

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

3 PUBLIC HEARING

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

7
8 Stony Point Community Center
9 5 Clubhouse Lane
10 Stony Point, New York 10980

11
12 October 23, 2012
13 1:00 p.m. to 4:00 p.m.

14
15 PRESIDING:

16 Senator George D. Maziarz
17 Chair

18
19 SENATE MEMBERS PRESENT:

20 Senator David Carlucci
21 Senator William J. Larkin, Jr.

22
23 ASSEMBLY MEMBERS PRESENT:

24 Assemblywoman Nancy Calhoun
25 Assemblyman Kenneth P. Zebrowski

	SPEAKERS:	PAGE	QUESTIONS
1			
2	Thomas Rumsey	14	21
3	VP, External and Regulatory Affairs		
4	New York Independent System Operator		
5	Donald Jessome	35	44
6	President and CEO		
7	Transmission Developers, Inc.		
8	Susan Filgueras	67	92
9	President		
10	Stony Point Historical Society		
11	Laurie Cozza	67	92
12	Resident		
13	Rebecca and Wellington Casscles		
14	Residents		
15	Michele Cornish		
16	Resident		
17	Stony Point, New York		
18	Barry Brooks	67	92
19	Resident, and President of the		
20	Sons of the American Revolution		
21	Stony Point, New York		
22	Arthur "Jerry" Kremer	98	104
23	Chairman		
24	NY Affordable Reliable Energy Alliance		
25	Gavin Donohue	109	113
26	President		
27	Independent Power Producers of New York		
28	Geoffrey Finn	121	132
29	Supervisor		
30	Town of Stony Point		
31	Howard Phillips	121	132
32	Supervisor		
33	Town of Haverstraw		
34	Al Samuels	138	144
35	President and CEO		
36	Rockland Business Association		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SPEAKERS (Continued):

PAGE QUESTIONS

Michael Twomey
Vice President, External Affairs
Entergy

149 156

Annie Wilson
Atlantic Chapter Representative
Sierra Club

171 179

Scott Jensen
Business Manager, Local Union 503
Michael Hichak
Recording Secretary, Local Union 320
International Brotherhood of
Electrical Workers

180 186

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1 SENATOR MAZIARZ: My name is George Maziarz.
2 I'm the New York State Senator in the
3 62nd Senatorial District, which is far away from
4 here, the Niagara Falls-Western New York-Buffalo
5 region.

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

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

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

15 And I said --

16 [Laughter.]

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

19 So --

20 [Laughter.]

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

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

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

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

5 Assemblyman Ken Zebrowski.

6 Thank you very much for being here,
7 Assemblyman;

8 And, also, Assemblywoman Nancy Calhoun.

9 Nancy, thank you very much for being here.

10 This hearing will come to order.

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

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

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

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

25 If others would like to submit written

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

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

14 "Not another state, but another country."

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

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

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

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

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

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

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

22 That's why this hearing is so important.

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

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

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

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

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

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

13 I have a viewpoint about CHPE.

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

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

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

23 The developers claim the cost will be roughly
24 \$2 billion and the ratepayers will not be asked for
25 a dime.

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

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

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

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

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

15 Not only will this project create no
16 long-term jobs, it's aim is to close a nearby
17 facility, Indian Point Energy Center, that employs
18 1,300 people, pays tens of thousands -- I'm
19 sorry -- pays ten of millions of dollars in property
20 tax, and has a stellar safety record.

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

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

1 here in Stony Point.

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

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

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

13 I need your help to make this bill a reality.

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

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

23 I look forward to the testimony.

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

1 New York Independent Systems Operator.

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

3 I apologize.

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

6 Senator?

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

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

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

19 Thank you very much.

20 SENATOR MAZIARZ: Thank you, Senator.

21 Senator Carlucci?

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

1 to make sure that the residents of Stony Point are
2 heard loud and clear.

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

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

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

17 Thank you.

18 SENATOR MAZIARZ: Assemblyman Zebrowski?

19 ASSEMBLYMAN ZEBROWSKI: Thank you, Senator.

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

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

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

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

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

11 SENATOR MAZIARZ: Thank you, Assemblyman.
12 Assemblywoman Calhoun?

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

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

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

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

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

1 get a chance to speak.

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

4 Excuse me, I'm from Orange.

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

9 So, thank you very much.

10 SENATOR MAZIARZ: Thank you,
11 Assemblywoman Calhoun.

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

14 Tom.

15 THOMAS RUMSEY: Yes, sir.

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

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

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

25 For those that may not be as familiar with

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

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

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

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

12 [Cellular telephone interruption.]

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

15 [Laughter.]

16 UNKNOWN SPEAKER: Don't hold your breath.

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

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

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

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

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

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

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

23 After years of steady growth, however, in
24 2008 and '9, we saw the largest decline in energy
25 demand since the Great Depression.

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

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

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

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

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

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

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

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

1 year in the United States.

2 New York is not immune to that cycle.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 That study estimated that more than
2 40 percent of New York's transmission lines will
3 need replacement over the next 30 years at a
4 projected cost of \$25 billion.

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

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

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

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

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

25 It's encouraging to note that the

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

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

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

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

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

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

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

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

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

25 And keeping in mind that you are completely a

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

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

12 THOMAS RUMSEY: That's right.

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

22 THOMAS RUMSEY: That's correct.

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

1 THOMAS RUMSEY: The Energy Highway.

2 SENATOR MAZIARZ: Right.

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

7 SENATOR MAZIARZ: Right, the Governor's --

8 THOMAS RUMSEY: Yeah.

9 SENATOR MAZIARZ: Yes.

10 THOMAS RUMSEY: Yeah.

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

18 We currently see no need for additional
19 resources, in terms of generation, until the year
20 2020.

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

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

1 across the state.

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

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

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

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

23 I mean, where I am --

24 THOMAS RUMSEY: Yep.

25 SENATOR MAZIARZ: -- there are generators

1 that are either shut down, totally --

2 THOMAS RUMSEY: Correct.

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

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

9 THOMAS RUMSEY: There's absolutely enough
10 generation.

11 I think if you were to have a completely
12 unobstructed transmission system, we have roughly
13 4,000 megawatts of excess capacity across the
14 state.

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

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

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

1 SENATOR MAZIARZ: Thank you.

2 THOMAS RUMSEY: Yes, sir.

3 SENATOR MAZIARZ: Senator Larkin, any
4 questions?

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

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

11 And the question comes up about the
12 downstate region.

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

15 THOMAS RUMSEY: Find projects down in this
16 area?

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

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

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

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

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

11 SENATOR LARKIN: May I say something?

12 SENATOR MAZIARZ: Sure.

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

17 [Audience applause.]

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

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

23 So thank you for your service, Senator.

24 SENATOR LARKIN: Thank you, Tom.

25 [Audience applause.]

1 SENATOR MAZIARZ: Senator Carlucci?

2 SENATOR CARLUCCI: Well, Tom, thank you --

3 THOMAS RUMSEY: I hope you're as nice.

4 [Laughter.]

5 SENATOR CARLUCCI: Well, thank you.

6 Thank you for your service.

7 THOMAS RUMSEY: Yes, sir.

8 SENATOR CARLUCCI: Thank you for being here
9 today.

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

14 THOMAS RUMSEY: For the Champlain-Hudson
15 line?

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

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

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

25 Can they come in and not have a detrimental

1 effect?

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

5 The developer bears the cost of those
6 upgrades.

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

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

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

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

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

1 SENATOR CARLUCCI: Okay.

2 And just one other question:

3 You talked about 2020. The year 2020.

4 What do you believe happens after 2020?

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

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

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

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

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

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

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

1 solution.

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

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

8 ASSEMBLYWOMAN CALHOUN: Nancy Calhoun here.

9 SENATOR MAZIARZ: Assemblywoman Calhoun.

10 ASSEMBLYWOMAN CALHOUN: Thank you very much.

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

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

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

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

21 THOMAS RUMSEY: That's right.

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

25 And most of the people who are in this room

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

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

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

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

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

14 [Laughter.]

15 ASSEMBLYWOMAN CALHOUN: Okay.

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

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

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

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

1 THOMAS RUMSEY: Very much so.

2 ASSEMBLYWOMAN CALHOUN: Thank you very much.

3 SENATOR MAZIARZ: Assemblyman Zebrowski?

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

7 THOMAS RUMSEY: Yes, sir.

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

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

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

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

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

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

11 So we looked at that scenario as well.

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

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

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

23 SENATOR MAZIARZ: Thank you, Assemblyman.

24 Thank you very much, Mr. Rumsey.

25 We appreciate your testimony here today.

1 THOMAS RUMSEY: Thank you very much.

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

5 Mr. Jessome.

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

9 DONALD JESSOME: Oh, my pleasure.

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

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

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

1 its function.

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

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

14 Furthermore, the record developed before the
15 Public Service Commission with respect to this
16 project, which bears the PSC case number,
17 10-T-0139, is extensive, and every document filed in
18 this case is available online from the PSC as well.

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

25 A converter station will be built on land

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

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

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

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

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

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

1 from the public.

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

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

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

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

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

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

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

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

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

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

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

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

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

19 Local property taxes:

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

1 In Rockland County, over -- our last
2 estimates show that we will pay approximately
3 800,000 per year in property taxes.

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

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

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

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

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

25 The New York State Public Service Commission

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

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

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

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

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

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

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

1 indirect jobs across a wide spectrum of the
2 economy.

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

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

11 This is precisely what our project will do.

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

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

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

1 these important resources are protected.

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

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

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

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

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

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

1 broad and deep support.

2 We feel our project meets all of these
3 criteria.

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

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

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

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

13 DONALD JESSOME: Thoroughly enjoy it.

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

16 [Laughter.]

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

20 SENATOR MAZIARZ: They certainly are.

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

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

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

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

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

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

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

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

25 SENATOR MAZIARZ: Well, excuse me. Let --

1 please, let the witness answer the question.

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

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

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

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

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

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

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

20 SENATOR MAZIARZ: Thank you.

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

24 Mr. Larkin, would you like to start?

25 SENATOR LARKIN: Mr. Jessome, thank you very

1 much for coming.

2 DONALD JESSOME: Oh, my pleasure.

3 SENATOR LARKIN: I have a couple of
4 questions.

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

9 DONALD JESSOME: That is actually all filed
10 with our PSC hearing, but it's approximately
11 2 percent of the capital cost of the project for the
12 area that we will be traversing through this
13 community.

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

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

18 [Laughter.]

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

21 Who paid for this study?

22 DONALD JESSOME: I did, our company.

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

25 DONALD JESSOME: You know, certainly, we have

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

4 But we didn't do this on our own.

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

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

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

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

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

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

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

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

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

5 It isn't.

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

10 [Audience applause.]

11 SENATOR MAZIARZ: Thank you, Senator Larkin.
12 Senator Carlucci?

13 SENATOR CARLUCCI: Thank you.

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

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

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

1 Stony Point, Rockland County?

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

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

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

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

15 [Laughter.]

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

18 SENATOR MAZIARZ: Excuse me.

19 Excuse me, please.

20 Let's give everyone the opportunity to be
21 heard.

22 Thank you.

23 DONALD JESSOME: -- the --

24 SENATOR MAZIARZ: Mr. Jessome.

25 DONALD JESSOME: -- the studies that were

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

5 So, we have diagrams that show that general
6 area.

7 SENATOR CARLUCCI: Okay.

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

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

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

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

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

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

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

25 And that's where those jobs are created.

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

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

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

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

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

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

1 mean?

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

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

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

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

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

23 DONALD JESSOME: Sure.

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

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

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

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

17 But, here, we're on land.

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

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

25 And what we will look at is the economics

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

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

11 So those are some of the engineering
12 challenges.

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

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

19 SENATOR CARLUCCI: Okay.

20 All right, thank you.

21 SENATOR MAZIARZ: Thank you.

22 Senator Larkin had an additional question.

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

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

3 DONALD JESSOME: Yeah, absolutely.

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

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

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

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

16 UNKNOWN SPEAKER: That's my question.

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

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

20 SENATOR LARKIN: 100 percent?

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

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

1 the project.

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

5 SENATOR LARKIN: New York City, versus --

6 DONALD JESSOME: Well it depends.

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

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

13 SENATOR LARKIN: Thank you very much.

14 SENATOR MAZIARZ: Assemblywoman Calhoun?

15 ASSEMBLYWOMAN CALHOUN: Thank you very much,
16 Senator.

17 That's a very important question.

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

20 DONALD JESSOME: Yes.

21 ASSEMBLYWOMAN CALHOUN: Okay.

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

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

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

4 Where the jobs come from is really from the
5 lower energy costs. So that, actually, that lower
6 energy costs, as I had mentioned, is approximately
7 2,400 jobs that get created in the economy because
8 of those lower energy costs.

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

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

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

22 ASSEMBLYWOMAN CALHOUN: Uh-huh?

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

1 already interconnected to this community.

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

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

8 DONALD JESSOME: Absolutely.

9 ASSEMBLYWOMAN CALHOUN: Thank you very much.

10 SENATOR MAZIARZ: Assemblyman Zebrowski?

11 ASSEMBLYMAN ZEBROWSKI: Thank you, Senator.

12 I just have two questions.

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

20 DONALD JESSOME: Absolutely not.

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

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

1 So we're talking 1,000 megawatts in a
2 40,000-megawatt system.

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

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

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

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

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

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

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

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

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

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

12 DONALD JESSOME: As long as the community
13 would sign for them, we'd like to do it for
14 40 years, if possible.

15 ASSEMBLYMAN ZEBROWSKI: Uh-huh, okay.

16 SENATOR MAZIARZ: Thank you very much.
17 Senator Carlucci?

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

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

24 Could you speak to that?

25 And if that were to happen, what that would

1 mean to, this project? to ratepayers?

2 DONALD JESSOME: Sure.

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

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

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

19 Just as an example: One of the projects
20 this is currently being developed in Québec is
21 \$7 billion, just for the hydro facilities.

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

25 We don't necessarily agree with that number,

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

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

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

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

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

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

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

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

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

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

13 SENATOR CARLUCCI: Okay.

14 And just two quick questions.

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

17 DONALD JESSOME: We anticipate, starting in
18 2014, being in service late 2017.

19 SENATOR CARLUCCI: Okay, so, three years.

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

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

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

5 And it in, it says:

6 "Based on the" -- "an LEI analysis of the
7 2008 test year, the Champlain-Hudson Power Express
8 project is estimated to reduce electricity costs
9 by approximately 650 million per annum for New York
10 State. 93 percent of the energy-cost reductions
11 can be attributed to New York City and Long Island,
12 and the rest to, Capital, Lower Hudson Valley. And,
13 there are no projected electricity cost savings in
14 Upstate New York."

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

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

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

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

25 SENATOR MAZIARZ: Thank you.

1 Assemblywoman Calhoun?

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

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

8 I mean, I look at mine every month.

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

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

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

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

25 ASSEMBLYWOMAN CALHOUN: But what I'm saying

1 is, we may see a reduction on those energy costs,
2 but if you're using 1,000 kilowatts a month, you're
3 still going to pay a transmission charge on those
4 1,000 kilowatts.

5 DONALD JESSOME: The existing transmission
6 costs --

7 ASSEMBLYWOMAN CALHOUN: Yes.

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

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

15 DONALD JESSOME: That's correct.

16 That's correct.

17 ASSEMBLYWOMAN CALHOUN: Thank you.

18 SENATOR MAZIARZ: Any further questions?

19 Thank you very much, Mr. Jessome.

20 DONALD JESSOME: A pleasure. Thank you.

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

25 And I'm going apologize in advance. I am

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

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

5 Laurie Cozza;

6 Rebecca and Wellington Casscles;

7 Michele [ph.] Cornish;

8 And Barry Brooks.

9 SUSAN FILGUERAS: Senator Maziarz --

10 SENATOR MAZIARZ: Thank you very much, Susan.

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

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

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

19 Okay, Susan, are you going to start?

20 SUSAN FILGUERAS: I'm going to start.

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

23 And, Senator Carlucci and Senator Larkin,
24 thank you.

25 And, Mr. Zebrowski, welcome.

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

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

6 So, thank you, thank you.

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

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

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

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

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

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

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

25 That owner has said -- has instructed me to

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

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

6 There is no room.

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

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

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

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

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

21 So they're not doing it.

22 How about that?

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

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

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

3 REBECCA CASSCLES: Excuse me, Senator Larkin.
4 I'm Rebecca Casscles. I'm the young lady
5 that asked Mr. Jessome at the June 26th meeting,
6 if he was planning on using eminent domain.

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

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

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

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

16 SUSAN FILGUERAS: Okay.

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

20 Are you ready, Mr. Casscles?

21 WELLINGTON CASSCLES: Yep.

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

24 Oh, that's Michele.

25 WELLINGTON CASSCLES: All right, I'm going to

1 change things up a little bit.

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

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

7 ASSEMBLYWOMAN CALHOUN: Excuse me.

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

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

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

15 WELLINGTON CASSCLES: Okay.

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

20 Okay?

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

23 Right here, the project comes on land.

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

1 Revolutionary soldiers actually crossed the
2 Hudson.

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

6 Okay?

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

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

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

16 WELLINGTON CASSCLES: Continues down.

17 The entrance to the battlefield is up in
18 here.

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

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

23 We have two marinas there.

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

1 Okay?

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

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

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

10 WELLINGTON CASSCLES: Okay?

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

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

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

1 line in their bedrooms.

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

6 SUSAN FILGUERAS: They can't get it --

7 WELLINGTON CASSCLES: I can't see it.

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

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

17 That's not counting the homes.

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

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

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

1 Okay?

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

4 Okay, this is just a closer view of it.

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

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

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

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

14 Okay?

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

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

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

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

24 Right there, at that section, there's two
25 6-foot drainage pipes buried in the road, plus, a

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

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

6 These guys got to go down twelve.

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

9 Okay?

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

12 This here property belongs to myself.

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

15 SENATOR LARKIN: And you're not selling?

16 WELLINGTON CASSCLES: And I ain't selling.

17 REBECCA CASSCLES: Absolutely not.

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

21 What do we do then?

22 SUSAN FILGUERAS: So the question --

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

1 non-conforming.

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

5 CHPE needs the right-of-way.

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

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

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

16 You ready?

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

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

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

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

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

4 Okay?

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

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

10 SUSAN FILGUERAS: Which means --

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

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

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

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

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

3 They don't own the property.

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

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

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

12 SENATOR LARKIN: That's right.

13 WELLINGTON CASSCLES: I've lived there --

14 SENATOR LARKIN: On both sides. We saw it.

15 SUSAN FILGUERAS: Right.

16 WELLINGTON CASSCLES: I lived there
17 53 years. Them signs were never there.

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

19 SENATOR LARKIN: You have no interest in
20 this?

21 WELLINGTON CASSCLES: Not a bit.

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

1 Okay?

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

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

12 Okay?

13 They're going uphill there.

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

17 SUSAN FILGUERAS: It's all on hill.

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

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

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

25 Sorry.

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

3 SUSAN FILGUERAS: Next one?

4 WELLINGTON CASSCLES: Yeah.

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

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

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

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

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

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

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

25 SUSAN FILGUERAS: And, Mr. Brooks, I am

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

5 BARRY BROOKS: Well, they have --

6 SENATOR LARKIN: Put the mic --

7 SENATOR MAZIARZ: Excuse me, Mr. Brooks.

8 Could you just put the microphone up --

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

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

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

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

23 Carl Jones;

24 Larry Brising [ph.];

25 Anita Babcock;

1 Jean O'Dell [ph.];

2 Elizabeth Tanhauser [ph.];

3 And our town clerk, Joan Skinner.

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

8 It cannot be desecrated.

9 [Audience applause.]

10 SENATOR MAZIARZ: Thank you for being here.

11 BARRY BROOKS: Okay, continuing:

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

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

18 Why? I don't know.

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

21 WELLINGTON CASSCLES: Okay?

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

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

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

5 This is the cemetery. This is the
6 Waldron Cemetery.

7 Peter Gross fought in the revolution, at
8 12 years old, and then in the War of 1812.

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

11 This is in 1860.

12 This is today, lovingly restored by the
13 Kavanaughs who own this home. They pay over
14 \$50,000 in town, county, school, taxes.

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

18 And I think we're done.

19 I can't --

20 WELLINGTON CASSCLES: Okay, here we go.

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

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

1 zone again.

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

4 Okay?

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

7 Not only that, but this is federal wetlands
8 again.

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

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

15 If they hit that, we're in trouble.

16 SUSAN FILGUERAS: They'll bankrupt the town.

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

19 WELLINGTON CASSCLES: Go to the next one.

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

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

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

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

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

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

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

14 SUSAN FILGUERAS: And any --

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

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

20 Ready?

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

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

25 WELLINGTON CASSCLES: Leaves the commercial

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

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

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

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

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

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

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

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

25 I am not interested in negotiating. We are

1 not interested in selling.

2 We just don't want this.

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

6 [Audience applause.]

7 SENATOR MAZIARZ: Thank you.

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

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

17 We're talking thousands.

18 SENATOR MAZIARZ: Thank you.

19 Are you finished with your PowerPoint?

20 WELLINGTON CASSCLES: Yes.

21 REBECCA CASSCLES: Yes.

22 SENATOR MAZIARZ: Okay, thank you.

23 WELLINGTON CASSCLES: One more slide.

24 SUSAN FILGUERAS: That shows you just the
25 commercial area.

1 SENATOR MAZIARZ: Thank you.

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

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

6 SENATOR MAZIARZ: Okay, okay.

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

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

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

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

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

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

25 SUSAN FILGUERAS: Yes, it was.

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

3 SUSAN FILGUERAS: It's my pleasure.

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

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

9 SENATOR MAZIARZ: That's fine.

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

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

20 SENATOR MAZIARZ: Sure.

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

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

25 SENATOR MAZIARZ: That's okay. Go ahead.

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

4 And the Kavanaughs are here.

5 If you would just stand up.

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

9 And --

10 SENATOR MAZIARZ: Yes.

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

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

15 I know he's --

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

19 SENATOR MAZIARZ: Thank you.

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

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

3 And we thank you very much for coming.

4 REBECCA CASSCLES: Thank you.

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

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

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

14 Thank you.

15 [Audience applause.]

16 SENATOR MAZIARZ: Thank you.

17 Thank you.

18 Senator Carlucci?

19 SENATOR CARLUCCI: Thank you,

20 Senator Maziarz.

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

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

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

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

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

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

18 SENATOR CARLUCCI: And that's just for --

19 SUSAN FILGUERAS: And that's from tax
20 records.

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

24 SUSAN FILGUERAS: Yes. Yeah.

25 UNKNOWN SPEAKER: Total.

1 SUSAN FILGUERAS: Yeah, it's school.

2 UNKNOWN SPEAKER: Total, total.

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

5 SUSAN FILGUERAS: No.

6 UNKNOWN SPEAKER: No.

7 SENATOR CARLUCCI: Okay.

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

11 REBECCA CASSCLES: A hundred --

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

14 SENATOR MAZIARZ: Thank you.

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

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

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

20 SENATOR LARKIN: Thank you.

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

24 Thank you.

25 SENATOR MAZIARZ: Assemblyman Zebrowski?

1 ASSEMBLYMAN ZEBROWSKI: Thank you.

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

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

7 SENATOR MAZIARZ: Assemblywoman Calhoun?

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

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

13 Who owns it?

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

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

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

1 the railroad right-of-way or property owned.

2 The railroad doesn't own all of the property.

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

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

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

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

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

15 ASSEMBLYWOMAN CALHOUN: But is that, Susan --

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

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

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

22 ASSEMBLYWOMAN CALHOUN: Okay, all right.

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

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

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

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

11 UNKNOWN SPEAKER: Some to the state.

12 SUSAN FILGUERAS: -- some to the state.

13 Thank you.

14 ASSEMBLYWOMAN CALHOUN: And some to you
15 folks.

16 SUSAN FILGUERAS: A whole bunch to us
17 folks.

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

20 SENATOR MAZIARZ: And thank you,
21 Assemblywoman.

22 Thank you all very much for your testimony.

23 Thank you.

24 [Audience applause.]

25

1 SENATOR MAZIARZ: Our next --

2 Thank you.

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

6 Thank you very much, Mr. Kremer.

7 Mr. Kremer.

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

12 I represent the New York Affordable Reliable
13 Electricity Alliance, and we've been doing this
14 thing for 10 years, which is in addition to my
15 23 years in Albany.

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

25 And this application runs so counter to the

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

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

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

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

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

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

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

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

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

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

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

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

25 The economists have called this project

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

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

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

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

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

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

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

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

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

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

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

11 This is really the wrong project at the wrong
12 time.

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

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

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

1 upgrades that ratepayers can afford.

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

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

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

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

17 You are very familiar with the New York
18 system.

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

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

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

25 Do you see it in that light also?

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

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

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

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

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

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

18 I don't see any.

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

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

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

3 SENATOR LARKIN: Thank you, Jerry.

4 SENATOR MAZIARZ: Thank you.

5 Senator Carlucci, anything?

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

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

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

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

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

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

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

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

6 SENATOR MAZIARZ: Thank you.

7 SENATOR CARLUCCI: Thank you.

8 SENATOR LARKIN: Very important.

9 SENATOR MAZIARZ: Assemblyman Zebrowski?

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

12 I couldn't have said it better myself.

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

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

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

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

25 And, obviously, the point of an Article 10

1 law, is to build right here in New York.

2 So thank you.

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

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

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

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

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

18 ARTHUR "JERRY" KREMER: Exactly.

19 It's the wrong message at the wrong time.

20 SENATOR MAZIARZ: Assemblywoman, anything?

21 ASSEMBLYWOMAN CALHOUN: Jerry, thank you for
22 being here.

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

1 That's what we want.

2 ARTHUR "JERRY" KREMER: You said it well.

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

5 ARTHUR "JERRY" KREMER: Thank you.

6 SENATOR MAZIARZ: Thank you very much.

7 ARTHUR "JERRY" KREMER: Thank you very much.

8 [Audience applause.]

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

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

13 Mr. Donohue.

14 GAVIN DONOHUE: Thank you, Senator.

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

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

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

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

1 standpoint, reliability standpoint.

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

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

7 So what do we do, going forward?

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

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

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

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

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

25 A converter is going to add probably

1 \$700 million to that project.

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

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

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

15 I've had many discussions with the developer.

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

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

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

25 So, another aspect that hasn't been discussed

1 today, is the shipper aspects of this power.

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

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

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

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

17 I can't emphasize that point enough.

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

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

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

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

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

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

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

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

22 So with that, Senator, I'll close.
23
24
25

1 SENATOR MAZIARZ: Thank you.

2 Thank you very much, Mr. Donohue.

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

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

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

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

16 GAVIN DONOHUE: No, they're meaningless.

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

20 GAVIN DONOHUE: Yes.

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

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

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

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

7 SENATOR MAZIARZ: Thank you.

8 Senator Larkin, any questions for
9 Mr. Donohue?

10 SENATOR LARKIN: Thank you.

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

16 Who are we benefiting?

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

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

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

1 ratepayers only.

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

5 And that's what the benefit is.

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

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

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

13 [Audience applause.]

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

20 GAVIN DONOHUE: Oh, yeah, absolutely.

21 [Audience applause.]

22 SENATOR LARKIN: Thank you, Gavin.

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

1 policy decision to make investments in renewable
2 energy very important.

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

5 Right now, today, we have about
6 1,400 megawatts of wind in Upstate New York. That
7 technology cannot compete, along with other
8 generators.

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

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

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

19 GAVIN DONOHUE: Correct. Correct.

20 SENATOR LARKIN: Canada will control that
21 switch?

22 GAVIN DONOHUE: Right.

23 SENATOR LARKIN: Thank you.

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

1 the shipper.

2 SENATOR MAZIARZ: Thank you, Senator Larkin.

3 Senator Carlucci?

4 SENATOR CARLUCCI: Great.

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

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

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

12 Could you elaborate on that more?

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

15 GAVIN DONOHUE: Well, let me say something:

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

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

23 It has cost the New York Power Authority
24 \$850 million.

25 And as we sit here today, it has no

1 customers.

2 Okay?

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

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

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

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

20 SENATOR CARLUCCI: Thank you.

21 SENATOR MAZIARZ: Assemblywoman Calhoun?

22 ASSEMBLYWOMAN CALHOUN: Thank you, Gavin.

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

25 GAVIN DONOHUE: Yeah.

1 [Laughter.]

2 ASSEMBLYWOMAN CALHOUN: Although he looks
3 it.

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

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

9 GAVIN DONOHUE: Thanks.

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

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

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

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

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

1 industries. They are the people who are
2 independent.

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

5 GAVIN DONOHUE: Thanks, Assemblywoman.

6 SENATOR MAZIARZ: Thank you.

7 Assemblyman Zebrowski?

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

10 SENATOR MAZIARZ: Thank you very much.

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

15 SENATOR MAZIARZ: Oh, absolutely, yes.

16 Matt will take care of that.

17 GAVIN DONOHUE: Thank you, Senator.

18 SENATOR MAZIARZ: Thank you very much.

19 Our next witnesses are two local elected
20 officials.

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

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

25 Supervisor Finn, we want to thank you for

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

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

5 [Laughter.]

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

8 [Laughter.]

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

12 [Laughter.]

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

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

17 [Laughter.]

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

22 [Laughter.]

23 SENATOR MAZIARZ: Thank you.

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

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

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

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

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

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

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

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

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

1 that are going to stimulate our economy.

2 We have -- actually, these -- this project
3 can affect two of our projects that we're trying to
4 get done at Stoney Point now, that will create jobs
5 and will stimulate our economy, one of them being a
6 300-unit condominium complex located on our
7 Hudson River. It's actually on one of the
8 properties -- it's that property right there,
9 actually, where the boats are.

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

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

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

18 We cannot allow this to happen.

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

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

23 SENATOR LARKIN: 1.97.

24 GEOFFREY FINN: I'm sorry?

25 SENATOR LARKIN: 1.97.

1 GEOFFREY FINN: 1.97.

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

4 Okay?

5 This is -- I mean, if we allow this company
6 to come in here and do this, forget about the
7 \$1 million that was mentioned earlier that we'd be
8 losing in revenue. We'd be losing tens of
9 millions of dollars over the years, if we
10 allowed this to happen, and where it creates a
11 problem for us to build what we want to build here.

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

16 We live in United States of America.

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

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

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

1 no --

2 [Audience applause.]

3 GEOFFREY FINN: -- with no benefit to us.

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

10 This is their land.

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

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

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

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

21 So, please, keep out.

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

1 We are here, we will be loud, and we will be
2 heard.

3 [Audience applause.]

4 SENATOR MAZIARZ: Thank you very much,
5 Supervisor Finn.

6 I can tell you that your representatives in
7 Albany, Senator Larkin and Senator Carlucci, have
8 certainly expressed that to me as Chair of this
9 Committee.

10 Supervisor Phillips, from the town of
11 Haverstraw.

12 HOWARD PHILLIPS: Well, first of all, thank
13 you very much, Senator Maziarz.

14 Let me say, I had the opportunity of seeing
15 you on TV last week, and you're as good looking in
16 person as you are on TV.

17 [Laughter.]

18 SENATOR LARKIN: I thought I was the
19 good-looking senator?

20 HOWARD PHILLIPS: Senator Larkin, let me
21 reiterate, it has just been an absolute pleasure to
22 have you coming to Haverstraw, Stony Point,
23 North Rockland. We think it's a great opportunity.

24 Assemblyman Zebrowski, thanks for that
25 conference today. It was very insightful.

1 Senator Carlucci, Assemblywoman Calhoun,
2 thank you so much for this opportunity.

3 Let me just give you some past, let me tell
4 you where we are.

5 Two years ago I wrote a letter to the
6 Public Service Commission, when this first appeared
7 on my desk, stating all of our concerns;
8 specifically, that we had power plants here in
9 North Rockland, that we had sites here in
10 North Rockland, that needed to be retooled. That we
11 actually had a site plan come to fruition back in
12 2002, that was proposing a brand new Bowline 3. It
13 would have meant a tremendous possibilities, not
14 only for our assessment base; for employment, both
15 construction jobs and permanent jobs.

16 They wrote to me that it's very early in the
17 process; they would be getting back to us.

18 Wrote to them again a little more than
19 six months ago. They told me that public
20 hearings would be held, and they would be
21 contacting us. They asked if I wanted to have a
22 hearing at Haverstraw Town Hall. I said, "Please,
23 do so."

24 We had the hearing. I think it was back in
25 June. No one knew about it.

1 As a matter of fact, the legal notice, I
2 couldn't even find the legal notice. The only one
3 who was there -- I think Al Samuels is here
4 today -- Al Samuels was there, Susan Filgueras was
5 there, and "The Journal" news reporter.

6 That's not how you address the public, that's
7 not how you get the message out to the public, on
8 what you want to do.

9 Recently, I think it was just two days ago,
10 we have been informed that Governor Cuomo has
11 announced that he's going to be seeking an
12 additional 3,200 megawatts, and he's asking the
13 power industry to come up with proposals.

14 Well, we've had a proposal already. We have
15 a site already.

16 Pardon my expression, but from the Bowline
17 shores you could spit and hit the boroughs of
18 New York.

19 We have a friendly energy plant that has been
20 proposed, a natural-gas-fired plant.

21 Now, GenOn, who is the new owner, is going to
22 be proposing it again, they're in the process of
23 proposing again, a 775-megawatt plant.

24 That will mean, during construction, 700 jobs
25 that are desperately needed in this Hudson Valley.

1 We currently have the Millennium line that
2 comes right into the Bowline site.

3 Natural gas is so environmentally friendly
4 that the emissions, the "socks and knocks," are a
5 fraction of what came out of these power plants
6 before.

7 I just find it inconceivable that the
8 State of New York would consider taking power from a
9 foreign country.

10 Guys, the last time I checked, the town of
11 Haverstraw and the town of Stony Point are located
12 in the United States of America.

13 We're open for business, and we would love
14 nothing more than for the State of New York to come
15 down and site some new plants in our community.

16 I want to tell you what we're going through
17 right now.

18 At a height in Haverstraw, these power plants
19 paid somewhere around \$42 million in total tax.
20 They're down to now paying 10 1/2 million in tax.

21 The first time they could challenge their
22 assessment was about four years ago.

23 It was set by a Supreme Court judge, not the
24 town assessor.

25 Since that time, the town assessor has

1 dropped their assessment over 50 percent.

2 Over 50 percent, you would think that would
3 be enough.

4 It isn't.

5 Last year, they pretty much didn't run.

6 The year before, they ran, maybe, about
7 15 days.

8 Everybody here, I'm sure, is familiar with
9 depreciation, and they have the right to go and
10 depreciate the value of their plants.

11 But here's the thing, guys:

12 We could easily add to that 10 1/2, lose
13 another 3 million.

14 We just closed three schools. We had massive
15 layoffs in the school district.

16 We're looking for a continuing erosion of
17 both Haverstraw and Stony Point's assessment roll.

18 When I tell you that this is the perfect time
19 to come to our communities and begin new generation,
20 this is probably the most desperate time that we
21 could possibly have the State come in and say: Hey,
22 guys, North Rockland, when no one else, no other
23 community, wanted these power plants --

24 SENATOR LARKIN: And you took them.

25 HOWARD PHILLIPS: -- you said, "We'll host

1 them."

2 We have -- and pardon me if I get anybody
3 upset -- the most beautiful part of the
4 Hudson Valley, guys; yet, we opened up our doors so
5 that everybody could have affordable electricity in
6 the entire Hudson Valley.

7 Lastly, to come into a Revolutionary War
8 cemetery is just incomprehensible to me.

9 Many of us, I being one of them, can trace
10 our forefathers back to the Revolutionary War, and
11 beyond.

12 You know, my father would say to me, it was
13 passed on from generation to generation, that his
14 great-grandfather would say: That we kicked the
15 English the (blank) back to England."

16 I am very hopeful, that with your support,
17 your help, I can say to my grandchildren: That we
18 kicked the Champlain-Hudson Power Express the
19 (blank) back to Canada.

20 Thank you very much.

21 [Audience cheers and applause.]

22 SENATOR MAZIARZ: Thank you.

23 Thank you.

24 Thank you, Supervisor Finn and
25 Supervisor Phillips.

1 I now open it up to questions, first, to
2 Senator Larkin?

3 SENATOR LARKIN: Well, I want to say, after
4 the lines for reapportionment were drawn up, I get a
5 phone call from two gentlemen that are looking at
6 me.

7 They got -- they don't have daggers today,
8 but that day they had 'em.

9 And they sat down, and said: You want to be
10 part of this community, you have to help us address
11 the critical issues.

12 There were three or four each had, but both
13 of them cited on this as a negative in every
14 respect.

15 Yes, somebody said: Well, there are some
16 people that would like it.

17 What's wrong with saying: We will do?

18 You heard Mr. Kremer, you heard
19 Mr. Gavin Donahue, and now you have two of your
20 elected officials.

21 And I say this with all heart, because, when
22 they brought me into their room, I was looking for
23 the straps, because, when they said, "Sit down, we'd
24 like to talk to you," and I said, "Yes," they said,
25 "Wait a minute. We'll talk, and then you can talk."

1 But they spoke about the honesty and the
2 integrity and the quality of life that they demanded
3 for the people that they represent in Haverstraw and
4 Stony Point, not as a joke, but as a reality.

5 And I think that we owe it to you to go back,
6 and, Howard and Jeff, we've been working on some
7 issues.

8 I don't represent you yet, but I really
9 believe I do.

10 Thank you for coming here today.

11 HOWARD PHILLIPS: And thank you, Senator.

12 SENATOR LARKIN: It's very important.

13 GEOFFREY FINN: Thank you, Senator.

14 [Audience applause.]

15 SENATOR MAZIARZ: Thank you, Senator.

16 Senator Carlucci?

17 SENATOR CARLUCCI: Well, I want to thank
18 Supervisor Phillips and Supervisor Finn.

19 These two gentlemen have worked tirelessly to
20 look out for one particular issue, and that's the
21 quality of life of our residents here in
22 North Rockland.

23 So, I want to thank you for that.

24 And I know that you've been working on these
25 issues for a long time, so this is nothing new to

1 you.

2 And I, also, I just -- we talked about some
3 of the good work that's been able -- that we've been
4 able to accomplish in the State Senate.

5 And thanks to Senator Maziarz with finally
6 getting Article 10 done, we're moving in that new
7 frontier of, hopefully, getting our power generation
8 up and running in North Rockland.

9 And I want to thank both of you for working
10 towards this issue, and continuing to look out for
11 the best interests of our residents.

12 And I think it's important, very important,
13 that your comments are on the record, to make sure
14 that we know, when we hear about the economic
15 benefits, or supposed benefits, of this project,
16 that we hear it juxtapose to what really will happen
17 when we dig down and we get to the nitty-gritty of
18 the localities.

19 So, thank you for being here, and thank you
20 for your commitment to our community.

21 GEOFFREY FINN: Thank you.

22 SENATOR MAZIARZ: Senator Zebrowski?

23 ASSEMBLYMAN ZEBROWSKI: Thank you.

24 Just briefly, I don't have the pleasure of
25 representing Stony Point, but I think everybody on

1 this panel, we feel like we represent the whole
2 county, because our issues are so joined; and
3 specifically, they're even more joined in this
4 respect, because the two towns share a school
5 district.

6 So what's happened with Lovett and what's
7 happened with Bowline, the people of Haverstraw and
8 the people of Stony Point have suffered through
9 that.

10 So, I've been working with
11 Supervisor Phillips. I mean, there's not a day goes
12 by that we don't talk about this issue, along with
13 my colleagues, the two Senators and
14 Assemblywoman Calhoun, as well.

15 And I would just hate to see a project like
16 this bringing energy from Canada to short-circuit
17 everything, and all the steps that we've started to
18 make on this issue.

19 So, thank both you gentlemen for all the work
20 that you've done.

21 SENATOR MAZIARZ: Assemblywoman Calhoun?

22 ASSEMBLYWOMAN CALHOUN: Thank you both for
23 being here.

24 I've known you all a long time, and I share
25 with you everything, except one comment:

1 There's no question, the best part, and
2 best-looking part of the Hudson Valley, is my
3 district in West Point.

4 [Laughter.]

5 UNKNOWN SPEAKER: It's a good thing you're
6 retiring.

7 ASSEMBLYWOMAN CALHOUN: Yeah.

8 [Laughter.]

9 ASSEMBLYWOMAN CALHOUN: But I have to say,
10 that working for our people begins at home, and
11 that's what you're looking to do.

12 Lovett is down. Lovett has a location that
13 can also be utilized.

14 And, Bowline, I mean, we've seen the horror
15 that came with the reduction in the values.

16 Anything that we can do here, to bring up the
17 ratables for Haverstraw, Stony Point, and the school
18 district is vital.

19 So, I appreciate your being here today.

20 It's great to have you here, and, keep up the
21 good work.

22 SENATOR MAZIARZ: Thank you very much.

23 GEOFFREY FINN: Thank you very much.

24 SENATOR MAZIARZ: Thank you, Assemblywoman.

25 [Audience applause.]

1 SENATOR MAZIARZ: Our next witness is
2 Michael Twomey, from the Entergy Corporation.

3 SENATOR LARKIN: He's got to go to a meeting.

4 SENATOR MAZIARZ: Oh, I'm sorry.

5 Michael, I'm sorry.

6 At Senator Larkin's request, we're going to
7 have Al Samuels.

8 I apologize.

9 MICHAEL TWOMEY: I like Al.

10 SENATOR MAZIARZ: You like Al?

11 So does Senator Larkin.

12 Sorry about that, Al.

13 Senator Larkin had requested that. It was on
14 my sheet.

15 I apologize to Michael.

16 AL SAMUELS: That's quite all right, Senator.

17 SENATOR MAZIARZ: Mr. Samuels.

18 AL SAMUELS: And since so much of what I was
19 going to say has been touched upon, Matt Nelligan of
20 your staff will be very happy to learn that it will
21 be even briefer than I promised it yesterday.

22 [Laughter.]

23 AL SAMUELS: I truly thank you for coming
24 down, and for each of you who I know so well and for
25 so long.

1 Thank you for what you're doing here.

2 I have an interesting perspective, I believe,
3 and I'm going to offer it, in terms of perhaps
4 something a little different, the politics of what
5 we're talking about.

6 I have the privilege of being the president
7 and CEO of the Rockland Business Association, but I
8 also serve our New York area. And I work with
9 Jerry, and I work with Gavin.

10 And, Nancy, as you said, I have no more
11 respect for anybody in the state of New York,
12 relative to their knowledge of this subject, and
13 what we're discussing, than Gavin Donahue.

14 I agree with you.

15 But I'm also one of only two voting members
16 from Rockland County for the Governor's Regional
17 Economic Regional Development Council.

18 And when we were put together, Bob Duffy,
19 Lieutenant Governor of New York State, welcomed us,
20 and charged us with one mission: Jobs, jobs, jobs.

21 You've all used the term, I know you have,
22 Senator, "Jobs, jobs, jobs."

23 In the "Open For Business," New York State's
24 government approach to economic growth, there's just
25 a brief paragraph that I'd like to read into the

1 record.

2 "It's time for a new operating model for
3 state government in order to stimulate real economic
4 development statewide. Governor Andrew Cuomo has
5 proposed a new regional approach that is holistic,
6 targeted, and comprehensive, addressing regional
7 needs based on the input and guidance of those who
8 know each region best."

9 And I would ask the members of the
10 Legislature to hold the Administration to that with
11 regard to this issue.

12 Here in this region, in addition to the
13 Rockland Business Association, which has taken a
14 lead position opposing the Champlain-Hudson project,
15 the Business Council of Westchester; the Westchester
16 County Association; the Hudson Valley Gateway
17 Chamber of Commerce; interestingly, the Bronx
18 Chamber of Commerce; the African-American Men of
19 Westchester, have all put their name to documents,
20 stating: This is not in the best interests of our
21 region.

22 My supervisor, Howie Phillips, just shared
23 with you information about the GenOn facility.

24 We also have in the Hudson Valley, in
25 Waywayanda, a 650-megawatt facility. We have --

1 it's the CPV project;

2 We have in Dover, in Dutchess County, the
3 Cricket Valley project, 1,000 megawatts.

4 Add those two to the 775 for GenOn -- clean
5 gen on the Hudson, powered by Bowline 3, as it's
6 known -- we can produce in the Hudson Valley,
7 2,425 megawatts of clean energy, Hudson Valley,
8 New York State generation, and jobs.

9 Yesterday, the blueprint for the Governor's
10 Energy Highway was made public, and it's very
11 disappointing, relative to the Hudson Valley.

12 I do not see that the Hudson Valley is slated
13 to get assistance in new generation.

14 I recognize the importance of addressing
15 transmission issues first, which is what I read --

16 And I will admit to you, I read this on an
17 iPad that doesn't give you the full screen, so I
18 was shuttling back and forth, and I might have
19 missed some things.

20 -- 3,200 megawatts.

21 We can generate 2,425 right here in the
22 Hudson Valley.

23 In addition to the 700 jobs that
24 Supervisor Phillips mentioned, we have another
25 600-plus jobs that would be available for the

1 construction of the Wawayanda and the Dover
2 facilities.

3 We would have over 1,600 union jobs right
4 here in the Hudson Valley, our men and women
5 building this.

6 And when those facilities were completed, or
7 are completed, we would have 75 to 100 full-time,
8 high-paying jobs, many of them also union because
9 you'd have the operating engineers involved.

10 Now, I know that when it comes to jobs, jobs,
11 jobs, as the Lieutenant Governor charged us with in
12 the Economic Development Council, construction jobs
13 are considered temporary and they don't have the
14 same significance as full-time jobs.

15 And 75 to 100 may not sound like much, but as
16 you all know, these plants are so highly automated
17 and computerized, that you don't need the same kind
18 of manpower that you might have needed many years
19 ago. But, you have a very high level that's
20 required, technical level, of the people there.

21 Those would be high-paying jobs for people
22 who live in our area, the Hudson Valley.

23 And I'm here not just as an advocate for
24 Stony Point --

25 I'm a resident of North Rockland, but not

1 Stony Point. I live in Haverstraw, obviously.

2 -- but also for the Hudson Valley.

3 The Governor charged me with a
4 responsibility, as he did all of us on the regional
5 councils, of being advocates for our region.

6 I am here before members of the Legislature
7 to tell you, I take that very seriously.

8 Champlain-Hudson belies what I was charged
9 with, and what the Administration said they wanted
10 from us.

11 We should not be outsourcing our energy.

12 We should not be outsourcing our future.

13 There is no need to go outside and give
14 regulatory authority to Canada, when we have the
15 ability to produce more -- or almost as much
16 generation here in the Hudson Valley as the
17 Energy Highway plan is recommending is needed
18 through its efforts: 3,200 megawatts.

19 We can deliver 2,425; over 1,600 union jobs
20 during a three-year period for each of the
21 facilities, and then 75 to 100 full-time,
22 high-paying jobs.

23 We need to rebuild New York.

24 We shouldn't be doing it by helping to
25 rebuild portions of Canada.

1 And I ask you, please, to consider that when
2 you have to make decisions in Albany relative to
3 this project.

4 Champlain-Hudson is not the way to help
5 New York grow.

6 We can do it here in the Hudson Valley, and I
7 ask you to please consider that.

8 Thank you.

9 SENATOR MAZIARZ: Thank you very much.

10 [Audience applause.]

11 SENATOR MAZIARZ: Thank you, Mr. Samuels.

12 Senator Larkin, any questions or comments?

13 SENATOR LARKIN: No, Al, I just wanted to say
14 that I appreciate you coming here.

15 I know you canceled a couple of meetings to
16 be here with us today.

17 But, I like the perspective that you're
18 reminding us that jobs is a key issue. That energy
19 is not something just for today; it's for tomorrow,
20 and for our future.

21 And when we're talking about jobs, you and
22 your associates identify those jobs that are here
23 now, and here in the future.

24 We have no guarantee, when we're doing --
25 we're dealing here, you know, someone says: Well,

1 they're Canadians.

2 That's a foreign country.

3 The last time I looked at it, I was born in
4 New York, and I'm a New York resident. I'm a
5 resident of the United States of America.

6 And I think we have an obligation to build
7 within, to protect the future, and I thank you for
8 helping us.

9 AL SAMUELS: Thank you, sir.

10 [Audience applause.]

11 SENATOR MAZIARZ: Thank you.

12 Senator Carlucci?

13 SENATOR CARLUCCI: Thank you, Al, for being
14 here, and thank you for the testimony, and working
15 your schedule to be here.

16 You mentioned the 2,425 megawatts, and that
17 sounds extremely exciting.

18 Can you just talk to us a little bit more
19 about where those are coming from.

20 I know you mentioned Dover --

21 AL SAMUELS: Sure.

22 SENATOR CARLUCCI: -- and then --

23 AL SAMUELS: You know, of course, now about
24 the Bowline project, and that 775.

25 In Wawayanda --

1 I believe that's Slate Hill, Nancy?

2 Yeah.

3 -- CPV is planning 650 megawatts.

4 SENATOR LARKIN: Yes.

5 AL SAMUELS: And just last week, we received
6 requests for support, letters to be sent to the
7 Governor and to members of the Legislature.

8 Certainly, Senator Maziarz, I know you're
9 getting hit with a lot of them because they came
10 from Al Sideman's [ph.] group --

11 SENATOR LARKIN: They've got big shoulders
12 there, Al.

13 AL SAMUELS: -- the construction contractors.

14 SENATOR LARKIN: They got big shoulders.
15 Look at them.

16 AL SAMUELS: Ron Hicks, who, for four years
17 was the head of the economic development agency here
18 in Rockland County.

19 And I know that we all have great respect for
20 Ron.

21 He's now working for Mark Molinaro in
22 Dutchess County.

23 He assured me that the Cricket Valley
24 project, which is 1,000 megawatts, is positively
25 permitted, and these folks are also ready to move.

1 So you add it all together, it's 2,425, and
2 that's a lot of megawatts that can be produced in
3 three counties of the Hudson Valley.

4 And by the way, until the transmission lines
5 are cleared so that the bottleneck no longer exists,
6 blocking the transmission from Upstate New York,
7 we're under the bottleneck.

8 GenOn can be built, and delivered directly to
9 New York City, if that's what New York State wants
10 to do. It doesn't have to worry. It's below the
11 bottleneck.

12 SENATOR CARLUCCI: And just a clarification:
13 The 100 jobs -- 75 to 100 jobs, that's specifically
14 for the Bowline project?

15 AL SAMUELS: No, sir.

16 SENATOR CARLUCCI: Okay?

17 AL SAMUELS: It's 25 for Bowline.

18 It's, roughly, 25 to 40 jobs in each
19 facility.

20 So if you take it at the minimum of 25 for
21 each, but I'm --

22 The Cricket Valley project, having more
23 megawatts, will require a little bit more.

24 The CPV project a little bit less.

25 So, it's 75 to 100; but, 75, you could use

1 that as a base number.

2 SENATOR CARLUCCI: Okay.

3 AL SAMUELS: 25 for each plant.

4 SENATOR CARLUCCI: Okay.

5 Thank you.

6 SENATOR MAZIARZ: Assemblywoman Calhoun?

7 ASSEMBLYWOMAN CALHOUN: Just, thanks for
8 being here.

9 Al, you have really developed ever since you
10 were with us at Orange County.

11 I'm trying to be funny.

12 But --

13 AL SAMUELS: Those were horse businesses.
14 There was a different kind of energy.

15 ASSEMBLYWOMAN CALHOUN: I know. Okay.

16 [Laughter.]

17 ASSEMBLYWOMAN CALHOUN: The bottom line is,
18 it's great to have somebody who understands.

19 You know how pleased I am that you are on the
20 regional economic council.

21 We all sit as quasi-members, or ad hoc
22 members, but, you're right, if we can develop it
23 here, we don't need to go somewhere else, or bring
24 somewhere else in.

25 Thank you very much.

1 SENATOR MAZIARZ: Thank you, Assemblywoman.
2 Assemblyman Zebrowski indicating he does not
3 have any questions.

4 Thank you very much, Mr. Samuels.

5 AL SAMUELS: Thank you, sir.

6 SENATOR MAZIARZ: We will also note for the
7 record that, unlike Senator Carlucci and myself, you
8 remembered to wear your Purple Heart pin today.

9 Senator Carlucci and myself will not able to
10 live this down for a long time.

11 SENATOR LARKIN: Boy, they're going to suffer
12 for this, Al.

13 AL SAMUELS: Believe me, I know Billy well.

14 I wear it to bed, and you know what? I don't
15 wear a shirt when I go to bed.

16 It hurts like hell, but I wear it, Billy.

17 [Laughter.]

18 SENATOR MAZIARZ: Senator Larkin walks around
19 the Senate chamber, asking everyone: Where's your
20 Purple Heart? Where's your Purple Heart?

21 Mike, I'm sorry.

22 Mike Twomey, from Entergy.

23 Mike.

24 MICHAEL TWOMEY: Good afternoon,
25 Senator Maziarz, Senator Larkin, Senator Carlucci,

1 Assemblywoman Calhoun, and Assemblyman Zebrowski.

2 I appreciate the opportunity to appear before
3 this Committee.

4 I am the vice president of external affairs
5 for Entergy.

6 We are the -- one of the largest nuclear
7 operators in the United States. We own and operate
8 11 nuclear power plants in New York, Massachusetts,
9 Vermont, Michigan, Arkansas, Louisiana, and
10 Mississippi. And, we provide management support
11 services for a twelfth unit owned by the
12 Nebraska Public Power District.

13 As part of the electric deregulation in
14 New York, Entergy purchased Indian Point Unit 3, and
15 the James A. Fitzpatrick unit in Oswego, New York,
16 from the New York Public -- excuse me -- the
17 New York Power Authority, back in 2000.

18 We also purchased Indian Point Unit 2 from
19 Con Edison in 2001.

20 In the last ten years, we've invested more
21 than a billion dollars in upgrades to the New York
22 facilities.

23 With these three nuclear generating
24 facilities, we are the largest independent power
25 producer in the state of New York, and we have

1 approximately 2,000 full-time employees, as well as
2 hundreds of part-time and contract employees during
3 refueling outages.

4 There are substantial economic benefits from
5 the operation of these facilities.

6 We pay 300 -- excuse me -- \$130 million in
7 full-time annual employee payroll, more than
8 \$350 million in annual local purchases, \$75 million
9 in annual property-tax payments and
10 value-sharing-agreement payments to state and local
11 governments, and approximately \$2 million in annual
12 charitable contributions.

13 I filed testimony that is not terribly
14 extensive, but you've been here a long time this
15 morning, so I won't read through the whole
16 testimony.

17 I just want to make a couple of points.

18 Number one, this project, this
19 Champlain-Hudson Express Power project, is not
20 needed.

21 At best, according to the New York ISO
22 reports, this was -- this project is one of several
23 alternative projects that might be needed if certain
24 things happen in the future.

25 And based on the analysis that we've done,

1 this project is not the most cost-effective project
2 under any reasonable scenario.

3 As numerous other folks have talked about,
4 the project is grossly uneconomic.

5 According to the developers, the project will
6 have cost at least \$2.5 billion.

7 Now, they used the "\$2.2 billion" figure, but
8 they also agreed in the hearing before the
9 Public Service Commission, that there's at least
10 \$346 million of upgrades that have to be done on the
11 Canadian side.

12 That gets to you \$2.5 billion.

13 There was a little bit of discussion here
14 today about: Well, is it really \$11 billion?

15 And I think if you look at the total cost of
16 the project, you could very well get to \$11 billion.

17 And after all, whoever buys the power over
18 this line will, in fact, pay the total cost. They
19 won't get to pay only the partial cost.

20 But, whether the project numbers are accurate
21 remains to be seen.

22 Using their own numbers, though, you can get
23 a very simple example of what the cost of this
24 project is.

25 The average price difference between power

1 sold in New York -- energy, excuse me -- energy sold
2 in New York and energy sold at the New York-Canadian
3 border is about a \$10 difference.

4 It's approximately \$10 cheaper to buy energy
5 up at the New York-Canadian border than it is to buy
6 it in New York City.

7 The cost of this project, for the
8 transportation, if you use their own
9 "\$2 1/2 billion" number, that becomes \$51 a megawatt
10 hour just to build the line, to address a
11 \$10-per-megawatt-hour cost differential.

12 So who would pay \$51 a megawatt hour to
13 address a \$10 cost differential?

14 And that's where the uneconomic nature of
15 this project comes in.

16 It's a little bit like, you're going to pay
17 \$5 a gallon for gas in New York City, but you can
18 buy it for \$4 a gallon in Québec. And somebody
19 says: I can sell it to you cheaper, but you got to
20 pay me \$5 a gallon to deliver it down in
21 New York City.

22 How does that make sense?

23 SENATOR LARKIN: No sense at all.

24 MICHAEL TWOMEY: And that's what we're
25 dealing with here.

1 And the concern that we have is, you can have
2 an uneconomic project.

3 If somebody wants to spend five dollars to
4 deliver five-dollar gas, when it could be bought for
5 four, that's -- using their own money, that's fine.

6 In this case, what we're concerned about is,
7 through this process, we have pushed on the
8 developers to agree that they won't try to set up a
9 deal where they sell the power at \$50 a megawatt
10 hour, \$100 a megawatt hour, \$150 a megawatt hour, to
11 some State entity in New York, and that those costs
12 end up being borne by customers in New York.

13 And our main concern about this, quite
14 frankly, is Fitzpatrick. The James A. Fitzpatrick
15 unit is one of those upstate generators that might
16 be adversely affected by this line.

17 So we're here, and we participated in the
18 New York Public Service Commission proceeding,
19 because we want to make sure that if somebody is
20 going to build this line, spend too much, end up
21 with a deal that's bad, that they have the
22 consequences of that bad deal, not the customers in
23 New York, and it doesn't end up being subsidized so
24 as to undercut the other potential projects and
25 existing generators.

1 And I think on that line, perhaps my last
2 point is, this \$650 million in savings? I think
3 it's important to understand how that \$650 million
4 in savings is calculated, and this is all in the
5 testimony in front of the Public Service Commission.

6 The developers not arguing that you can save
7 \$650 million compared to current plants, current
8 energy production.

9 What they're saying is, if you built a new
10 plant, it would cost X. A new -- brand new CCGT
11 line, a CCGT power plant, that, quite frankly, the
12 market won't support today.

13 That's why you've got these projects that
14 people want to build, that they haven't been able to
15 get off the ground.

16 If you could build that new power plant, this
17 is the -- what this line would save you compared to
18 that new power plant.

19 They're not saving you money compared to what
20 you already have.

21 And I think that's an important point.

22 It's a little bit like:

23 You have a car, it runs great. You are
24 not -- you're not looking to buy a new car.

25 And somebody says: I can save you money by

1 selling you a new car.

2 And you say: Geez, how does that work?

3 And they say: Well, it's less expensive than
4 this other car that you also aren't going to buy.

5 And I think, when you look at the numbers,
6 you see that the \$650 million savings requires you
7 to make some assumptions that really are not
8 reasonable.

9 And, that concludes my discussion, unless
10 there are questions.

11 I do want to say that Indian Point,
12 obviously, is one of the units -- two of the units
13 that we own. We have enjoyed significant support in
14 this community.

15 We don't have 100 percent support.

16 Rarely does anybody have 100 percent support,
17 but we do have significant support. And it's
18 important support, and we appreciate it very much.

19 And I thank you for letting me speak today.

20 SENATOR LARKIN: David?

21 Go ahead.

22 SENATOR CARLUCCI: Thank you, Michael, for
23 being here, and for testifying.

24 Just some points of clarification.

25 Entergy, as you stated, is the largest

1 provider of energy in the state of New York.

2 MICHAEL TWOMEY: We're the largest
3 independent power producer.

4 NYPA, obviously, owns some generating
5 facilities itself, but they're a State entity.

6 We don't generally compare us --

7 SENATOR CARLUCCI: And how many megawatts?

8 MICHAEL TWOMEY: We generate about
9 2,650 megawatts, between the three.

10 SENATOR CARLUCCI: 2,650?

11 MICHAEL TWOMEY: About 2,650.

12 SENATOR CARLUCCI: Okay. And what percentage
13 of that is nuclear power?

14 MICHAEL TWOMEY: It's all nuclear power.

15 SENATOR CARLUCCI: Now, this Champlain-Hudson
16 Power Express line, how would that affect the
17 viability or the future of Indian Point?

18 MICHAEL TWOMEY: You know, quite frankly, I
19 don't really think that this has a big effect on
20 Indian Point.

21 We are, and we've historically described
22 ourselves, as a relatively low-cost provider.

23 SENATOR LARKIN: Yes.

24 MICHAEL TWOMEY: If this Champlain-Hudson
25 Express line were to come in, it would probably

1 undermine the economics of the higher-cost producers
2 in the Hudson Valley and along the line.

3 And I'm not saying we'll be the last one
4 standing, but I don't think that this is a real
5 threat to Indian Point. And, quite frankly, it's
6 not a replacement for Indian Point.

7 The electrical grid, it's a matter of
8 physics, requires a certain amount of generation to
9 be near the load.

10 You can't run an extension cord to Canada, or
11 to Pennsylvania, and adequately provide electric
12 service in the city of New York, for example, or in
13 the Lower Hudson Valley.

14 You've got to have enough generation near the
15 load to balance the system.

16 And a transmission line to Canada doesn't
17 reduce the need for electric generation in the
18 Lower Hudson Valley.

19 If anything, you might have to build the line
20 and build new generation, if, for some reason,
21 Indian Point were retired.

22 I always like to take the opportunity when
23 I'm in front of any legislative body, to remind
24 everyone that we have no intentions to close
25 Indian Point.

1 We are going through a license-renewal
2 process under the federal law.

3 That license-renewal process, we get to
4 continue to operate the plant regardless of how long
5 it takes to conclude the license-renewal process.

6 So, the licenses, as often reported, have a
7 2013-to-2015 dates on them.

8 We continue to operate as long as the
9 Nuclear Regulatory Commission proceedings are
10 pending.

11 We just had the beginning of the first
12 hearings in that case, on October 15th. And, it's
13 uncertain how long it will take for those hearings
14 to eventually conclude, and for an order to be
15 issued by the NRC.

16 The only example we have to draw from, is
17 that we also own the Pilgrim plant in Massachusetts.
18 And from the date of the first hearings in that
19 case, in the NRC, to the issuance of the license,
20 was four years.

21 So, I don't know if it will take four years
22 from now.

23 They only had two contentions to litigate in
24 Pilgrim.

25 We have fifteen.

1 I don't know if it will take 7 1/2 times as
2 long, or whether it will take about the same amount
3 of time, but I think, conservatively, we think it
4 will take at least four years-plus in order to
5 conclude those proceedings.

6 And, we will continue to operate throughout.

7 SENATOR CARLUCCI: Senator, just a follow-up.

8 You state that part of the reason why it
9 won't affect Indian Point is because it's not local
10 generation.

11 MICHAEL TWOMEY: Well, two things.

12 It's local generation, and that's why we
13 don't view it as a real substitute. We don't view a
14 transmission line as a substitute for generation.

15 Your specific question was: How do we think
16 this line will affect Indian Point?

17 And I think that the point is, we have a
18 relatively low cost to produce. And we -- that's
19 the way we've described ourselves, as a low-cost
20 provider.

21 If this Champlain-Hudson line comes in and
22 makes the economics worse for the existing
23 generators, it would be my expectation that those
24 people who have higher costs than we do will run
25 into trouble first, and we would be among the last

1 to run into trouble.

2 So, I don't personally view this line -- I
3 mean, it's grossly uneconomic, it's unwise, and it's
4 unnecessary.

5 But I don't think, that even if it got built,
6 and even if somebody convinced a New York State
7 entity to sign a contract for \$150 a megawatt hour
8 for the output, I don't think that that affects our
9 ability to continue to make Indian Point a real
10 economic value to the folks of New York.

11 SENATOR CARLUCCI: And how do you see the
12 number that we heard before from Al Samuels, the
13 head of the Rockland Business Association, that
14 "2,425" number of locally generated power, how does
15 that impact Indian Point?

16 MICHAEL TWOMEY: Well, a lot of that
17 generation is north of what we call
18 "the bottleneck."

19 I think that you'll see an opportunity for
20 that power to be sold north, west, and east,
21 perhaps, of, well, Indian Point.

22 New York City has a location, where, behind
23 it, and to the south, is the Atlantic Ocean. And
24 you can't build generation out in the ocean. And,
25 you can't -- we don't have any significant

1 generation on Long Island.

2 So you've got a huge load pocket in
3 New York City that has to be served by generation.

4 The generation that is closest to
5 New York City, and we believe we are close enough,
6 will continue to be needed even if you build
7 additional generation further out.

8 You know, we like to say that Con Ed, from
9 whom we bought the plant, did a very good job of
10 locating Indian Point where they located it.

11 It's where an engineer would put it.

12 If you want to serve significant load in
13 New York City, that's the right place to put a power
14 plant.

15 And they did.

16 And, so, I think that the additional
17 generation that would come in, perhaps north, a
18 little west, a little east, of Indian Point will
19 certainly add to the generation footprint of the
20 state.

21 I don't think it's a significant competitive
22 threat for Indian Point, because I think we will
23 continue to be able to sell our product.

24 SENATOR CARLUCCI: Okay. Thank you.

25 SENATOR MAZIARZ: Thank you.

1 Senator Larkin?

2 SENATOR LARKIN: Mike, in reading your
3 testimony, there's a couple of lines there that get
4 me, on page 3, on the second paragraph. It says:

5 "The project stated in its Energy Highway
6 Initiative submission that it will enter into a
7 35- to 40-year contract with Hydro-Québec, or other
8 entity, for a majority of the line as the anchor
9 tenant."

10 What does that say to the United States of
11 America?

12 Who is the other tenant?

13 Who are we going to be dealing with halfway
14 down the road?

15 MICHAEL TWOMEY: Well, we don't know for
16 sure, but what -- you know, this is an interesting
17 point, because one of the early criticisms of this
18 line, when it was constructed, and, quite frankly, I
19 think it's related to the experience we've had with
20 HTP.

21 You know, HTP line was built, and there was a
22 contract signed with NYPA.

23 And as Mr. Donohue testified, there's no
24 customers for the line.

25 The Champlain-Hudson line is proposed, and

1 there's concern that they're going seek a contract
2 directly with NYPA, or some other large State
3 entity, to pay an above-market rate.

4 They decided to structure their deal a little
5 differently, so, there's no request by
6 Champlain-Hudson to contract directly with New York.

7 What it appears they're proposing to do, is
8 they're going to sign a contract with Hydro-Québec,
9 and then Hydro-Québec is going to ask for a
10 contract --

11 SENATOR LARKIN: With New York.

12 MICHAEL TWOMEY: -- with New York.

13 And that's why, if you look at the
14 Energy Highway submission, and this is a little
15 further down on page 3:

16 "HQ acknowledged in its Energy Highway
17 Initiative submission that New York State must
18 'work creatively' to recognize the 'significant
19 value' of its power."

20 SENATOR LARKIN: Does this mean that we're
21 going to have to subsidize a foreign country again
22 to give us power?

23 MICHAEL TWOMEY: I believe those are code
24 words for: You need to give me a good contract
25 above market in order for me to build the line.

1 And my experience with these kinds of deals
2 is, if the project is such a great deal --

3 SENATOR LARKIN: Why do you need --

4 MICHAEL TWOMEY: -- you don't need a 40-year
5 guaranteed contract in order to get it built.

6 SENATOR LARKIN: Thanks, Michael.

7 Thank you.

8 SENATOR MAZIARZ: Thank you.

9 Assemblywoman Calhoun?

10 ASSEMBLYWOMAN CALHOUN: Yes, I have a couple
11 of questions, and then a comment.

12 It's always been my understanding that, in
13 some cases, you have to provide your generation
14 fairly close to where you're going use it --

15 MICHAEL TWOMEY: Right.

16 ASSEMBLYWOMAN CALHOUN: -- because there's a
17 loss as the electrical current travels.

18 MICHAEL TWOMEY: Right, line loss.

19 ASSEMBLYWOMAN CALHOUN: When you're coming
20 down, this project that's proposed, would it not
21 lose substantial amounts of its electrical
22 generation as it travels down under the Hudson River
23 and into the lands here?

24 MICHAEL TWOMEY: I'm going caveat my response
25 by acknowledging, first of all, that I was an

1 English major.

2 ASSEMBLYWOMAN CALHOUN: Oh, did I say
3 something wrong?

4 MICHAEL TWOMEY: No, no.

5 [Laughter.]

6 MICHAEL TWOMEY: I'm not an engineer, but I
7 believe the answer is: This is a direct-current
8 line.

9 ASSEMBLYWOMAN CALHOUN: Okay.

10 MICHAEL TWOMEY: There's alternating current
11 and direct current. And you don't have line loss on
12 a direct-current line.

13 ASSEMBLYWOMAN CALHOUN: Okay.

14 MICHAEL TWOMEY: And, so, they're going to
15 run this direct-current line from Canada, which
16 addresses -- it addresses your excellent concern
17 about line loss, but what it also means is, that
18 power plants along the way can't take advantage of
19 the line.

20 And that's one of the very serious issues
21 that we have with this facility, particularly the
22 James A. Fitzpatrick facility that we own in Oswego.

23 One of the problems that has been discussed
24 in New York over the last couple of years, is that
25 you've got an opportunity for wind generation, for

1 example, in Upstate New York.

2 Just from a topography standpoint, that's
3 where the wind blows, that's where you need to build
4 the windmills.

5 You wouldn't have as much success building a
6 windmill in Stony Point.

7 Okay?

8 But, the problem has been: How do you get
9 the wind power down to the place that has the load?

10 So, you've got one place in the state that
11 you can generate the power, but it's far from the
12 parts of the state that really need the power.

13 A direct-current line means that you
14 absolutely cannot use that facility to bring you
15 wind power.

16 What you really need is upgrades to the
17 alternating-current system; the AC system.

18 And, in fact, the Energy Highway blueprint
19 that was issued yesterday talks about improvements
20 to the alternating-current system in order to
21 facilitate that kind of renewable generation.

22 So this line not only doesn't make economic
23 sense, it doesn't do anything to promote the use of
24 renewable energy in the way that many people in
25 New York have proposed should be done.

1 ASSEMBLYWOMAN CALHOUN: Further question,
2 then: If you were to do some kind of a station in
3 the Kingston area, has been talked about, would that
4 then, from that point, on, have loss of power
5 because it would be on an AC?

6 MICHAEL TWOMEY: If you built a new
7 transmission line?

8 ASSEMBLYWOMAN CALHOUN: Yeah.

9 Well, there was talk about accessing it
10 there, so that there would be availability of power
11 on its way down.

12 MICHAEL TWOMEY: Yeah, once they
13 interconnect -- once you interconnect to the
14 AC system, you can take advantage of it.

15 But just as a matter of electrical delivery,
16 I'm not sure that the New York ISO has studied that
17 Kingston tie-in --

18 ASSEMBLYWOMAN CALHOUN: I think it's recent.

19 MICHAEL TWOMEY: -- what the consequences
20 would be if you did that, because, you know, the
21 electrical system doesn't follow directions. You
22 know, the electrons go wherever physics tells them
23 to go.

24 And once you hook up this line and you've got
25 all this hydropower, or whatever the power source

1 is, coming down from Canada, it's not clear what the
2 effect will be when you tie into the AC system.

3 And by the way, one of the claims in this
4 case has been, that this is great, you know, clean
5 hydropower, and that's why we should embrace this
6 facility.

7 But when pressed during the hearings to
8 commit that it would be 100 percent hydropower, even
9 if you were in favor of it, they have been unwilling
10 to do that even.

11 And they do have nuclear plants in Canada,
12 and they have coal plants and they have other kinds
13 of plants in Canada, that could be the source of the
14 power.

15 So then you really get into a conversation
16 about: Why am I going to buy the same exact kind of
17 power that I can manufacture here in New York, from
18 Canada?

19 You might find someone who says: Geez, I
20 love hydropower, because it's better for the
21 environment.

22 But there's no guarantee you're going to get
23 hydropower on this line, as the project's been
24 proposed.

25 ASSEMBLYWOMAN CALHOUN: My comment is,

1 that --

2 And I'm not running for office again. I'm
3 retiring.

4 -- I have spent four trips to Indian Point,
5 and I have come out of that facility extremely
6 confident of its safety, of its efficiencies.

7 And my reason for saying this is because,
8 those of you who live closer to it need to be
9 assured that your safety is there, and that a
10 tsunami is not going to happen on the Hudson River,
11 and, you're not going to get a plane going into the
12 towers, because they already did a trial run, and
13 took a plane into a concrete structure.

14 I'm only saying this so you don't ever lose
15 sleep on the fact that Indian Point is there.

16 In fact, what you should be doing is thanking
17 the fact that it is there, because it keeps your
18 costs somewhat down, and it gives you reliable
19 service.

20 End of being on the soapbox.

21 MICHAEL TWOMEY: I appreciate that comment
22 very much.

23 And I will tell you that we take the
24 obligation to provide safe and secure power
25 generation at Indian Point very seriously.

1 We believe that it is among the most robust,
2 secure, safe facilities in the United States.

3 ASSEMBLYWOMAN CALHOUN: I would urge --

4 MICHAEL TWOMEY: And we lose sleep over it so
5 that everyone else doesn't have to.

6 ASSEMBLYWOMAN CALHOUN: But I would urge the
7 local officials who are here, take the opportunity
8 to go down, spend three or four hours, and that way
9 you can come back, and you'll either find that
10 that's not so, or you will find it's their belief.

11 But, it's important for the well-being,
12 people's emotional well-being, in an area.

13 MICHAEL TWOMEY: I agree.

14 SENATOR MAZIARZ: Thank you very much,
15 Assemblywoman.

16 Thank you very much be, Mr. Twomey.

17 We appreciate your testimony here today.

18 MICHAEL TWOMEY: Thank you.

19 SENATOR MAZIARZ: Our next testimony will be
20 by Annie Wilson of the Sierra Club,
21 Atlantic Chapter.

22 Good afternoon.

23 ANNIE WILSON: Hello.

24 I just spent an hour and fifteen minutes
25 getting dizzy in a taxi, looking for this place.

1 Well, thank you very much for this
2 opportunity, the invitation to comment --

3 SENATOR MAZIARZ: Thank you.

4 ANNIE WILSON: -- on the Champlain-Hudson
5 Power Express proposal.

6 And, I'm Annie Wilson.

7 I'm a representative of the Atlantic Chapter
8 of Sierra Club, and, I chair the energy committee
9 for the New York City group.

10 And, the Atlantic Chapter has approximately,
11 oh, I suppose, about 38,000 members in the state of
12 New York.

13 And, I would first state that, in general,
14 the Sierra Club believes that New York State needs
15 to support expanded in-state renewable energy
16 development, coupled with energy-conservation and
17 energy-efficiency programs, in order to combat the
18 worse effects of climate change.

19 New York should not undermine these goals or
20 export its environmental problems through
21 transmission lines that support the development of
22 destructive Canadian hydropower on virgin rivers.

23 This transmission line also serves as a
24 demonstration pilot project.

25 There are no systems, such as this proposed

1 project, under -- close to 300 miles, under a river,
2 anywhere on the planet.

3 And, it seems like one of the motivations for
4 this project is as a demonstration project, so that
5 there could be promotion for this type of
6 technology, anywhere in the world, to avoid the
7 construction of transmission lines over land.

8 And, so, we're looking at the possibility of
9 developing -- it could be the development of these
10 type of systems in rivers all over Africa,
11 South America, and anywhere else.

12 So that's something that, you know, once it's
13 made in New York, it could be made anywhere.

14 And, we're very aware of that potential and
15 that could explain some of the motivation for this
16 project, and it's enormous expense and its PR and
17 its outreach, unlike anything we've come across in
18 quite some time.

19 We have many concerns with the transmission
20 line, including the lack of reliability, the dubious
21 economic benefits, the negative environmental
22 impacts associated with the cable route, and issues
23 which cost to ratepayers, which all happen to be in
24 direct contradiction to the objectives of the
25 recently proposed New York Energy Highway

1 Initiative.

2 As you know, yesterday, the Governor received
3 the New York Energy Highway blueprint, produced by
4 an energy interagency task force, including New York
5 Power Authority, New York State Department of
6 Environmental Conservation, New York Public Service
7 Commission, New York State Energy Research
8 Development Authority, and the Empire State
9 Development Corp.

10 What's interesting, in reviewing this quick
11 blueprint earlier today, is that there's no mention
12 of this project. And that the congestion corridor
13 is actually referred to as a possible alternating
14 current line, 1,000 megawatts.

15 And on page 38 of the blueprint for this
16 Energy Highway report, I will quote from this, that:

17 "The AC electric transmission system is the
18 backbone of a reliable transmission system.

19 "The AC system promotes reliability through
20 its ability and flexibility to respond to the
21 emergencies on the system.

22 "Unlike the direct current, or, DC,
23 transmission line" --

24 Which is the Champlain-Hudson Power Express
25 proposal.

1 -- "the AC system also allows for the
2 interconnection of needed generation resources at
3 multiple points on the system, and the DC line
4 serves the purpose of moving energy over long
5 distances and interconnecting incompatible systems."

6 So, as I go on, also, in reviewing this
7 blueprint for the Energy Highway, I found that there
8 seems to be quite a bit of emphasis on expanding the
9 gas infrastructure, which doesn't seem to be very
10 prudent, given our climate-crisis concerns, and with
11 the ice-cap melting.

12 So there's also, come the end of the year,
13 the Department of Public Service will issue a notice
14 on natural-gas-expansion policies, and will
15 accelerate investments in public and private-sector
16 gas-distribution systems.

17 I think that, in New York, we could possibly
18 expand a larger portion of this blueprint with
19 small-distributed and possibly community-owned
20 renewable-energy projects.

21 The developers of the Hudson-Champlain
22 Express have claimed that the project will provide
23 jobs to New Yorkers and supply New York City with
24 additional energy.

25 But the truth is, that we already have the

1 potential to meet all of our energy needs with
2 in-state renewable resources, and to create jobs
3 that support a sustainable energy infrastructure.

4 Simply put, this project threatens the
5 viability of in-state
6 renewable-energy/energy-efficiency systems.

7 The electricity to be delivered through the
8 Champlain-Hudson Power Express, according to the
9 Hydro-Quebec submission to the Public Service
10 Commission, will contain 98 percent hydroelectricity
11 generated by hydropower.

12 "Dams."

13 And in our state's renewable portfolio
14 standard, the State does not recognize purchases
15 from this technology of dams as hydroelectric, given
16 that these dams are over 30 megawatts and involve a
17 lot of flooding.

18 So the use of renewable energy depends on
19 who's calling it "renewable energy," and which
20 guidelines we're applying to that definition.

21 And that's very important.

22 I would also want to add that, this project,
23 from the research we've done, doesn't have an
24 existing transmission proposal from south of
25 Montreal, Airtel, to the connection at the southern

1 tip of the Champlain Lake -- Lake Champlain.

2 And there has not been any request for
3 proposals or any announcements relating to any
4 transmission system to be built under the
5 Richelieu River that connects into the northern area
6 of Lake Champlain.

7 I've been told that there are areas of this
8 Richelieu River that are extremely shallow. We're
9 talking, 20, 30 feet.

10 And I've been told there is also an
11 endangered fish species there, but, one has to
12 wonder, if we were to approve -- if there was to be
13 an approval of this project, what is it connecting
14 to, up there, given that nothing is happening?

15 As I would like to conclude my comments soon,
16 that, the issue of eminent domain in this
17 Rockland County, and the issue of eminent-domain
18 claim includes, and what is the taking of indigenous
19 lands in Québec for the dams, are issues that we
20 have to consider.

21 Is this in the general best interests of our
22 environment and of the communities that inhabit
23 these areas, including here?

24 Up in Québec, right now, there -- they have a
25 reserve margin in a transmission system that is

1 somewhere between 4 to 6 percent.

2 And in New York State, our reserve margin in
3 our transmission system is approximately 16 percent.

4 So one has to wonder, why are we buying from
5 them, instead of selling to them?

6 Because, we have more in our reserve than
7 they do; and, yet they want to sell to us.

8 That's something to look into.

9 And most recently, with the recent election
10 in Québec, there was an announcement in September by
11 the new Premier, that they would be shutting down
12 the Gentilly Nuclear Power Plant outside of
13 Montreal, which is another 635 megawatts that they
14 will not have available.

15 At this time, they are constructing a series
16 of dams on the Romaine River. And one has to
17 consider that this electricity is coming from a new
18 construction on a pristine virgin river in
19 northeastern Québec.

20 So, I'll conclude with:

21 The impacts of increasing the lines on
22 out-of-state generation must be studied, and
23 compared with in-state deployment of efficiency,
24 conservation, and renewable forms of energy.

25 The creation of in-state jobs and economic

1 revitalization must be assessed, as the economic
2 losses due to imports.

3 In the context of this development, the
4 Public Service Commission has a primary obligation
5 to support and promote development of a sustainable
6 energy economy in the city of New York, in the state
7 of New York, before it looks to exploit Canadian
8 resources and indigenous peoples.

9 There is no need for the Champlain-Hudson
10 Power Express transmission proposal, and it is not
11 in the public interest.

12 We need truly clean energy in New York, made
13 by, and for, New Yorkers.

14 Thank you for your consideration on this
15 important issue.

16 SENATOR MAZIARZ: Thank you very much,
17 Ms. Wilson.

18 [Audience applause.]

19 SENATOR MAZIARZ: Thank you.

20 We appreciate your comments.

21 Senator Larkin, any questions?

22 SENATOR LARKIN: No.

23 Thank you.

24 SENATOR MAZIARZ: Senator Carlucci?

25 SENATOR CARLUCCI: Just one question.

1 I don't know if you're familiar with the
2 proposed desalination plant?

3 ANNIE WILSON: Yes.

4 SENATOR CARLUCCI: And if you know how this
5 project would impact that?

6 ANNIE WILSON: No, I don't know that answer.

7 SENATOR CARLUCCI: Okay.

8 Thank you.

9 SENATOR MAZIARZ: Thank you.

10 Assemblywoman?

11 ASSEMBLYWOMAN CALHOUN: No.

12 Thank you.

13 SENATOR MAZIARZ: Thank you very much.

14 ANNIE WILSON: Thank you very much.

15 SENATOR MAZIARZ: Our next witnesses are
16 Scott Jensen, the business manager for the
17 International Brotherhood of Electrical Workers,
18 Number 503.

19 VIDEOGRAPHER: We have to change the tape.

20 SENATOR MAZIARZ: Oh, I'm sorry.

21 Okay, we're going to do a tape change.

22 But, Scott is here, and also, Mike Hichak.

23 Thanks, Mike.

24 (Brief pause in the proceeding.)

25 (The hearing resumed, as follows:)

1 SCOTT JENSEN: [No audio] Maziarz, and
2 Assembly panel, I want to thank you for the
3 opportunity to address this Committee on several
4 very important and sensitive issues involving the
5 Champlain-Hudson Power Express.

6 The community of Stony Point has firsthand
7 experience of the economic impact of the closing and
8 demolition of the Lubbock generating station which
9 concluded in 2008.

10 Before deregulation, both Lubbock and Bowline
11 were owned and operated by Orange and Rockland
12 utilities.

13 The revenue to the tax bases of Stony Point
14 and Haverstraw was significant.

15 When [unintelligible] was forced to retire
16 the coal-fired Lubbock station, the local that I
17 represent had 150 members employed between Lubbock
18 and Bowline.

19 We now represent 31 employed members at the
20 GenOn Bowline plant.

21 If this Champlain Hudson Power Express is
22 approved, this local has its doubts that Bowline
23 would even be needed for the lower New York electric
24 grid.

25 This would mean loss of jobs and tax revenue

1 for the town of Haverstraw and the county of
2 Rockland.

3 In this economy, we need more jobs in
4 New York State, and not send more revenue to another
5 country as this proposed project would do.

6 Bowline is making preparations to put another
7 unit online, as the gas pipeline is in place and
8 many of the needed permits are approved and ready to
9 go.

10 If Bowline 3 is constructed, this work would
11 be done by local labor, and would also aid in the
12 community's tax base and help the local economy by
13 creating approximately 700 skilled construction jobs
14 over three years, and adding 25 permanent jobs to
15 run in the long term.

16 Basically, the Champlain-Hudson Power Express
17 is an extension cord from Québec to New York City,
18 prohibiting in-state resources that have excess
19 power and capacity from accessing the line.

20 This line does not address or improve the
21 state's existing transmission congestion issues or
22 follow Governor Cuomo's Energy Highway Initiative.

23 Power generation is a business that New York
24 must stay involved in.

25 New York has the resources, workforce, and

1 investment capability to generate its own energy.

2 New York must reverse a growing trend of
3 importing power.

4 It only makes economic sense to generate
5 electric and employ the people that it takes to do
6 so in our own state.

7 I want to applaud Senator Maziarz on his
8 proposed S Bill 7391, for this project's using
9 eminent domain.

10 This bill aids in putting New York on an even
11 playing field.

12 In closing, I ask all in attendance to pose
13 the following questions to yourselves:

14 Do we really want to send work and revenue
15 out of state to another country?

16 Do we really want to lose good tax-paying
17 employers?

18 Isn't it time we changed our outsourcing
19 policies?

20 Instead, let's look at upgrading the existing
21 rights-of-way, let's support the TRANSCO
22 initiative, as this project will be constructed by
23 New York workers and aid the straight throughout.

24 I'd like to thank you for listening to my
25 concerns regarding this issue.

1 SENATOR MAZIARZ: Thank you, Scott.

2 Mike.

3 MICHAEL HICHAK: Good afternoon, Senator.

4 Actually, almost good evening.

5 Good afternoon, Senator, Senator,

6 Assemblywoman, Assemblyman.

7 My name is Michael Hichak.

8 I'm the recording secretary of Local

9 Union 320 of the 20 Internal Brotherhood Electrical
10 Workers.

11 I'm here representing my president and
12 business manager, John P. Kayser.

13 I also want to thank you for the opportunity
14 to address this Committee on the issues involving
15 the Champlain-Hudson Power Express.

16 CHP is, essentially, a long extension cord
17 running from Québec into New York City, prohibiting
18 the in-state resources that have excess power and
19 capacity from accessing the line.

20 CHP does not address or improve the state's
21 existing transmission-congestion issues.

22 Rather than spur investment in new facilities
23 or repowering existing ones, this proposal curtails
24 New York State infrastructure investments, the need
25 for other in-state generation, and the

1 New York State workforce, due to potential
2 retirement of facilities due to CHPE's operation.

3 The state right now is abundant with
4 generating capability because the recession has
5 stunted an industrial demand on the system.

6 If the Champlain-Hudson Power Express is
7 approved, our local also has doubts that the Roseton
8 and Danskammer power plants, which are located in
9 Newburgh, New York, would be needed for the lower
10 New York City electric grid.

11 The Roseton plant ties directly into the
12 Marcy South 305 high-voltage power line which feeds
13 into the East Fishkill substation, where it then
14 goes to connect New York City to Con Ed's lines.

15 CHP threatens the investments already made in
16 New York, and suppresses additional investments from
17 being made by companies that have invested billions
18 of dollars, paid millions in taxes, and employed
19 thousands of New Yorkers, especially in
20 Upstate New York.

21 There is 1,693 megawatts readily available to
22 feed New York City or the state from the Roseton and
23 Danskammer plants.

24 If these plants were to be shuttered,
25 150 good-paying jobs would be lost, the surrounding

1 towns and school districts would lose
2 \$24-plus million in tax revenue, and would be
3 devastated.

4 The tax levy is 40 percent of the Town of
5 Marlboro School District budget.

6 New York's electric power plants provide
7 skilled, good-paying, sustainable jobs to thousands
8 of hard-working people.

9 The jobs from this project are created in
10 Canada.

11 New York State does not need to be
12 outsourcing more work at such a critical economical
13 climate.

14 New York has the resources, the workforce,
15 and investment capability to generate its own
16 energy.

17 I also want to applaud you, Senator Maziarz,
18 on your Bill S7391, which prohibits projects using
19 eminent domain.

20 Thank you very much for allowing me this time
21 to be heard.

22 SENATOR MAZIARZ: Thank you very much, Mike.

23 And, Scott, I just want to, for the record,
24 mention the fact that your IBEW sisters and brothers
25 across the state have been extremely supportive of

1 this piece of legislation that Senator Larkin,
2 Senator Carlucci, and I are sponsoring;
3 particularly, Phil Wilcox, from Local 97 in
4 Western New York, has been a leader across required
5 state in this effort.

6 With that, I'll turn it over to
7 Senator Larkin, if he has any questions or comments?

8 SENATOR LARKIN: I don't have any questions.

9 My comments are this:

10 I really applaud each and every one of you
11 who took time today to be here.

12 The information that you've given to us is
13 clear:

14 This is America, and we should create and
15 develop our own jobs and keep our own Americans
16 working in the United States of America.

17 SENATOR MAZIARZ: Thank you.

18 Senator Carlucci?

19 SENATOR CARLUCCI: No questions.

20 I just want to thank Scott and Mike for being
21 here today, and representing the IBEW.

22 And thank you for your -- the work that you
23 guys do.

24 SENATOR MAZIARZ: Assemblyman Zebrowski?

25 ASSEMBLYMAN ZEBROWSKI: No questions.

1 SENATOR MAZIARZ: Assemblywoman Calhoun?

2 ASSEMBLYWOMAN CALHOUN: Just the same thing:

3 To thank you for being here representing the
4 working men and women of this state.

5 SENATOR MAZIARZ: I do, for the record, want
6 to thank the Supervisor, again, of Stony Point for
7 your hospitality here today.

8 We appreciate the use of this room and your
9 facilities.

10 Thank you very much.

11 Again, remind everyone, if you want to submit
12 testimony, you can go online, submit it to either
13 Senator Larkin, Senator Carlucci, or my office.

14 And, again, this concludes the hearing.

15 Thank you all very much.

16 [Audience applause.]

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18 (Whereupon, at approximately 4:08 p.m.,
19 the public hearing held before the New York State
20 Senate Standing Committee on Energy and
21 Telecommunications concluded, and adjourned.)

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