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SUFFOLK COUNTY CARBON CAP IMPLEMENTATION

ADVISORY COMMITTEE MEETING MINUTES

-----x

April 12, 2007

175 Veterans Memorial Highway

Hauppauge, New York 11788

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2 A P P E A R A N C E S :

3 JOE SCHROEDER

4 WAYNE HORSLEY

5 BOB TEETZ

6 NEAL LEWIS

7 JIM MEYERS

8 BRENDAN SCANTON

9 GORDIAN RACKE

10 MARK SEROTOFF

11 HARRY DAVITIAN

12 ADRIENNE ESPOSITO

13 HUBERT KEEN

14 MONIQUE BRECHTER

15 CARRIE GALLAGHER

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GIORDAN RACKE: Giordan Racke.

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MARK SEROTTOFF: Mark Serotoff,
Coordinator of Sustainable Energy Lines
of Long Island.

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HARRY DAVITIAN: Harry Davitian, I
represent the Long Island Association
Energy Committee. I have a paying job,

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10

President of Entek. I have been
involved in the power industry for a

11

12

long time. I was involved in the
finance power project.

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ADRIENNE ESPOSITO: Adrienne
Esposito, Citizens Campaign for the
Environment.

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HUBERT KEEN: Hubert Keen. I am
the president of Farmingdale State
College.

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21

MONIQUE BRECHTER: Monique
Brechter, Director of Environmental
Affairs for LIPA.

22

23

JOE SCHROEDER: Joe Schroeder,
Budget Review Office.

24

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WAYNE HORSLEY: County legislature,
Chair of Economic Development and Higher

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2

Education.

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BOB TEETZ: Bob Teetz, KeySpan,
Director of Environmental Engineering
and Compliance.

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7

NEAL LEWIS: Neal Lewis, I am with
the Neighborhood Network.

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10

JIM MEYERS: Jim Meyers, Suffolk
County Legislature and Wayne Horsley's
aid.

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NEAL LEWIS: There are 15 names
that are listed in the original
legislation. We have some additional
ones. For starting purposes, I know
number two, Carrie is on her way. She
said something in her e-mails about some
conflicts today.

18

19

20

Joe, did you indicate that you are
the representative from the Budget
Review Office?

21

JOE SCHROEDER: Yes.

22

23

NEAL LEWIS: Dean of Stony Brook,
School of Engineering.

24

25

JOE SCHROEDER: He is apparently
out of the country.

1

2

NEAL LEWIS: The president of SUNY
Farmingdale, he is here.

3

4

Director of Brookhaven National
Labs? 6

5

6

BRENDAN SCANTON: As of yet, no
response.

7

8

NEAL LEWIS: We haven't heard
anything. There is myself, Gordian is
number ten. Adrienne is 11 and number
12 is Harry Davitian. Number 13 is Mark
and number 14 is a representative from
LIPA.

10

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MONIQUE BRECHTER: That is me.

15

16

NEAL LEWIS: Number 15 is Bob
Teetz, Keyspan.

17

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MARK SEROTTOFF: The name of the
organization is Sustainable Energy
Alliance. Sustainable Energy may be
confused with another group.

21

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NEAL LEWIS: We have eleven
present. The legislation says eight is
the core amount so we have a core amount
to get ourselves under way and do we
want to jump right to the two additional

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points? So we have the director of the

3

Department of Health Services Division

4

of Environmental --

5

JIM MEYERS: That is me. I am

6

chief of the Office of Police Control.

7

NEAL LEWIS: Then the other one we

8

were mentioning while we were sitting

9

here is the new Long Island Economic

10

Social Policy Institute at Dowling.

11

That I believe is Marty Cantor. Have

12

you heard --

13

BRENDAN SCANTON: He is

14

participating but couldn't make it

15

today. He said he would try though.

16

NEAL LEWIS: Great. Anything else

17

along the question of who is supposed to

18

be here and is here or not here? So

19

then did everybody, is everybody on the

20

e-mail list for the agenda? I think

21

they went out at 4ish yesterday so if

22

you left your office early, you might

23

not have seen it. Did everybody get the

24

agendas?

25

JIM MEYERS: No.

1

NEAL LEWIS: Who did the agenda?

2

3

BRENDAN SCANTON: Me, and it went
to Carrie.

4

5

NEAL LEWIS: You sent the sign-in
for e-mail addresses?

6

7

BRENDAN SCANTON: Yes, make sure we
have your -- Monique, did you get the
e-mail?

8

9

10

MONIQUE BRECHTER: Yes.

11

12

NEAL LEWIS: We do have a core
amount. We do have everybody getting
information and we got quite a
challenging agenda. I think the first
item is sort of welcomed.

13

14

15

16

As far as anything I have to say, a
number of us participated in various
committees over the years and we want to
get a sense of what the committee is
going to accomplish. We are concerned,
is it a committee that will take a lot
of our time and maybe doesn't accomplish
everything. If it takes a lot of time
and accomplishes a lot, we can deal with
that. If we can run it in such a way

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that is reasonable, efficient with our

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time --

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ADRIENNE ESPOSITO: We dissolve in
June; is that right?

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JOE SCHROEDER: The deadline is
extended to a year's time, item 2B.

7

8

NEAL LEWIS: Let's clarify. Is it
a year from -- in the legislation, it
was a hard number.

9

10

11

JOE SCHROEDER: That is a good
question.

12

13

BRENDAN SCANTON: As the amendment
was filed, it is a year from today, you
would dissolve 30 months after the
filing of said report.

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ADRIENNE ESPOSITO: 30 days?

18

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BRENDAN SCANTON: 30 days after the
filing of that report.

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22

23

NEAL LEWIS: That would be 4/12 of
2008 is when the report is due and then
30 days from now would be our final
date.

24

25

As I was saying, my hope would be
that this is going to be a committee

1
2 where we can get a lot done with an
3 efficient use of our time. I am trying
4 to be as reasonable as possible on that.
5 To the extent, at the meetings, I don't
6 think designations of co-chairs or
7 vice-chairs or secretary really means
8 much. I think it means something in
9 between the meetings in the sense we
10 need to discuss what is on the agenda so
11 when you guys get here, it's prepared.
12 I always had a saying that a meeting
13 without preparation is a group of people
14 getting together to chat, it's not a
15 meeting. We want to make sure when we
16 get to the meeting, we get something
17 done and the materials are prepared. If
18 we expect certain things for the meeting
19 and it's not ready, we should push the
20 meeting back so it's ready. We want to
21 be aware of that as we go forward. I
22 think in terms of the legislation, that
23 it's fairly specific about what our
24 charge is so my one of my messages for
25 this opening would be to say that we

1
2 keep focused on what the legislation
3 says. It's enacted, it was duly enacted
4 and signed and all of that stuff. We
5 don't have any power to change it so I
6 notice, for instance, that I -- it's
7 several Whereases down, it talks, our
8 focus is on greenhouse gas emissions
9 from plants in Suffolk County and to me,
10 that is fairly specific. That means we
11 are not here to talk about home heating
12 oil, although I think that is a
13 fascinating subject, that could have
14 been addressed or could be a separate
15 realm or natural gas for home heating or
16 transportation sources which brings up a
17 lot of different carbon dioxide issues.
18 But I do think those are a lot of
19 different things. It makes sense to me
20 we are focused on one thing. That is an
21 overwhelming challenge in and of itself.
22 I encourage that we stick to the four
23 corners of the legislation as it was
24 enacted so we don't get off on a lot of
25 other subjects. I understand those

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other things are all relevant also. So those are my thoughts.

HUBERT KEEN: Certainly it's a specific challenge, it's a big one. I am wondering whether there are studies available on this that we would be pulling on or whether the committee should enlist consultants who compile the data for this purpose. It's pretty straightforward to do this but not a little bit of work.

HARRY DAVITIAN: Can I ask a question about the meeting of the charter that we have? I am trying to -- There is in the middle of the fourth paragraph, it says legal authority to mandate. What are we supposed to do about the legal authority to mandate? Investigate whether there is a legal mandate? If you read it carefully, it's hard to figure out what we are supposed to do about that. The first part says shall develop strategies for the reduction of greenhouse gas emissions

1
2 from electric generation in Suffolk
3 County and shall determine what
4 technologies are most feasible for
5 reducing the amount of greenhouse gas
6 emissions from electric generation by
7 25%, the legal authority to mandate the
8 use of any technology or strategy -- I
9 am trying to figure out what are we
10 supposed to do about legal authority.
11 Is there legal authority to mandate?
12 Are we supposed to create the legal
13 authority to mandate? I am asking what
14 is the intention of that particular part
15 of that paragraph?

16 NEAL LEWIS: That is also in the
17 agenda items of the goals and admission
18 of the committee. It's an item that I
19 expect to speak about today. But that
20 might be a good -- I'm not ignoring the
21 question about the use of consultants
22 and such. That is an important point
23 also. We will talk about resources
24 available to the committee for today.

25 As the legislative sponsor, do you

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want to speak to the question?

JOE SCHROEDER: It appears that the intent of that sentence goes back to the shall determine statement. So you will determine the legal authority to mandate as well as technologies that are appropriate, timelines and so forth.

HARRY DAVITIAN: That comes in the previous clause. If you want to jump, shall develop the legal authority --

JOE SCHROEDER: The strategies and determine what timelines, whether there is legal authority, implementations and so forth. I may be misreading it --

HARRY DAVITIAN: Is this what you mean, we will determine whether there is a legal authority, is that what you mean?

JOE SCHROEDER: Yes.

WAYNE HORSLEY: I think that is as clear as we will get it at this point. I will check with counsel, some of the language came from our counsel and I want to make sure where he is, what he

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had in mind as well. We will look at
the legal authority at this point. We
will not get much more clear.

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(Carrie Gallagher walked in the
room.)

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NEAL LEWIS: I mentioned to people
that you might be running late.

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CARRIE GALLAGHER: I am here for 15
minutes.

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NEAL LEWIS: We did a go around,
who we have and how it reflects as to
the people here. There are a few
vacancies we want to address. We have a
good number of people here. It's more
than the core amount. We are prepared
to get started. We are on the welcome
items. There was a discussion about one
of the charges that speaks to the
question of the legal authority to
address the issue and potential mandate
action on capping and limiting carbon
dioxide emissions. Do you want to say
any words in the heading of welcome --

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MONIQUE BRECHTER: Thank you. I

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2 think this will be an interesting
3 exercise working together on this and
4 certainly now that we are potentially
5 going to have some additional funding
6 streams for clean energy initiatives for
7 the County next year, it will be helpful
8 what things the County might do on its
9 end to help reduce greenhouse emissions
10 at the County level. I am glad to be
11 part of it. I know I spoke with Brendan
12 about the extensions that I recommended
13 extending it from a year, a year after
14 our first meeting.

15 BRENDAN SCANTON: We just went over
16 that.

17 MONIQUE BRECHTER: Okay, and make
18 sure we aren't dissolved June 1, 2007.

19 NEAL LEWIS: Our understanding is
20 it will be a year from this date
21 April 12th of 2008 to produce a report
22 which is not to stop us from doing it
23 before that.

24 CARRIE GALLAGHER: Exactly. It may
25 be a more real timeframe given that it's

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an election year for everyone which

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makes scheduling sometimes more

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difficult and once you get into November

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and December, it's tough with the

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holidays for scheduling meetings.

7

NEAL LEWIS: Since you mentioned

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scheduling and you had some difficulties

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with this meeting, do you want to say

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anything about how we go about

11

scheduling the future meeting dates?

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CARRIE GALLAGHER: It would be

13

helpful if there was some coordination

14

with my calendar, that is all. Perhaps,

15

I don't know if people want to try and

16

set a standard or if we will meet every

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other month and have a set --

18

ADRIENNE ESPOSITO: I think that is

19

the best.

20

CARRIE GALLAGHER: So it's on your

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calendars. If we want to do some

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timeframe in the second week of June, we

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have to check it's not committee week or

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something, that will make it difficult

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then with the legislator's schedule or

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my schedule. I have to appear --

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MARK SEROTTOFF: We can also do

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things by e-mail.

5

NEAL LEWIS: Do you want to say

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anything more on the logistics question?

7

GIORDAN RACKE: Since you have to

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leave soon, I want to point out that the

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budget for additional outside consulting

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expenses is \$5,000 which is a relatively

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small amount to do your studies on

12

carbon emissions and strategies. The

13

question arises as to what in-house

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resources the legislature and county

15

executive office can bring to the table.

16

Can you give any advice on that now or

17

come back with an answer?

18

CARRIE GALLAGHER: My department

19

doesn't have any funds in this budget

20

year for outside consulting but I wasn't

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part of putting that budget together.

22

Unfortunately, we could maybe put in a

23

request for funding for the '08 budget

24

but that won't give us money until

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January.

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GIORDAN RACKE: Would you have staff that would be available to assist us in technical work?

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CARRIE GALLAGHER: I have a one-person office of energy, Todd Stubbins.

6

7

ADRIENNE ESPOSITO: He could do it.

8

9

GIORDAN RACKE: I am a one-man shop.

10

11

JIM MEYERS: Health services has a limited resource also.

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CARRIE GALLAGHER: BPW, we have one engineer, he handles the implementation of any clean energy initiatives that the County is undertaking. I can't think of a person or a group of people at the County that have an expertise in this area.

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WAYNE HORSLEY: Once we get into the topic and we see what our needs are, then we will start to scramble whether the legislature, myself being on this board, can promote some dollars, shake some dollars from the legislature. We will take a look at it. Let's see what

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the issue is, what our needs are and we
can go from there.

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I asked you Neal before, 5,000 is
the standard that is in almost all the
legislation that comes out when you
actually form a task force. If we have
a specific need, I will go back and
fight for it. How is that?

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NEAL LEWIS: Good, I guess. Why
don't we see if you want to say anything
more on sort of sticking to the agenda.
After we discuss the mission and goals,
we can touch upon the issue of resources
again. We have established resources
and at this moment, they are somewhat
limited, but we will make a legislature
if we have a specific question.

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WAYNE HORSLEY: Exactly.

NEAL LEWIS: Is there anything more
you want to say?

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23

CARRIE GALLAGHER: Do you want to
set another meeting date?

24

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NEAL LEWIS: That is perhaps a good
idea.

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CARRIE GALLAGHER: Do we think we
need to meet in May or wait until June?

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NEAL LEWIS: I would say yes. The
idea of every other month makes sense
but not so much as initially, depending
on what we develop as we go through
today's agenda, we should look for one
month between the first and second
meeting.

11

12

13

CARRIE GALLAGHER: The week of May
14 is just a general meeting so maybe
later in the week.

14

WAYNE HORSLEY: Thursday, Friday?

15

16

NEAL LEWIS: You are saying May 17
or May 18th?

17

CARRIE GALLAGHER: Yes.

18

19

20

WAYNE HORSLEY: May 17th is not a
good date for me. May 18th would be
better.

21

22

CARRIE GALLAGHER: What about
Wednesday, May 16th in the morning?

23

BOB TEETZ: Not good for me.

24

25

WAYNE HORSLEY: How does Friday
look?

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CARRIE GALLAGHER: No good for me
unless we did Friday afternoon.

4

5

HUBERT KEEN: I can't do the 18th,
the Wednesday. The 16th?

6

CARRIE GALLAGHER: The 16th is bad.

7

8

BOB TEETZ: There is a large cities
summit change going on in the city. I
will be there all that week so I can do
Friday but no other date that week.

10

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12

13

CARRIE GALLAGHER: The following
week which would be the week before
Memorial Day --

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15

ADRIENNE ESPOSITO: How about the
23rd, a Wednesday?

16

MONIQUE BRECHTER: Fine with me.

17

18

HUBERT KEEN: I can't do the
morning.

19

20

CARRIE GALLAGHER: I can do the
afternoon on the 23rd.

21

22

JOE SCHROEDER: If we can check the
committee calendar before we set a date.

23

24

CARRIE GALLAGHER: It's not
committee week that week.

25

ADRIENNE ESPOSITO: Is there

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anything going on with LIPA in the

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afternoon?

4

MONIQUE BRECHTER: Not that I know

5

of.

6

WAYNE HORSLEY: The 23rd in the

7

afternoon?

8

NEAL LEWIS: Sure. 2:30?

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CARRIE GALLAGHER: Yes.

10

ADRIENNE ESPOSITO: Here?

11

WAYNE HORSLEY: Yes, this would be

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fine.

13

NEAL LEWIS: We have a meeting date

14

for May 23rd. In the time being, we can

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send an e-mail that talks about what

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days in general are good or versus what

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days in general are a problem so at that

18

meeting, we can come in with proposed

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dates for future meetings.

20

Wayne, did you want to say

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anything?

22

WAYNE HORSLEY: I would like to

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quickly mention a couple things. One is

24

most of you know in this room Suffolk

25

County is an intervener in the process

1
2 of National Grid merging with KeySpan
3 which is one of the genesis of our
4 concerns about how that take-over will
5 affect Long Island's energy needs. We
6 took a look at it and Suffolk County
7 said these are some of the issues we are
8 concerned about; one is the re-powering
9 of the Northport, Port Jefferson plant,
10 as one of the key goals at Suffolk
11 County. From there, talking to Neal and
12 others, it became readily apparent that
13 if we are looking to re-power, what
14 guidelines should we use. How do we
15 make the statement as a County and say
16 we want X amount of carbon dioxide
17 emissions, what are the goals, what is a
18 good idea, what makes sense. When we
19 hear LIPA came to an agreement with
20 KeySpan and National Grid that they are
21 going to be putting a hundred million
22 dollars into a plan to look at Port
23 Jefferson and Northport, what does that
24 mean to Suffolk County and residents of
25 Suffolk County. We need to know what we

1
2 are talking about. That is what it
3 boils down to. I couldn't think of a
4 better way than putting this group
5 together to talk about what, do we look
6 at the 1990 numbers? Do we look at what
7 in our heart we feel is right? We need
8 to put hard numbers on the table so that
9 we can represent Suffolk in a better
10 way. That was the genesis of this
11 committee. In speaking to Neal when he
12 brings up 1990, I knew we had a good
13 committee chair. He had gone through
14 this process before. He knows the issue
15 and I am just pleased that you can put
16 us on the straight path. At the end of
17 the day -- I know it's a big charge, but
18 at the end of the day, when Suffolk
19 County speaks, it will be speaking from
20 knowledge, not off the top of our head.
21 That was the goal and that is the reason
22 we are here today.

23 I am pleased all of you can be
24 here. This is a pretty varied and
25 eclectic group about energy concerns and

1

2

I think that we can do a good service for Suffolk County and also for LIPA and KeySpan and National Grid and the rate payers of Suffolk so we know where we are going and be knowledgeable and smart about this issue.

8

Thank you Neal for serving.

9

NEAL LEWIS: Thank you. You

10

mentioned a couple things that may be

11

worth a word or two in terms of the

12

National Grid merger in the legislation

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as one of the things we are looking at.

14

I wonder if that relates awkwardness and

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we should put it on the table.

16

Bob or Monique, is there anything

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that you might feel that is this big,

18

high finance things that you feel

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uncomfortable commenting on, being drawn

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into the discussion or do you want to

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say anything about how that charge for

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us to look at the merger, are we putting

23

you in a awkward position to comment on

24

external aspects on our repowering?

25

BOB TEETZ: I think we can have an

1
2 open dialogue. We have certain views as
3 to what the Grid merger will produce in
4 terms of benefits for Long Island.
5 There is in terms of Suffolk County
6 intervention, there is a lawsuit that
7 was brought with regard to SEQRA so that
8 is a matter of litigation, we may not be
9 able to get into that. As far as the
10 other areas, I think we will be able to
11 have a dialogue about what the nature of
12 the contracts with LIPA are. I think
13 LIPA will probably have a hearing on
14 that --

15 MONIQUE BRECHTER: Very shortly.

16 BOB TEETZ: Unless a particular
17 issue comes up that is sensitive and we
18 may not be able to comment on, we will
19 deal with that. In general, we should
20 be able to have a good transparent
21 dialogue.

22 WAYNE HORSLEY: Frankly, I didn't
23 think we could do this without you guys.

24 MONIQUE BRECHTER: If I could add,
25 I agree with what he said. We are

1
2 having a public hearing on the 20th so
3 we are obviously interested in public
4 input and feedback. You know we have
5 agreed with Grid and KeySpan on what we
6 think is a good deal for the island. As
7 Bob said, if there are matters of
8 litigation, we can't discuss that or
9 something of a sensitive negotiating
10 nature, we know that and can't discuss
11 it. At this point, everything is on the
12 table. It's worthwhile to discuss where
13 the County wants to go, where KeySpan
14 and National Grid and LIPA have been
15 certainly involved in this topic for
16 quite a few years at this point and so I
17 think it's worthwhile to happen, this
18 dialogue and discussion.

19 NEAL LEWIS: Just so everybody has
20 seen it, the last item that I believe I
21 will give Brendan credit, I am assuming
22 that he prepared the materials, the last
23 item in the packet that we have in front
24 of us is a summary of some of the high
25 points of the merger announcement and it

1
2 looks like bullet number three speaks to
3 the point that the legislator was
4 talking about, National Grid commits to
5 begin to install one hundred million
6 dollars in NOx emission reduction
7 equipment and efficiency improvement
8 equipment at Northport units and NOx
9 reduction equipment at Port Jefferson
10 units immediately. The level of cost
11 recovery for these improvements will be
12 limited to the level of fuel and
13 emission allowance savings achieved
14 during the term of the Power Supply
15 Agreement. To me, that is an example
16 amount of something that we want to ask
17 LIPA and KeySpan representatives that
18 are on the committee to help clarify so
19 we understand what that means. I wanted
20 to ask that we are comfortable in
21 discussing these things.

22 JOE SCHROEDER: There are a number
23 of nexs points on these issues with the
24 merger and it will be, at some point may
25 be difficult to address these issues

1
2 from the folks from LIPA and KeySpan.
3 As part of the settlement negotiations,
4 we have requested complete, the non-
5 redacted versions of the re-powering
6 study that KeySpan did. We are waiting
7 to hear on that. That would be a
8 necessary component to evaluate the
9 potential proposed benefits of the re-
10 powering study that is part of this
11 extended contract agreement. The
12 hundred million dollar investment in the
13 upgrades at Northport and Port
14 Jefferson, we have asked the questions
15 several times. We haven't gotten any
16 answers back on how much of that
17 investment is required any way and what
18 the incremental benefit to rate payers
19 is.

20 ADRIENNE ESPOSITO: What do you
21 mean required anyway?

22 JOE SCHROEDER: They have to invest
23 in emissions reductions independent of
24 the extended agreements between LIPA and
25 KeySpan. In other words, the extended

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agreement has no bearing on whether or
not they have to make those investments.

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BOB TEETZ: I can address those
questions right now.

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JOE SCHROEDER: Yes, I would like
to address them now. I need a formal
response to them as well.

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BOB TEETZ: You directed those
questions to LIPA?

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JOE SCHROEDER: The questions were
directed to LIPA, KeySpan and National
Grid. They are on the settlement
meeting. There is a separate line of
questioning here. The first line of
questioning was at the briefing
immediately after the announcement of
the extended agreements and there wasn't
enough information available at that
time for us to get a response. We
haven't heard anything in the meantime
either.

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MONIQUE BRECHTER: Bob and I would
answer those questions. We haven't seen
that.

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BOB TEETZ: I haven't seen any
letters.

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JOE SCHROEDER: That is more to the
point than the information is.

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BOB TEETZ: We will take that back
and make sure you get a response.

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JOE SCHROEDER: I wanted to put it
out here so in the context of these
conversations --

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NEAL LEWIS: I do think that it's
helpful and one of my kind of rules is
if I am in the middle of something and I
work with people relating to that, I
give them a heads up about it. If I
don't, I am holding back on things. I
should sort of clarify that or just make
known I did a foil request to LIPA that
is along the same lines where we asked
for all studies regarding re-powering.
In the past, they were sort of heavily
redacted to the extent that the studies
were made available. I wanted to throw
that out there, since you mentioned it
and we made a similar request.

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JOE SCHROEDER: They are obvious issues, they are the elephants in the room here.

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BOB TEETZ: I was aware of Neal's request of LIPA. I wasn't aware of any formal requests from Suffolk County.

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NEAL LEWIS: That is helpful.

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HARRY DAVITIAN: Are we going to discuss this any further today?

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NEAL LEWIS: I am looking at the list of what is here. I wanted to ask the question about the re-powering study. There were two separate studies. Can we take a minute on that since we are discussing the item of the National Grid merger and such? In the bullets, I'm not seeing reference to that item.

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BOB TEETZ: It's here. It's the fourth bullet down is the re-powering studies.

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NEAL LEWIS: Will be performing a detailed Northport plan and Port Jefferson plan engineering and economics re-powering studies. As I understand,

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these are two separate studies, one for

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each of the facilities?

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BOB TEETZ: Yes.

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NEAL LEWIS: There was a

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distinction in the studies in the

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announcement.

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BOB TEETZ: The Northport one is

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fully funded by National Grid. Port

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Jeff will be jointly funded by Grid and

11

LIPA. That is the only distinction.

12

GIORDAN RACKE: They are not

13

feasible studies.

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BOB TEETZ: A million dollars per

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study.

16

NEAL LEWIS: It says economics, it

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doesn't use the word feasibility. In

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the past, it was feasibility.

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BOB TEETZ: It was more

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conceptually feasible study. The first

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thing that you do in looking at whether

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something is conceptually feasible or

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not. This goes beyond that. It looks

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into detailed engineering. It looks at

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economic impacts, what would be on the

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2 rate base, the rate payer. It looks at
3 the air quality benefits and, in fact,
4 there is a lengthy, I think it's two or
5 three-page scope of work that was
6 proposed to LIPA as an outline for what
7 these studies would look like.

8 GIORDAN RACKE: When do you think
9 we will have the studies?

10 BOB TEETZ: Nothing will happen
11 until the National Grid, KeySpan merger
12 takes place. The earliest that is
13 projected to occur is August, September
14 time frame.

15 GIORDAN RACKE: Are you talking --

16 BOB TEETZ: The Grid deal with LIPA
17 is contingent on the Grid, KeySpan deal
18 closing.

19 GIORDAN RACKE: Is there a
20 reasonable expectation we will have the
21 results of the studies before we are
22 finalizing our report or not?

23 BOB TEETZ: These are extensive
24 studies. In my view, and we didn't make
25 an official determination, I would like

1
2 them to be a collaborative process with
3 some of the folks around this table. We
4 would produce this final report, it's
5 something that people are comfortable
6 with in terms of everything having been
7 examined properly and with sufficient
8 detail so it stands on its own and it's
9 a thorough report, that is my hope.

10 ADRIENNE ESPOSITO: You would
11 anticipate, this would be a study that
12 would take six months, a year?

13 BOB TEETZ: A six to 12 month
14 effort.

15 WAYNE HORSLEY: Are you looking for
16 this committee to be part of this study?

17 BOB TEETZ: That is a possibility.
18 I haven't discussed this with LIPA.

19 MONIQUE BRECHTER: It makes sense
20 to me, if you can answer questions and
21 define the scope earlier on in, it saves
22 that much time at the back end.

23 HARRY DAVITIAN: Is this study
24 going to look at the re-powering options
25 in isolation or compare them to other

1
2 alternatives for acquiring generating
3 resources on the island such as
4 Greenfield projects and how does it
5 interrelate to the positive bid process
6 where people, anyone who has a good idea
7 of moving forward with the generation
8 proposal on Long Island would be allowed
9 to participate and compete in supplying
10 generating resources. Are we locking
11 ourselves into a particular idea at the
12 outset?

13 BOB TEETZ: The scope of work as it
14 stands now includes a full system
15 planning rate impact analysis, not just
16 a stand alone, you re-power -- If you
17 throw enough money at anything, you can
18 re-power. The question is what would it
19 cost to re-power and the system-wide
20 impacts of such a re-powering from a
21 rate determination, from an alternative
22 determination as to whether other
23 alternatives could be equally effective
24 environmentally but perhaps a lower rate
25 impact.

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MONIQUE BRECHTER: A re-powering effort gets compared to new Greenfield plants, base loads, it would be base load to base load.

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HARRY DAVITIAN: What is the proxy for those?

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MONIQUE BRECHTER: We select what would likely be Greenfield plants.

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NEAL LEWIS: I think Harry followed what I didn't follow, is there a separate study that looks at expansion and future aside from what Bob made reference to, what LIPA is doing?

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MONIQUE BRECHTER: Typically in the planning, we plan it 20 some odd years out. You have an expansion plan. If all things being equal, we put in this plant, and then you compare your standard expansion plan to whatever you're contemplating, lining, re-powering, renewable resource, you basically compare it and see the economic benefits versus the standard expansion plan. To answer your

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question, yes, we would compare them

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against your plain old Greenfield

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plants.

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NEAL LEWIS: The scope of work you

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said is a couple page document that

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perhaps would be available, do you

8

think?

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BOB TEETZ: It's part of the

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contractual product that was developed

11

between Grid and LIPA. I don't know if

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it's a public document.

13

MONIQUE BRECHTER: I will check

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into it. I think it is. The entire

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agreement is not up for public comment.

16

I will check into that.

17

NEAL LEWIS: I would like to

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request that.

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ADRIENNE ESPOSITO: Can we have it

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e-mailed to us?

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MONIQUE BRECHTER: Yes.

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NEAL LEWIS: The scope of work goes

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to two separate studies for the two

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separate plants. Bob is talking how

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there would be this full system planning

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and rate analysis discussion. Is that going to be in the Northport study or the Port Jefferson study?

BOB TEETZ: There might be pieces of that in both. As Monique said, LIPA has to plan ahead to meet LILCO. There is an assumption as to what LILCO would be, if this is the load in 2013. In order to maintain the reserve margins, the business as usual case injects certain twists of capacity over that 20-year planning period. A re-powering study will begin with a basis that there are certain injections of capacity required. Generally what happens is you inject that capacity at a location where it's going to be most economic, where the transmission system can easily accept it and assure that the growing load is easily met. When you look at a specific re-powering option, say in Northport, what you do is do a comparison study. I look at the business as usual expansion case, then

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2 you look at when we need this injection
3 of capacity in 2015 or 16, whenever it
4 is. What would be the economics of
5 doing it through a Northport
6 re-powering, then you compare that to
7 the business as usual case, you look at
8 the rate impact and determine which way
9 is the most economic to go. That
10 re-powering study will include that.

11 JOE SCHROEDER: On the rate impact,
12 will that include impacts on electric
13 and gas payers?

14 BOB TEETZ: That is a good
15 question. Certainly electric, but I
16 have to look at the scope of work. That
17 is why some additional inputs and
18 intelligence could be a helpful thing.

19 HARRY DAVITIAN: Basically a study
20 for the benefit of LIPA in deciding what
21 it wants to do with regard to the
22 generation going forward, what the
23 issues are, what the needs it faces and
24 what the options are, who is performing
25 the study.

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BOB TEETZ: It hasn't been
determined yet, an outside consultant,
National --

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HARRY DAVITIAN: Is that done, will
it be paid for by LIPA and contracted by
LIPA?

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BOB TEETZ: Northport Grid.

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HARRY DAVITIAN: The specific
re-powering engineering study, the
bigger study to figure what should
happen on Long Island, who is paying for
that and involved in that? Either LIPA
should in my opinion to give it the most
credibility, should do that entirely
alone, on its own and pay for it and
contract for it and be responsible for
the input information or if not, if LIPA
will bring in another entity, KeySpan,
it should limit itself to one entity.
It should allow other entities as well
so there is not the appearance that the
study is being -- has a slant that is
biased by the input information that it
receives and LIPA was involved in

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producing it.

GIORDAN RACKE: There is a LIPA energy plan and I believe the planning was 2013/2012.

MONIQUE BRECHTER: Yes.

GIORDAN RACKE: To the best of my knowledge that is being worked on and being revisited. Wouldn't all of this be presented and worked on as part of that longer term energy plan that LIPA has and is now updated?

MONIQUE BRECHTER: We are in the process of updating the energy plan. It's a huge amount of work and these re-powering efforts are perhaps on a different track, if you want, for the energy plan. It covers everything. You have to pull all these pieces. I don't know if they were both dovetailed. We are focusing a lot on the re-powering effort. These are enormously complex. It would be nice, but I'm not sure --

HARRY DAVITIAN: The Long Island Association has been following the

1
2 Energy Environment Committee, the energy
3 part of the island, the power sector for
4 many years. One of the things that
5 started 10 or 15 years ago, we have had
6 as one of our major efforts to try to
7 bring about competition in the energy
8 sector. The reason is not here on Long
9 Island. It comes home to us. The
10 Shoreham power plant was because of the
11 vertically integrated utility that we
12 had then. Then it passed the cost onto
13 the customers. The state tried to
14 separate the generation from the
15 transmission distribution system and
16 open up the generation side to
17 competition to make many providers to
18 put their best foot forward, compete to
19 provide the best power at the lowest
20 possible cost. What I would like, one
21 of the things we are concerned about and
22 interested in is the enormous costs as
23 doing it a different way for a decade
24 period of time, I am trying to find out,
25 are we moving in a direction that is

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2 locking us into, heavily affecting us
3 into a particular solution with
4 particular entities rather than as we
5 have the opportunity as 2013 approaches,
6 the end of the power sales agreement
7 that LIPA has with KeySpan, it expires,
8 it provides an opportunity to see
9 competing suppliers. Are we doing
10 anything that buys us a particular
11 direction that may not be the best for
12 the island?

13 NEAL LEWIS: That is a much bigger
14 question than the issue with National
15 Grid and KeySpan. National Grid --

16 HARRY DAVITIAN: It ties directly
17 into re-powering.

18 NEAL LEWIS: It does tie in. I
19 think you put the question on the table
20 so I do think it's out there now. I
21 don't know in terms of our agenda. We
22 want to stay on that item for the entire
23 meeting, I will give them a chance to
24 respond, you put it on the table, but I
25 don't know if we will get a clear answer

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to that today.

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BOB TEETZ: There had been a tremendous focus and concern about the potential for re-powering particularly Northport and to some lesser degree Port Jefferson. National Grid coming in and recognizing that and wanting to be responsive to the community suggested they would be willing to pay for the Northport re-powering. At the last minute, there was additional outcry for doing something in Port Jefferson. Then there was an agreement that Grid and LIPA would look at that. As a gesture of good will --

HARRY DAVITIAN: It's not a gift to us what you are looking to do with your own plant.

BOB TEETZ: We did the feasibility studies before and there are some significant economic hurdles. Grid said we will look at it again in a more thorough manner. They said they would invest a hundred million dollars to do

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2 something more immediately than waiting
3 for a re-powering study and the results
4 of that. Again, as a commitment to the
5 Long Island community from an outsider
6 coming to show they are with good faith
7 trying to do something to respond to the
8 community's concerns. Once all of these
9 things are done, once the re-powering
10 study is done, then it will certainly be
11 up to LIPA to determine whether future
12 additions to capacity should come from a
13 re-powering project or should come from
14 a Greenfield project. Economics play a
15 greater part of that decision. Because
16 in either sense, whether you re-power in
17 Northport, you will lower emissions if
18 you build a Greenfield site and build an
19 efficient plan. In either event, if it
20 is a re-power in Northport or if it's a
21 Greenfield that adds to the next
22 increment of capacity, emissions will go
23 down. It depends on economics and what
24 is the cheapest approach to doing that.
25 When you think about it as well, LIPA

1
2 may decide to put a little bit of a
3 premium on a re-power project rather
4 than a Greenfield. It's the reuse of an
5 existing facility. It's a brown field
6 that is there already. People grew
7 accustomed to the tax revenues in that
8 area. They may decide to put a premium
9 on a re-power project as opposed to
10 Greenfield. That is up to them and what
11 they feel is in the best interests of
12 Long Island. In terms of Grid's
13 approach to how the re-powering project
14 study will be done, it's going to look
15 at Northport and Port Jefferson in the
16 context of the overall needs of the
17 electric system, but to expand that, to
18 look at a number of different Greenfield
19 sites and a number of comparisons of
20 that nature, that is not what we
21 committed to do, what Grid committed to
22 do.

23 NEAL LEWIS: Did you want to say
24 anything?

25 MONIQUE BRECHTER: I think we have

1
2 fostered tremendous competition on the
3 island. There are eight to ten new
4 developers in the six odd years. The
5 engineering and economic feasibility of
6 this, in part, will be overlain by the
7 structure of how it's re-powered.
8 KeySpan currently opens the two plants.
9 There are rights and obligations. If
10 this is a concern about competition on
11 Long Island, that will be fed into the
12 scope of work. It will boil down to
13 economics and responsibility.

14 I want to add one other item.
15 Since we are talking about re-powering
16 and feasibility studies. LIPA is
17 putting the finishing touches on an
18 extensive powering study. We go over
19 the last year and a half that concerns
20 four other sites, not Northport and Port
21 Jefferson, so nobody is confused.

22 NEAL LEWIS: Those are in Nassau?

23 MONIQUE BRECHTER: Shoreham and
24 Wading River.

25 ADRIENNE ESPOSITO: As soon as that

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goes through, it's glacial speed of

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approval.

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BOB TEETZ: Any help these people

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around the table can provide will be

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appreciated.

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GIORDAN RACKE: This is a new

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study. This is not the old study that

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was in the LIPA energy plan.

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MONIQUE BRECHTER: It would be a

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new study. It's separate and apart from

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what we are discussing here.

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ADRIENNE ESPOSITO: Do you have a

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time line of when you're expecting that

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would be done?

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MONIQUE BRECHTER: I would hope

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within the last month or so actually.

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As I said it's been a long, more than a

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year effort, so we are very close to

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issuing it.

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GIORDAN RACKE: That is a system

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wide study.

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MONIQUE BRECHTER: Just these four

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sites, but how they interact, a

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re-powering of them would interact on

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the whole system.

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GIORDAN RACKE: It would exclude Northport and Port Jefferson.

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BOB TEETZ: To give you a reason as to why that is, the preliminary re-powering studies done for the entire system suggested there were some sites more feasible for re-powering than others. We focused on those.

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MARK SEROTTOFF: May I note for the group to consider, the LIPA representative and representative from KeySpan basically boil down their concerns and criteria for re-powering as economic; is it dollar and cent cost effective, will rates rise? Of course, these are considerations. But it boils down also to we must never forget the health consequences of the emissions coming out of the power plant. This is the D.E.C. read-out from the Northport plant. There are about 80 emissions illustrations, gases and materials measured, half of them cause cancer. Of

1
2 course, by re-powering, we are
3 drastically reducing the emissions.
4 This is what it's about, helping the
5 environment and help reduce suffering
6 and disease and death on Long Island.
7 Personally, if I had to pay a few more
8 dollars per month to achieve that, I
9 would do it. If the public were
10 educated to the same effect, they would
11 pay more money. That's cancer. These
12 numbers are undisputable. They are
13 measured by the D.E.C. and recorded on
14 public record, that is why we are doing
15 this, to improve public health and help
16 the environment and we must not lose
17 sight of that.

18 NEAL LEWIS: I think it's an
19 interesting question in terms of the
20 charge of the committee. I did say at
21 the opening, I wanted to keep us focused
22 on the charge and I would agree that if
23 you address carbon dioxide and you go
24 through a process that results in
25 re-powering, it will have additional

1
2 benefits in terms of various air
3 pollution emissions that affect public
4 health. However, just in terms, I think
5 sometimes we refer to carbon dioxide and
6 the Noxin oxin all in one breath and
7 they are not all the same thing. So I
8 am just running through my head to the
9 extent to which our charge is to focus
10 on the emissions that affect public
11 health versus to focus on the greenhouse
12 gas emissions. I do think as we discuss
13 these items we are going try to be
14 analytical and bring things up.

15 MARK SEROTTOFF: A billion
16 900 pounds so it's right there.

17 NEAL LEWIS: I don't think anybody
18 is disputing that. I think the point
19 could be that there is a number of
20 things going on that might address
21 the emissions that affect public health
22 but not affect the carbon dioxide
23 emissions. You can do things with
24 various pollution devices to affect
25 carbon dioxide. You have to change

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2 fuels -- I think as we go forward, we
3 need to keep issues broken into pieces
4 so we address each one accurately and
5 not mush them all together. That is
6 sort of my -- I will review our minutes
7 from this meeting afterwards and think
8 about what you are saying and how it
9 fits into this discussion. My first is
10 to say that I want to keep carbon
11 dioxide as the forefront question for
12 this committee and not all the public
13 health emission concerns which are
14 significant. The two issues tie
15 together, I recognize that. We need to
16 separate them to some extent.

17 BOB TEETZ: These numbers are
18 required to be published by law.
19 KeySpan provides these numbers. These
20 are not secretive. Simply, they are
21 generated based on the constituents of
22 oil and natural gas that after their
23 combustion, these are the products of
24 combustion. Most of them are trace
25 quantities and they are exactly the same

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2 materials that come out of everybody's
3 household heating appliances whether
4 they are burning gas or oil in the house
5 or the diesel busses, the trucks, the
6 cars.

7 MARK SEROTOFF: Don't say that.

8 BOB TEETZ: It's 210, ten homes
9 burn two which is less than your number
10 six in Northport. The products are the
11 same. The quantities may be slightly
12 different. To make the leap that people
13 are dying of cancer because of these
14 things is unfounded. The plant meets
15 all of the health requirements bar none.

16 MARK SEROTOFF: Don't say it's
17 unfounded.

18 BOB TEETZ: We will not get into
19 this argument.

20 MARK SEROTOFF: They are
21 carcinogens. Don't say that.

22 BOB TEETZ: There are exposure
23 issues, time duration exposure, people
24 are exposed to many, many toxins
25 throughout their daily lives from many

1
2 different sources. That is one other
3 thing we will look at when we look at
4 the re-powering study. We will look at
5 air quality impacts, air quality is
6 really the key that everybody should be
7 concerned about.

8 ADRIENNE ESPOSITO: Which is what
9 you are asking.

10 BOB TEETZ: Look at air quality and
11 health effects, not strictly emissions.

12 ADRIENNE ESPOSITO: The study that
13 you completed on the four power plants
14 was that, I remember when, before the
15 National Grid came into the picture and
16 there was the deal that was made between
17 KeySpan and LIPA and they talked about
18 the announcing of two smaller power
19 plants, was that initiated then?

20 MONIQUE BRECHTER: That was part of
21 it.

22 ADRIENNE ESPOSITO: That was part
23 of that deal?

24 MONIQUE BRECHTER: Yes.

25 ADRIENNE ESPOSITO: You produced

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with that to expand the two in Suffolk?

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MONIQUE BRECHTER: Yes.

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NEAL LEWIS: I am unclear about

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that.

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MONIQUE BRECHTER: It's confusing

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but that was because we had rights to

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the KeySpan power plant and then we

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extended that right a couple of times

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and then we said okay, based on previous

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re-powering feasibility level studies,

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these are the sites we are most

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interested in buying and re-powering.

14

That was the history of that. It was

15

separate from this.

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BOB TEETZ: Shoreham and Wading

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River and barn combustion torrents were

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added now as part of the new deal.

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NEAL LEWIS: Is there a memo that

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summarizes all of that that would help

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us?

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BOB TEETZ: It's all in the press

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release.

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GIORDAN RACKE: In the December of

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2005 press release, it's still on the

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website, I would imagine.

MONIQUE BRECHTER: I think the report goes through the history of it, maybe one of the appendices will refresh your memory.

HUBERT KEEN: I am curious, just why the large investment in reducing the emissions is nitrous and oxides rather than something else.

BOB TEETZ: Long Island as well as the New York Metro area is in non-attainment for ozone and noxious is a re-ozone too.

GIORDAN RACKE: So is acid rain.

ADRIENNE ESPOSITO: Acid rain --

NEAL LEWIS: That last back and forth was about the third item on the summary sheet that is on the back of our packet of statements made. It talks about National Grid begins to install a hundred million dollars in some pollution control devices. I think there are some other questions that come out of that bullet. To what extent does

1
2 making that investment in those plants
3 sort of commit us to keeping those
4 plants? It kind of comes back to
5 Harry's question as to whether there
6 would be an open bidding process as we
7 reach the end of the current contracts
8 but if you put a hundred million dollars
9 into the plants just before we reach the
10 end of the contracts, that makes it
11 harder to envision a scenario where
12 there is an open bid and does it also
13 raise any questions about, if you will,
14 do re-powering and you just put a
15 hundred million dollars into the plant.
16 Does that limit some of your re-powering
17 options of the plant? Does it impact
18 the question of system re-powering?
19 Does it --

20 BOB TEETZ: The hundred million
21 dollars is going in over the next four
22 years. It's hoped that those capital
23 improvements will be made by about 2012.
24 The contract, the PSA does end in 2013
25 but those plants, all the plants within

1
2 that PSA are still going to be needed
3 one way or another going forward because
4 of load growth and the fact that it
5 takes five to seven years to build a
6 power plant from the day you decide to
7 do something. Those plants will be
8 needed. It is likely that the power
9 supply agreement will be re-negotiated
10 after, to continue after 2013 or some
11 other arrangement will be made. Those
12 plants will still be needed in order to
13 supply ongoing load growth. So the
14 capitol investment --

15 HARRY DAVITIAN: That is KeySpan's
16 view of what will be needed to go
17 forward, not what is written from the
18 heavens. That is their view. There may
19 be other views but that is an
20 opportunity to open things up and may be
21 move for LIPA to purchase power from
22 other plants than continuing to purchase
23 power from those plants.

24 MARK SEROTTOFF: I would like to add
25 the KeySpan representative stated that

1
2 the new power plants built in
3 greenfields will lower emissions causing
4 the other power plants to run less which
5 is possible. However, during high load
6 times, summer heat waves, high humidity,
7 all the power plants will run and the
8 overall emissions will be higher even
9 with the new clean-up plans.

10 JOE SCHROEDER: It's possible to
11 add to the comment by reducing the
12 output of some of the existing plants.
13 You are not reducing emissions because
14 at full load, they run more efficiently
15 than on a partial load. On a kilowatt
16 produced, you may produce more.

17 ADRIENNE ESPOSITO: I never heard
18 that before.

19 BOB TEETZ: That is not necessarily
20 so.

21 GIORDAN RACKE: Back to Neal's
22 question, I didn't hear the answer. If
23 I understood, Neal is asking use the car
24 analogy. If I have an old car and I
25 invest in putting a new muffler on it,

1

2

does that make a lot of sense if maybe I

3

will sell the car or get a complete new

4

engine, the hundred million dollar

5

investment is going to be accounting

6

sensitive or does it make sense if we

7

were to re-power?

8

BOB TEETZ: If you were going to

9

decide today to re-power, it depends on

10

how you re-power. The improvements we

11

will do will continue on a re-powering

12

configuration. You use the existing,

13

the noxious controls would not be

14

required anymore. You will have a new

15

system. You wouldn't have a boiler

16

anymore. Combustion torrents providing

17

the initial heat source. Our view and

18

we have looked at some of the numbers,

19

the reason that this will not have a

20

rate impact is because the efficiency

21

improvements will themselves by fuel

22

savings pay the capitol investment

23

within three or four years as the

24

capitol investment is paid off.

25

Anything after that is essentially to

1

2

the credit of the rate payers. If you wanted to re-power three or four years from now, the hundred million dollars is already recovered.

3

4

5

6

HARRY DAVITIAN: Is it used for waste boilers?

7

8

BOB TEETZ: Re-blading all the torrents, that is 40 to 45 million.

9

10

MARK SEROTOFF: That is maintenance.

11

12

BOB TEETZ: It's not maintenance.

13

MARK SEROTOFF: Re-blading is maintenance.

14

15

BOB TEETZ: It's not routine maintenance and then the nox controls are on the order of 55 to 69. You are upgrading the steam torrents.

16

17

18

19

GIORDAN RACKE: We are talking about the difference between maintenance and major upgrades of this sort. Give us an idea of what kind of expenditures or capitol investment you have made per year over the last ten years, how this hundred million dollars fits in the big

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picture, what you typically spend.

BOB TEETZ: I have to get back to you with the numbers.

MONIQUE BRECHTER: Much less. This is clearly not maintenance. If it was, we would do it every year.

GIORDAN RACKE: An upgrade project from a few years back, from the East Hampton plants.

BOB TEETZ: Those were new injectors to get better atomization in the fuel combustion.

GIORDAN RACKE: You can get me somewhat the average expenditures.

BOB TEETZ: Sure.

WAYNE HORSLEY: Back to Harry's original question on the study, that it's going to be National Grid, KeySpan run and study -- what is LIPA's oversight involved as far as the million dollar study, the new studies coming out? Where are you going to be in this thing?

MONIQUE BRECHTER: We have been put

1

2

on the scope as it progresses, review

3

draft reports --

4

BOB TEETZ: They have approval

5

authority over the contractors and

6

consultants that are selected.

7

MONIQUE BRECHTER: We won't be

8

fully doing the work but involved.

9

WAYNE HORSLEY: That is by contract

10

or per agreement?

11

BOB TEETZ: Yes, it's in the

12

contract. In fact, I believe the scope

13

of work starts out that the consultant

14

shall be selected by mutual agreement

15

between National Grid and LIPA. Then it

16

talks about the entire scope of the

17

project. There may be a number of

18

consultants involved. There will be

19

engineering consultants, environmental

20

consultants, system planning consultants

21

and some of LIPAs assistant planners

22

will be involved heavily as well.

23

WAYNE HORSLEY: Is it your vision

24

that possibly this committee can have

25

input?

1

2

BOB TEETZ: That would be -- I will take back as a representation that folks have input early on such that the product is something we can agree on rather than poke holes in the end.

3

4

5

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10

MONIQUE BRECHTER: It's a public document, it's a public decision. If the public says we want this premium because of health concerns, so be it.

11

12

13

14

WAYNE HORSLEY: This is a group, I am looking around the room. If you don't take advantage of it, it's foolish.

15

16

17

ADRIENNE ESPOSITO: It works better for you and us. We prefer constructive inputters.

18

19

WAYNE HORSLEY: I included myself as one of those.

20

21

22

23

24

25

NEAL LEWIS: Perhaps we can wrap up this question about the studies that are anticipated and proposed under the National Grid merger. There was some question about the timing of it. If it's not until several months from now

1
2 for the National Grid merger to reach
3 its potential conclusion, you mentioned
4 probably August would be the soonest for
5 that. We all know how the studies can
6 go. If you put a RFP, you go through a
7 several month long process to consider
8 bids and pick the firms that actually do
9 the studies. We are well into the end
10 of September before anything is under
11 way at probably the earliest for the
12 studies. Is there any way in which some
13 of that can be moved along perhaps a
14 little more quickly? If you did do a
15 request for proposals with the caveat
16 that the study is not necessarily going
17 to happen regardless of the bids that
18 will come in, if before the merger is
19 finalized, couldn't that speed up the
20 process by a couple of months? Save the
21 request. If this will only happen if
22 the merger is finalized, but nonetheless
23 we can take bids now, start the process
24 now so upon the date it is finalized,
25 there is some movement on it a lot

1
2 quicker. It seems to me what is going
3 on with the merger and the work that
4 needs to be done to start the studies is
5 something that needs to be done on
6 separate tracks and perhaps no reason
7 why we need to move those months.

8 BOB TEETZ: That is something that
9 is very doable, preparing RFPs can be
10 done in-house, we can move ahead in that
11 regard. However, National Grid can be
12 very, very sensitive to that. Not only
13 have they committed to this hundred
14 million dollar addition plus these
15 re-powering studies but there are a
16 number of other things in the LIPA
17 agreement that they committed to do and
18 they are very, very concerned that not a
19 lot of money and effort can be spent
20 before the PFC agreement is reached.
21 That is primarily because the agreement
22 with LIPA has two sides to it. It has
23 all the grid commitments, it has
24 commitments on LIPAs side to support the
25 merger. Grid is concerned by doing too

1

2

much in advance that it could somehow

3

perhaps undermine the momentum that

4

needs to build to get the PFC --

5

ADRIENNE ESPOSITO: Putting that on

6

the table, take it back and ask them.

7

We understand they are sensitive. They

8

can overcome that to some degree and

9

this is just really starting a process,

10

it's not completing a process. I am

11

hopeful it doesn't fall in the category

12

too much in blocking the momentum. It's

13

not -- if there will be a merger, it's

14

what will it look like. As a good faith

15

and a positive step, National Grid can

16

begin the process. It's valuable. It

17

gets us moving in the direction we all

18

want to go.

19

BOB TEETZ: I will take it back and

20

see if they will move on it.

21

NEAL LEWIS: Some of these items

22

may go a little quicker, let's see if we

23

can't methodically cut through 3A which

24

I think is an interesting question in,

25

to study the level of greenhouse

1

2

emissions from electric generating

3

plants in Suffolk County and to develop

4

strategies to achieve a 25% reduction in

5

greenhouse gas emissions from such

6

electric generating plants by 2020.

7

That is not just KeySpan plants so it's

8

anything that is in Suffolk County.

9

The first part of that is sort of

10

an information gathering question and I

11

want to put it out there as to what

12

extent is that information readily

13

available and I think there are a couple

14

of ways that question can be addressed.

15

I know that we do have someone here from

16

the Department of Health Energy

17

Environment Division and I believe under

18

the 2000 law that the County bid, I know

19

Gordian was involved, there was an

20

expectation or requirement for certain

21

reports to be prepared by the Department

22

of Health. That speaks to the question

23

of greenhouse gas emissions. Is that

24

something you have?

25

WAYNE HORSLEY: We have reports

1

2

from 2003 to the current date. If it's

3

25 megawatts --

4

BOB TEETZ: Or more.

5

WAYNE HORSLEY: Yes.

6

MONIQUE BRECHTER: That is in

7

conjunction with the Suffolk County --

8

GIORDAN RACKE: Share that with us.

9

WAYNE HORSLEY: Sure.

10

BOB TEETZ: How is that done?

11

WAYNE HORSLEY: It's annual.

12

BOB TEETZ: There is 2003, '04,

13

'05, 2006, is that done?

14

WAYNE HORSLEY: It should be.

15

BOB TEETZ: There are four years of

16

data that we will be able to make

17

available to the committee.

18

MARK SEROTTOFF: You can use those

19

from the D.E.C. and Stony Brook, the

20

actual emissions.

21

BOB TEETZ: I wanted to ask what

22

the Department of Health had. We will

23

ask the question of what other

24

information is available. You are

25

saying that the D.E.C. data does include

1

2

carbon dioxide emissions?

3

JIM MEYERS: It's right in front of
you.

4

5

GIORDAN RACKE: I am looking at the
law. It says that the Department of
Health Services will develop standards
for reductions in emissions of carbon
dioxide on these plants no later than
October 2, 2001 and then set the
emission rates depending on what new
plants come on line over time. Is that
included in those reports or is that a
separate document?

6

7

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15

JIM MEYERS: There is information
on the emission rates that goes down on
the amount of --

16

17

18

GIORDAN RACKE: That has been going
down.

19

20

JIM MEYERS: It's down to
1726 pounds from 18 --

21

22

BOB TEETZ: To wrap up on the
Department of Health Services reports,
what form are they in? Are they
available?

23

24

25

1
2 JIM MEYERS: I have copies here if
3 you want to see what they look like.
4 These are our forms for the program if
5 you want to send those around. The
6 first one is actually a registration
7 form so we know what is out there and
8 the population of the plants that you
9 are dealing with. That is required
10 within thirty days of starting off. The
11 second form is actually the annual
12 reporting form that summarizes the
13 emissions and determines whether or not
14 there is a violation and includes
15 information on penalties to be submitted
16 and that is submitted with the attached
17 forms. The next form is the actual
18 operating information that details the
19 emissions and calculates the emission
20 rate. The next form is -- there is a
21 code that allows for power plants to
22 trade emissions internationally or from
23 other plants. This form allows them to
24 detail their residue traits.

25 MONIQUE BRECHTER: Have there ever

1

2

been trades?

3

JIM MEYERS: KeySpan trades

4

internationally.

5

The next is a form that has CO2 for

6

investment. No one has used that. I

7

know KeySpan made investments and that

8

is available to them.

9

The next form is if the facility is

10

in violation, there would be a

11

compliance in making a donation to an

12

environmental group instead of paying a

13

fine. That hasn't happened yet. That

14

technically makes them in compliance.

15

There have been two fines paid so far

16

for \$50,000.

17

WAYNE HORSLEY: Where did it go?

18

JIM MEYERS: All our fees and fines

19

go to general fund. The facility can

20

have an option to go to legislature and

21

get designated a facility to receive the

22

funds. That hasn't been done yet.

23

GIORDAN RACKE: These forms are

24

completed by the owner of the plant?

25

JIM MEYERS: Correct.

1

2

GIORDAN RACKE: When you receive
the forms, do you verify --

3

4

5

6

7

8

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10

11

12

JIM MEYERS: We do a very
rudimentary check on the forms. We have
no staff or specialists in the area. We
look it over. Once the form was sent
back, it was corrected. We don't do
auditing. It looks like a tax form.
They fill it out, send us the form, we
check the numbers and such, we don't do
an audit of the emissions.

13

14

GIORDAN RACKE: You don't check it
against a data base?

15

16

JIM MEYERS: No.

17

GIORDAN RACKE: Do you do a trend
report? Are there graphs that show --

18

19

20

21

JIM MEYERS: This goes with the
fact that we have no air pollution
program and we try to do this with the
resources that are good.

22

23

24

ADRIENNE ESPOSITO: How heavily
should we rely on this data for our
report?

25

BOB TEETZ: Rely on it 100 percent

1
2 as far as KeySpan's numbers are
3 concerned. These are the same numbers;
4 reported to the state and federal
5 governments. We do it under penalty of
6 jail. I have to certify these are
7 beyond a shadow of a doubt absolutely
8 the truth and I have personal liability.
9 Trust me, I will not go to jail.

10 ADRIENNE ESPOSITO: Those represent
11 safeguards that we weren't
12 understanding.

13 JIM MEYERS: There is a perjury
14 policy on the form.

15 MONIQUE BRECHTER: They are aware
16 of the same rules. There is no
17 motivation to.

18 GIORDAN RACKE: Are those numbers
19 and forms available for the public on
20 line?

21 JIM MEYERS: Not on line but they
22 are available to anybody that wants
23 them. You can call and request them.

24 NEAL LEWIS: We want to look at the
25 next meeting and delve into this with

1
2 more detail. If you could collect up
3 some of that -- as much of that
4 information as possible, but the bigger
5 question is to turn to Bob and ask the
6 question of whether you would have a
7 more complete set of data available for
8 the committee on this?

9 BOB TEETZ: We have data going back
10 to at least 1990.

11 ADRIENNE ESPOSITO: That is what we
12 need.

13 NEAL LEWIS: That is perfect.

14 JOE SCHROEDER: Is that data
15 annual? The conversation we had earlier
16 about the ramping up and down, of power
17 plants and megawatt hours, if you have
18 hourly emissions on ramping that would
19 demonstrate, I would be glad to see it.

20 BOB TEETZ: The recent data is
21 hourly.

22 JOE SCHROEDER: If you have
23 anything that would be hopeful --

24 BOB TEETZ: Back before 1995, we
25 were not required to have continuous

1
2 emission. CO2 was calculated based on
3 fuel use. Whether you burn oil or gas.
4 Take the fuel number times the fuel
5 factor. Back to 1990, we have those
6 numbers. Once the continuous emission
7 monitors came in, we have those numbers.
8 I will supply the annuals, year by year
9 to today and I can probably get some
10 data that shows the hourly change.

11 ADRIENNE ESPOSITO: That is a big
12 deal. Thank you.

13 GIORDAN RACKE: When the law was
14 passed, the emission number per unit
15 number in our estimation was set at such
16 a high level that the law, in effect,
17 will not serve to decrease carbon
18 emissions from our plants in the
19 foreseeable future. You mentioned there
20 were a couple of fines that were paid.
21 But of all, it's fair to say that the
22 power plants have been operating within
23 or under the limit of the 18 pounds per
24 megawatt hour.

25 JIM MEYERS: Correct.

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GIORDAN RACKE: What would we need to do if we wanted to meet the goal in our charter here of reducing CO2 emissions 25 percent by 2020 in terms --

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JIM MEYERS: This law is different. This is an efficiency law. It's pounds of CO2 per megawatt. It's in the lines of efficiency not in reducing the amount of CO2. It's the efficiency of the power plant more than anything else. It's a totally different slant.

GIORDAN RACKE: Not if we increase the efficiency of the plants through re-powering. We will he emit less CO2.

JIM MEYERS: There is no cap.

GIORDAN RACKE: But --

JIM MEYERS: One will effect --

GIORDAN RACKE: To get back to the charge of this committee which would be looking to quantify the total carbon emissions or reduce the carbon emission from power plants in Suffolk County, we can do that through reducing the rate of emissions from megawatt hour from our

1
2 existing plants and you might want to
3 take a look at what level of pounds per
4 megawatt hour we might recommend a
5 setting for improving this legislation
6 so it has an effect on the level of
7 carbon emissions in the County.

8 JIM MEYERS: One approach --

9 BOB TEETZ: That would be one
10 approach, to respond to the second half
11 of this 3A and to develop strategies to
12 achieve a 20 percent reduction from
13 generation by 2020. One approach might
14 be to look at a carbon cap at a per
15 megawatt hour of generation at a certain
16 level is what you're putting out there.

17 JOE SCHROEDER: I have a question
18 for LIPA. LIPA has actually done a good
19 thing in trying to foster higher
20 efficiency in power plants by
21 establishing a heat rate criteria. When
22 your efficiency of your plant improves,
23 your heat rate goes down so you're
24 extracting more of the energy out of the
25 input fuel and generating less energy.

1

2

If LIPA is planning on dropping the

3

allowable heat rate level, that would

4

foster a higher efficiency in the

5

plants. Does LIPA have any plants to do

6

that?

7

MONIQUE BRECHTER: When we contract

8

to do new plants, we look for a lower

9

heat rate. We have through the various

10

procurements been dropping heat rates.

11

GIORDAN RACKE: What is the heat

12

rate now?

13

MONIQUE BRECHTER: Your heat rate

14

is a big part of the overall evaluation.

15

It's how efficient your plant is.

16

BOB TEETZ: The entire LIPA system,

17

the total heat system rate is improving

18

as we go forward. It will improve

19

tremendously when Kate Epis comes on

20

line and that is because katethepis

21

(phonetic) has a search thousand rate.

22

Northport has a 10 thousand heat rate.

23

Katethepis will run 90 percent of the

24

time, that will drive down the operation

25

of Northport. The overall heat rate

1

2

system will improve. The other thing

3

that is affecting tops of emissions on

4

Long Island is the Neptune cable. It

5

provides 1600 megawatts of capacity from

6

PJM. That has a tremendous damage

7

effect on Port Jefferson and Northport.

8

MONIQUE BRECHTER: There is a

9

technical discussion on that.

10

BOB TEETZ: My point is

11

hypothetically, if you were to re-power

12

Northport, all four units, that facility

13

would be so efficient that it would

14

probably displace power from Neptune,

15

Northport would run 80 to 90 percent of

16

the time and the total emissions at

17

Northport would be higher than they are

18

today and higher than they are going to

19

be in the future from a CO2 standpoint.

20

The regional emissions including PYM

21

would be lower.

22

NEAL LEWIS: It's interesting that

23

the law is focused on the law in Suffolk

24

but now we have the cables, it raises

25

the question of shifting the emissions.

1

2

JOE SCHROEDER: With the emissions reduction, do you do it per hour or globally? How do you balance that?

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HARRY DAVITIAN: I had a threshold question that I would like to get to with respect to the second part. It relates to what has been happening at the state level and what may happen at the federal level. In the past when Suffolk County was in the lead in areas, new areas of getting active such as with smoking, the bottle bill, we were in the lead. Other people weren't doing it. We established a precedent. They made fun of us and other people got on board and they did the same thing. We are dealing with the situation where the state is way ahead of us. The state had been involved with the regional greenhouse gas for years, not only New York State, but several states together are working on greenhouse gas emissions. They have been spending an enormous amount of time on this issue. They

1
2 developed over the years, they have
3 issued a 170, 160 page model rule, they
4 will begin controlling greenhouse gas
5 emissions in the very near future. My
6 question is twofold. Does the County
7 have the legal authority to develop
8 strategies, implement strategies? Is
9 there a legal authority to do so? Does
10 the state's actions preempt the
11 authority even if the County has the
12 authority to do so, does it make sense
13 for the County to attempt to do so in
14 light of what the state is doing? Do we
15 believe the state efforts are so
16 pathetic that we feel they are worthless
17 and we have to put the effort out? If
18 the County does proceed, it will have to
19 produce something like this to achieve
20 the end, it will need more folks than
21 Joe and Jim. It will have to hire a
22 substantial staff, spend a lot of money,
23 spend years at it and I wonder about the
24 second part of this, what does it boil
25 down to in terms of what we are supposed

1

2

to be doing. Can we do it, should we do

3

it?

4

NEAL LEWIS: You jumped this ahead
in terms of the agenda.

5

6

MONIQUE BRECHTER: I have to leave.
I wedged this in at the last minute to
my schedule but that was a good
question.

7

8

9

10

GIORDAN RACKE: On the heat rate,
the value heat rate in the RP to the
suppliers, we might want to set this
aside for the next meeting, how do you
value that in a selection process? It
could lead to higher cost and you have
to balance that --

11

12

13

14

15

16

17

MONIQUE BRECHTER: We do balance
it. It's a highly equated factor. You
have to weight it against can you
permit, you weight it against other
things but it's a big part of economic
analysis of the bid. There are a lot of
other factors that come into play. Heat
rate in the fundamental --

18

19

20

21

22

23

24

25

GIORDAN RACKE: I would be

1
2 interested in hearing more about that at
3 the next meeting.

4 BOB TEETZ: The information
5 gathering question that comes to LIPA,
6 we have -- the DOH has certain data, we
7 have KeySpan that is prepared to bring
8 in information for the next meeting, I
9 guess one question would be are there
10 other facilities that are part of the
11 grid that are in Suffolk County that
12 would not be captured by KeySpan's data
13 because it's not a KeySpan facility.

14 MONIQUE BRECHTER: There are some
15 but they do report to Suffolk County.

16 WAYNE HORSLEY: There are some
17 smaller ones that don't, that I can't
18 recall.

19 MONIQUE BRECHTER: That do not
20 report to you but they are under 25
21 megawatts.

22 WAYNE HORSLEY: Suffolk County is a
23 powerplant that is too small.

24 BOB TEETZ: I am being technical
25 and looking at the law and our charges.

1
2 You didn't make that 25 megawatt cut-off
3 but I would put that off as a question
4 as to whether LIPA would be capable of
5 generating the data for the ones not
6 included in KeySpan's ownership or
7 basically that --

8 MONIQUE BRECHTER: Or report to the
9 County of 25 megawatts.

10 BOB TEETZ: Right.

11 MONIQUE BRECHTER: I have to look
12 at that. We contract with the larger
13 units that are caught under this. I
14 will look into it.

15 BOB TEETZ: Can you maybe if there
16 is a piece of paper that tells us what
17 are the plants that are in Suffolk
18 County.

19 MONIQUE BRECHTER: That we know of.

20 BOB TEETZ: And then the corollary
21 question, the extent to which we can
22 find out. A and B asks the question
23 twice to the extent we can figure out
24 the current levels or getting to the
25 baseline going back to '99. The first

1
2 question is where are all the plants,
3 who owns which, KeySpan, is it bringing
4 in the data for what they are
5 responsible for. Anything else going
6 into the Grid, I mean throwing that
7 question over to your end, see if you
8 have that and the related question is,
9 once we know what those are, do we know
10 if the CO2 emissions from all of them
11 and the extent we can go back to old
12 numbers.

13 MONIQUE BRECHTER: Crossing cable
14 is considered Suffolk County. I can
15 tell you it's very little CO2. It is
16 all hydropower.

17 NEAL LEWIS: We always supported
18 the Crossing cable.

19 Can I follow-up on Harry's point?
20 It's a fundamental question that the
21 group needs to deal with. If Regie is
22 going to move ahead and a tremendous
23 amount of work is put into that in terms
24 of modeling and different efforts,
25 hypothetically, a carbon cap in Suffolk

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County could be constructed such that
CO2 emissions could go down in Suffolk
County but go up in the region.

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I wanted to clarify, part of our
charge is to get that information in for
the report and then discuss these
strategy requests that Bob is responding
to that comment. To the extent you can
grab that information, that would be
great.

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MONIQUE BRECHTER: I have a couple
other things on my list. If I can get
them quickly, I will circulate them
immediately by e-mail. I won't wait for
the next meeting.

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NEAL LEWIS: I should ask the
parameter question of how long as a
general rule have the meetings run? I
think two hours is probably a cut-off
point which is only a few minutes away
and I recognize, I do think there is an
interesting debate we need to have about
strategies. Regie is one and there are
these other questions.

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HARRY DAVITIAN: Address that up front so we don't waste time and effort on something that may not be going. There are a lot of things to be done in the energy area. If the state is moving ahead on this issue, the County may be better off putting its effort on energy improvements and movements in the other areas that someone else is not involved in where there is a gap.

BOB TEETZ: That may make it worse or better.

NEAL LEWIS: It's on for discussion. I haven't reached a conclusion what makes the most sense. I want to make sure we have an opportunity to discuss that. There is an expectation we will generate some of this data and go through this process. I don't want to skip to the conclusion but your point is well taken. We shouldn't put it off. I'm not suggesting that either.

There is another question that you

1
2 mentioned that if we can make that the
3 last item, we will get to the
4 feasibility of technologies, the legal
5 authority to mandate the use of any
6 technologies, the item on legal
7 authority if we can take a minute on
8 that. We can ask Brendan and Wayne in
9 terms of the legislative process that
10 you went through, did the attorney to
11 the legislature issue any kind of
12 opinions on the overall -- technically
13 you're creating a committee that studies
14 all of these things and reports back.
15 There is no question that you have legal
16 authority to do that. Did your attorney
17 address any of the other questions about
18 whether or not the whole question of
19 setting up a carbon cap is legal or
20 certain technologies can be mandated.
21 Did they get into that?

22 WAYNE HORSLEY: I don't think so.

23 HARRY DAVITIAN: Shouldn't they do
24 that at the outset rather than waiting?

25 NEAL LEWIS: We will make a

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request. The attorney to legislature
will not do a 20 page if we can ask for
a relatively short take on what he or
she -- I don't know who the current
attorney is --

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WAYNE HORSLEY: George Nolan.

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NEAL LEWIS: If he could speak to
this question and give some analysis,
I'm not asking for a very extensive
analysis. If we can get an initial
analysis. We know the previous law was
passed in 2000. There is a press
department here, he can speak to that.
It will help us to get a handle on the
legal question, can Counties regulate
carbon dioxide emissions from power
plants.

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WAYNE HORSLEY: It's a good
question.

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NEAL LEWIS: The conclusion from
2000 seems to be yes. It hasn't been
challenged. I would like to start with
the basic question.

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WAYNE HORSLEY: I got the question.

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It makes sense.

NEAL LEWIS: Some closing thoughts. We are stopping in the middle of the discussion, I think two hours is reasonable and we asked for a lot of information to be generated for the next meeting.

GIORDAN RACKE: Quick point on this issue of legality is I think supremely important at the outset so we don't waste our time in running after something we are not allowed to do, I would like to establish between the jurisdiction on regulation and jurisdiction on technologies or maybe to make that clearer, on the jurisdiction of regulating emissions versus prescribing technologies. I see a big difference there. The one point I wanted to make to prepare for the next meeting in the report that Suffolk County compiled, I think it was back in 2001 on carbon emissions in the County that was done by an intern at your shop,

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2 I believe Kelly Mason, with help from
3 the Council of Local Environmental
4 Initiatives, I looked at it before, I
5 think it was a valuable report. I
6 think it needs updating. We have new
7 software tools available now that were
8 not available back then. I would
9 suggest that this committee looks at the
10 report before the next meeting and
11 consider looking and updating that.

12 NEAL LEWIS: I will make that as a
13 request for today and Carrie, presumably
14 they would have --

15 BRENDAN SCANTON: I have a copy of
16 the report.

17 BOB TEETZ: It's a question of what
18 we can do with it.

19 GIORDAN RACKE: I assume it was
20 never updated.

21 WAYNE HORSLEY: Not that I know of.

22 GIORDAN RACKE: This report will
23 help us sort of establish some baseline
24 figures. We don't need to duplicate the
25 data, it was done. We can update it.

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MARK SEROTTOFF: I think the group is good, a positive move to address the concerns of carbon emissions and its effects. Just one statement was made earlier on the operation of a new clean plant like Kathenis will drastically reduce carbon emissions and I think that was questionable, Kathenis, 350 megawatts, Northport is 1550 megawatts. It's one quarter of the size, so it will not drastically reduce emissions in the region or on Long Island. Again, in high load, high demand times, all the plants will be working full speed ahead so total emissions will go up.

HARRY DAVITIAN: I want to reiterate the two points I made earlier. Initially, you need an understanding as to the legality of the County proceeding in the area. Second, if the County has the legal authority to do so, we need to understand what the state is doing and how, if any, if there is any way we can, if we decided to have the authority to

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2 decide to proceed, how we can improve
3 the situation over what the state is
4 doing in this regard. Bob's comment
5 earlier that the limitations on taking a
6 County perspective on it are quite
7 significant. If you understand it,
8 because of the transmission inerties
9 that exist with Neptune, a huge amount
10 of power serving Long Island on an
11 average hour, a lot of the power comes
12 in from off of Long Island. We wouldn't
13 have the authority to regulate that. So
14 the questions, all we will end up doing
15 is control what is happening in Suffolk
16 County pushing the problem out to
17 someplace else. We haven't solved that
18 problem. The regional by dealing with
19 nine states will be addressing that
20 problem, we have severe limitations on
21 what we can do working at the County
22 level. I have some serious doubts
23 whether this effort can be successful.
24 If the state wasn't doing anything and
25 the supreme court will be get involved

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2 in this area, if they were not acting,
3 then it would be appropriate for Suffolk
4 County to take the lead to try and do
5 something. We are not dealing in that
6 environment anymore. There are a lot of
7 areas in the energy issues that are open
8 for involvement, maybe not as sexy as
9 greenhouse gases, but there are things
10 that the County could be doing at the
11 local level that would be effective and
12 the scarce resources that it has to
13 devote to the problem, it may be devoted
14 there.

15 ADRIENNE ESPOSITO: No closing
16 thoughts.

17 JOE SCHROEDER: I agree with Harry
18 that the regional greenhouse issue is
19 going to be an important influence on
20 what we are doing here. I don't believe
21 that the course that the County is on is
22 wasting time. I think in the event that
23 it moves, that the regional initiative
24 outweighs the benefits of what we are
25 proposing here or meets the benefits of

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2 what we are proposing here that the
3 effort will be beneficial to us to help
4 promote alternative technologies,
5 anything on other scales than the major
6 power generation scale. I don't think
7 the effort is wasted. It gives us a
8 better understanding of what we are
9 facing.

10 HARRY DAVITIAN: If we could, if we
11 decide to have legal authority and
12 proceed, one of the first things we
13 should do is have someone involved with
14 the regie come and speak with us and
15 give us a briefing. If we find gaps and
16 there is someplace we fit in without
17 that information, it's difficult.

18 JOE SCHROEDER: Earlier than later
19 would be excellent to get a presentation
20 from someone involved with the regie. I
21 think that is a valid point. We have to
22 be cognizant of the big picture.
23 Suffolk's role as the pulpit and the
24 political side of which is as important
25 as many other issues. Bob talks about

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2 the economics will drive the issue. I'm
3 not sure it is all of it. A lot of it
4 is within the realm of politics. As
5 interveners in the process of the
6 National Grid, these questions should be
7 addressed so we can respond and act
8 appropriately in what they are
9 requesting so I think we still have
10 purpose. I understand we should take a
11 look at the legal authority. Good
12 point.

13 BOB TEETZ: Just to reiterate and
14 expand on what Harry was discussing,
15 KeySpan had been a stakeholder in the
16 regie process from day one and we have
17 publicly endorsed the regie process. We
18 prefer to see a national program. That
19 is the proper way to deal with a global
20 issue. Christmas around the World is
21 actually doing this. So we support,
22 there are a number, probably 20 bills
23 circulating through congress, we will
24 see something very soon. Barring a
25 national program, a regional program is

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certainly something to be considered and

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we have publicly supported regie and we

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think it results in significant overall

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reductions in the region.

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Getting to a County level could

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actually result in cleaner plants on

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Long Island having to run less and that

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power being made up by dirtier plants in

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upstate New York, Connecticut and

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elsewhere taking up the slack and

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increasing total CO2 emissions rather

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than decreasing them. I think that is a

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fundamental question we should address

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before we go very far with the

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committee. We can spend a lot of effort

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over the next year and end up with

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something that would actually be

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opposite of what we are trying to

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accomplish here. I think it is a

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question that needs to be dealt with up

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front.

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Just to respond to something that

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Mark said, our calculations show that

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with Neptune and Kathenis coming in the

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next couple of years, by 2012, KeySpan's

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facility will only supply 25 percent of

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the total energy requirement on Long

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Island. That will result in a dramatic

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reduction in emissions on an annual

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basis. I will be happy to show the

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numbers and graphs.

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ADRIENNE ESPOSITO: If the one on

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the east goes through?

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BOB TEETZ: Yes. Those two points

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I would like to leave.

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NEAL LEWIS: I think a taking on

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the regie item for a month from now

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might be a challenge. I do want to

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address it earlier but I'm not sure. We

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will need to work on what is the agenda

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for the next meeting. There are certain

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expectations of generating a number of

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items of information and I think that

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sort of comes first. We will have to

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look at it and see what we can do for

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the next meeting, whether it's possible

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at that point. I would like to be clear

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on many of the facts as we go forward

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2 before we reach any conclusions in the
3 form of strategy. We marked a few items
4 we will work on later to request from
5 the right people. If all of that comes
6 back to us, we will have a lot of
7 information for the next meeting. I
8 will try to work on getting the
9 information ahead as much as possible.

10 WAYNE HORSLEY: Typically my
11 experience with the law has a
12 pre-emption language. In the existing
13 County law, it has a pre-emption clause
14 if there is any state or federal program
15 in place, this is pre-empted; that is
16 something to consider. We are looking
17 forward to that. We are a groundwire
18 protection office. We don't have a lot
19 of resources in that area.

20 BRENDAN SCANTON: If anyone in the
21 room didn't do the oath of office, they
22 are attached to the agenda. Stick
23 around, we have a notary in the room.
24 There were so many action orders put
25 forward today. If you can either copy

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me on that action item, I will keep them

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in the bundle for the next meeting or

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send it to me and I will make sure the

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appropriate party responds. Anymore

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questions, let me know.

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MARK SEROTTOFF: Cable are by

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direction in the direction that mainland

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has an energy deficit, the power plant

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will work harder to export power and if

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there is a hypothetical scenario to that

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effect, shall we look into that?

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ADRIENNE ESPOSITO: It's moderate

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directional right now.

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BOB TEETZ: It can go either way if

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our plants are cleaner than the export

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area.

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MARK SEROTTOFF: Where is the plug

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to your plant?

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NEAL LEWIS: I will ask for a

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motion that we adjourn.

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ADRIENNE ESPOSITO: I make the

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motion.

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(Time noted: 2:15 p.m.)

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STATE OF NEW YORK)
) SS
COUNTY OF SUFFOLK)

I, LISA GRAFFIA, a Shorthand Reporter and
Notary Public within and for the State of New
York, do hereby certify:

That the within is a true and accurate
transcription of the meeting had before me.

I further certify that I am not related
to any of the parties to this action by blood or
marriage and that I am in no way interested in
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set
my hand this 8th day of May, 2007.

LISA GRAFFIA

