

**ECONOMIC DEVELOPMENT & ENERGY COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE**

Minutes

A meeting of the Economic Development and Energy committee of the Suffolk County Legislature was held at the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, NY 11787 on Monday, **June 17, 2002** in the Rose Y. Caracappa Auditorium at 10:30 A. M.

Members Present:

Legislator Jon Cooper, Chairman
Legislator Fred Towle, Vice Chairman
Legislator Vivian Fisher, Member
Legislator George Guldi, Member
Legislator Allan Binder, Member

Also in Attendance:

Paul Sabatino, Counsel to the Legislature
Bill Davidson, LIPA
Gordian Raacke, CAP
Paol DePasquale,
Nicole DeAngelo, Cty. Exec. Office
Edward Guldi, Self
Valerie Burgher, Newsday
Bob Garfinkle, Suffolk County Department of Law
Alice Amrhein, Suffolk County Economic Development
Barbara LoMoriello, Aide to Legislator Cooper
Kevin Duffy, Budget Review Office
B.J. McCartan, Aide to Presiding Officer Tonna
All other interested parties.

Minutes taken by:

Eileen Schmidt, Legislative Secretary

(The meeting was called to order at 10:45 A. M.)

CHAIRMAN COOPER:

The meeting will come to order of the June 17th Economic Development and Energy Committee. Legislator Guldi, if you could lead us in the Pledge.

SALUTATION

We have just one speakers card completed Gordian Raacke from CAP.

MR. RAACKE:

Good morning. Chairman Cooper and the members of the committee I'd like to speak on several

topics this morning. The first one is the issue of LIPA's proposal to site ten 22 megawatts -- megawatt gas turbines at various locations throughout the island as a way or as an insurance policy I suppose to meet peak demand this summer and in part as a result and response to the failure of the Y50 cable connection, transmission cable connection that went out just recently. I have received on Friday -- this past Friday petitions from LIPA to the New York State Siting Board for a declaratory ruling on these -- on the siting of the ten turbines at three sites and in that petition LIPA essentially asks the siting board that the turbines be exempt from Article 10 siting board review and also that a 21 day common period that would otherwise take place be replaced with a common period set at no more than seven days.

They're several issues that I could -- that I'm aware of regarding the siting of this -- of these turbines. This is certainly not a complete list, but in the memo that you should have in front of you I list them one of course is the selection of those sites. They've been -- LIPA has been proposing to site four units with a total capacity nameplate capacity of 88 megawatts at the site in Wading River adjacent to KeySpan's 240-megawatt generator. They're proposing to site another three units for a total capacity of nameplate capacity of 66 megawatts at the Shoreham site and they're proposing to site another three units at the Holtsville site adjacent to the NYPA (inaudible) plant. First of all what sticks out here is the fact that all ten turbines are being sited in Suffolk County despite the fact that the failure of the Y50 cable of course takes power away from an injection point in Nassau County. It's not clear why all ten turbines are being sited in Suffolk County.

LEGISLATOR BINDER:

Well, because they get the administrative offices you see.

MR. RAACKE:

I see, okay.

LEGISLATOR BINDER:

And we get the diesel fuel emissions.

MR. RAACKE:

Okay. The other --

SPEAKER:

(inaudible)

LEGISLATOR BINDER:

They have Kessel.

MR. RAACKE:

Both stink, right?

MR. RAACKE:

The other issue is or the other question that arises is of course is why seven of the ten units are being sited at a location that has no hookup, has no provision for natural gas. No possibility of hooking these up to natural gas which means that they will be running on diesel and that's the emissions of course would be much higher. So there are several other issues regarding the cost of these turbines; the issue of whether this is really temporary just for the summer or whether they'll remain for longer and so forth. What I'm asking you to direct me is as to or advise me as

to whether you want me to do anything on this. Whether you want to intervene in the petition in this case before deciding or I also expect that LIPA will be filing with the Public Service Commission for a certificate of public convenience and necessity. And again I would need to know whether the Legislature plans to do anything more specifically whether you need me to do anything on this. Obviously, time is of the essence since LIPA is asking that the common period is reduced to seven days.

LEGISLATOR BINDER:

Mr. Chairman.

CHAIRMAN COOPER:

Legislator Binder.

LEGISLATOR BINDER:

If I can ask Counsel if we wanted to intervene what would be our procedure. Would we rely on CAP? It would seem to me that would -- it would probably be much coming from the Legislature itself and how can we do that in such a short time period?

MR. SABATINO:

Well, the way the contract is structured an intervention would require a procedural motion of the full Legislature. That's one of the items the committee can't do on its' own. The opportunity to do it would be next, which would be the 21st. There's no seven-day rule. So I don't think there'd be a problem because --

LEGISLATOR BINDER:

-- except that common period it says, may expired; I don't know if that's -- what may means, may it or it might not we're not sure?

MR. RAACKE:

Well, I don't know the -- LIPA filed the petition with a -- dated June 13th, but the cover letter was dated June 12th. So depending on what date is you assume being the filing date seven days would run out on June 20th or thereabouts.

LEGISLATOR BINDER:

So then I would first ask Counsel if he could get us the exact date of the common period expiration and if it is earlier than that I don't know if we can have a kind of straw vote in the committee to ask the Presiding Officer to call a special meeting if that's necessary before the day just for the one issue. In the alternative if we have the date if the 21st is okay we take that up first thing in the morning, but in the -- in thinking that it might happen we might want some prep work because we might have to actually file some comments on the date of the vote itself. So my concern is that there's preparation work that needs to be done from now until either the 20th or the 21st. So I'm not sure how we can do this. It would seem to me that we need to and I don't know if there's -- if the committee feels the same if there's general agreement among the committee, but I think that we need to intervene for a number of reasons. Number one, real concerns have been raised and I think they have to be addressed. Number two, I think it's important that LIPA not be able to circumvent any procedure since they generally are a board that runs autonomously without PSC approval on rates and such. And so to give them anymore power to circumvent any rules that hold them to regulatory timetables and holds them to filings and over site and rules of sightings and such I think is a something we shouldn't be doing. And lastly I just -- let me just add something I -- the reason I supported Legislator Cooper's movement to help CAP and didn't support Legislator Crecca's proposal to create a position in our

Budget Review Office was for exactly this reason. I think had we hired someone had they been in the Budget Review Office they probably wouldn't have gotten this information and gotten us the information we would be able to be moving on it, but that's why I supported CAP because they have and I want to thank Gordian for coming before us and doing exactly what we need him to do is giving us an early warning system alert system. So I would urge members to continue to support CAP and maybe rethink whether we need someone in the Budget Review Office to other than on a consulting special needs basis to go forward with that position.

CHAIRMAN COOPER:

Legislator Fisher did you have any comments?

LEGISLATOR FISHER:

Gordian I find this one sentence to be very interesting. We have not yet been able to determine if LIPA plans to declare itself; it's like crowning itself king, you know, at the lead agency under SEQRA and will issue a negative -- so it would issue itself a neg. dec. is that if its still lead agency.

MR. RAACKE:

That's the reason I wrote this is that's exactly what happened in siting of the ten LM6000 turbines.

LEGISLATOR FISHER:

The peaking units?

MR. RAACKE:

Yes.

LEGISLATOR FISHER:

Okay. How would these units compare to those as far as energy efficiency since they wouldn't be running on natural gas they would only be running only on diesel?

MR. RAACKE:

Well, seven of them have sited at the proposed sites Shoreham and Wading River --

LEGISLATOR FISHER:

-- where's there's no gas available --

MR. RAACKE:

-- would not be running on natural gas and that's the emissions would be considerably higher. These are again they're simple cycle turbines. They're not very efficient as far as modern state of the art technology is concerned because they essentially use only a portion of the energy. They have no second stage where they can convert to heat into steam and additional electricity. So they're relatively inefficient compared with combined cycle technologies of course running them on diesel or fuel oil would raise the emission level considerably.

LEGISLATOR FISHER:

And what kind of storage capacity would they need then if they were running these just on diesel?

MR. RAACKE:

I'd have to look that up for you.

LEGISLATOR FISHER:

Well, while Gordian is looking that up I think it's very important that when we deliberate on what kind of statement we'll be making that the fact that these seven units would require storage of fuel would be a critical piece here since they can't run on natural gas because there's no natural gas availability there. And certainly it shouldn't be able to circumvent the Article 10 guidelines.

MR. RAACKE:

The fuel storage on site at the Holtsville facility and it's interesting because even at the Holtsville facility where natural gas is available apparently LIPA still plans to store and probably use fuel oil as well. They're proposing to install two 18,000 gallon storage tanks. At the Shoreham facility they're proposing to install also two 18,000 gallon storage tanks and likewise at the Wading River facility.

LEGISLATOR FISHER:

So we'll have six 18,000 gallon storage tanks.

MR. RAACKE:

Correct.

LEGISLATOR FISHER:

Okay. May I just check on your numbers here Gordian where you have the proposed site in the bullet you say 88 megawatts at the site in Wading River, but in the narrative below you say the turbines have an actual output capacity of 20.5 megawatts thus the four would be producing 82 megawatts of power.

MR. RAACKE:

That's correct because the turbines are rated at a 22 megawatt out put capacity --

LEGISLATOR FISHER:

-- okay, but their actual out is 20.5 --

MR. RAACKE:

--but the out put is somewhat less because they actually use some of the electricity generated --

LEGISLATOR FISHER:

-- and we know that with those peaking units as well these 79 is artificial they could produce more than 79 and they just haven't met 79 in order to circumvent the process.

MR. RAACKE:

That's correct.

LEGISLATOR FISHER:

Okay. I also wanted to just to mention to the committee in case you hadn't read the facts that my office sent or the information sent by Alice Amrhein's office. On June 19th the Energy Advisory Committee will have it's public hearing and I think that further discussion of this would be very critical at that juncture because there will be many members of the public there. Thank you Gordian for bringing this forward.

CHAIRMAN COOPER:

I think that there is a clear consensus on the part of the committee members that --

LEGISLATOR GULDI:

Mr. Chairman I have a couple of questions before this or resolve on it.

CHAIRMAN COOPER:

Please.

LEGISLATOR GULDI:

Gordian the concern I have is vis a vis gas no possibility of availability concern. That conclusion concerns me because that I'm aware that KeySpan is building gas main all over the East End and essentially will run gas main to any commercial customer who'll sign up. Are you sure that there's no intention for KeySpan to bring gas to these facilities given if they had the accounts they'd be rather major consumers of -- major customers?

MR. RAACKE:

Well, no, I'm not sure that that would never happen. I am fairly certain that that would not happen in time for this summer. These turbines are proposed to be just temporary. They're going to be mounted on flatbed trucks. They're suppose to be there temporarily.

LEGISLATOR GULDI:

I see. So these are temporary turbines for emergency peaking purposes they're not talking about a permanent installation.

MR. RAACKE:

That's correct even though the application they call them temporary, but the application makes no clear commitment as to when they will be removed. That is one of the questions that I would be asking in a proceeding is when will the flatbed trucks be pulled out of the neighborhood by what date certain.

LEGISLATOR GULDI:

Do you have either relative emission data for the gas versus fuel oil operation of these turbines or -- or and or relative cost data?

MR. RAACKE:

No, I don't have that yet; that's something that I could obtain. I do know that I've made preliminary inquiries. I do know that the turbine is equipped with a --- with a NOx emission reduction system which is not as sophisticated as the one that can be installed on the LM6000 turbine, but it has an at least rudimentary NOx reduction system.

LEGISLATOR GULDI:

And the LM6000 is available on a temporary set of bases like it's proposed with these?

MR. RAACKE:

I don't know the answer to that, but what we've asked LIPA at a press conference where this was announced I and actual reporters there asked what the cost of this would be and Chairman Kessel was not able to answer that question.

LEGISLATOR GULDI:

The other thing is there data or are you familiar with data as to the relative load growth say at Brookhaven and the five East End towns versus Nassau and western Suffolk cause all of these are

schedule to site in Brookhaven.

MR. RAACKE:

I don't have specific data, but I do know that load growth has been happening all over the island in both counties. They're certainly load growth happening in Nassau County as well as Suffolk County.

LEGISLATOR GULDI:

Well, what's the relative load growth? Do we have a handle on that?

MR. RAACKE:

I don't have that data available right now.

LEGISLATOR GULDI:

Thank you.

MR. RAACKE:

If I could make a suggestion; one step that you may want to take other than in addition possibly to taking action before the regulatory bodies would be to get some of these questions answered by a LIPA representative. I would imagine that the committee could ask to have Mr. {Grilli} LIPA's Chief of Staff who's heading up this effort to come before the committee to be available to answer some of the questions that you may have.

LEGISLATOR FISHER:

Mr. Chair, I just have one more question. Gordian were these sited at these locations because of transmission capabilities and are their sites in Nassau County that would have the same transmission capabilities?

MR. RAACKE:

I don't know what criteria went into the selection of the sites. I have no clue and that's not being spelled out in the applications that we've seen so far. They would certainly be sites in Nassau County I would imagine that could handle this --

LEGISLATOR FISHER:

-- handle the additional load on the grid there.

MR. RAACKE:

Yes.

LEGISLATOR FISHER:

Okay. Thanks.

MR. SABATINO:

Just a technical follow-up. If there's going to be plan to intervene you need to have some goal or objective so is the proposal to intervene and articulate some position? Or is the purpose to intervene and monitor or normally intervention you intervene and you either -- you do something okay. Now once in FERC we just intervene for the purpose of getting involved to get information, but that would have to be clear when the vote actually took place. And the second thing is well, that's the first question.

MR. RAACKE:

I certainly do not have a position on this. CAP does not have -- CAP is not taken any position on this. At this point I think the Legislature needs to get answers to a number of questions and at that point I think it's up to the Legislature to come up with a position.

LEGISLATOR GULDI:

Yeah. I concur, but how do we get answers to those questions and meet the seven-day timeframe to determine whether we want to intervene to support or propose an application.

MR. SABATINO:

Well, can you follow up today to fine out when it was actually filed? Apparently you only got the information on Friday for the first time.

MR. RAACKE:

Right. Correct.

MR. SABATINO:

So you should be able to ascertain by the end of the day when they actually filed and I doubt they filed on the same day.

MR. RAACKE:

Well, the letter was -- the filing was sent to the siting board date June 13th and if it was FedEx that day it would have arrived there on June 14th. I assumed the cover letter date is an error.

MR. SABATINO:

So check with the siting board today and let us know because that'll kind of drive the other process. And then the second thing is really -- I mean, Legislator Guldi said if we -- otherwise you're not going to get intervention status -- intervenes status unless you articulate what it is that you're trying to do. So you got to make some kind of recommendation to the committee or the committee is going to have to react back to you or it just can't be an open ended we're intervening cause you get tossed you don't get status then.

MR. RAACKE:

I would imagine that the filing would basically say we opposed the wavering of the 21 day common period and asked that the full 21 day period be granted and secondly, we reserve the right to oppose this petition until a number of questions are answered and submitting interrogatories to LIPA to get answers to those questions.

LEGISLATOR GULDI:

I mean, it's clear to me that clearly the 21 day timeframe present a problem and the alternate problem is though that if the temperature hits the high 90's within the 21 days and the powers necessary then, you know, then we've broken the eggs as it were. So it's a concern that cuts both ways and is material. The problem, I mean, the clear problems that I see are the lack of an exit date. I mean, life is temporary; the governments are temporary. Power plants on truck beds are could very well become very long term temporaries. So the lack of an exit date and a lack of the long term plan is something that I think that merits opposition. I don't know necessarily that the 21 days does though cause how do we answer, I mean, if we opposed the 21 days cause we don't have information what if the information that we don't have indicates that the power needs are critical projected a day 14?

MR. RAACKE:

No. I don't think these are going to be connected within 21 days.

LEGISLATOR GULDI:

What the connect time? Are they?

MR. RAACKE:

LIPA is planning to get these connected as soon as possible, but there's no -- there's no date --

LEGISLATOR GULDI:

(inaudible) we're looking at July and August here it's June -- and we're in the middle of June.

MR. RAACKE:

Yeah. Well, I can't answer the question as to when LIPA's planning or hoping to have these connected. I don't know. I think the issues really are the temporary issue of when are these going to be removed by date certain and also the siting issue. Why are these being sited only in Suffolk County and not in both and why are they sited at locations that do not have access to natural gas when the emissions would clearly be so much higher. I think the County should not opposed the siting of these turbines if this is an emergency measure that would help or would be the only to meet some of our demand for summer, but I think the County should certainly try to see whether they could not be located in -- at sites that where natural gas would be available so that they could be run on natural gas.

LEGISLATOR FISHER:

Gordian, with regards to the peaking units we do have a number of peaking units that have gone online.

MR. RAACKE:

Correct. Ten.

LEGISLATOR FISHER:

Ten of them and each of them with an output of 79 megawatts.

MR. RAACKE:

No. Actually, those are 44 megawatt turbines. Some of them were paired so that they have an output of 88, but they're limited to 79.9 --

LEGISLATOR FISHER:

-- what is the total of those peaking units?

MR. RAACKE:

Well, roughly --

LEGISLATOR FISHER:

-- the total output --

MR. RAACKE:

-- roughly the total is about 400 megawatts.

LEGISLATOR FISHER:

So we have 400 megawatts that was added to the grid that we didn't have last summer.

MR. RAACKE:

Correct. They will --

LEGISLATOR FISHER:

-- we didn't have those peaking units summer --

MR. RAACKE:

-- most of them are installed and operational or will be very soon. That's correct. Yes.

LEGISLATOR FISHER:

Okay. So we have those additional units that were not there last summer.

MR. RAACKE:

Yes.

LEGISLATOR FISHER:

How close did we come to capacity last year to a brownout, to a -- we came within a 100 megawatts?

MR. RAACKE:

We came very close. I don't recall the exact number now. This year the situation is somewhat different because the outage of the Y50 cable assuming that the and actually I have it available here I put that in a memo to you. Let me just look that up.

LEGISLATOR FISHER:

Well, with the outage of the Y50 and the addition of peaking units what is the net?

MR. RAACKE:

LIPA is projecting a base peak summer demand of 4,775 megawatts under normal conditions. Under extreme weather the peak demand could be pushed up to 5,200 megawatts.

LEGISLATOR FISHER:

Hmm hmm.

MR. RAACKE:

If both -- there was also a problem with the Y59 cable. If both of these cables are repaired before the summer LIPA could have a total supply of 5,917 megawatts available. If the Y50 so that's that would be plenty to meet projected peak demand in under severe extreme heat conditions. If the Y50 peak cable cannot be put back in service before the summer LIPA would have 5,517 megawatts available --

LEGISLATOR FISHER:

-- which would still be over at the critical 5,280 megawatts --

MR. RAACKE:

That is assuming that the (inaudible) if everything else is working and also assuming that the --

LEGISLATOR FIELDS:

-- no, not if everything's working, George. If Y50 were not repaired we would still be over the peak.

LEGISLATOR GULDI:

Wait a minute, but if they have outage or a temporary outage in peak demand at any of the other plants that are in that mix that 500 margin can disappear rather promptly.

MR. RAACKE:

Correct. And that's also assuming that the new Cross Sound cable, the 330 megawatt cable is going to be operational by then that has hit a snag I think LIPA still expects that to be operational in time for the summer --

LEGISLATOR FIELDS:

-- did you say you were including that --

MR. RAACKE:

-- that is included --

LEGISLATOR FIELDS:

-- in the number --

MR. RAACKE:

-- that is included --

LEGISLATOR FIELDS:

-- the 5,500 you were including?

MR. RAACKE:

Yes. The 330 megawatt cable is included in these numbers.

LEGISLATOR GULDI:

Can I dialogue on this with you for a moment?

LEGISLATOR FIELDS:

Sure.

LEGISLATOR GULDI:

The concern I have is not theoretical max peak, but the fact that we're operating above 80% of calculable capacity, you know, back in the days when I wore a tool belt and climbed ladders the industry standard for every electrical application was that you never -- you always designed so that your total load, you're aggregate would never exceed 80% of capacity. And we're talking about a grid system that we're theoretically going -- we planning to operate depending how you calculate this at well over 95% and that is, you know, we're looking at a 5,000 watt -- 5,000 megawatt capacity or a demand on a 5500 megawatt capacity -- 90%. If you're at 90% as I understand it 10% above the prudence level and that's a concern. So I don't think we should be, you know, be calculating that, you know, last years load was 5100 and the total plant capacity is 5500. Those aren't the numbers that we should be looking at. The loads going to grow cause it always has and we're still operating well above 80% of capacity and that's the number I think we should be looking at. I mean, do you agree with that analysis at all, Mr. Raacke?

MR. RAACKE:

Yes, yes. Essentially, yes. I mean, yes, there is an 18% reserve capacity margin required. Of course nobody knows what the actual peak demand is going to be. I'm giving you LIPA's own

numbers here. These are numbers LIPA put out. LIPA expects a peak demand of 4,775 megawatts and Y50 cable out of service everything else operating they would have 5,517 megawatts which is actually more than the 18% reserve margin.

LEGISLATOR GULDI:

(inaudible) would be 10%.

MR. RAACKE:

No. 4,705 --

LEGISLATOR GULDI:

Okay. 4,705 on 4,705 you're still at 13%. You're still 5% under. I'm just guessing I don't have a calculator.

MR. RAACKE:

But the 4,775, 18% of that would be 859 megawatts. If you add that you're below the 5,570, but this is the projected peak demand. LIPA has another forecast for extreme weather events, which is 5,200. At that point you go below the margin.

LEGISLATOR GULDI:

The 5,200 is the project peak demand on a near 100 degree high humidity day which we generally see couple of a year.

MR. RAACKE:

Yeah. The 4,775 is based on temperatures in the low to mid 90's. I certainly agree that if we get an extreme weather event or an extreme heat wave it may very well depend on having those 10 portable turbines available to keep the lights on. Especially, given that there's always a possibility for another failure somewhere else in the system. So that's why I'm saying I'm not saying the County should categorically oppose the sighting of these temporary turbines. I think it should be done in the most beneficial and sensitive manner, which would include sighting them at sites that have natural gas hookup.

LEGISLATOR GULDI:

Have you had an opportunity, you say you got this Friday it's Monday morning. This would definitely fall in the dah question category. Have you had an opportunity to reach out to LIPA and try to get their information and response to these questions and concerns before appearing here at 10:30 this morning?

MR. RAACKE:

I've put in a call to Ed {Grilli} on Friday. He didn't get back to me. I understand he left a message at my office this morning, but I've not been able to talk to him about it and I will of course as soon as I --

LEGISLATOR GULDI:

-- I certainly, I mean, I don't know if we can develop a consensus here today, but certainly what we need you to do is stop talking to us, go talk to them and get the answers to the questions. In the event then that you have a -- based on those responses to the questions you have a strong recommendation for us to authorize you to take a specified act. I guess you could contact the chairman; he can poll the committee members and we can prepare a procedural motion for Tuesday provided that the answer to those questions merits us taking some action on

Tuesday.

LEGISLATOR FISHER:

I think clearly an important question would be to know a definition of temporary dates certain. I think it would also behoove us to have some idea when you say that there are other sites. Maybe if you could come up with what those other sites would be what your recommendations would be and perhaps we could poll our committee with regards to those sites. Okay. Is there a place where natural gas is available that would be a site that has the transmission capability that is not on top of a residential area. All of those questions would be, you know, something that we could discuss here in the committee to see if those sites would be preferable to this one. As far as temporary the temporary nature of this -- I'm sorry I kind of jumped in on that -- the temporary I'm concerned about the fuel storage even temporarily, moving it in and out, the fueling. I know that in Port Jefferson plant some of the problems that we experienced there were with fueling, you know, filling the tanks. The diesel smell and the area if you're near a residential areas all of that was a concern. So those specifically I think would be questions that we would have because if we look at the whole picture and jump at everything that's planned without being very specific as Counsel has said then we're not focused on enough issues. And I think the issue of the dates is a very critical issue because I don't like temporary facilities anymore than I like temporary surcharges with end dates.

MR. RAACKE:

With the committee's permission I will follow-up on these questions with LIPA and report back to the committee as to alternative sites where natural gas and transmission capabilities would exist.

LEGISLATOR FIELDS:

Is that what we're looking for?

CHAIRMAN COOPER:

The question was?

MR. RAACKE:

With the permission of the committee I will contact LIPA and determine whether there are alternative sites for these temporary turbines that would have a natural gas hook up and also have the transmission capability to hook them into the grid. I will inquire about the dates certain for removal of the turbines. I will inquire about the need for fuel storage on site and refueling issues. I think that's about it. I will also inquire about cost and --

MR. SABATINO:

-- filing dates so you'll know what our options are.

MR. RAACKE:

And filing date, correct.

LEGISLATOR GULDI:

A couple of other questions that I think we should look at not just the, you know, one of the intangibles that it's not just the projected load, projected availability issue, I mean, one of the things that, you know, I mean, if you got a plant that the operator feels is or is concerned about an operational characteristic anomaly or, you know, that rumbling noise, I don't like that. If there's something like that going on if there's any suspicion or reasonable basis to suspect that we might have a plant out of service during the season that changes those load calculations, reserve and demand calculations, we should ask that question.

MR. SABATINO:

I just realized too our next meeting is June 25th not the 21st, so you may require a special meeting that's why that dates going to be extremely important.

MR. RAACKE:

Of course, there is this proceeding; this is the Article 10. The filing I received on Friday regards the is a petition for declaratory ruling to exempt these from Article 10 review. I expect as I said I also expect a petition to the Public Service Commission to be filed soon which would ask for a certificate of public convenience and necessity which in my reading of public service law would be required to site these. So that filing date, you know, I will ascertain that as well and advised you of the date on that. So with your permission I will proceed.

CHAIRMAN COOPER:

Please Gordian get back to me.

MR. RAACKE:

I have a couple of other issues I wanted to report on. First of all you have before you today a Sense Resolution 49 which Legislator Fisher sponsored I have reviewed at her request. I have reviewed the Sense Resolution; this is a Memorializing Resolution requesting State of New York to enact comprehensive energy policy reform. This would if the proposed measures that are being mentioned here in this Sense Resolution would be enacted by the State. It would strengthen the New York State Siting law for the siting of power generation, a major power generation facilities. Among other things it would close the loophole that has been used by LIPA and others of the 79.9-megawatt artificial limitation of the output. So I would recommend to the committee and to the Legislature to adopt that resolution for that and a number of other reasons.

I also wanted to inform you once again of the ongoing efforts and our work the off shore wind energy project by LIPA. We've been working with LIPA for sometime now, actually going back quite awhile to get this off shore wind study -- wind study conducted which has been released recently and LIPA has now begun to -- is now looking to site a 100 as a initial project to site a 100 megawatt off shore wind project somewhere off the south shore of Long Island. I've been working with LIPA to insure that this project is being presented in a way that insures that the public input is heard that a number of concerns that members of the public may have are being addressed. I'm hoping to be able to continue with your permission to continue this work. I think it's extremely important to work with LIPA on this project. I would hope that we can assist with providing public outreach in education on this important issue. I think here is a resource that Long Island could tap into in the future. This is not going to get us out of this mess this summer, but in future years to get additional generating capacity from a clean a renewable resource right here at our door step. So I would hope that we can continue to work and ask for your authorization for the committee's authorization to continue this.

LEGISLATOR FISHER:

Gordian, could you put the web address on the record? Do you have it with you?

MR. RAACKE:

Yes. The project is described in more detail at a website, www.lioffshorewindenergy.org.

LEGISLATOR FISHER:

(inaudible)

MR. RAACKE:

-- lioffshorewindenergy.org. Also I should mention that a major public meeting is scheduled has been scheduled on this project and unfortunately it's been scheduled for the 25th the June 25th which is the date of the Legislature being in session. It was too late when I realized that that date that LIPA picked was the day of the Suffolk County Legislature's session was too late to change that date, but I hope that there will be other opportunities for the members of the Legislature to attend.

CHAIRMAN COOPER:

Gordian, the reason that I wanted you to address the issue of the off shore wind project before the committee is that at least some of my colleagues have expressed some concern that this maybe an issue that CAP does not need to get involved with since LIPA has already obviously come out strong in favor of the concept. Could you explain why you feel that you need to add your voice to this?

MR. RAACKE:

Well, we as I said I have a feeling that if LIPA were to go this stretch alone that this project may get {bojed}. I think LIPA as our friendly utility company has a way of alienating people. They did start off -- they did start -- they did propose a project recently about a year ago in Montauk. LIPA started that off completely on the wrong foot. It ran into broad public opposition and the project was abandoned. In this case I would hope that with our assistance we could avoid this kind of scenario. I also want to be sure that stakeholders, stakeholder groups that have a legitimate interest in such a proposal including fishery people, including commercial fisherman, including people who care about the marine biology and so forth are involved in contacted at an early stage. And in part, I have these kind of contacts and I have begun to reach out to those kind of groups and stakeholders and LIPA is I think needs this kind of assistance for this project.

CHAIRMAN COOPER:

Does anyone have any questions this issue?

MR. RAACKE:

So with your permission I will continue to --

LEGISLATOR BINDER:

-- I don't know if he needs expressed authorization, but I generally feel that that's not a place where CAP needs to be. I'd like him I'd like to see CAP involved in issues that we have problems with and we have concerns on. I don't have a concern on this and I don't know that that their intervention and work with LIPA's going to make any difference in how LIPA's going to do this project. I don't think there's a proper place so as far as I'm concerned I wouldn't like to see them focus on things like the memo that came out today and other places that we have concerns on.

LEGISLATOR FISHER:

Okay. Mr. Chairman, when we discussed in committee last year when Mr. Crecca did present his view of the role of CAP I made it very clear that I believed that one of the most important functions for CAP is that they and in the person of Gordian Raacke doesn't simply react, but has a proactive role with regards to energy issues and LIPA's issues. And I have seen through this effort at off shore windmills and wind energy that CAP as been very proactive in reaching out to different stakeholder groups. Has been very proactive in working with our community groups and advocates in order to get the message out that this is a very positive project; that there are problems that can be avoided in the outreach in working with different community groups. They -- CAP has educated the public and I think advised LIPA in ways to educate the public and work with

the public on this project. So I think that if we look at energy issues in terms of not simply being reactive to problems, but being proactive in how to present new concepts then I think CAP's role is critical in working on this issue.

CHAIRMAN COOPER:

Legislator Guldi.

LEGISLATOR GULDI:

Legislator Binder I hear you, but I have a problem with relying on LIPA to research, develop and operate alternative energy sources like wind, like the off shore wind project without the oversight of an organization like CAP to make sure that there's simple not, you know, simply not designing the project to fail in order to justify, let's build another major power plant whatever. It is too easy a project to side track and tank on and for that reason alone I think that we in our oversight capacity need CAP or our representative involved in the project on an ongoing basis so that they can apprise us in the event that, you know, that one of the engineers or consultants has decided to site them under water to inadequately support them to create maintenance problems, siting problems, etc. So for those reasons alone I think that this is precisely the kind of issue that we need to stay involved in through out oversight with CAP or another organization.

LEGISLATOR FISHER:

Mr. Chairman, my response that that would be then let them do some basic oversight. Let them keep us apprised just as we got this memo. Early warning that's all fine, but to go into stakeholder groups and trying to be the middleman and reach out. All these things are not something we need them to do for us. What we need them to do is maybe do some oversight that we not be able to do; that's find I would agree with that. Let's not -- that have limited resources, let them focus on being an early warning system so that's the proactive part. This is proactive today on the siting; that was very proactive and them let address the problems, address the questions that are coming up. There are a lot of questions still coming up. Gowan decision is still out there. There are still things happening. We're talking about a lawsuit we've hired Irving Like. There's a lot of things going on; let them do that. They have limited resources, let them focus. They want to do some oversight, let them watch a little project and report back if they're putting them underwater. I'd like to know that, that's fine, but at the same time to spend time with (inaudible) group and putting the things together and intermediary and everything else it's not going to serve the project well nor would it serve us and I think it would take their time and resources away from things that we really need them to focus on.

MR. RAACKE:

Mr. Chairman, if I may. I look at this invitation to cooperate on this project and work with LIPA on this project as if we had gotten this kind of invitation on lets on the siting of these turbines. We could probably save ourselves a lot of trouble if LIPA would've come to us initially and said do we want to site these turbines, let's talk about that. Let's here your concerns up front. So that being said, of course it's completely up to you. I'll take any direction from you to what you decide.

CHAIRMAN COOPER:

Gordian, perhaps I would suggest is that you keep us apprised on any developments in this regard and the actions that you plan to take and if the committee objects to anything that you're envisioning we could let you know and I don't know whether we need to vote on every individual instance.

MR. SABATINO:

There should be a vote just to authorize the oversight because technically this would not be something that automatically would flow from the (inaudible).

LEGISLATOR BINDER:

I'll make a motion to allow CAP to just do general oversight and report back to us on the status of the wind mill project on a regular and ongoing basis. That's the limit of your intervention.

LEGISLATOR GULDI:

If I may, can I suggest an amendment to the motion because it should be status, design features, progress. It shouldn't just be status.

LEGISLATOR BINDER:

Fine for them to do that, but have a basic oversight for those three features.

CHAIRMAN COOPER:

I'll second that motion. All those in favor? Opposed? Motion is approved. **(Vote: 5-0)**

MR. RAACKE:

Thank you.

CHAIRMAN COOPER:

Thank you, Gordian.

MR. RAACKE:

And I just wanted to mention again the hearing, the public hearing, being scheduled by the Suffolk County Energy Advisory Committee this Wednesday at 3:30 in Riverhead at the Legislative Auditorium I would encourage you to attend if that's possible. Thank you.

LEGISLATOR FISHER:

Thank you, Gordian.

CHAIRMAN COOPER:

Okay. We can now move to the agenda starting with--

IR 1478-02(P) Amending the 2002 Capital Budget and Program and appropriating funds in connection with reimbursement to LIPA for relocation of Long Island Power Authority (LIPA) facilities on Suffolk County Construction Projects (CP5000). (Co. Exec.)

LEGISLATOR GULDI:

I haven't received any documents in my office.

MR. GARFINKLE:

(inaudible)

LEGISLATOR GULDI:

You have to use the microphone, I could hear you.

MR. GARFINKLE:

Based upon the meeting that we had before this committee two weeks ago we're asking that it remain tabled -- that it be tabled again. We're trying to get the additional information so that we can decide, the Legislature can decide whether they want to make the -- approve the resolution

or not.

LEGISLATOR GULDI:
(inaudible)

LEGISLATOR TOWLE:
Mr. Chairman.

CHAIRMAN COOPER:
Legislator Towle.

LEGISLATOR TOWLE:

To echo Legislator Guldi's comments I'm going to add something else to the record. It's my understanding that capital programs are actually being held up now because we haven't taken a position on this and I know of at least three projects right now. One in my district, two outside my district that I've received calls on that involve DPW and LIPA and obviously the Department of Public Works is not prepared to move forward with this and obviously we can't make an intelligent decision without receiving the data. I want to know if we have a commitment from you today that by our next committee meeting we're going to have that data or you're not sure.

MR. GARFINKLE:

I believe the data that you're referring to is the analysis by Public Works. I believe you've got to speak to Public Works. I don't know.

LEGISLATOR TOWLE:

Okay. Legislator Guldi it sounds like Counsel needs to draft another letter for us. This is ridiculous. I mean, if --

LEGISLATOR GULDI:

-- have you since our last meeting spoken to anyone at Public Works on this subject?

MR. GARFINKLE:

Yes.

LEGISLATOR GULDI:

Who did you speak to?

MR. GARFINKLE:

Bill Shannon.

LEGISLATOR GULDI:

And what did he say?

MR. GARFINKLE:

That he was in the process of compiling the data.

LEGISLATOR TOWLE:

Let's send a letter from the committee.

LEGISLATOR GULDI:

How long did he say it would take him to compile the data?

MR. GARFINKLE:

I believe he was getting some of the information from KeySpan, which does these subcontracting work for LIPA. I believe that's one of the issues in getting some of the information I believe that was it. I just don't know the status of that.

LEGISLATOR FISHER:

Our next meeting is July 29th. Our next meeting isn't until the end of July.

MR. SABATINO:

The last week in July is the 29th.

LEGISLATOR FISHER:

So this will really throw all of these capital projects off track.

MR. GARFINKLE:

We believe we had enough information. The Legislature wanted more and --

LEGISLATOR GULDI:

-- hold on, what information did you have that wasn't enough information because what you presented here as backup to this bill and in your discussions with us is precisely no information.

MR. GARFINKLE:

The information that I believe that we originally submitted was --

LEGISLATOR GULDI:

-- I can't hear you, please speak up.

MR. GARFINKLE:

The information we originally submitted was a request for #1 authorization to enter into an agreement which is not yet even negotiated we're still in the process whether it's successful I don't know. Within certain perimeters to safeguard the expenditures of County money through a review process which Legislator Guldi wasn't happy with. I believe that was an arbitration process where an arbitrator would be selected with significant qualifications you indicated at least at that time that you weren't happy with that. So that to the extent that any particular bill was submitted to us or approval by LIPA there would be a review process. In that review process was the ability to hire consultants over a certain amount that would be shared by under the proposed agreement, the contemplated agreement between LIPA, and the County. Now apparently you indicated you wanted additional information as to the basis for the costs, specifically for the projects that were in there. This was an estimate that was based made by DPW. You wanted more data than the estimate was based upon and we're attempting to get it.

LEGISLATOR GULDI:

You told us these were done projects and I asked for the timesheets for the actual work because the work descriptions that were given were completely out of sync and had no reasonable relationship to the amounts being charged.

MR. GARFINKLE:

And specifically, that information is being to the best of my knowledge was attempted --

LEGISLATOR GULDI:

-- hold on. But our DPW since I made that observation and request has gone to KeySpan to ask for that information. We didn't have it before that, is that what you're saying?

MR. GARFINKLE:

No. I believe we had certain information and I think we wanted more detail information based on --

LEGISLATOR GULDI:

-- can I, why don't we have the information you had? This is our third request for information from your office from you directly and you're standing here saying that you need another two weeks. Oh, I stand corrected, he's sitting. What information is it you have? Why can't you present what you had?

MR. GARFINKLE:

I'll relay it to the Department of Public Works and we'll get whatever information that they have over to you.

LEGISLATOR GULDI:

Yeah. Could you do that and do I need to do a Davis Law letter to ask them to do that like right away so that we're not waiting till the end of July for this. Oh, yeah, that was meant to be sarcasm, but it's literally accurate.

LEGISLATOR TOWLE:

Mr. Chairman.

CHAIRMAN COOPER:

Well, we could always have a special meeting at the Energy Committee on Tuesday. If the information is forthcoming; if we can get it over the next few days.

LEGISLATOR TOWLE:

Mr. Chairman.

CHAIRMAN COOPER:

Legislator Towle.

LEGISLATOR TOWLE:

My concern is if we wait until July I'm not so concerned about the things that have already happened we can sort that afterwards. I'm worried about the things that aren't happening now that are being held up specifically because of this, so I'd ask the Chairman to schedule a special meeting for next Tuesday and ask Counsel to send the letter requesting for them to be there at the special meeting on Tuesday because the way to know --

LEGISLATOR GULDI:

-- whatever date they have --

LEGISLATOR TOWLE:

-- yeah. Whatever data they have and we'll try to sort it out from there because it's apparent that after three verbal requests for very basic information we're not getting it and, you know, it sounds familiar.

LEGISLATOR GULDI:

It concerns you that the Department of Public Works isn't going to do anything for a full quarter of the year cause -- any of these projects cause they're all jammed up for lack --

LEGISLATOR TOWLE:

-- it's been going on for three months; you're going to add two more months to it so that'll be a total of five months at the very least adding a couple of months in the beginning of the year where they waited for all the budget process to sort out. So we're at seven months almost three quarter of the year before they can move forward on capital programs and they're not even here today. I -- you know, I don't understand that.

LEGISLATOR GULDI:

Shades of the capital budget.

LEGISLATOR TOWLE:

Yeah. It sounds familiar. So I'd put my name to a letter.

CHAIRMAN COOPER:

So that's the game plan Special Energy Committee meeting on Tuesday and hopefully we'll have the information by then.

MR. GARFINKLE:

What time does the committee meet on Tuesday?

CHAIRMAN COOPER:

12:30.

MR. GARFINKLE:

June 24th, a June 25th.

CHAIRMAN COOPER:

June 25th.

LEGISLATOR TOWLE:

Mr. Chairman, in the letter I'd not only like Bob and any of his support staff and any files that he may have I'd also like anybody in the Department of Public Works that's been involved with this, with any and all data to be there as well. I don't want to hear Joe was sick on Tuesday and couldn't be here or Mary was sick on Tuesday and couldn't be here. Somebody needs to be here with --

LEGISLATOR GULDI:

-- and I don't want to here that it's in the file and I left it in the office.

LEGISLATOR TOWLE:

Or we forgot the map or whatever.

MR. GARFINKLE:

So I should be requesting everybody who's got input into the issues of the matters that were submitted for the capital program.

LEGISLATOR TOWLE:

Yeah. Pretty much.

LEGISLATOR BINDER:

Motion to table until Tuesday.

LEGISLATOR GULDI:

Second.

CHAIRMAN COOPER:

Second the motion. All those in favor? Opposed? 1478 is tabled. **(Vote: 5-0)**

MR. SABATINO:

By the way just including the agreement that's referred to in the backup, there's reference that there's some kind of negotiated agreement in the attached memo, but that agreement was never attached.

MR. GARFINKLE:

I understand that, but we haven't finalized it that's just a draft.

LEGISLATOR GULDI:

Then we'll have to look at whatever draft you have.

MR. GARFINKLE:

Okay.

CHAIRMAN COOPER:

Moving on to **Sense 49-2002 (P) - Memorializing Resolution requesting State of New York to enact Comprehensive Energy Policy Reform. (Fisher)** I make a motion to approve.

LEGISLATOR FISHER:

Second.

MR. SABATINO:

This is dealing with the Article 10 siting statute, which currently is going to expire on January 1, of 2003. This is a proposal to substantially change the way it's done. It touches upon everything from substance to procedure. Some of the highlights are that for example the current nine member -- seven member siting commission would be transformed to a nine member commission four of whom would be representatives from the public as opposed to now which is no representatives from the public. It would take a 2/3 vote instead of a majority vote to do an approved. Another big item that they have in there is that it would specifically require Public Health and environmental analysis and evaluations not just independently, but in comparison to what other alternatives would be. Those are the four major --

LEGISLATOR FISHER:

-- also the --

MR. SABATINO:

-- (inaudible) in terms of changes --

LEGISLATOR FISHER:

-- the threshold and megawatts and --

MR. SABATINO:

-- the threshold has dropped from 80,000 to --

LEGISLATOR FISHER:

-- kilowatts rather --

MR. SABATINO:

-- 15,000 so that -- kilowatts, kilowatts right. So that's that threshold issue which right now is that they make the plans fit within higher threshold. So that would mean that more plants would come within the application. Another big item it does is it's adding it's setting aside a fee for monies that would go to {intervener} groups. It would setup a structure where a minimum of \$150,000 would be made available for expert witnesses and consultants with the ability to go to another \$50,000 if the board voted 2/3 and then in the second category of evaluation it could go as high as \$800,000.

LEGISLATOR BINDER:

Is that an Assembly Bill?

LEGISLATOR FISHER:

It's an Assembly Bill, yes. Do you know the Senate companion? Gordian and I haven't seen one. I've just seen the Assembly Bill.

LEGISLATOR GULDI:

(inaudible)

CHAIRMAN COOPER:

Okay. We have a motion and a second. All those in favor? Opposed? Sense 49 is approved. **(Vote: 5-0)**

Procedural Motion 7 (P) - For LIPA oversight for 2002 (2nd Half). (Cooper) Make a motion to approve.

LEGISLATOR GULDI:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is approved. **(Vote: 5-0)**

LEGISLATOR GULDI:

Would you add me as a co-sponsor to Sense 49 and to Procedural Motion #7, please?

CHAIRMAN COOPER:

Thank you very much. Good afternoon.

LEGISLATOR BINDER:

(inaudible)

LEGISLATOR GULDI:

Tabled Senses. All right we can move them. Do you want to move the one?

LEGISLATOR TOWLE:

(inaudible)

LEGISLATOR GULDI:

Okay. I'll second your motion. Which one is it --

LEGISLATOR BINDER:

Motion to approve --

LEGISLATOR BINDER:

Oh, come on.

CHAIRMAN COOPER:

No. I'd don't want to win that way, George. Thank you.

LEGISLATOR GULDI:

(inaudible) you want to win. We have a motion and second.

CHAIRMAN COOPER:

Just for fun you want to do this?

LEGISLATOR GULDI:

Actually, no, not just for the fun for the substance.

CHAIRMAN COOPER:

I wanted this all a long.

LEGISLATOR GULDI:

That's one, two, three.

SPEAKER:

(inaudible)

LEGISLATOR GULDI:

We'll more than recover that ultimately and saves electrical costs for lighting the lights.

CHAIRMAN COOPER:

At least we'll get them out to the meeting on Tuesday. I'll support the motion.

LEGISLATOR GULDI:

Not after they no showed on the capital budget I'm not sure they're still in business.

LEGISLATOR GULDI:

All those in favor? Opposed? Resolution number, hold one second, what was that? IR 1050 is approved right under the wire.

LEGISLATOR TOWLE:

Put me down as a co-sponsor.

CHAIRMAN COOPER:

Thank you. Meeting is adjourned.

(Having no further business the Ways and Means Committee was adjourned at 11:45 P.M.)

{ } denotes spelled phonetically.

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