

ECONOMIC DEVELOPMENT & ENERGY COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE
Minutes

A regular meeting of the Economic Development & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, **October 29, 2003.**

MEMBERS PRESENT:

Legislator Cooper - Chairman
Legislator Carpenter - Vice-Chairman
Legislator Nowick
Legislator Binder
Legislator Foley (Excused Absence)

ALSO IN ATTENDANCE:

Alexandra Sullivan, Chief Deputy Clerk
Peter P. Bevacqua, Director, US Open Championships
Frank Bussey, Assistant Director, US Open Operations
Joe Schroeder, Energy Specialist, Budget Review Office
Gordian Raacke, Executive Director, Citizen's Advisory Panel

MINUTES TAKEN BY:

Diana Kraus - Court Stenographer

(THE HEARING WAS CALLED TO ORDER AT 11:30 AM)

CHAIRMAN COOPER:

Good morning. Welcome to the October 29th meeting of the Economic Development and Energy Committee. Legislator Nowick, if you could lead us in the pledge, please.

SALUTATION

CHAIRMAN COOPER:

First, I'd like to point out that Legislator Foley has an excused absence from this Committee.

And before we go to the public portion, and we do have at least one public speaker, I'd like to move to the agenda starting with **IR 1762 authorizing the County Executive to enter into a license agreement for the use of 110 acres of land at the Francis S. Gabreski Airport to the United States Golf Association, authorizing the installation of a pedestrian bridge over County Road 39, and authorizing the County Executive to enter into an intergovernmental cooperation agreement with the Town of Southampton and the State of New York to assist with public safety.**

Are there any questions as to this resolution? We do have two representatives of the US Golf Association here. And, if you could, state your names and title, please.

LEG. NOWICK:

I would just like a brief explanation.

CHAIRMAN COOPER:

Just state your name and position for the record.

MR. BEVACQUA:

Sure. Sure. My name is Peter Bevacqua. I'm the Director, US Open Championships for the USGA.

LEG. BINDER:

What's your handicap?

MR. BEVACQUA:

2.3.

MR. BUSSEY:

I'm not going to talk about my handicap. My name is Frank Bussey, Assistant Director, US Open Operations.

MR. BEVACQUA:

First off, we'd just like to say, I'm sure as many of you know, we were last in New York at 2002 for Bethpage, which went remarkably well. And we were also at Shinnecock in 1995. So I think we know the lay of the land. And I could speak from someone who deals with each US Open every year, that the cooperation we get from New York State, and even more so from Suffolk County and Nassau County, is always -- and it's not overstating it -- kind of our best experience.

We worked incredibly well last time around with both Counties and with the State. And it was particularly at a difficult time because it was at a public golf course. It was pretty close to, you know, September 11th. And the State police and the -- the help and assistance they gave us along with the County police was incredible. So at least from a planning point of view and kind of a public excitement point of view, we always view a New York Open, and particularly even a Long Island, New York Open, as one of the easiest for us to deal with from an operational standpoint.

And the fact that we've been to Shinnecock as recently as 1995, and the two uses that are here, parking at the airport and the use of the pedestrian bridge, were both used in connection with the '95 open -- and I'll let Frank speak to that a little more particularly because he was with the USGA in 1995 -- I wasn't yet with the USGA -- so maybe he can recount how well it worked. All I can say is that, you know, the uses will be just about the same. This Open will be a little bit bigger. It won't be nearly as big as the one in Bethpage, but it will be bigger than the last Open at Shinnecock; not significantly, but it will be bigger.

We're using a little bit more land at the airport. But we don't envision any problems. We've been in constant contact with the airport, with the State and County police, and the Department of Transportation just to make sure everything is done, you know, well and done the way it needs to be done.

I think we all know that the traffic going in and out of the Shinnecock area can be tough. So we've been dealing, you know, with the Department of Transportation to kind of devise a traffic plan that works. And one of the real benefits of parking at Westhampton Airport is, it allows us

to kind of combat that bottleneck that leads up to Shinnecock, and park people at least far enough away where we don't have to worry about, you know, all them trying to drive around and look for parking spaces right in and around Shinnecock. Because with any Open, that's one of our major concerns. We have to have very structured parking. And we have to make sure that the public buys it.

At Bethpage, we overcame the kind of stigma of people on Long Island having to drive to Jones Beach to get bussed backed to Farmingdale. But once they realized that it works, and that they're not stuck in their car, and that they can get to the Open and enjoy their day, and get out of there and get back to their car and go home, it buys into it and it works. I know it worked in 1995; so we're confident that at least from a public perspective, they'll be, you know, confident that it will work again.

I'll also state that in '95 for the combination of the use of the bridge and for the use of the airport, I believe the USGA paid \$110,000. This time around the current price that has been talked about is about 150,000. So, it's a \$40,000 increase there to kind of keep up with, you know, the changing times.

But kind of having said that, maybe I'll let Frank speak quickly to -- you know, how it went in '95. And because it went so well in '95, why we want to do it again for the 2004 Open.

MR. BUSSEY:

He really didn't leave me much to say. The bridge that spans State Road 39 obviously allows the traffic to move freely and allows the spectators to cross and get to the site. So that would be another reason for the bridge again at this Open.

As far as the traffic, we've noticed the trade parade in the early morning on State Road 39. And we've been working with the State and DOT to come up with some creative ideas to alleviate the bus traffic that we're going to have getting to the site. We think that we're on the right path. Other than that, unless you have some specific questions, that's about all I have.

CHAIRMAN COOPER:

I believe that Legislator Carpenter has a question.

LEG. CARPENTER:

Well, first of all I want to applaud you for being so proactive in doing it early. We had been the recipient of some criticism as a County with a venue out east that some promoters wanted to put into place. Unfortunately, they started about a month or two before the event rather than a

full year plus out that you're doing. And I really appreciate your positive comments about Long Island and Suffolk County in particular because we do realize the economic import of something like this; and the benefit that this really provides to the public. And try to do everything that we can to encourage this kind of cooperation. So I do want to thank you for your comments.

I was at the '95 Open and at the one in Bethpage. And I have to tell you, I was concerned about Bethpage because I [knew|new], like you said, with the Jones Beach and getting people on the buses, and it's such a more tight community, and just the one road leading in on Bethpage Parkway, it's a two-lane road into the park, I really did not think it was going to work as well as it did. And it was really remarkable.

The one thing I did not hear you mention that I would encourage you to try to expand upon, and that is the railroad. Because living in the western part the County, when we went to the Open, we took the train and it was great to not have to even think about the car, to get on the train -- in fact, when we went to Bethpage, we did the same thing. We took the train in. So I think that little part of it is something you should look to encourage. Did you want to say something?

MR. BUSSEY:

We should have mentioned that. We have been in contact with the LIRR.

LEG. CARPENTER:

Yes.

MR. BUSSEY:

And we do plan to utilize them to the maximum. Unfortunately with only one track going out, we won't have the success that we had at Bethpage.

LEG. CARPENTER:

Right.

MR. BUSSEY:

But we're looking to move approximately 10,000 to 12,000 people. I'm not sure if many of you know, but at Bethpage we were moving 21,000 people a day on the train. It was phenomenal.

LEG. CARPENTER:

Yeah, it really was. And having taken the train at Bethpage, I mean it seems ludicrous. I live,

you know, probably 8 minutes away by car. But we just thought it would be easier just driving to the train station and doing it that way. And when I got into the train station in Farmingdale and I saw the volume of people, I thought, oh, my God, this is going to take forever. And it did not. It was really done so well. So I really applaud your efforts and really look forward to the Open next year. It's going to be great.

MR. BEVACQUA:

We are, too.

LEG. CARPENTER:

And I know you're coming back to Bethpage in '09, is it?

MR. BEVACQUA:

2009.

LEG. CARPENTER:

And so hopefully you'll be looking at the next one after that, back in Suffolk.

MR. BEVACQUA:

We enjoy Long Island.

LEG. CARPENTER:

Great. Thank you.

MR. BEVACQUA:

You're welcome.

LEG. CARPENTER:

I would like to make a motion to approve.

CHAIRMAN COOPER:

I'll second the motion. We have a motion to approve and a second. All those in favor? Opposed? IR 1762 is approved. Thank you very much.

MR. BEVACQUA:

Thank you very much.

MR. BUSSEY: Thank you very much.

CHAIRMAN COOPER:

Next we'll move onto **Sense Resolution 63 - Sense of the Legislature Resolution Expressing Support for KeySpan/American National Power, Inc. Joint Generating Plants.**

LEG. NOWICK:

Motion to table.

LEG. BINDER:

Second.

CHAIRMAN COOPER:

We have a motion to table and a second. All those in favor? Opposed?
Sense 63 is tabled.

Procedural motion, no, that's subject to call.

We can now move to public portion. And we have a presentation, a relatively brief presentation, I understand, by Joe Schroeder, Energy Specialist in the Budget Review Office.

LEG. CARPENTER:

Joe, I apologize. I have to leave, but I promise to review the presentation. I see the hard copy here. Thank you.

MR. SCHROEDER:

Good morning, Mr. Chairman. I was asked to speak to you this morning regarding 2 papers I sent recently to your attention. One calling for an Energy Summit to promote the Demand-side Management efforts to help reduce strain on energy supply in particular electric energy supply but also relating to other forms of energy fuel oil and natural gas as well.

And also on a second paper that relates specifically to the Calverton site out in the former Grumman site out in Calverton. And both issues call for an expanded role for the Suffolk County electrical agency as well. So relating to the first paper, the Demand-side Management

paper, because energy is an inter-regional issue, and because if we were to save tremendous amounts of energy in Suffolk County and the folks in Nassau County weren't doing the same thing, while we would realize some tangible benefits relating to that energy savings, the strain on infrastructure put on by the folks in Nassau County would adversely affect us as well. So this has really got to be a cooperative effort, a total Long Island effort and would be most effective if it was across-the-State effort.

The drive of the effort would be to have the State call on energy providers to promote effective Demand-side Management programs with goals set by a municipal and private sector partnership that would in turn oversee the gains that were claimed by fuel providers. The reason for that is that two providers have an inherent conflict of interest between promoting energy use and playing what some of them have been in terms of a traditional role, like LIPA, in terms of promoting energy conservation energy efficiency efforts. There's a real conflict there and I do not believe that the public is best served by them doing that without some greater influence by the government sector which should really be acting more proactively, in my opinion, to promote the public welfare. Any a little more out of the box with the Suffolk County electrical agency as it currently stands, its single issue has been to wield power, specifically NYPA power over LIPA's grid.

In my review of the material relating to the Suffolk County electrical agency, it appears to me that it is equipped as a utility as any other utility with all rights and privileges. And as such, could play a really significant role in helping Suffolk County influence in a proactive way energy issues rather than being in a responsive position to things that LIPA and other fuel providers initiate. I'm not suggesting that we don't work with and cooperate with those other fuel providers. That's essential. But we have a direct role that we can play in energy issues. And Suffolk County electrical agency, I think, can be a viable part of that.

Specifically, and this speaks more to the second paper, the property of Calverton is an economic development zone. It is a unique site to Long Island in that it has a central stand distribution plant, a central electric distribution point and serves roughly 490 acres of core area of that property. That site has been evaluated for a power generation project by AES in the past. [It's|Its] currently being looked at by American Red Fuel. And it was the subject of a small combined heat and power project that was going to ramp up to be 16 to 25 megawatts eventually by a private sector developer.

The thought is that Suffolk County brings a tremendous benefit potentially to the table with its low cost of financing. And that if a private public partnership were possible at this site, a combined cycle power plant that then set thermal load to the [sight|site] would likely be the most efficient fossil fuel power plant on the eastern seaboard, if not the country. It would be able to service the [sight|site] specifically with electric and thermal loads. And that concept was broached to NYPA during my tenure at Keyspan; and they looked very favorably on that type of project. That site in particular holds great promise. LIPA proposes to acquire that infrastructure and retain sole source supply to that site at a time when they are claiming that they cannot provide power to the rest of us. It would permanently unseat any potential for that type of project at that site. And it's something that could be looked at because it is repeatable at the Gabreski site. We are currently looking at developing 50 some acres down there as an economic development area.

The Air National Guard in the past had expressed interest in this kind of project. The whole site lends itself to a moderately-sized fossil fuel type power plant that could be done in an extremely environmentally friendly way. This step does not mean that I think Suffolk County should be in the fossil fuel generating business per se, but that it should be a first step in what could be a combined fossil fuel and green power generation -- series of generation projects that could be done in partnership with LIPA, in contract with LIPA and certainly through and with private sector partners.

And some of the possible advantages of this -- developing this sort of revenue stream is the potential to provide inexpensive power to county and other municipal type facilities, the potential to target economic type incentives to industry and business that might not otherwise fall within economic development zones. It could certainly be targeted to economic development zones as well. And revenue stream from this type of activity could also possibly be used to buy down the Shoreham settlement surcharge that Suffolk County rate payers are going to be paying through 2029, which puts us at potentially significant disadvantage over the long haul with businesses looking at settling in either Nassau or Suffolk County. A high energy intensive business looking at 2 1/2% higher cost of energy in Suffolk County is certainly going to take a hard look at that. So this is just one possible thought of moving ahead to help mitigate some of the strain on our energy supply and also on energy cost.

And speaking to energy costs, just since 1998, LIPA when it first assumed ownership of the LILCO transmission distribution system, effectively reduced electric rates by roughly 16%. Through bill credits, through the Shoreham settlement, they reduced those temporarily even

further. And the result has been relatively lower cost energy for Long Island and specifically Suffolk rate payers, but the downside of that lower cost energy has been to unseat potential -- substitute technologies for current electric technologies. It has given the impression of low cost energy which has driven up demand which has further strained electric supply, which has caused the need for quick development of new supply infrastructure both in power plants onshore and contracts with power supplies off shore. And transmission cables to off shores, which as you're well aware are facing difficulties from the state of Connecticut. And causing longer term issues for all our energy needs here on Long Island, which in turn is going to affect business and our livelihoods here.

So we have long-term issues that are resulting from the short term reduction in energy cost that LIPA has brought to us. And without being much more aggressive in promoting Demand-side Management, we face continued growth because LIPA is on the one hand spending millions and millions of dollars on energy conservation and energy efficiency; in the face of the type of growth and demand that we've been experiencing, they're not doing an effective job at limiting growth. We still have the need for new plants according to them and this response to this emergency fast fix is something that we can't continue to abide by. We can't continue on a long term basis along that path.

There's a graph in here that was included in part of the evaluation for the 2004 budget that illustrates the effect of LIPA's -- on LIPA's rates of the bill credits and the fuel and power -- purchase power surcharges and the [knew|new] Shoreham settlement surcharge. And in light of the fact this is a very busy time for all of you, I'm trying to move through this quickly. This is not, again, just a LIPA issue. It's not just an electric supply and electric consumption issue; this affects all energy forms. And if there's any questions that I can answer to help illustrate this further at this time or at any other time, I'm glad to entertain that.

CHAIRMAN COOPER:

Thank you. Are there any questions from the Committee?

LEG. BINDER:

Yes. As we move forward on the Demand-side, and as you say as LIPA's putting money into conservation and such, if we actually lowered demand, how is -- how is LIPA affected? I mean, if you think about it, as you say there's an inherent conflict. So if we were to lower demand,

their overhead doesn't change. So their overhead stays; and their overhead is in terms of the bond resolutions, the zero coupon bonds I can give you across the board, the infrastructure that they built, that they have, that doesn't change. So if we use -- if we lower demand, price is going to skyrocket now you might say. I mean in a sense, prices have to go up because they're not going to have the same revenue stream.

MR. SCHROEDER:

The effect of reducing demand in terms of context of these papers, is going to have little more effect than reducing the rate of growth in demand. It will not eliminate LIPA's base load demand. It will not threaten LIPA's base load revenues. It will not threaten the Shoreham bonds or other LIPA debt. It would be a truly miraculous effort if it did. I do not expect that this effort would be that overwhelmingly successful. But just to speak to their overhead and how costs -- they've been passing costs along, just since 2001 since they began implementing their fuel and purchase power surcharges, which include costs for these new plants, LIPA has absorbed -- the term that they use -- absorbed over 350 million dollars in excess costs. Those costs are driven largely by the overwhelming and unprecedented rate of growth and demand. Over 100 megawatts of growth and demand for each of its five years in one year over 150 megawatts.

LEG. BINDER:

Now, how would you say that they have -- how they've absorbed -- where's that money come from?

MR. SCHROEDER:

That is a very, very good question and not something that I am equipped to answer. But it is something we have been asking of them and without much success in getting a reply.

LEG. BINDER:

In other words, you're not getting a reply from them on that? On that question?

MR. SCHROEDER:

Well --

LEG. BINDER:

They can't document -- I mean, you know, they're a public utility with a certain base budget, a

certain amount of money that exists. I mean there's an accounting I'm sure that goes on. We know this is where this money is, this is where this is. When someone says well, we've covered it, we've absorbed it, that means that they had it from something unless -- there's only a handful of ways to do that. Either you've taken on debt to cover it, you had cash on hand to cover it, or you have outstanding bills that you have to pay that people are waiting for payment on. It's one of three things unless there's something else I'm missing. There's only three ways you can absorb 300 plus million dollars in costs.

MR. SCHROEDER:

And that question was addressed back in February during their public hearing relating to their tariff change regarding the fuel and purchase power surcharge. At that time Chairman Kessel indicated that all debt would be recovered with interest. But then it was later stated that it wasn't clear how that debt was going to be recovered if at all if LIPA had sufficient revenues to cover the debt that was outstanding, this 350 some odd million dollars, which by the way doesn't include 2003 numbers. The issue was not made clear to me. And in my conversations with others, there's not a clear understanding how this is happening.

LEG. BINDER:

So we don't know how they're covering it. We don't know if they're going to recover it.

MR. SCHROEDER:

That 350 million, yes.

LEG. BINDER:

And we don't know if there's going to be an interest charge on top of the -- for recoveries. So everything's a question mark; yet we got hit with a surcharge anyway.

MR. SCHROEDER:

Right. And the surcharge was a partial recovery of their excess costs. So they did recover roughly 125 million dollars on average each year.

LEG. BINDER:

So that 125 would have been on top of the 350?

MR. SCHROEDER:

Each year, yes.

LEG. BINDER:

So they -- okay. So they took in one -- what did you say, 125?

MR. SCHROEDER:

In each year they took in roughly 125 million dollars.

LEG. BINDER:

125 million outstanding debt of 350 each year, roughly.

MR. SCHROEDER:

No. The cumulative debt up to the beginning of 2003 that they did not recover, the excess costs they did not recover, up to 2003 was 350 million dollars, roughly.

LEG. BINDER:

That's for all the years.

MR. SCHROEDER:

For the three years that they had implemented the partial surcharges. In 2003, in March they implemented an additional 3% surcharge to recover current year debt, current year excess cost of about 75 million dollars that they projected. They expect to recover another 70 million of 2003 debt in 2004 through a surcharge. There's some portion of debt that we're not aware of at this point what the value is. That goes beyond that 145 million dollars for 2003 excess costs, if there is anything beyond it.

LEG. BINDER:

So for the three years, roughly, the surcharge covered 50% of the debt. If they raised over 3 years 375 and they have 350 outstanding, basically they were taking in 50% of outstanding debt. And we don't know --

MR. SCHROEDER:

How that's being accounted for.

LEG. BINDER:

How they account for a 350 million dollars shortfall and what the accounting is on that. We've

asked.

MR. SCHROEDER:

We asked if they had sufficient cash reserves on hand to absorb that debt. They assured us that they were maintaining sufficient cash reserves. We asked how these excess costs were being absorbed. There was no direct answer on that issue. I have -- I have to say asked a number of questions in my 12 months here of the folks at LIPA and Keyspan working for LIPA. And in large part they have been responsive in good faith on a number of those requests. There is a lot of issues that remain unanswered that I'm hoping that they are working on. And I'm in continuous touch with them trying to get responses.

LEG. BINDER:

Is there a difference in type of question that they'll answer versus a type of question they haven't answered?

MR. SCHROEDER:

The types of questions -- it would be easier to say the types of questions that they haven't answered in my mind may in some way in their mind relate to the ongoing litigation and so that [may be|maybe] slowing the response on those issues. But I just recently asked them to confirm what the base rate of electricity was. That was two and a half weeks ago.

LEG. BINDER:

So in two and a half weeks they can't tell you the base rate of electricity. That's pretty scary actually.

MR. SCHROEDER:

In reference to the chart that appears behind page 6, I was looking to clarify the values that we were using in determining that graph. And I have not gotten a response yet. That's, in my mind, a pretty simple question.

LEG. BINDER:

It should be very simple. In fact, on the phone they should have said, hold on, give me a second, let me check what the base rate is. I mean, it is what it is. And they should have been able to give you a response right away.

MR. SCHROEDER:

You would think.

LEG. BINDER:

Why don't you put that question in writing so --

MR. SCHROEDER:

I have.

LEG. BINDER:

Oh, you have?

MR. SCHROEDER:

Yes.

LEG. BINDER:

That would be a heck of a thing you have to foil the base rate.

MR. SCHROEDER:

I'm not looking forward to having to do that.

LEG. BINDER:

All right. I appreciate your response. Thanks.

CHAIRMAN COOPER:

Thank you. Joe, I had an opportunity to review a lot of this material in advance. And there are some great ideas in here. I know that you put a tremendous amount of effort and thought into this. And we really appreciate that. We have no further questions at this time.

MR. SCHROEDER:

Thank you very much.

CHAIRMAN COOPER:

Is there anyone else that would like to address the Energy Committee?

Gordian. Good morning.

MR. RAACKE:

Good morning. For the record, my name is Gordian Raacke, Citizens Advisory Panel.

I just wanted to briefly make this very, very brief because I know you have a lot of things on your plate today. I wanted to bring to your attention a couple of items. One is, I'm sure you've all heard about, the incident where LIPA apparently entered into a relationship, I guess I should say -- because apparently there was no formal contract -- entered into a relationship with a former employee as a contractor. The former employee's Anastasia Tsong. And according to New York State Comptroller's Office paid that person 582,000 dollars over the course of 14 months. This is subject to a hearing, as you know, by the New York State Assembly on Friday here in this building. I had brought this kind of issue, namely the issue of very lax oversight of LIPA's subcontractors and consultants to you before. And, I would once again urge you to keep an eye on that. That's an ongoing concern that certainly, that something we should keep close tabs on.

LEG. BINDER:

Can I interrupt you on that? It would seem to me, I got a number of things that you were looking to look at, you know, we signed off on that, the [knew|new] procedure; and only one of which I felt comfortable with. Some were very specific and very targeted things. I'm less concerned with that. And I think your role is exactly what you just mentioned. I think I would rather you spend your time in resources doing that kind of work, just what you just said. Instead of saying to us, you know, do that kind of oversight. That might be hard for us to do. We could still do that. But I would -- that's the kind of thing I'd like to have you out there doing.

I would like to sign off on a sheet that says that you're doing survey constantly on a regular basis, on a bi-weekly basis. We're going in and we're looking at subcontractors, who they are, what they're doing, how much they're getting paid. And you're constantly foiling that formation. You're collecting the data information. And then, if you would, then sharing it with our people here so we can view out more of an evaluative rather than research mode, we can be more of an evaluative. You could do the evaluation, too. That wouldn't stop you from doing that. But feeding us information that you are constantly digging out and finding and while we're doing more an evaluation side and our end in a policy manner. That's where I see your role. And that's the importance and that's why I've been behind efforts in the Legislature to get you refunded, and put you back out there. Because that to me is your role. And so if you could focus on that kind of stuff, that's what I want to sign off on. That's what I'm looking for. When I saw those first four, I was, frankly, disappointed in looking at those things rather than looking at exactly what you just talked about. And that's where I'd like to see you.

MR. RAACKE:

That's a point well taken. I appreciate your comments. Just to point that out, the contract that we have with the Suffolk County Legislature, of course, spells out quite specifically those types of activities and that's routine work. And while, of course, I could submit a specific work request on this particular issue, that is generally covered under the contract as routine work. And I felt that I didn't need to submit that again as a specific work authorization form.

LEG. BINDER:

That's fine. For me, then, specifically in terms of time, attention and resources for you, that's the kind of thing I would have liked to have heard -- to be honest -- liked to have heard it through our relationship with you and our people. And for that to come out here rather than opening Newsday and checking it out and finding it out that I guess Alan Hevesi found it. I would like to find that we found it because we're spending the money, and we did the research, and we were digging, and, wow, there it was. And it came to us and we were some what shocked at that and went forward and took a look and started -- that's the kind of process I'd like to see here. And that to me justifies your role more than anything else is doing that kind of work.

MR. RAACKE:

Two other quick points I wanted to bring to your attention in that vain, is number one, as you might remember from my report at the years' end of last year 2002, LIPA has entered into contracts with Merchant Power Plant Developers, to cite both permanent as well as temporary units and did that without the benefit of an RFP; in effect, did that without the benefit of a formal, you know, issuing BIC documents or taking notes or even any formal memos. And as you'll find in my report from December that is a great concern. And, again, I will keep -- we should all keep a close eye on that.

Case in point is now LIPA has on October 24th issued an RFP for mobile generating units for up to 150 megawatts. Those are the -- we call them portowatties; they're power plants on trucks being carted into the neighborhood. They're planning to put those out there by June of 2004. So on one hand I'm delighted to see that finally LIPA is doing an RFP on this particular issue; on the other hand, I'm not very happy seeing that once again for lack of a long-term energy plan and lack of a -- making decisions on some permanent power plants, we once again probably will end up spending quite a bit of extra money in putting these temporary generators up. And this is supposedly going to be at Shoreham and Holtsville and possibly some other locations. But, again, I just wanted to bring that to your attention so that you're aware of it and I'll keep

following up on that.

Lastly, this is a procedural issue on some of my work, at a meeting that we had with Chairman Cooper and many other people here, Paul Sabatino and Joe Schroeder and several representatives from Budget Review, I was -- I had the understanding that I was supposed to submit a work plan for the remainder of the year as to what kind of issues we should be focusing on. I did -- on that I did submit a work authorization request to develop a blueprint. I did not get authorization on that. So I'm somewhat -- I just wanted to ask for some clarification today as to how you want me to proceed on the issue of preparing a works plan for the remainder of the year.

CHAIRMAN COOPER:

Well, let's vote on that right now. One problem that we've encountered with this procedure, is it's a relatively simple matter if we're taking something up at Committee. The problem is in the intervening period, trying to get a consensus among Legislators. And unfortunately, particularly at this time of year, where some of us have been focussed in other areas. [It's|Its] frankly been -- it's not been easy to get responses back on a timely basis. My hope is that after November 5th, things will get back to normal and this process will be facilitated.

This is the first one we've been able to get three signatures on. But it's largely due to lack of response from some of the other Committee members. So, anyway, this has now been authorized. We'll continue to move forward on the others, Gordian, and try to build sufficient -- sufficient support. I believe that there's one other that Legislator Binder had signed off on. But again we're short the third vote. So I ask for you to remain patient and perhaps at the next Committee meeting if we have all the members here, we'll be able to take up some of those other issues.

MR. RAACKE:

I'm patient by nature.

CHAIRMAN COOPER:

I'm sorry?

MR. RAACKE:

I'm patient by nature.

CHAIRMAN COOPER:

Okay. That's a good thing. There being no further business before the Energy Committee, this meeting is adjourned. Thank you.

(THIS MEETING WAS ADJOURNED AT 12:20 PM)