway. Our seniors have come.

And, we don't believe in this transmission line.

What we are going to do is, after several weeks of trying to work our testimony, we've all surrendered.

Mr. Casscles will do the presentation, with maybe a comment here or there.

I do have one question, based on the CSX railroad construction diagrams, and it's for CHPE.

As everyone came in, we had this beautiful model of our commercial zone with a project on it. It's right out in the hallway.

That owner has said -- has instructed me to

say, he's not selling his property. He is not interested in an easement.

I would like to know, based on CSX construction diagram, we are 25 feet off the center rail, with an additional 40 feet of construction.

There is no room.

The deviation zone, is simply the property they would like to acquire.

What will they do when that commercial resident of Stony Point states, "No, I am not selling"?

Now, very quickly, I have several testimonies from each resident of, Beach Road, John Street. They don't want to sell their homes. They don't want this transmission line.

Can CHPE answer, will eminent domain be used to take their homes from them?

And since we're in a word game, CHPE does not do the eminent-domain process. New York State government does the process.

So they're not doing it.

How about that?

But they're going to ask you to do it.

Can you get an answer, will they use eminent domain here in the town of Stony Point?

SENATOR LARKIN: He already asked that, right away, from Mr. Jessome. He gave the answer.

REBECCA CASSCLES: Excuse me, Senator Larkin.

I'm Rebecca Casscles. I'm the young lady that asked Mr. Jessome at the June 26th meeting, if he was planning on using eminent domain.

We did a little dance, we tiptoed through the tulips, and finally I said to him: This is a simple yes or no answer.

To which Mr. Jessome replied to my question with, "Yes."

So at that time, he was planning on doing eminent domain.

I just want to put that on the record: He said, "Yes."

SUSAN FILGUERAS: Okay.

Now, we will show you now, Rebecca, why we believe eminent domain is the only way to get through Stony Point.

Are you ready, Mr. Casscles?

WELLINGTON CASSCLES: Yep.

SENATOR MAZIARZ: Put your label up so everybody up here can see you.

Oh, that's Michele.

WELLINGTON CASSCLES: All right, I'm going to

change things up a little bit.

Everybody's been giving testimony, and facts and figures, and everything.

Mr. Carlucci -- ah, yeah, Mr. Carlucci, you're the only one from around here, besides Assemblyman Zebrowski.

ASSEMBLYWOMAN CALHOUN: Excuse me.

SENATOR MAZIARZ: You know what? If you could --

WELLINGTON CASSCLES: I'm going to actually take you for a virtual tour --

SENATOR MAZIARZ: Excuse me, excuse me, Mr. Casscles, if you could sit, and put the microphone in front of you, it would be better.

WELLINGTON CASSCLES: Okay.

I'm going to actually take now for a virtual walk down the railroad tracks for this town of Stony Point. This way everybody gets to see what's there, other than the maps that TDI put out.

Okay?

First picture here, is our battlefield. This is where it all starts.

Right here, the project comes on land.

SUSAN FILGUERAS: This is called the "King's Ferry Highway." It's where the

Revolutionary soldiers actually crossed the Hudson.

WELLINGTON CASSCLES: Mr. Jessome has stated in all of these things that they're going to be in the CSX right-of-way.

Okay?

Comes on land, goes under the tracks. It's in the right-of-way.

As soon as it comes out the other side of tracks, it's in a deviation zone; property owned by the State of New York.

SUSAN FILGUERAS: Just, quick, the yellow lines are the CSX railway right-of-way, the blue lines are the deviation, and the orange line is the installation, or, the transmission line.

WELLINGTON CASSCLES: Continues down.

The entrance to the battlefield is up in here.

Comes down, gets back in their right-of-way, where it crosses federal wetlands.

Goes across the tracks, goes back out, and private property again.

We have two marinas there.

That picture, the last picture, is where it comes out, right here.

Okay?

The red line is their a right-of-way, which, on the rails, you got your rail bed. It comes down, flattens out. That's the end of their right-of-way, where it flattens out.

There's 4 foot, maybe 6 foot, between where that right-of-way ends, and that building.

SUSAN FILGUERAS: So, there's 4 feet between the rail line and the building itself.

WELLINGTON CASSCLES: Okay?

Their trench has to be 5 feet, because their cables have to be 3 feet apart, plus a little bit on each side of it. So they got to get a machine in there that can dig a 5-foot trench. The machine is going to be a lot bigger than 5-foot. I don't know how they can do it. CSX is not going to let them build on their bank.

SUSAN FILGUERAS: And these are pre-World War, these are about World War II, housing builds. The properties are barely 100 feet deep.

So, if you have a 25-foot from-the-center-of-the-rail offset before you can begin your construction, and then a 40-foot construction zone, these people are going to lose at least their backyards, or have the transmission

line in their bedrooms.

WELLINGTON CASSCLES: Right, their right-of-way there is only about 40 feet, from the center of the two tracks, to the edge, on each side.

SUSAN FILGUERAS: They can't get it --

WELLINGTON CASSCLES: I can't see it.

Okay, this is overview of it -- [technical difficulty/inaudible] -- showing the development that's there, the two marinas, and, where it comes down on Hudson Drive and Tompkins Avenue.

SUSAN FILGUERAS: To add to one last piece, the total tax-rateable loss in the town of Stony Point, if this transmission line is approved, is $1 million in commercial real estate.

That's not counting the homes.

This is an overlay of the terrestrial map done on 8/7/12, submitted to the Public Service Commission, interposed on a Google map.

WELLINGTON CASSCLES: And it shows their deviation zone again, right up to the edge of the guy's building.

And then, here, where there's a proposed parking lot for his marina right now.

Okay?

As you continue down further, we'll get to the Tompkins Avenue area.

Okay, this is just a closer view of it.

See how the deviation goes behind that building? There's no way.

SUSAN FILGUERAS: It's sitting on that edge of the building.

WELLINGTON CASSCLES: Okay, now we're down to the Tompkins Avenue area.

Right here, this house, there's, probably, maybe three to four feet behind the house, to the railroad bank.

Okay?

It's gonna be in the guy's backyard again.

Then, they stay in the deviation zone. And if you look, their red line is just about covered with the right-of-way line there.

You know, it could be true, but I doubt it.

But right here, they come out of the right-of-way, into a deviation zone, which is in the middle of a county road, and two entrances to the marinas.

Right there, at that section, there's two 6-foot drainage pipes buried in the road, plus, a

town sewer line fits down 12 feet. They're going to do their horizontal boring there.

Anybody that lives down near the river knows, you dig down two feet, high or low tide, you got water.

These guys got to go down twelve.

I can't see how they're going to get a piece of pipe in there.

Okay?

Then, they do another horizontal bore underneath the railroad tracks.

This here property belongs to myself.

They're going to be coming on the corner of my property, and just taking the property.

SENATOR LARKIN: And you're not selling?

WELLINGTON CASSCLES: And I ain't selling.

REBECCA CASSCLES: Absolutely not.

And once they take that property, we could end up being a non-conforming building on a non-conforming lot.

What do we do then?

SUSAN FILGUERAS: So the question --

WELLINGTON CASSCLES: I could never sell it, I could never expand on it, I could never do anything with it, because it could be

non-conforming.

SUSAN FILGUERAS: The question is, and Mr. Jessome needs to answer it: Will eminent domain be used in the town of Stony Point?

CHPE needs the right-of-way.

The CSX rail line does not own the property in the blue.

The property in the blue is property that has to be acquired.

So why is CSX being allowed to say, "We'll give you a right-of-way," when their right-of-way is not wide enough to encompass what they're offering to give to CHPE, who, by the way, has reserved their rights in the right-of-way, to lease it to other companies.

You ready?

WELLINGTON CASSCLES: No. I just want to touch on one last thing here.

When they get to this area here, they're going to be doing two borings: come south, and then underneath.

They're going to have to build their boring pit, right there.

I can't understand how they're going to get a boring machine in there.

And according to the CSX rules, when they start a bore, they are to continue it until it's complete.

Okay?

It means their road's going to be closed off to fire, ambulance, everything.

These people up in the marina are going to have no protection whatsoever, because there's no way to get there.

SUSAN FILGUERAS: Which means --

WELLINGTON CASSCLES: That whole intersection right there will be closed off. They're, virtually -- anybody that's up there is, virtually, landlocked.

SENATOR MAZIARZ: Is that your home, the first home --

WELLINGTON CASSCLES: The first two are mine. These two, right here.

SUSAN FILGUERAS: We will make an offer, that anyone who would like to walk the rail line and see this issue, like Senator Larkin and I did, and Legislature [sic] Dobson, we will, and are available, to walk the rail lines, so that you may see that the only way to move this project through Stony Point is eminent domain.

They call it a "deviation zone," but, you know, get your Webster's out.

They don't own the property.

And when someone takes what doesn't belong to them, what do we call it?

WELLINGTON CASSCLES: Before you even try to take that walk, somebody's gonna have to get permission from CSX.

Because, when all this came about, right up here, on the railroad, CSX put up "No Trespassing" signs.

SENATOR LARKIN: That's right.

WELLINGTON CASSCLES: I've lived there --

SENATOR LARKIN: On both sides. We saw it.

SUSAN FILGUERAS: Right.

WELLINGTON CASSCLES: I lived there 53 years. Them signs were never there.

I mean, that's my yard. I -- you know.

SENATOR LARKIN: You have no interest in this?

WELLINGTON CASSCLES: Not a bit.

The portion where they come under the road, all the way down to where Brewster Avenue ends, is all town property. That's where the old railroad station used to sit when they had commuter traffic.

Okay?

Then, if you notice, they get out of the deviation zone, they come back inside the right-of-way, until they get to East Main Street.

Because of the bridge abutment, and everything, here, they got to get out of the easement again, into a deviation zone, take the corner of the man's property, bore under East Main Street, which is a county road, to where the entranceway is down to Orange and Rockland substation, and cemetery.

Okay?

They're going uphill there.

When they go uphill, the bore's gonna stop there, and then they're gonna start the bore back down the hill again.

SUSAN FILGUERAS: It's all on hill.

This was -- these homes were built on cliffs. So, they have installed in-the-ground swimming pools, on fill.

What happens when you go underneath something that's been filled, with the swimming pool on top?

I think the railroad might get a swimming pool, or two, or three.

Sorry.

WELLINGTON CASSCLES: Go to the next one, it should that.

SUSAN FILGUERAS: Next one?

WELLINGTON CASSCLES: Yeah.

This is a better look of East Main Street, and it's not as crowded.

They're coming out of their right-of-way, right here, going up the hills, and then, shooting back down the hill, to the right-of-way again, just because of the bridge abutment that's here.

SUSAN FILGUERAS: I have testimony, which I will submit to you, from homes, here on John Street and on Beach Road.

The Beckerlys [ph.] from Beach Road have submitted something to say "no" to Champlain-Hudson Power Express.

On John Street, we have homeowners who have given me testimony, that says, say no to the Champlain-Hudson Power Express.

The people who own one of the oldest homes in the town of Stony Point will submit testimony, to say no to the Champlain-Hudson Power Express.

WELLINGTON CASSCLES: That's the house, right there. The Neilly House.

SUSAN FILGUERAS: And, Mr. Brooks, I am

pleased to introduce to you Mr. Barry Brooks, our president of the Sons of the American Revolution, who has a little bit to say on the Waldron Cemetery.

BARRY BROOKS: Well, they have --

SENATOR LARKIN: Put the mic --

SENATOR MAZIARZ: Excuse me, Mr. Brooks. Could you just put the microphone up --

BARRY BROOKS: -- at the last meeting, I believe they said, he would bore through, or underneath, the cemetery, which is totally unacceptable.

There are four or five -- there are five Revolutionary War soldiers buried there, and their families. These are Stony Point's original settlers. And to desecrate, in any way, whether they bore underneath, it's just ludicrous.

We have a good number of people here, I believe, today, who are descendants of the people at that cemetery.

And I would ask them to please stand if they're here:

Carl Jones;

Larry Brising [ph.];

Anita Babcock;

Jean O'Dell [ph.];

Elizabeth Tanhauser [ph.];

And our town clerk, Joan Skinner.

SUSAN FILGUERAS: These are direct descendants of the men and women and children buried in the Revolutionary War, War of 1812, Waldron Cemetery.

It cannot be desecrated.

[Audience applause.]

SENATOR MAZIARZ: Thank you for being here.

BARRY BROOKS: Okay, continuing:

Southward on the tracks, where they go up over Main Street, and they come back down, they get back into the right-of-way, for a portion there, just to get past the Orange and Rockland substation.

Soon as they get past the substation, they come out and they do a deviation zone again.

Why? I don't know.

SUSAN FILGUERAS: Because there's no room. It's a 50-foot-wide right-of-way.

WELLINGTON CASSCLES: Okay?

Then, they get into that deviation zone, and go right through the cemetery.

SUSAN FILGUERAS: And it's through the middle of the cemetery.

And for everyone -- or -- some misinformation: People are generally buried at 6 feet, or a little better; not 3 feet, which is the average depth for CHPE.

This is the cemetery. This is the Waldron Cemetery.

Peter Gross fought in the revolution, at 12 years old, and then in the War of 1812.

This is the Neilly House, circa the great brickyards of Haverstraw and Stony Point.

This is in 1860.

This is today, lovingly restored by the Kavanaughs who own this home. They pay over $50,000 in town, county, school, taxes.

What will happen to their property value, and our rateables, when you put 1,000 megawatts of power through their property?

And I think we're done.

I can't --

WELLINGTON CASSCLES: Okay, here we go.

Continuing south, the cemetery is up here. They're going to be back into the right-of-way, they're going to bore under the tracks again.

Staying in the right-of-way, they're going start a bore here, and come out into the deviation

zone again.

Right in this area here, there is one of our sewer lines.

Okay?

They're going have to go around that sewer line.

Not only that, but this is federal wetlands again.

I can't even put a shovel in federal wetlands. I don't know how these guys are going to be running stuff through there.

On this side of the creek that's there, is another town sewer line, which goes to our joint regional facilities.

If they hit that, we're in trouble.

SUSAN FILGUERAS: They'll bankrupt the town.

REBECCA CASSCLES: I was going to say, they'll bankrupt the town.

WELLINGTON CASSCLES: Go to the next one.

Okay, then it comes up out of there, and we're going to show you the commercial area here. The commercial area runs right behind their buildings again.

SUSAN FILGUERAS: This is the gentleman who does not want to sell, lease, his property.

WELLINGTON CASSCLES: Comes up out of the wetlands, and comes right to here.

And that's another horizontal boring that they're doing.

When they get done with the horizontal boring, they got to have a pit, or something, there, or a splice, because they can't just take this wire off of reel like you do an extension cord. You know, it's a little bigger than that.

Then they say they're back in their right-of-way again.

Now, you can see how close the buildings are to the tracks.

SUSAN FILGUERAS: And any --

WELLINGTON CASSCLES: And their right-of-way is right there, but they're not going be able to dig.

SUSAN FILGUERAS: They don't own the property necessary to build the proposed transmission line.

Ready?

WELLINGTON CASSCLES: I think there's one more. Go ahead.

SUSAN FILGUERAS: I think we're just about finished.

WELLINGTON CASSCLES: Leaves the commercial

area, and gets down to the West Haverstraw town line, where their right-of-way widens, because they have a couple of tracks there they use for maintenance, and everything. So there's, like, four rails there. That's the only reason it's wider there.

And, continuing to Haverstraw, because I'm not that familiar with it.

Stony Point is my backyard. I know it like the back of my hand.

I estimated, that where they come through Stony Point, it's approximately two miles.

Out of that two miles, they're actually in the right-of-way seven-tenths of a mile. That leaves one-point-three-tenths [sic] of a mile that's -- they're in the deviation zone. That's two-thirds.

I can't understand, and he's gonna have a hard job convincing me, how he says he's gonna be in the right-of-way, when his own maps prove wrong.

REBECCA CASSCLES: So two-thirds of property they're wanting to use, how you gonna get that?

It's state, it's county, it's town, and it's private homeowners like ourselves.

I am not interested in negotiating. We are

not interested in selling.

We just don't want this.

We have enough power in this state to take care of ourselves. We do not need power from a foreign country.

[Audience applause.]

SENATOR MAZIARZ: Thank you.

REBECCA CASSCLES: If we build or repair the infrastructure that we have in this great state, we could create thousands -- I repeat -- thousands of permanent jobs.

If we did likewise in the other 49 states in this country, we could put millions of Americans to work for jobs that would last for a long, long time; not just a short amount of time, and not 300 to 600.

We're talking thousands.

SENATOR MAZIARZ: Thank you.

Are you finished with your PowerPoint?

WELLINGTON CASSCLES: Yes.

REBECCA CASSCLES: Yes.

SENATOR MAZIARZ: Okay, thank you.

WELLINGTON CASSCLES: One more slide.

SUSAN FILGUERAS: That shows you just the commercial area.

SENATOR MAZIARZ: Thank you.

Could you get us, Senator Larkin, myself, and Senator Carlucci, a copy of this PowerPoint?

SUSAN FILGUERAS: I believe we have copies on disk available for you here.

SENATOR MAZIARZ: Okay, okay.

Because we would -- the three of us would like to submit it to the Public Service Commission, to make sure that they have this information while they're doing their review process.

So if you could do that, we would appreciate it. You could either do it through Senator Larkin's office, Senator Carlucci's office.

REBECCA CASSCLES: And anytime any of you ladies or gentlemen would like to walk those tracks, we will be glad to go with you. I'll even have coffee at the end for everybody.

SENATOR LARKIN: But you better wear loafers, young ladies.

REBECCA CASSCLES: Oh, yes, you better. Yes.

SENATOR LARKIN: Susan? Susan didn't have loafers on the day we walked. But I stood up straight, next to her, and we walked the whole thing. But coming up the hill was rough.

SUSAN FILGUERAS: Yes, it was.

SENATOR LARKIN: Thank you very much for doing that, Susan.

SUSAN FILGUERAS: It's my pleasure.

SENATOR MAZIARZ: Okay, just very briefly -- very briefly -- Laurie or Michele, do you have anything you would like to add?

UNKNOWN SPEAKER: I'm sorry. I had to come from work, so --

SENATOR MAZIARZ: That's fine.

UNKNOWN SPEAKER: [Unintelligible] representing John Street. We back up to the railroad tracks. We've put our life savings and our lifes' [sic] investments into the homes. And, you know, we've got parents and grandparents who've taken care of our kids, who've spent time with our kids, who have passed away, whose memories we can't -- you know, in the homes that we have.

And, you know, we just prefer this wasn't happening.

SENATOR MAZIARZ: Sure.

Well, this is your backyard, and we very much appreciate you being here today.

SUSAN FILGUERAS: I also have to -- I'm sorry.

SENATOR MAZIARZ: That's okay. Go ahead.

SUSAN FILGUERAS: The -- Mr. Beckerly [ph.] is here, who, I have testimony from him to submit. Maybe if he would just stand up.

And the Kavanaughs are here.

If you would just stand up.

We did try to bring people, but we realized that there is an awful lot of us that are very disturbed.

And --

SENATOR MAZIARZ: Yes.

And if you would submit the testimony, we would very much appreciate that.

So, with that, I would ask Senator Larkin if he has any comments or any questions?

I know he's --

SENATOR LARKIN: No, I would think I was -- I was oriented before, and I thank you for filling in the gaps.

SENATOR MAZIARZ: Thank you.

SENATOR LARKIN: But, remember, that this is not -- you know, we're talking, and we're expressing concerns, and people who are identified, please be rest assured that we appreciate what you've done, to come to tell us, what you feel in your heart and soul, is those issues that directly and indirectly

affect you, your community, your preservation, and your way of life.

And we thank you very much for coming.

REBECCA CASSCLES: Thank you.

And we would also like to thank you, gentlemen, and this young lady, for coming down.

And we urge everyone in this room to, please, please, get in touch with all of your politicians, let them know we were against this.

And especially, Senator Maziarz, Senator Carlucci, Senator Larkin, thank you for your bill that would stop eminent domain in this country by a foreign power.

Thank you.

[Audience applause.]

SENATOR MAZIARZ: Thank you.

Thank you.

Senator Carlucci?

SENATOR CARLUCCI: Thank you, Senator Maziarz.

I just want to thank Susan and the Casscles and Laurie and Barry Brooks and Michele. You guys have dedicated so much time and effort towards this, in educating the residents of our community, and making sure these questions are answered.

And I want to thank you for this comprehensive PowerPoint, and this report, because there are some real pressing questions that obviously counterdict -- or, contradict what was said by previous speakers.

And we need to make sure that these are crystal clear, and answered.

And just the -- where you got this information, now, the $1 million in loss of property-tax revenue.

I know our supervisors are here. Supervisor Finn and Supervisor Phillips, I'm sure are eager to hear.

SUSAN FILGUERAS: That "$1 million" is from Jack O'Shaughnessy, the tax assessor for the town of Stony Point. He added the parcels together, and gave me the total.

SENATOR CARLUCCI: And that's just for --

SUSAN FILGUERAS: And that's from tax records.

SENATOR CARLUCCI: -- that's for the Stony -- the town of Stony Point and the school -- North Rockland School District?

SUSAN FILGUERAS: Yes. Yeah.

UNKNOWN SPEAKER: Total.

SUSAN FILGUERAS: Yeah, it's school.

UNKNOWN SPEAKER: Total, total.

SENATOR CARLUCCI: And you're not including the town of Haverstraw?

SUSAN FILGUERAS: No.

UNKNOWN SPEAKER: No.

SENATOR CARLUCCI: Okay.

SUSAN FILGUERAS: So if it's $820,000 in potential taxes that the proposed transmission line would give us, we're paying them $80,000 --

REBECCA CASSCLES: A hundred --

UNKNOWN SPEAKER: -- to come here? And we don't want them.

SENATOR MAZIARZ: Thank you.

REBECCA CASSCLES: And that million dollars is just for that 2-mile stretch.

Just the 2-mile stretch, from the battlefield to the West Haverstraw town line, $1 million.

That's a lot of money, ladies and gentlemen.

SENATOR LARKIN: Thank you.

SENATOR CARLUCCI: Well, again, I want to thank you for your advocacy and your hard work and dedication towards this issue.

Thank you.

SENATOR MAZIARZ: Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: Thank you.

I know you took time out of your busy schedules to put forth this work, to help us in this effort.

So I want to thank you for all the hard work everyone's done here, and everybody in the room.

SENATOR MAZIARZ: Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: I have one question, and it's going to show a little bit of my lack of knowledge.

Could I just get another definition or explanation of what a "deviation area" is?

Who owns it?

Is it designed to expand the width of the right-of-way?

SUSAN FILGUERAS: Okay, I can answer from the Stony Point side. And perhaps Mr. Jessome would be the best, get his viewpoint. And then the Commission.

If you look at the deeds, and you look at what they call the "terrestrial maps," which are submitted by CHPE to the New York State Public Service Commission, and, posted on their website, which is where I pulled all of the information from, they show, in the yellow lines, what is actually

the railroad right-of-way or property owned.

The railroad doesn't own all of the property.

In some cases it's an easement. In some cases it's a right-of-way.

If you -- and it's a lot of reading.

If you look at the deeds and review them, there is an exhibit in -- on the Public Service Commission website titled "CSX in Full Final."

I will put it on a disk and get it to you.

They define: They simply put the deed -- the terrestrial maps up. Said, this is the railroad. This is how much property we need to make it work. And, this is what we're going to call a "deviation zone."

ASSEMBLYWOMAN CALHOUN: But is that, Susan --

And I -- really, I thank you. You've have done a mammoth job.

-- but is the deviation zone within a right-of-way or an easement area?

WELLINGTON CASSCLES: No. It's private property. They're going to have to --

ASSEMBLYWOMAN CALHOUN: Okay, all right.

REBECCA CASSCLES: When they come in at the Tompkins Avenue trestle, they're going to be coming across our private property.

I have no intentions of negotiating. I do not want this in my backyard.

ASSEMBLYWOMAN CALHOUN: Okay, then -- then I think, at some point, we need a specific answer as to how the two things come together.

SUSAN FILGUERAS: And just to add a little bit more to that, Nancy, is that, some of the property that is in the deviation zone belongs to the town, some of it will belong to the county, and --

UNKNOWN SPEAKER: Some to the state.

SUSAN FILGUERAS: -- some to the state.

Thank you.

ASSEMBLYWOMAN CALHOUN: And some to you folks.

SUSAN FILGUERAS: A whole bunch to us folks.

ASSEMBLYWOMAN CALHOUN: Okay, thank you very much for the explanation.

SENATOR MAZIARZ: And thank you, Assemblywoman.

Thank you all very much for your testimony.

Thank you.

[Audience applause.]

SENATOR MAZIARZ: Our next --

Thank you.

Our next witness, we're going a little out of order here is, Arthur "Jerry" Kremer, from the New York Affordable Reliable Energy Alliance.

Thank you very much, Mr. Kremer.

Mr. Kremer.

ARTHUR "JERRY" KREMER: Senator, thank you very much, and to your colleagues on the panel, my appreciation for you taking the time, obviously, to explore a very difficult subject.

I represent the New York Affordable Reliable Electricity Alliance, and we've been doing this thing for 10 years, which is in addition to my 23 years in Albany.

And I have to say, apart from the prepared statement, I'm mystified by this application, at a time when the message that the Legislature sent was: We wanted a new siting law to create more facilities in New York. We want to repower facilities that are desperately in need of the capital to get them. We want to retain what we have, and we want to build new facilities in New York, and generate New York power.

And this application runs so counter to the

direction that the Legislature's been moving. And it seems to me that we almost have forgotten the lesson of California, where California relied on out-of-state power resources, and eventually were held hostage, to the extent of billions of dollars, from out-of-state power providers, because the state could no longer afford to buy power in-state, from out-of-state.

And that should be a gruesome reminder as to what can happen when you're relying on out-of-country power sources, who say they'll be regulated, but we know in their heart of hearts, that they will do everything possible to avoid regulators because they're a toll highway.

They want to collect the biggest dollar that they can in order to make this power -- this project part -- profitable.

You know, we have concerns about this project from the standpoint of cost, jobs, and electric reliability.

This line we don't think is in the best interests of New York.

And we commend you, Senator Maziarz, for raising these concerns, and for introducing the legislation which you have.

We agree with you that our focus should be on attracting billions of dollars for long-term capital investments in New York power.

We think this project will jeopardize the viability of most in-state power generators, lead to thousands of lost jobs, and send billions of New York dollars to Canada every year for a product that we can better and more efficiently make here.

It's going to benefit the developers in Hydro-Quebec, who will be given direct access, on a premium basis, to the downstate power market.

Now, it's supposed to run along the Vermont border and under the Hudson River, bypassing most in-state generators, including upstate renewable energy.

It will undermine one of the fundamental reasons for upgrades that the Governor has outlined: to transport excess power from upstate in Western New York, to the downstate region.

It really doesn't make very much economic sense. It's short term. The jobs that will be created during construction will be temporary. The revenue from them will be temporary.

The economists have called this project

grossly uneconomic. They point out that's its estimates for jobs created by the project fails to take into account the losses at existing plants and those poised to repower.

We can forget about Bowline and the Lovett plants ever being repowered if this project goes through.

The economists also note that it's going to impact ratepayers in different parts of the state.

And, of course, I heard some of the earlier testimony, which clearly leaves a lot of doors open -- exit doors open for promises that don't have to be kept.

It's going to inhibit other developers from investing in improvements in the current transmission system at a time when we need those systems to be functional.

Jobs to build, enhance, and support New York's generation will be shipped to Canada, along with our dollars.

There are really far-greater priorities to be addressed in improving our transmission system.

One priority, is to develop more in-state generation. These measures would prevent generators, like NRG's Energy Dunkirk Units

1 through 4, from having to shut down because of lack of demand for their power.

Developing the capacity to move the Dunkirk's power capability downstate would protect the many jobs that stand to be lost as a result of closure.

A plan to repower Lovett and Bowline plants and transmit their power downstate would benefit the town of Haverstraw by replacing the jobs that were lost when the plants were retired, and would be far more economical.

This is really the wrong project at the wrong time.

And what mystifies me is, at a time when New York is taking real steps towards having an energy infrastructure, and each day we're treated to these new tantalizing promises of all these new projects, and the repowering of existing projects, this runs counter to what I thought was going be the direction this state was taking.

Those of you who sit on this panel have come a long way towards creating your own legislative master plan for energy. This just runs counter to everything that all of you have worked for.

New York has to focus on supplying its own power through in-state generation and transmission

upgrades that ratepayers can afford.

We can't withstand being placed in a position of relying on out-of-state, and in this case, out-of-country, power companies, or put the ratepayers and taxpayers at the risk of being burdened by price increases.

This really troubles me, having remembered the California experience, that this is just an opportunity to replay it: New York State being held captive by an out-of-state or out-of-country power entity with no real control on our part.

It's the wrong project, for the wrong time, and in the wrong place.

SENATOR MAZIARZ: Thank you very much, Mr. Kremer. We certainly appreciate the opinions of the Reliable Energy Alliance.

You are very familiar with the New York system.

I would just ask if Senator Larkin had any questions or comments?

SENATOR LARKIN: You know, Jerry, we've worked jointly on Indian Point for some time now.

And, you know, to me, this looks like a vehicle to also close Indian Point.

Do you see it in that light also?

ARTHUR "JERRY" KREMER: Well, I think those people who advocate closing Indian Point will reach for whatever, grasp for whatever, straws they can to get up to that magic number of 2,000 megawatts.

I think -- I think Indian Point has to be looked at separate and apart from this, because Indian Point has its own bona fides.

I think some people might think that this project is to replace Indian Point.

I think it's a project that most New York Staters will never get a benefit from, unlike Indian Point.

SENATOR LARKIN: And do you think the prices -- what do you think about the price of energy with this, closing Indian Point and putting this in?

Do you see any benefits that I don't see?

I don't see any.

ARTHUR "JERRY" KREMER: I don't consider this replacement power for Indian Point in this region, for the simple reason, that power that's going to be wielded to Astoria, Queens, could wind up being wielded to Pennsylvania, New Jersey; Vermont, which is talking about trying to close a plant there.

So, in the end, there's no guarantee that

this stays in-state power. It's going to go to customer who can pay the price.

SENATOR LARKIN: Thank you, Jerry.

SENATOR MAZIARZ: Thank you.

Senator Carlucci, anything?

SENATOR CARLUCCI: Well, just -- I just want to thank you for being here.

And, you mentioned things that are really near and dear to us here in North Rockland. You talked about Bowline and Lovett.

And, in your opinion, if you can summarize for us, why do you feel that, with this plan, that we could not expect to ever get those online?

ARTHUR "JERRY" KREMER: Well, the point being is, is if you're going to find ways to wield power down here from out of the country, at whatever the price of that power is, and where it's destination ultimately goes, it just creates another source of some type of excess power that's going be wield.

And the whole idea is, I don't have to tell you about the devastation that the closing of those plants has created for these local communities.

And anytime anybody introduces new sources of power here in New York State, it's always an opportunity for people to say: Well, there's no

reason to go ahead and repower or resurrect a plant that we've closed.

So the idea, it just adds to the political excuses, and for the investor excuses, not to want to support, you know, reopening those facilities.

SENATOR MAZIARZ: Thank you.

SENATOR CARLUCCI: Thank you.

SENATOR LARKIN: Very important.

SENATOR MAZIARZ: Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: Thank you, Jerry, for being here today.

I couldn't have said it better myself.

I just -- you know, I met with a group of business owners today, earlier, in Haverstraw.

And as we talk about long-term goals, and talk about perhaps retooling those facilities, I can't imagine how a line going right past those facilities, from a foreign country way north, could possibly help in our overall goal.

So, I want to thank you for the points that you made.

And, we had an Article 10 law that was expired for several years, and worked very hard in order to get it.

And, obviously, the point of an Article 10

law, is to build right here in New York.

So thank you.

ARTHUR "JERRY" KREMER: Yeah, I'm in the message of -- I started out with getting Article 10 renewed, as an author of the original law. But the idea was, to get it renewed, and it took, like, eight or nine years to get it renewed.

The message was, more investment in-state, more new facilities.

There are 16 communities now who are praying and hoping for repowering of their facilities, for fear of losing all that tax revenue, and for fear of really being economically crushed.

The message we're sending to them is: Forget about it.

SENATOR LARKIN: Which is bad for our communities, and bad for our economy.

ARTHUR "JERRY" KREMER: Exactly.

It's the wrong message at the wrong time.

SENATOR MAZIARZ: Assemblywoman, anything?

ASSEMBLYWOMAN CALHOUN: Jerry, thank you for being here.

I just want to note one thing: You represent what I like. It's called "New York affordable reliable electricity."

That's what we want.

ARTHUR "JERRY" KREMER: You said it well.

ASSEMBLYWOMAN CALHOUN: I like the first part that says "New York."

ARTHUR "JERRY" KREMER: Thank you.

SENATOR MAZIARZ: Thank you very much.

ARTHUR "JERRY" KREMER: Thank you very much.

[Audience applause.]

SENATOR MAZIARZ: Our next -- our next invited witness is Gavin Donohue.

Gavin is the president of the Independent Power Producers of New York.

Mr. Donohue.

GAVIN DONOHUE: Thank you, Senator.

Thank you for having the hearing, and asking me to be here today.

This is a tough panel to follow, after the locals and Assemblyman [sic] Kremer.

I have submitted formal testimony to the record, and it's very detailed. I'm going to avoid reading that today and going through details of it.

But what I would like to say, from an energy-policy standpoint, that this project doesn't make any sense from an economic standpoint, jobs

standpoint, reliability standpoint.

I think you've all hashed over those issues very well here today, so I won't spend a lot of time on that.

And we are where we are today, and the Article 7 process, essentially, is completed.

So what do we do, going forward?

And, how do you, as legislators, address some of these issues?

For those of you that were not at the September 25th hearing, Don Jessome testified in Western New York, and I'm going to quote something he said in the testimony.

"The project is, and will remain, a privately funded merchant project, as recognized, and required, by federal and state agencies. This means, New York can use scarce resources to invest in other needed upgrades to its energy infrastructure. It means, economic analysis shows that the project is completely economic."

What I'm trying to get to today is the "converter" conversation we had.

On its face, Mr. Jessome has said that the project is a $2 billion project.

A converter is going to add probably

$700 million to that project.

I think it's important for this Committee and legislators to -- if you're going to say the project is "merchant" before you even do the study on the converter aspect of this, make sure that the developer of the project, if this happened, is responsible for the costs of that converter. So, that, therefore, adds to the cost of this project.

I think that's a point that has not been taken out today.

I'm not sure where this is going to go, but, as it relates to the converter station, this project has been officially underway now for over two years.

I've had many discussions with the developer.

They ruled out this "converter" discussion a long time ago because of the cost.

I find it very suspicious that, at this point, this "converter station" subject is coming up now, when we're on the verge of a Commission decision on this project.

So, I think it's very important for you to take that seriously, because I -- the timing of it is -- it just does not smell good to me.

So, another aspect that hasn't been discussed

today, is the shipper aspects of this power.

It's fine that TDI has said that they will be a merchant project and use private money.

It's a big accomplishment to make that commitment, and hopefully they can live up to it, if this wrong-headed project is sited.

However, Senator O'Mara, last week, wrote a letter to the Commission, saying: You should require the shipper of the generation on the line to be required to those same standards as TDI.

So if you're going to turn around, and in the PSC, and issue certificate, and you really want to make sure that ratepayer aren't going to get hurt in New York State, make sure the shipper of the line on that electricity is required to adhere to those same standards.

I can't emphasize that point enough.

Senator O'Mara's letter is on the record. I think it is an important piece of correspondence in this proceeding.

The -- you know, obviously, I was going talk a lot about eminent domain here, but that's been talked about with the locals.

But, I think I would close with an issue that I think is important: It's your bill,

Senator Maziarz, co-sponsored by Senator Larkin, and Carlucci, which was introduced by Assemblyman Morelle, on eminent domain.

I believe very strongly in this legislation. I think it makes sense for New York State, because we're talking about importing power from a foreign country.

It's hard enough in this state to compete amongst ourselves, but without a -- to have to compete with a subsidized government entity is a very difficult proposition for New York businesses.

There's talk of a special session coming up in Albany.

I would hope that the Senators here and the Assemblymen would make a priority to work with Assemblyman Morelle, call on Assemblyman Cahill, to get involved in this, to make this issue a paramount concern in your special session, because I think that, in the coming months, this could be a real legislative answer to some of these issues that we've talked about here today.

So with that, Senator, I'll close.

SENATOR MAZIARZ: Thank you.

Thank you very much, Mr. Donohue.

We appreciate your attendance here today, and your testimony. And your testimony, in full, will, of course, be included in the record.

You know, you mentioned about this, what's relatively new news, about a converter station to, perhaps, utilize this power that would be coming in in other areas of New York, besides New York City.

And I think Mr. Jessome indicated that that would require some additional studies.

My recollection, I would ask you: Any additional studies done outside the PSC certification process really wouldn't have any standing, would they?

GAVIN DONOHUE: No, they're meaningless.

SENATOR MAZIARZ: So -- so they would -- they would have to amend their PSC filing, which I think would delay this even longer, wouldn't it?

GAVIN DONOHUE: Yes.

And as I sit here today, I'm unaware of any specific or official request by them to amend the PSC proceeding, based on that promise.

But a study done outside this, my fear is, that the Commission could rule -- they meet once a

month. They could rule in November, December, or January. And by the time they get these studies done, the certificate is issued and the studies are still not done.

So that is, I think, getting to the heart of your issue.

SENATOR MAZIARZ: Thank you.

Senator Larkin, any questions for Mr. Donohue?

SENATOR LARKIN: Thank you.

Gavin, when you looked at the power generators that we have down here, how do you sit back and tell the public: We're going to send something from Canada, bypass you, go into New York City?

Who are we benefiting?

GAVIN DONOHUE: Well, it certainly doesn't benefit this area. You know, I think that the local constituency has made that case very well today.

It certainly doesn't benefit the local power producers that you have in the Hudson Valley, because they are unable to compete. And, it's a difficult environment to compete in anyways.

And, you know, it's, purportedly, to benefit New York City ratepayers, and New York City

ratepayers only.

And it's what I call a dumping of excess hydropower into this state, to lower electricity rates in New York City.

And that's what the benefit is.

SENATOR LARKIN: That's what I feel: The bottom line is, New York City, and to hell with the rest of the state.

GAVIN DONOHUE: That's certainly one way to look at it.

SENATOR LARKIN: I apologize for my language, but, sometimes you have to tell the truth.

[Audience applause.]

SENATOR LARKIN: Do you believe that we have, as my colleague said before, about the possibilities we have right now in the Hudson Valley, we could provide all of the energy, if we would rise up and say: We will do American products in America, for Americans?

GAVIN DONOHUE: Oh, yeah, absolutely.

[Audience applause.]

SENATOR LARKIN: Thank you, Gavin.

GAVIN DONOHUE: One of the things that I would like to add to that, is that, you, collectively, as the state leaders, have made a

policy decision to make investments in renewable energy very important.

We have an obligation in this state to bolster our renewable infrastructure.

Right now, today, we have about 1,400 megawatts of wind in Upstate New York. That technology cannot compete, along with other generators.

So, I want you to know that this project, because it starts in Canada, and goes through New York State, and all the way to New York City, does nothing to help accomplish our renewable goals, which I know is important to a lot of folks in this room.

So that's another aspect that hasn't been discussed today, and I want you to be aware of that.

SENATOR LARKIN: But control of the switch will be in Canada, yes or no?

GAVIN DONOHUE: Correct. Correct.

SENATOR LARKIN: Canada will control that switch?

GAVIN DONOHUE: Right.

SENATOR LARKIN: Thank you.

GAVIN DONOHUE: And I just emphasize again, that's an opportunity to put the obligation back on

the shipper.

SENATOR MAZIARZ: Thank you, Senator Larkin.

Senator Carlucci?

SENATOR CARLUCCI: Great.

Well, Mr. Donohue, I just want to thank you for your testimony, for you're coming here today.

And I would just echo what my colleagues, Senator Larkin and Senator Maziarz, have said.

And you touch upon an interesting point, that you are pretty certain that the energy savings will not trickle up here to the Hudson Valley.

Could you elaborate on that more?

We couldn't get an answer from previous speakers on that.

GAVIN DONOHUE: Well, let me say something:

We don't believe in the "$2 billion" number.

What may be of benefit to the audience, is there's a transmission line that is coming in from New Jersey right now, called the "HTP line." And it is bringing in 600 megawatts of electricity, underwater, and goes 8 miles, from the New Jersey border into 49th Street.

It has cost the New York Power Authority $850 million.

And as we sit here today, it has no

customers.

Okay?

So if you're going to tell me that you're going to go 332 miles, through Lake Champlain and down Hudson River, from Canada, and it's only going to cost $2 billion, those numbers don't add up.

So, when you talk about the economics of this, I think it's very important for folks that want to see it, the PSC website has the PSC breakdown and analysis of the London Economic study that Mr. Jessome talked about today.

And we also have had an economic expert that we have introduced, about how we believe, and why we believe, these numbers are purely exaggerated, based on today's natural gas costs.

So, I'm not trying to deflect your question, but there's about 6 months' worth of economic testimony on the PSC website, on the savings issue.

SENATOR CARLUCCI: Thank you.

SENATOR MAZIARZ: Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Thank you, Gavin.

I've known Gavin for upwards of 20 years, even though he's only 32.

GAVIN DONOHUE: Yeah.

[Laughter.]

ASSEMBLYWOMAN CALHOUN: Although he looks it.

There is -- there are very few people in Albany that have the knowledge of producing electricity and power as much as Gavin does.

So, I'm going to weigh heavily on what you've said.

GAVIN DONOHUE: Thanks.

ASSEMBLYWOMAN CALHOUN: And I think it's very important.

I also very much like the idea, and everybody in this room should know, there are alternatives. It's called "solar," which I have on my house. And it is also called "geothermal," which my son has both solar and geothermal.

So, give us the opportunity to be in charge of our own destinies when we can.

And I think it's very important that the Public Service Commission serves the people of New York State, and let's remember that, because they are there to serve you, and to serve us.

And, people like Gavin are there to be, he works for the Independent Power Producers. These are people who are not your regulated

industries. They are the people who are independent.

And, I just want to thank you very much for being here, and for your valuable testimony.

GAVIN DONOHUE: Thanks, Assemblywoman.

SENATOR MAZIARZ: Thank you.

Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: I don't have any further questions.

SENATOR MAZIARZ: Thank you very much.

GAVIN DONOHUE: Just before I close, could I just ask the Committee, that Senator O'Mara's letter to the Chairman of the Commission be entered into the record, so that you have that?

SENATOR MAZIARZ: Oh, absolutely, yes.

Matt will take care of that.

GAVIN DONOHUE: Thank you, Senator.

SENATOR MAZIARZ: Thank you very much.

Our next witnesses are two local elected officials.

We have Geoffrey Finn, the town supervisor of the town of Stony Point;

And, Howard Phillips, the supervisor of the town of Haverstraw.

Supervisor Finn, we want to thank you for

your hospitality here today, in allowing us to use this room. We very much appreciate it.

You obviously have an overabundance of Little League achievers in your town.

[Laughter.]

SENATOR MAZIARZ: I think you've run out of room for banners here in this room.

[Laughter.]

SENATOR MAZIARZ: I only hope -- I only hope, that not any of them ever defeated a team from North Tonawanda.

[Laughter.]

ASSEMBLYWOMAN CALHOUN: If they haven't, they will, George.

SENATOR MAZIARZ: That would not be a good thing, I can tell you that.

[Laughter.]

GEOFFREY FINN: Well, we are certainly looking for a bigger room next year, because we have all intentions of adding more banners next year, that's for sure.

[Laughter.]

SENATOR MAZIARZ: Thank you.

You can work it out who's going first. It's your building, so I imagine --

GEOFFREY FINN: First of all, I just want to thank each of you for coming here today on this, to our beautiful Stoney Point.

The leaves have changed, and it's a great time to be here in town.

It's not so nice out today, but that's what this is about. This is a gloomy day if we get something like this in our town, and we don't want that.

Also, I want to thank everyone for coming here today.

People took time out of their busy schedules, out of their work schedules and school schedules, to come here today. And this showing here today really shows how much these people care about our town, and how much we want to keep this town in tiptop shape like we have it right now.

I think I can speak for my whole town board here today when I can say that we are 100 percent against this project. That's not even a question.

This project creates zero jobs -- zero long-term jobs.

Yes, there may be temporary job coming here, but that's not what we're looking for here in Stony Point. We are looking for long-term jobs

that are going to stimulate our economy.

We have -- actually, these -- this project can affect two of our projects that we're trying to get done at Stoney Point now, that will create jobs and will stimulate our economy, one of them being a 300-unit condominium complex located on our Hudson River. It's actually on one of the properties -- it's that property right there, actually, where the boats are.

One of our marinas is looking to put two waterfront restaurants there as well.

This line is going to run right through there, so, that is going to be a problem.

Also, we're working on another major project, on Holt Drive. It's in front of the planning board this Thursday night. That project is -- again, it was noticed, it was in this as well, earlier.

We cannot allow this to happen.

This is a project that is very similar to a project in Vero Beach, Florida, right now, that is assessed at over $1 billion.

That's with a "B." $1 billion.

SENATOR LARKIN: 1.97.

GEOFFREY FINN: I'm sorry?

SENATOR LARKIN: 1.97.

GEOFFREY FINN: 1.97.

So, we'll go a little higher than over a billion.

Okay?

This is -- I mean, if we allow this company to come in here and do this, forget about the $1 million that was mentioned earlier that we'd be losing in revenue. We'd be losing tens of millions of dollars over the years, if we allowed this to happen, and where it creates a problem for us to build what we want to build here.

I think Mrs. Casscles said it earlier, and Senator Larkin as well, and no disrespect to anyone from Canada, but we live in the greatest country in the world.

We live in United States of America.

We know how to produce our own energy here. We have the opportunities here in North Rockland. We have, our Lovett site has been mentioned earlier. We have our Bowline site.

Let's create the energy here. Let's put our people back to work. Let's stimulate the economy here.

We certainly don't need a line that's coming from Canada, all the way to New York City, with

no --

[Audience applause.]

GEOFFREY FINN: -- with no benefit to us.

As far as our eminent domain, I don't even think that should be an option. We certainly don't want people that move to this town -- the Casscles are a great example: here over 50 years, who have lived here, raised their kids here and their grandkids here -- being pushed out.

This is their land.

These are the people we protect here in Stoney Point, and we will continue to do that.

Leave our town alone, leave our property alone, leave our taxpayers alone.

We deserve to be treated here at -- I'm sorry, but Miss Calhoun mentioned earlier, don't desecrate our land. And that's exactly what they're trying to do.

We don't need this here, we don't want it here.

So, please, keep out.

We may be a small town in here at Stony Point. We are the smallest in the county, but we certainly won't be bullied, and we won't be walked over.

We are here, we will be loud, and we will be heard.

[Audience applause.]

SENATOR MAZIARZ: Thank you very much, Supervisor Finn.

I can tell you that your representatives in Albany, Senator Larkin and Senator Carlucci, have certainly expressed that to me as Chair of this Committee.

Supervisor Phillips, from the town of Haverstraw.

HOWARD PHILLIPS: Well, first of all, thank you very much, Senator Maziarz.

Let me say, I had the opportunity of seeing you on TV last week, and you're as good looking in person as you are on TV.

[Laughter.]

SENATOR LARKIN: I thought I was the good-looking senator?

HOWARD PHILLIPS: Senator Larkin, let me reiterate, it has just been an absolute pleasure to have you coming to Haverstraw, Stony Point, North Rockland. We think it's a great opportunity.

Assemblyman Zebrowski, thanks for that conference today. It was very insightful.

Senator Carlucci, Assemblywoman Calhoun, thank you so much for this opportunity.

Let me just give you some past, let me tell you where we are.

Two years ago I wrote a letter to the Public Service Commission, when this first appeared on my desk, stating all of our concerns; specifically, that we had power plants here in North Rockland, that we had sites here in North Rockland, that needed to be retooled. That we actually had a site plan come to fruition back in 2002, that was proposing a brand new Bowline 3. It would have meant a tremendous possibilities, not only for our assessment base; for employment, both construction jobs and permanent jobs.

They wrote to me that it's very early in the process; they would be getting back to us.

Wrote to them again a little more than six months ago. They told me that public hearings would be held, and they would be contacting us. They asked if I wanted to have a hearing at Haverstraw Town Hall. I said, "Please, do so."

We had the hearing. I think it was back in June. No one knew about it.

As a matter of fact, the legal notice, I couldn't even find the legal notice. The only one who was there -- I think Al Samuels is here today -- Al Samuels was there, Susan Filgueras was there, and "The Journal" news reporter.

That's not how you address the public, that's not how you get the message out to the public, on what you want to do.

Recently, I think it was just two days ago, we have been informed that Governor Cuomo has announced that he's going to be seeking an additional 3,200 megawatts, and he's asking the power industry to come up with proposals.

Well, we've had a proposal already. We have a site already.

Pardon my expression, but from the Bowline shores you could spit and hit the boroughs of New York.

We have a friendly energy plant that has been proposed, a natural-gas-fired plant.

Now, GenOn, who is the new owner, is going to be proposing it again, they're in the process of proposing again, a 775-megawatt plant.

That will mean, during construction, 700 jobs that are desperately needed in this Hudson Valley.

We currently have the Millennium line that comes right into the Bowline site.

Natural gas is so environmentally friendly that the emissions, the "socks and knocks," are a fraction of what came out of these power plants before.

I just find it inconceivable that the State of New York would consider taking power from a foreign country.

Guys, the last time I checked, the town of Haverstraw and the town of Stony Point are located in the United States of America.

We're open for business, and we would love nothing more than for the State of New York to come down and site some new plants in our community.

I want to tell you what we're going through right now.

At a height in Haverstraw, these power plants paid somewhere around $42 million in total tax. They're down to now paying 10 1/2 million in tax.

The first time they could challenge their assessment was about four years ago.

It was set by a Supreme Court judge, not the town assessor.

Since that time, the town assessor has

dropped their assessment over 50 percent.

Over 50 percent, you would think that would be enough.

It isn't.

Last year, they pretty much didn't run.

The year before, they ran, maybe, about 15 days.

Everybody here, I'm sure, is familiar with depreciation, and they have the right to go and depreciate the value of their plants.

But here's the thing, guys:

We could easily add to that 10 1/2, lose another 3 million.

We just closed three schools. We had massive layoffs in the school district.

We're looking for a continuing erosion of both Haverstraw and Stony Point's assessment roll.

When I tell you that this is the perfect time to come to our communities and begin new generation, this is probably the most desperate time that we could possibly have the State come in and say: Hey, guys, North Rockland, when no one else, no other community, wanted these power plants --

SENATOR LARKIN: And you took them.

HOWARD PHILLIPS: -- you said, "We'll host

them."

We have -- and pardon me if I get anybody upset -- the most beautiful part of the Hudson Valley, guys; yet, we opened up our doors so that everybody could have affordable electricity in the entire Hudson Valley.

Lastly, to come into a Revolutionary War cemetery is just incomprehensible to me.

Many of us, I being one of them, can trace our forefathers back to the Revolutionary War, and beyond.

You know, my father would say to me, it was passed on from generation to generation, that his great-grandfather would say: That we kicked the English the (blank) back to England."

I am very hopeful, that with your support, your help, I can say to my grandchildren: That we kicked the Champlain-Hudson Power Express the (blank) back to Canada.

Thank you very much.

[Audience cheers and applause.]

SENATOR MAZIARZ: Thank you.

Thank you.

Thank you, Supervisor Finn and Supervisor Phillips.

I now open it up to questions, first, to Senator Larkin?

SENATOR LARKIN: Well, I want to say, after the lines for reapportionment were drawn up, I get a phone call from two gentlemen that are looking at me.

They got -- they don't have daggers today, but that day they had 'em.

And they sat down, and said: You want to be part of this community, you have to help us address the critical issues.

There were three or four each had, but both of them cited on this as a negative in every respect.

Yes, somebody said: Well, there are some people that would like it.

What's wrong with saying: We will do?

You heard Mr. Kremer, you heard Mr. Gavin Donahue, and now you have two of your elected officials.

And I say this with all heart, because, when they brought me into their room, I was looking for the straps, because, when they said, "Sit down, we'd like to talk to you," and I said, "Yes," they said, "Wait a minute. We'll talk, and then you can talk."

But they spoke about the honesty and the integrity and the quality of life that they demanded for the people that they represent in Haverstraw and Stony Point, not as a joke, but as a reality.

And I think that we owe it to you to go back, and, Howard and Jeff, we've been working on some issues.

I don't represent you yet, but I really believe I do.

Thank you for coming here today.

HOWARD PHILLIPS: And thank you, Senator.

SENATOR LARKIN: It's very important.

GEOFFREY FINN: Thank you, Senator.

[Audience applause.]

SENATOR MAZIARZ: Thank you, Senator.

Senator Carlucci?

SENATOR CARLUCCI: Well, I want to thank Supervisor Phillips and Supervisor Finn.

These two gentlemen have worked tirelessly to look out for one particular issue, and that's the quality of life of our residents here in North Rockland.

So, I want to thank you for that.

And I know that you've been working on these issues for a long time, so this is nothing new to

you.

And I, also, I just -- we talked about some of the good work that's been able -- that we've been able to accomplish in the State Senate.

And thanks to Senator Maziarz with finally getting Article 10 done, we're moving in that new frontier of, hopefully, getting our power generation up and running in North Rockland.

And I want to thank both of you for working towards this issue, and continuing to look out for the best interests of our residents.

And I think it's important, very important, that your comments are on the record, to make sure that we know, when we hear about the economic benefits, or supposed benefits, of this project, that we hear it juxtapose to what really will happen when we dig down and we get to the nitty-gritty of the localities.

So, thank you for being here, and thank you for your commitment to our community.

GEOFFREY FINN: Thank you.

SENATOR MAZIARZ: Senator Zebrowski?

ASSEMBLYMAN ZEBROWSKI: Thank you.

Just briefly, I don't have the pleasure of representing Stony Point, but I think everybody on

this panel, we feel like we represent the whole county, because our issues are so joined; and specifically, they're even more joined in this respect, because the two towns share a school district.

So what's happened with Lovett and what's happened with Bowline, the people of Haverstraw and the people of Stony Point have suffered through that.

So, I've been working with Supervisor Phillips. I mean, there's not a day goes by that we don't talk about this issue, along with my colleagues, the two Senators and Assemblywoman Calhoun, as well.

And I would just hate to see a project like this bringing energy from Canada to short-circuit everything, and all the steps that we've started to make on this issue.

So, thank both you gentlemen for all the work that you've done.

SENATOR MAZIARZ: Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Thank you both for being here.

I've known you all a long time, and I share with you everything, except one comment:

There's no question, the best part, and best-looking part of the Hudson Valley, is my district in West Point.

[Laughter.]

UNKNOWN SPEAKER: It's a good thing you're retiring.

ASSEMBLYWOMAN CALHOUN: Yeah.

[Laughter.]

ASSEMBLYWOMAN CALHOUN: But I have to say, that working for our people begins at home, and that's what you're looking to do.

Lovett is down. Lovett has a location that can also be utilized.

And, Bowline, I mean, we've seen the horror that came with the reduction in the values.

Anything that we can do here, to bring up the ratables for Haverstraw, Stony Point, and the school district is vital.

So, I appreciate your being here today.

It's great to have you here, and, keep up the good work.

SENATOR MAZIARZ: Thank you very much.

GEOFFREY FINN: Thank you very much.

SENATOR MAZIARZ: Thank you, Assemblywoman.

[Audience applause.]

SENATOR MAZIARZ: Our next witness is Michael Twomey, from the Entergy Corporation.

SENATOR LARKIN: He's got to go to a meeting.

SENATOR MAZIARZ: Oh, I'm sorry.

Michael, I'm sorry.

At Senator Larkin's request, we're going to have Al Samuels.

I apologize.

MICHAEL TWOMEY: I like Al.

SENATOR MAZIARZ: You like Al?

So does Senator Larkin.

Sorry about that, Al.

Senator Larkin had requested that. It was on my sheet.

I apologize to Michael.

AL SAMUELS: That's quite all right, Senator.

SENATOR MAZIARZ: Mr. Samuels.

AL SAMUELS: And since so much of what I was going to say has been touched upon, Matt Nelligan of your staff will be very happy to learn that it will be even briefer than I promised it yesterday.

[Laughter.]

AL SAMUELS: I truly thank you for coming down, and for each of you who I know so well and for so long.

Thank you for what you're doing here.

I have an interesting perspective, I believe, and I'm going to offer it, in terms of perhaps something a little different, the politics of what we're talking about.

I have the privilege of being the president and CEO of the Rockland Business Association, but I also serve our New York area. And I work with Jerry, and I work with Gavin.

And, Nancy, as you said, I have no more respect for anybody in the state of New York, relative to their knowledge of this subject, and what we're discussing, than Gavin Donahue.

I agree with you.

But I'm also one of only two voting members from Rockland County for the Governor's Regional Economic Regional Development Council.

And when we were put together, Bob Duffy, Lieutenant Governor of New York State, welcomed us, and charged us with one mission: Jobs, jobs, jobs.

You've all used the term, I know you have, Senator, "Jobs, jobs, jobs."

In the "Open For Business," New York State's government approach to economic growth, there's just a brief paragraph that I'd like to read into the

record.

"It's time for a new operating model for state government in order to stimulate real economic development statewide. Governor Andrew Cuomo has proposed a new regional approach that is holistic, targeted, and comprehensive, addressing regional needs based on the input and guidance of those who know each region best."

And I would ask the members of the Legislature to hold the Administration to that with regard to this issue.

Here in this region, in addition to the Rockland Business Association, which has taken a lead position opposing the Champlain-Hudson project, the Business Council of Westchester; the Westchester County Association; the Hudson Valley Gateway Chamber of Commerce; interestingly, the Bronx Chamber of Commerce; the African-American Men of Westchester, have all put their name to documents, stating: This is not in the best interests of our region.

My supervisor, Howie Phillips, just shared with you information about the GenOn facility.

We also have in the Hudson Valley, in Waywayanda, a 650-megawatt facility. We have --

it's the CPV project;

We have in Dover, in Dutchess County, the Cricket Valley project, 1,000 megawatts.

Add those two to the 775 for GenOn -- clean gen on the Hudson, powered by Bowline 3, as it's known -- we can produce in the Hudson Valley, 2,425 megawatts of clean energy, Hudson Valley, New York State generation, and jobs.

Yesterday, the blueprint for the Governor's Energy Highway was made public, and it's very disappointing, relative to the Hudson Valley.

I do not see that the Hudson Valley is slated to get assistance in new generation.

I recognize the importance of addressing transmission issues first, which is what I read --

And I will admit to you, I read this on an iPad that doesn't give you the full screen, so I was shuttling back and forth, and I might have missed some things.

-- 3,200 megawatts.

We can generate 2,425 right here in the Hudson Valley.

In addition to the 700 jobs that Supervisor Phillips mentioned, we have another 600-plus jobs that would be available for the

construction of the Wawayanda and the Dover facilities.

We would have over 1,600 union jobs right here in the Hudson Valley, our men and women building this.

And when those facilities were completed, or are completed, we would have 75 to 100 full-time, high-paying jobs, many of them also union because you'd have the operating engineers involved.

Now, I know that when it comes to jobs, jobs, jobs, as the Lieutenant Governor charged us with in the Economic Development Council, construction jobs are considered temporary and they don't have the same significance as full-time jobs.

And 75 to 100 may not sound like much, but as you all know, these plants are so highly automated and computerized, that you don't need the same kind of manpower that you might have needed many years ago. But, you have a very high level that's required, technical level, of the people there.

Those would be high-paying jobs for people who live in our area, the Hudson Valley.

And I'm here not just as an advocate for Stony Point --

I'm a resident of North Rockland, but not

Stony Point. I live in Haverstraw, obviously.

-- but also for the Hudson Valley.

The Governor charged me with a responsibility, as he did all of us on the regional councils, of being advocates for our region.

I am here before members of the Legislature to tell you, I take that very seriously.

Champlain-Hudson belies what I was charged with, and what the Administration said they wanted from us.

We should not be outsourcing our energy.

We should not be outsourcing our future.

There is no need to go outside and give regulatory authority to Canada, when we have the ability to produce more -- or almost as much generation here in the Hudson Valley as the Energy Highway plan is recommending is needed through its efforts: 3,200 megawatts.

We can deliver 2,425; over 1,600 union jobs during a three-year period for each of the facilities, and then 75 to 100 full-time, high-paying jobs.

We need to rebuild New York.

We shouldn't be doing it by helping to rebuild portions of Canada.

And I ask you, please, to consider that when you have to make decisions in Albany relative to this project.

Champlain-Hudson is not the way to help New York grow.

We can do it here in the Hudson Valley, and I ask you to please consider that.

Thank you.

SENATOR MAZIARZ: Thank you very much.

[Audience applause.]

SENATOR MAZIARZ: Thank you, Mr. Samuels.

Senator Larkin, any questions or comments?

SENATOR LARKIN: No, Al, I just wanted to say that I appreciate you coming here.

I know you canceled a couple of meetings to be here with us today.

But, I like the perspective that you're reminding us that jobs is a key issue. That energy is not something just for today; it's for tomorrow, and for our future.

And when we're talking about jobs, you and your associates identify those jobs that are here now, and here in the future.

We have no guarantee, when we're doing -- we're dealing here, you know, someone says: Well,

they're Canadians.

That's a foreign country.

The last time I looked at it, I was born in New York, and I'm a New York resident. I'm a resident of the United States of America.

And I think we have an obligation to build within, to protect the future, and I thank you for helping us.

AL SAMUELS: Thank you, sir.

[Audience applause.]

SENATOR MAZIARZ: Thank you.

Senator Carlucci?

SENATOR CARLUCCI: Thank you, Al, for being here, and thank you for the testimony, and working your schedule to be here.

You mentioned the 2,425 megawatts, and that sounds extremely exciting.

Can you just talk to us a little bit more about where those are coming from.

I know you mentioned Dover --

AL SAMUELS: Sure.

SENATOR CARLUCCI: -- and then --

AL SAMUELS: You know, of course, now about the Bowline project, and that 775.

In Wawayanda --

I believe that's Slate Hill, Nancy?

Yeah.

-- CPV is planning 650 megawatts.

SENATOR LARKIN: Yes.

AL SAMUELS: And just last week, we received requests for support, letters to be sent to the Governor and to members of the Legislature.

Certainly, Senator Maziarz, I know you're getting hit with a lot of them because they came from Al Sideman's [ph.] group --

SENATOR LARKIN: They've got big shoulders there, Al.

AL SAMUELS: -- the construction contractors.

SENATOR LARKIN: They got big shoulders. Look at them.

AL SAMUELS: Ron Hicks, who, for four years was the head of the economic development agency here in Rockland County.

And I know that we all have great respect for Ron.

He's now working for Mark Molinaro in Dutchess County.

He assured me that the Cricket Valley project, which is 1,000 megawatts, is positively permitted, and these folks are also ready to move.

So you add it all together, it's 2,425, and that's a lot of megawatts that can be produced in three counties of the Hudson Valley.

And by the way, until the transmission lines are cleared so that the bottleneck no longer exists, blocking the transmission from Upstate New York, we're under the bottleneck.

GenOn can be built, and delivered directly to New York City, if that's what New York State wants to do. It doesn't have to worry. It's below the bottleneck.

SENATOR CARLUCCI: And just a clarification: The 100 jobs -- 75 to 100 jobs, that's specifically for the Bowline project?

AL SAMUELS: No, sir.

SENATOR CARLUCCI: Okay?

AL SAMUELS: It's 25 for Bowline.

It's, roughly, 25 to 40 jobs in each facility.

So if you take it at the minimum of 25 for each, but I'm --

The Cricket Valley project, having more megawatts, will require a little bit more.

The CPV project a little bit less.

So, it's 75 to 100; but, 75, you could use

that as a base number.

SENATOR CARLUCCI: Okay.

AL SAMUELS: 25 for each plant.

SENATOR CARLUCCI: Okay.

Thank you.

SENATOR MAZIARZ: Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Just, thanks for being here.

Al, you have really developed ever since you were with us at Orange County.

I'm trying to be funny.

But --

AL SAMUELS: Those were horse businesses. There was a different kind of energy.

ASSEMBLYWOMAN CALHOUN: I know. Okay.

[Laughter.]

ASSEMBLYWOMAN CALHOUN: The bottom line is, it's great to have somebody who understands.

You know how pleased I am that you are on the regional economic council.

We all sit as quasi-members, or ad hoc members, but, you're right, if we can develop it here, we don't need to go somewhere else, or bring somewhere else in.

Thank you very much.

SENATOR MAZIARZ: Thank you, Assemblywoman.

Assemblyman Zebrowski indicating he does not have any questions.

Thank you very much, Mr. Samuels.

AL SAMUELS: Thank you, sir.

SENATOR MAZIARZ: We will also note for the record that, unlike Senator Carlucci and myself, you remembered to wear your Purple Heart pin today.

Senator Carlucci and myself will not able to live this down for a long time.

SENATOR LARKIN: Boy, they're going to suffer for this, Al.

AL SAMUELS: Believe me, I know Billy well.

I wear it to bed, and you know what? I don't wear a shirt when I go to bed.

It hurts like hell, but I wear it, Billy.

[Laughter.]

SENATOR MAZIARZ: Senator Larkin walks around the Senate chamber, asking everyone: Where's your Purple Heart? Where's your Purple Heart?

Mike, I'm sorry.

Mike Twomey, from Entergy.

Mike.

MICHAEL TWOMEY: Good afternoon, Senator Maziarz, Senator Larkin, Senator Carlucci,

Assemblywoman Calhoun, and Assemblyman Zebrowski.

I appreciate the opportunity to appear before this Committee.

I am the vice president of external affairs for Entergy.

We are the -- one of the largest nuclear operators in the United States. We own and operate 11 nuclear power plants in New York, Massachusetts, Vermont, Michigan, Arkansas, Louisiana, and Mississippi. And, we provide management support services for a twelfth unit owned by the Nebraska Public Power District.

As part of the electric deregulation in New York, Entergy purchased Indian Point Unit 3, and the James A. Fitzpatrick unit in Oswego, New York, from the New York Public -- excuse me -- the New York Power Authority, back in 2000.

We also purchased Indian Point Unit 2 from Con Edison in 2001.

In the last ten years, we've invested more than a billion dollars in upgrades to the New York facilities.

With these three nuclear generating facilities, we are the largest independent power producer in the state of New York, and we have

approximately 2,000 full-time employees, as well as hundreds of part-time and contract employees during refueling outages.

There are substantial economic benefits from the operation of these facilities.

We pay 300 -- excuse me -- $130 million in full-time annual employee payroll, more than $350 million in annual local purchases, $75 million in annual property-tax payments and value-sharing-agreement payments to state and local governments, and approximately $2 million in annual charitable contributions.

I filed testimony that is not terribly extensive, but you've been here a long time this morning, so I won't read through the whole testimony.

I just want to make a couple of points.

Number one, this project, this Champlain-Hudson Express Power project, is not needed.

At best, according to the New York ISO reports, this was -- this project is one of several alternative projects that might be needed if certain things happen in the future.

And based on the analysis that we've done,

this project is not the most cost-effective project under any reasonable scenario.

As numerous other folks have talked about, the project is grossly uneconomic.

According to the developers, the project will have cost at least $2.5 billion.

Now, they used the "$2.2 billion" figure, but they also agreed in the hearing before the Public Service Commission, that there's at least $346 million of upgrades that have to be done on the Canadian side.

That gets to you $2.5 billion.

There was a little bit of discussion here today about: Well, is it really $11 billion?

And I think if you look at the total cost of the project, you could very well get to $11 billion.

And after all, whoever buys the power over this line will, in fact, pay the total cost. They won't get to pay only the partial cost.

But, whether the project numbers are accurate remains to be seen.

Using their own numbers, though, you can get a very simple example of what the cost of this project is.

The average price difference between power

sold in New York -- energy, excuse me -- energy sold in New York and energy sold at the New York-Canadian border is about a $10 difference.

It's approximately $10 cheaper to buy energy up at the New York-Canadian border than it is to buy it in New York City.

The cost of this project, for the transportation, if you use their own "$2 1/2 billion" number, that becomes $51 a megawatt hour just to build the line, to address a $10-per-megawatt-hour cost differential.

So who would pay $51 a megawatt hour to address a $10 cost differential?

And that's where the uneconomic nature of this project comes in.

It's a little bit like, you're going to pay $5 a gallon for gas in New York City, but you can buy it for $4 a gallon in Québec. And somebody says: I can sell it to you cheaper, but you got to pay me $5 a gallon to deliver it down in New York City.

How does that make sense?

SENATOR LARKIN: No sense at all.

MICHAEL TWOMEY: And that's what we're dealing with here.

And the concern that we have is, you can have an uneconomic project.

If somebody wants to spend five dollars to deliver five-dollar gas, when it could be bought for four, that's -- using their own money, that's fine.

In this case, what we're concerned about is, through this process, we have pushed on the developers to agree that they won't try to set up a deal where they sell the power at $50 a megawatt hour, $100 a megawatt hour, $150 a megawatt hour, to some State entity in New York, and that those costs end up being borne by customers in New York.

And our main concern about this, quite frankly, is Fitzpatrick. The James A. Fitzpatrick unit is one of those upstate generators that might be adversely affected by this line.

So we're here, and we participated in the New York Public Service Commission proceeding, because we want to make sure that if somebody is going to build this line, spend too much, end up with a deal that's bad, that they have the consequences of that bad deal, not the customers in New York, and it doesn't end up being subsidized so as to undercut the other potential projects and existing generators.

And I think on that line, perhaps my last point is, this $650 million in savings? I think it's important to understand how that $650 million in savings is calculated, and this is all in the testimony in front of the Public Service Commission.

The developers not arguing that you can save $650 million compared to current plants, current energy production.

What they're saying is, if you built a new plant, it would cost X. A new -- brand new CCGT line, a CCGT power plant, that, quite frankly, the market won't support today.

That's why you've got these projects that people want to build, that they haven't been able to get off the ground.

If you could build that new power plant, this is the -- what this line would save you compared to that new power plant.

They're not saving you money compared to what you already have.

And I think that's an important point.

It's a little bit like:

You have a car, it runs great. You are not -- you're not looking to buy a new car.

And somebody says: I can save you money by

selling you a new car.

And you say: Geez, how does that work?

And they say: Well, it's less expensive than this other car that you also aren't going to buy.

And I think, when you look at the numbers, you see that the $650 million savings requires you to make some assumptions that really are not reasonable.

And, that concludes my discussion, unless there are questions.

I do want to say that Indian Point, obviously, is one of the units -- two of the units that we own. We have enjoyed significant support in this community.

We don't have 100 percent support.

Rarely does anybody have 100 percent support, but we do have significant support. And it's important support, and we appreciate it very much.

And I thank you for letting me speak today.

SENATOR LARKIN: David?

Go ahead.

SENATOR CARLUCCI: Thank you, Michael, for being here, and for testifying.

Just some points of clarification.

Entergy, as you stated, is the largest

provider of energy in the state of New York.

MICHAEL TWOMEY: We're the largest independent power producer.

NYPA, obviously, owns some generating facilities itself, but they're a State entity.

We don't generally compare us --

SENATOR CARLUCCI: And how many megawatts?

MICHAEL TWOMEY: We generate about 2,650 megawatts, between the three.

SENATOR CARLUCCI: 2,650?

MICHAEL TWOMEY: About 2,650.

SENATOR CARLUCCI: Okay. And what percentage of that is nuclear power?

MICHAEL TWOMEY: It's all nuclear power.

SENATOR CARLUCCI: Now, this Champlain-Hudson Power Express line, how would that affect the viability or the future of Indian Point?

MICHAEL TWOMEY: You know, quite frankly, I don't really think that this has a big effect on Indian Point.

We are, and we've historically described ourselves, as a relatively low-cost provider.

SENATOR LARKIN: Yes.

MICHAEL TWOMEY: If this Champlain-Hudson Express line were to come in, it would probably

undermine the economics of the higher-cost producers in the Hudson Valley and along the line.

And I'm not saying we'll be the last one standing, but I don't think that this is a real threat to Indian Point. And, quite frankly, it's not a replacement for Indian Point.

The electrical grid, it's a matter of physics, requires a certain amount of generation to be near the load.

You can't run an extension cord to Canada, or to Pennsylvania, and adequately provide electric service in the city of New York, for example, or in the Lower Hudson Valley.

You've got to have enough generation near the load to balance the system.

And a transmission line to Canada doesn't reduce the need for electric generation in the Lower Hudson Valley.

If anything, you might have to build the line and build new generation, if, for some reason, Indian Point were retired.

I always like to take the opportunity when I'm in front of any legislative body, to remind everyone that we have no intentions to close Indian Point.

We are going through a license-renewal process under the federal law.

That license-renewal process, we get to continue to operate the plant regardless of how long it takes to conclude the license-renewal process.

So, the licenses, as often reported, have a 2013-to-2015 dates on them.

We continue to operate as long as the Nuclear Regulatory Commission proceedings are pending.

We just had the beginning of the first hearings in that case, on October 15th. And, it's uncertain how long it will take for those hearings to eventually conclude, and for an order to be issued by the NRC.

The only example we have to draw from, is that we also own the Pilgrim plant in Massachusetts. And from the date of the first hearings in that case, in the NRC, to the issuance of the license, was four years.

So, I don't know if it will take four years from now.

They only had two contentions to litigate in Pilgrim.

We have fifteen.

I don't know if it will take 7 1/2 times as long, or whether it will take about the same amount of time, but I think, conservatively, we think it will take at least four years-plus in order to conclude those proceedings.

And, we will continue to operate throughout.

SENATOR CARLUCCI: Senator, just a follow-up.

You state that part of the reason why it won't affect Indian Point is because it's not local generation.

MICHAEL TWOMEY: Well, two things.

It's local generation, and that's why we don't view it as a real substitute. We don't view a transmission line as a substitute for generation.

Your specific question was: How do we think this line will affect Indian Point?

And I think that the point is, we have a relatively low cost to produce. And we -- that's the way we've described ourselves, as a low-cost provider.

If this Champlain-Hudson line comes in and makes the economics worse for the existing generators, it would be my expectation that those people who have higher costs than we do will run into trouble first, and we would be among the last

to run into trouble.

So, I don't personally view this line -- I mean, it's grossly uneconomic, it's unwise, and it's unnecessary.

But I don't think, that even if it got built, and even if somebody convinced a New York State entity to sign a contract for $150 a megawatt hour for the output, I don't think that that affects our ability to continue to make Indian Point a real economic value to the folks of New York.

SENATOR CARLUCCI: And how do you see the number that we heard before from Al Samuels, the head of the Rockland Business Association, that "2,425" number of locally generated power, how does that impact Indian Point?

MICHAEL TWOMEY: Well, a lot of that generation is north of what we call "the bottleneck."

I think that you'll see an opportunity for that power to be sold north, west, and east, perhaps, of, well, Indian Point.

New York City has a location, where, behind it, and to the south, is the Atlantic Ocean. And you can't build generation out in the ocean. And, you can't -- we don't have any significant

generation on Long Island.

So you've got a huge load pocket in New York City that has to be served by generation.

The generation that is closest to New York City, and we believe we are close enough, will continue to be needed even if you build additional generation further out.

You know, we like to say that Con Ed, from whom we bought the plant, did a very good job of locating Indian Point where they located it.

It's where an engineer would put it.

If you want to serve significant load in New York City, that's the right place to put a power plant.

And they did.

And, so, I think that the additional generation that would come in, perhaps north, a little west, a little east, of Indian Point will certainly add to the generation footprint of the state.

I don't think it's a significant competitive threat for Indian Point, because I think we will continue to be able to sell our product.

SENATOR CARLUCCI: Okay. Thank you.

SENATOR MAZIARZ: Thank you.

Senator Larkin?

SENATOR LARKIN: Mike, in reading your testimony, there's a couple of lines there that get me, on page 3, on the second paragraph. It says:

"The project stated in its Energy Highway Initiative submission that it will enter into a 35- to 40-year contract with Hydro-Québec, or other entity, for a majority of the line as the anchor tenant."

What does that say to the United States of America?

Who is the other tenant?

Who are we going to be dealing with halfway down the road?

MICHAEL TWOMEY: Well, we don't know for sure, but what -- you know, this is an interesting point, because one of the early criticisms of this line, when it was constructed, and, quite frankly, I think it's related to the experience we've had with HTP.

You know, HTP line was built, and there was a contract signed with NYPA.

And as Mr. Donohue testified, there's no customers for the line.

The Champlain-Hudson line is proposed, and

there's concern that they're going seek a contract directly with NYPA, or some other large State entity, to pay an above-market rate.

They decided to structure their deal a little differently, so, there's no request by Champlain-Hudson to contract directly with New York.

What it appears they're proposing to do, is they're going to sign a contract with Hydro-Québec, and then Hydro-Québec is going to ask for a contract --

SENATOR LARKIN: With New York.

MICHAEL TWOMEY: -- with New York.

And that's why, if you look at the Energy Highway submission, and this is a little further down on page 3:

"HQ acknowledged in its Energy Highway Initiative submission that New York State must 'work creatively' to recognize the 'significant value' of its power."

SENATOR LARKIN: Does this mean that we're going to have to subsidize a foreign country again to give us power?

MICHAEL TWOMEY: I believe those are code words for: You need to give me a good contract above market in order for me to build the line.

And my experience with these kinds of deals is, if the project is such a great deal --

SENATOR LARKIN: Why do you need --

MICHAEL TWOMEY: -- you don't need a 40-year guaranteed contract in order to get it built.

SENATOR LARKIN: Thanks, Michael.

Thank you.

SENATOR MAZIARZ: Thank you.

Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Yes, I have a couple of questions, and then a comment.

It's always been my understanding that, in some cases, you have to provide your generation fairly close to where you're going use it --

MICHAEL TWOMEY: Right.

ASSEMBLYWOMAN CALHOUN: -- because there's a loss as the electrical current travels.

MICHAEL TWOMEY: Right, line loss.

ASSEMBLYWOMAN CALHOUN: When you're coming down, this project that's proposed, would it not lose substantial amounts of its electrical generation as it travels down under the Hudson River and into the lands here?

MICHAEL TWOMEY: I'm going caveat my response by acknowledging, first of all, that I was an

English major.

ASSEMBLYWOMAN CALHOUN: Oh, did I say something wrong?

MICHAEL TWOMEY: No, no.

[Laughter.]

MICHAEL TWOMEY: I'm not an engineer, but I believe the answer is: This is a direct-current line.

ASSEMBLYWOMAN CALHOUN: Okay.

MICHAEL TWOMEY: There's alternating current and direct current. And you don't have line loss on a direct-current line.

ASSEMBLYWOMAN CALHOUN: Okay.

MICHAEL TWOMEY: And, so, they're going to run this direct-current line from Canada, which addresses -- it addresses your excellent concern about line loss, but what it also means is, that power plants along the way can't take advantage of the line.

And that's one of the very serious issues that we have with this facility, particularly the James A. Fitzpatrick facility that we own in Oswego.

One of the problems that has been discussed in New York over the last couple of years, is that you've got an opportunity for wind generation, for

example, in Upstate New York.

Just from a topography standpoint, that's where the wind blows, that's where you need to build the windmills.

You wouldn't have as much success building a windmill in Stony Point.

Okay?

But, the problem has been: How do you get the wind power down to the place that has the load?

So, you've got one place in the state that you can generate the power, but it's far from the parts of the state that really need the power.

A direct-current line means that you absolutely cannot use that facility to bring you wind power.

What you really need is upgrades to the alternating-current system; the AC system.

And, in fact, the Energy Highway blueprint that was issued yesterday talks about improvements to the alternating-current system in order to facilitate that kind of renewable generation.

So this line not only doesn't make economic sense, it doesn't do anything to promote the use of renewable energy in the way that many people in New York have proposed should be done.

ASSEMBLYWOMAN CALHOUN: Further question, then: If you were to do some kind of a station in the Kingston area, has been talked about, would that then, from that point, on, have loss of power because it would be on an AC?

MICHAEL TWOMEY: If you built a new transmission line?

ASSEMBLYWOMAN CALHOUN: Yeah.

Well, there was talk about accessing it there, so that there would be availability of power on its way down.

MICHAEL TWOMEY: Yeah, once they interconnect -- once you interconnect to the AC system, you can take advantage of it.

But just as a matter of electrical delivery, I'm not sure that the New York ISO has studied that Kingston tie-in --

ASSEMBLYWOMAN CALHOUN: I think it's recent.

MICHAEL TWOMEY: -- what the consequences would be if you did that, because, you know, the electrical system doesn't follow directions. You know, the electrons go wherever physics tells them to go.

And once you hook up this line and you've got all this hydropower, or whatever the power source

is, coming down from Canada, it's not clear what the effect will be when you tie into the AC system.

And by the way, one of the claims in this case has been, that this is great, you know, clean hydropower, and that's why we should embrace this facility.

But when pressed during the hearings to commit that it would be 100 percent hydropower, even if you were in favor of it, they have been unwilling to do that even.

And they do have nuclear plants in Canada, and they have coal plants and they have other kinds of plants in Canada, that could be the source of the power.

So then you really get into a conversation about: Why am I going to buy the same exact kind of power that I can manufacture here in New York, from Canada?

You might find someone who says: Geez, I love hydropower, because it's better for the environment.

But there's no guarantee you're going to get hydropower on this line, as the project's been proposed.

ASSEMBLYWOMAN CALHOUN: My comment is,

that --

And I'm not running for office again. I'm retiring.

-- I have spent four trips to Indian Point, and I have come out of that facility extremely confident of its safety, of its efficiencies.

And my reason for saying this is because, those of you who live closer to it need to be assured that your safety is there, and that a tsunami is not going to happen on the Hudson River, and, you're not going to get a plane going into the towers, because they already did a trial run, and took a plane into a concrete structure.

I'm only saying this so you don't ever lose sleep on the fact that Indian Point is there.

In fact, what you should be doing is thanking the fact that it is there, because it keeps your costs somewhat down, and it gives you reliable service.

End of being on the soapbox.

MICHAEL TWOMEY: I appreciate that comment very much.

And I will tell you that we take the obligation to provide safe and secure power generation at Indian Point very seriously.

We believe that it is among the most robust, secure, safe facilities in the United States.

ASSEMBLYWOMAN CALHOUN: I would urge --

MICHAEL TWOMEY: And we lose sleep over it so that everyone else doesn't have to.

ASSEMBLYWOMAN CALHOUN: But I would urge the local officials who are here, take the opportunity to go down, spend three or four hours, and that way you can come back, and you'll either find that that's not so, or you will find it's their belief.

But, it's important for the well-being, people's emotional well-being, in an area.

MICHAEL TWOMEY: I agree.

SENATOR MAZIARZ: Thank you very much, Assemblywoman.

Thank you very much be, Mr. Twomey.

We appreciate your testimony here today.

MICHAEL TWOMEY: Thank you.

SENATOR MAZIARZ: Our next testimony will be by Annie Wilson of the Sierra Club, Atlantic Chapter.

Good afternoon.

ANNIE WILSON: Hello.

I just spent an hour and fifteen minutes getting dizzy in a taxi, looking for this place.

Well, thank you very much for this opportunity, the invitation to comment --

SENATOR MAZIARZ: Thank you.

ANNIE WILSON: -- on the Champlain-Hudson Power Express proposal.

And, I'm Annie Wilson.

I'm a representative of the Atlantic Chapter of Sierra Club, and, I chair the energy committee for the New York City group.

And, the Atlantic Chapter has approximately, oh, I suppose, about 38,000 members in the state of New York.

And, I would first state that, in general, the Sierra Club believes that New York State needs to support expanded in-state renewable energy development, coupled with energy-conservation and energy-efficiency programs, in order to combat the worse effects of climate change.

New York should not undermine these goals or export its environmental problems through transmission lines that support the development of destructive Canadian hydropower on virgin rivers.

This transmission line also serves as a demonstration pilot project.

There are no systems, such as this proposed

project, under -- close to 300 miles, under a river, anywhere on the planet.

And, it seems like one of the motivations for this project is as a demonstration project, so that there could be promotion for this type of technology, anywhere in the world, to avoid the construction of transmission lines over land.

And, so, we're looking at the possibility of developing -- it could be the development of these type of systems in rivers all over Africa, South America, and anywhere else.

So that's something that, you know, once it's made in New York, it could be made anywhere.

And, we're very aware of that potential and that could explain some of the motivation for this project, and it's enormous expense and its PR and its outreach, unlike anything we've come across in quite some time.

We have many concerns with the transmission line, including the lack of reliability, the dubious economic benefits, the negative environmental impacts associated with the cable route, and issues which cost to ratepayers, which all happen to be in direct contradiction to the objectives of the recently proposed New York Energy Highway

Initiative.

As you know, yesterday, the Governor received the New York Energy Highway blueprint, produced by an energy interagency task force, including New York Power Authority, New York State Department of Environmental Conservation, New York Public Service Commission, New York State Energy Research Development Authority, and the Empire State Development Corp.

What's interesting, in reviewing this quick blueprint earlier today, is that there's no mention of this project. And that the congestion corridor is actually referred to as a possible alternating current line, 1,000 megawatts.

And on page 38 of the blueprint for this Energy Highway report, I will quote from this, that:

"The AC electric transmission system is the backbone of a reliable transmission system.

"The AC system promotes reliability through its ability and flexibility to respond to the emergencies on the system.

"Unlike the direct current, or, DC, transmission line" --

Which is the Champlain-Hudson Power Express proposal.

-- "the AC system also allows for the interconnection of needed generation resources at multiple points on the system, and the DC line serves the purpose of moving energy over long distances and interconnecting incompatible systems."

So, as I go on, also, in reviewing this blueprint for the Energy Highway, I found that there seems to be quite a bit of emphasis on expanding the gas infrastructure, which doesn't seem to be very prudent, given our climate-crisis concerns, and with the ice-cap melting.

So there's also, come the end of the year, the Department of Public Service will issue a notice on natural-gas-expansion policies, and will accelerate investments in public and private-sector gas-distribution systems.

I think that, in New York, we could possibly expand a larger portion of this blueprint with small-distributed and possibly community-owned renewable-energy projects.

The developers of the Hudson-Champlain Express have claimed that the project will provide jobs to New Yorkers and supply New York City with additional energy.

But the truth is, that we already have the

potential to meet all of our energy needs with in-state renewable resources, and to create jobs that support a sustainable energy infrastructure.

Simply put, this project threatens the viability of in-state renewable-energy/energy-efficiency systems.

The electricity to be delivered through the Champlain-Hudson Power Express, according to the Hydro-Quebec submission to the Public Service Commission, will contain 98 percent hydroelectricity generated by hydropower.

"Dams."

And in our state's renewable portfolio standard, the State does not recognize purchases from this technology of dams as hydroelectric, given that these dams are over 30 megawatts and involve a lot of flooding.

So the use of renewable energy depends on who's calling it "renewable energy," and which guidelines we're applying to that definition.

And that's very important.

I would also want to add that, this project, from the research we've done, doesn't have an existing transmission proposal from south of Montreal, Airtel, to the connection at the southern

tip of the Champlain Lake -- Lake Champlain.

And there has not been any request for proposals or any announcements relating to any transmission system to be built under the Richelieu River that connects into the northern area of Lake Champlain.

I've been told that there are areas of this Richelieu River that are extremely shallow. We're talking, 20, 30 feet.

And I've been told there is also an endangered fish species there, but, one has to wonder, if we were to approve -- if there was to be an approval of this project, what is it connecting to, up there, given that nothing is happening?

As I would like to conclude my comments soon, that, the issue of eminent domain in this Rockland County, and the issue of eminent-domain claim includes, and what is the taking of indigenous lands in Québec for the dams, are issues that we have to consider.

Is this in the general best interests of our environment and of the communities that inhabit these areas, including here?

Up in Québec, right now, there -- they have a reserve margin in a transmission system that is

somewhere between 4 to 6 percent.

And in New York State, our reserve margin in our transmission system is approximately 16 percent.

So one has to wonder, why are we buying from them, instead of selling to them?

Because, we have more in our reserve than they do; and, yet they want to sell to us.

That's something to look into.

And most recently, with the recent election in Québec, there was an announcement in September by the new Premier, that they would be shutting down the Gentilly Nuclear Power Plant outside of Montreal, which is another 635 megawatts that they will not have available.

At this time, they are constructing a series of dams on the Romaine River. And one has to consider that this electricity is coming from a new construction on a pristine virgin river in northeastern Québec.

So, I'll conclude with:

The impacts of increasing the lines on out-of-state generation must be studied, and compared with in-state deployment of efficiency, conservation, and renewable forms of energy.

The creation of in-state jobs and economic

revitalization must be assessed, as the economic losses due to imports.

In the context of this development, the Public Service Commission has a primary obligation to support and promote development of a sustainable energy economy in the city of New York, in the state of New York, before it looks to exploit Canadian resources and indigenous peoples.

There is no need for the Champlain-Hudson Power Express transmission proposal, and it is not in the public interest.

We need truly clean energy in New York, made by, and for, New Yorkers.

Thank you for your consideration on this important issue.

SENATOR MAZIARZ: Thank you very much, Ms. Wilson.

[Audience applause.]

SENATOR MAZIARZ: Thank you.

We appreciate your comments.

Senator Larkin, any questions?

SENATOR LARKIN: No.

Thank you.

SENATOR MAZIARZ: Senator Carlucci?

SENATOR CARLUCCI: Just one question.

I don't know if you're familiar with the proposed desalination plant?

ANNIE WILSON: Yes.

SENATOR CARLUCCI: And if you know how this project would impact that?

ANNIE WILSON: No, I don't know that answer.

SENATOR CARLUCCI: Okay.

Thank you.

SENATOR MAZIARZ: Thank you.

Assemblywoman?

ASSEMBLYWOMAN CALHOUN: No.

Thank you.

SENATOR MAZIARZ: Thank you very much.

ANNIE WILSON: Thank you very much.

SENATOR MAZIARZ: Our next witnesses are Scott Jensen, the business manager for the International Brotherhood of Electrical Workers, Number 503.

VIDEOGRAPHER: We have to change the tape.

SENATOR MAZIARZ: Oh, I'm sorry.

Okay, we're going to do a tape change.

But, Scott is here, and also, Mike Hichak.

Thanks, Mike.

(Brief pause in the proceeding.)

(The hearing resumed, as follows:)

SCOTT JENSEN: [No audio] Maziarz, and Assembly panel, I want to thank you for the opportunity to address this Committee on several very important and sensitive issues involving the Champlain-Hudson Power Express.

The community of Stony Point has firsthand experience of the economic impact of the closing and demolition of the Lubbock generating station which concluded in 2008.

Before deregulation, both Lubbock and Bowline were owned and operated by Orange and Rockland utilities.

The revenue to the tax bases of Stony Point and Haverstraw was significant.

When [unintelligible] was forced to retire the coal-fired Lubbock station, the local that I represent had 150 members employed between Lubbock and Bowline.

We now represent 31 employed members at the GenOn Bowline plant.

If this Champlain Hudson Power Express is approved, this local has its doubts that Bowline would even be needed for the lower New York electric grid.

This would mean loss of jobs and tax revenue

for the town of Haverstraw and the county of Rockland.

In this economy, we need more jobs in New York State, and not send more revenue to another country as this proposed project would do.

Bowline is making preparations to put another unit online, as the gas pipeline is in place and many of the needed permits are approved and ready to go.

If Bowline 3 is constructed, this work would be done by local labor, and would also aid in the community's tax base and help the local economy by creating approximately 700 skilled construction jobs over three years, and adding 25 permanent jobs to run in the long term.

Basically, the Champlain-Hudson Power Express is an extension cord from Québec to New York City, prohibiting in-state resources that have excess power and capacity from accessing the line.

This line does not address or improve the state's existing transmission congestion issues or follow Governor Cuomo's Energy Highway Initiative.

Power generation is a business that New York must stay involved in.

New York has the resources, workforce, and

investment capability to generate its own energy.

New York must reverse a growing trend of importing power.

It only makes economic sense to generate electric and employ the people that it takes to do so in our own state.

I want to applaud Senator Maziarz on his proposed S Bill 7391, for this project's using eminent domain.

This bill aids in putting New York on an even playing field.

In closing, I ask all in attendance to pose the following questions to yourselves:

Do we really want to send work and revenue out of state to another country?

Do we really want to lose good tax-paying employers?

Isn't it time we changed our outsourcing policies?

Instead, let's look at upgrading the existing rights-of-way, let's' support the TRANSCO initiative, as this project will be constructed by New York workers and aid the straight throughout.

I'd like to thank you for listening to my concerns regarding this issue.

SENATOR MAZIARZ: Thank you, Scott.

Mike.

MICHAEL HICHAK: Good afternoon, Senator. Actually, almost good evening.

Good afternoon, Senator, Senator, Assemblywoman, Assemblyman.

My name is Michael Hichak.

I'm the recording secretary of Local Union 320 of the 20 Internal Brotherhood Electrical Workers.

I'm here representing my president and business manager, John P. Kayser.

I also want to thank you for the opportunity to address this Committee on the issues involving the Champlain-Hudson Power Express.

CHP is, essentially, a long extension cord running from Québec into New York City, prohibiting the in-state resources that have excess power and capacity from accessing the line.

CHP does not address or improve the state's existing transmission-congestion issues.

Rather than spur investment in new facilities or repowering existing ones, this proposal curtails New York State infrastructure investments, the need for other in-state generation, and the

New York State workforce, due to potential retirement of facilities due to CHPE's operation.

The state right now is abundant with generating capability because the recession has stunted an industrial demand on the system.

If the Champlain-Hudson Power Express is approved, our local also has doubts that the Roseton and Danskammer power plants, which are located in Newburgh, New York, would be needed for the lower New York City electric grid.

The Roseton plant ties directly into the Marcy South 305 high-voltage power line which feeds into the East Fishkill substation, where it then goes to connect New York City to Con Ed's lines.

CHP threatens the investments already made in New York, and suppresses additional investments from being made by companies that have invested billions of dollars, paid millions in taxes, and employed thousands of New Yorkers, especially in Upstate New York.

There is 1,693 megawatts readily available to feed New York City or the state from the Roseton and Danskammer plants.

If these plants were to be shuttered, 150 good-paying jobs would be lost, the surrounding

towns and school districts would lose $24-plus million in tax revenue, and would be devastated.

The tax levy is 40 percent of the Town of Marlboro School District budget.

New York's electric power plants provide skilled, good-paying, sustainable jobs to thousands of hard-working people.

The jobs from this project are created in Canada.

New York State does not need to be outsourcing more work at such a critical economical climate.

New York has the resources, the workforce, and investment capability to generate its own energy.

I also want to applaud you, Senator Maziarz, on your Bill S7391, which prohibits projects using eminent domain.

Thank you very much for allowing me this time to be heard.

SENATOR MAZIARZ: Thank you very much, Mike.

And, Scott, I just want to, for the record, mention the fact that your IBEW sisters and brothers across the state have been extremely supportive of

this piece of legislation that Senator Larkin, Senator Carlucci, and I are sponsoring; particularly, Phil Wilcox, from Local 97 in Western New York, has been a leader across required state in this effort.

With that, I'll turn it over to Senator Larkin, if he has any questions or comments?

SENATOR LARKIN: I don't have any questions.

My comments are this:

I really applaud each and every one of you who took time today to be here.

The information that you've given to us is clear:

This is America, and we should create and develop our own jobs and keep our own Americans working in the United States of America.

SENATOR MAZIARZ: Thank you.

Senator Carlucci?

SENATOR CARLUCCI: No questions.

I just want to thank Scott and Mike for being here today, and representing the IBEW.

And thank you for your -- the work that you guys do.

SENATOR MAZIARZ: Assemblyman Zebrowski?

ASSEMBLYMAN ZEBROWSKI: No questions.

SENATOR MAZIARZ: Assemblywoman Calhoun?

ASSEMBLYWOMAN CALHOUN: Just the same thing:

To thank you for being here representing the working men and women of this state.

SENATOR MAZIARZ: I do, for the record, want to thank the Supervisor, again, of Stony Point for your hospitality here today.

We appreciate the use of this room and your facilities.

Thank you very much.

Again, remind everyone, if you want to submit testimony, you can go online, submit it to either Senator Larkin, Senator Carlucci, or my office.

And, again, this concludes the hearing.

Thank you all very much.

[Audience applause.]

(Whereupon, at approximately 4:08 p.m., the public hearing held before the New York State Senate Standing Committee on Energy and Telecommunications concluded, and adjourned.)

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