

Talking Points on the draft 2014 New York State Energy Plan

Please see www.agreenewyork.org for more information about the draft Energy Plan, including talking points from our allies. To read the draft 2014 New York State Energy Plan and to submit comments, visit www.energyplan.ny.gov.

In Brief

- The draft Energy Plan sets a long-term goal of 80% greenhouse gas reductions by 2050 from 1990 levels, but the goal is hollow in the absence of an accurate greenhouse gas inventory and clear details and benchmarks for accomplishing that goal.
- Global climate change is happening and it is already negatively impacting New York. The state must immediately transition to a renewable energy system. We need a science-based plan that acknowledges the enormous efficiency and renewable potential of New York and charts a path to achieve that potential. The plan should assess in detail the opportunities and challenges posed by such a transition and the ways low-income ratepayers, workers and communities could be positively and negatively impacted. We need a plan to mitigate the negative impacts and enhance the positive impacts. The draft Energy Plan does not represent such a roadmap.
- The state should recommit itself to meeting the energy efficiency and renewable energy goals it set for 2015, and should immediately set even more aggressive efficiency and renewable energy goals for 2020 and 2030. Both a commitment to the 2015 goals and new ambitious targets for the coming years are absent from the draft Energy Plan.
- The draft plan commits New York to continued natural gas consumption at or above current levels and to the construction of additional natural-gas pipelines and other gas infrastructure that will encourage fracking in other states and possibly New York. This will jeopardize the state's ability to meet the 80% reduction target by 2050. New York should commit to a ban on fracking and a rapid phase-out of imported gas.
- The draft plan calls for the conversion of space heating from oil to natural gas, which will create more gas consumers and lock New York into carbon dioxide and methane emissions from gas for decades to come. The state should not subsidize space heating systems that use natural gas and should instead invest in efficient geothermal, solar thermal and electric systems.
- The draft plan fails to take into account the nuclear plant retirement schedule for New York. All of the state's reactors' licenses will expire by 2050, two of them in 2029, yet the plan projects nuclear power generation levels *above* what they are today for 2030. There is no rational basis for these projections.

- The draft plan also fails to acknowledge or account for the possibility of early nuclear retirements due to aging and economic pressure, and says nothing about helping communities and workers transition out of the nuclear industry.
- The draft plan sets energy affordability as one of its top-line goals, yet lacks any policies that will directly ensure that low-income ratepayers do not see their bills increase as a proportion of their income. New York needs explicit policies to guarantee energy affordability for low-income ratepayers who pay a high percentage of their income toward utilities. New York also needs policies to protect ratepayers (particularly low-income ratepayers) from price volatility.
- There are some promising policy proposals included in the plan, including utility reform, better building codes, and financing strategies for efficiency and renewable energy. However, the initiatives lack detailed descriptions and measurable goals.
- The draft plan sets relatively meager targets for electric vehicle adoption and lacks aggressive strategies for reducing transportation-related emissions. About a third of New York's greenhouse-gas emissions come from the transportation sector. Electric cars, increased use of public transit, and community development that discourages sprawl are all acknowledged in the draft plan as necessary. But as with so many other positive objectives described in the plan, there is a lack of aggressive policies to take the state from rhetoric to effective action.
- The draft plan fails to include an up-to-date greenhouse-gas inventory, and the Energy Planning Board is currently refusing to release one to the public. Without an accurate greenhouse-gas inventory, it is impossible for the state to plan properly for dramatic emissions reductions and impossible for the public evaluate the draft Energy Plan.
- The draft plan does not adequately discuss New York's energy efficiency or renewable potential. The Energy Planning Board commissioned a study of New York's potential for renewable energy development and energy efficiency savings, but has released the draft energy plan without finalizing this research or making it publicly available. Without transparent methodology and data, it is impossible for the public to evaluate the energy plan.
- The planning process is not open enough to public input throughout all phases. The public should be involved in shaping the goals, directing research objectives, drafting the plan, and carrying out implementation. The Energy Planning Board should work closely with stakeholders across New York to develop a process that will inspire participation from the those best positioned to advocate for and implement the sustainable energy transition. A commitment to do this for the next energy planning process should be incorporated into the 2014 final plan.
- The planning process lacks adequate research. As we embark on a transformation of our energy system, we need good data and good projections for how proposed policies will affect energy prices, technology adoption rates, market forces, employment trends, environmental impacts, and local economies. This analysis is missing from the draft energy plan.
- Alliance for a Green Economy (AGREE) has proposed a study called *ReNewYork: The Green Energy Path to Jobs & Prosperity* that would dramatically improve state energy planning. The Energy Planning Board should fund the *ReNewYork* study or similar research to inform the energy planning process.

In Detail

- **The Energy Plan reconfirms a state goal set in 2009 by former Governor Patterson to reduce greenhouse gas emissions in New York 80% by 2050.** (Vol. 1, pg. 29) Though we would like to see a goal of 100% greenhouse gas reductions coupled with a total nuclear phaseout, we do recognize the 80% reduction target as a victory for the environmental movement that we can build upon. The Energy Planning Board and state policy makers should be held accountable to this goal.
- **There are almost no specific interim goals or benchmarks for the state to meet before 2050. This is a fundamental weakness of the plan.** There are very few metrics by which to evaluate the success of the proposed policies, programs and initiatives described in the draft plan. For each actionable item proposed, there should be information about the intended impact on energy conservation or energy generation. We should be able to understand how the energy planners envision all of the proposals working together to achieve measurable goals.
- **The only real interim benchmark discussed in the Plan is a target of 50% carbon-intensity reduction by 2030.** (Vol. 1, pg. 29) **This goal does not take methane emissions from natural gas into account.** The carbon-intensity measurement should be discarded in favor of an actual tonnage reduction (in keeping with the state policy 2050 goal), and all goals should be set in terms of carbon dioxide equivalency, so as to take into account the impact of other greenhouse gases such as methane.
- **The commitment to expand policies designed to encourage energy efficiency and renewable energy development is vague.** The state currently has an Energy Efficiency Portfolio Standard with a goal to reduce the amount of energy used in New York 15% by 2015, and a Renewable Portfolio Standard with a goal to increase the amount of energy in New York derived from renewables to 30% by 2015. The state has struggled to meet these goals and is projected to fall short. (Vol 2 - Sources, pg. 206, Vol 2 – End-Use pg. 45) The draft Plan instructs state agencies to extend and improve the Energy Efficiency Portfolio Standard through 2020 (Vol. 1, pg. 31) and the Renewable Portfolio Standard through 2025 (Vol. 1, pg. 35), though it doesn't define the new percentage targets. The state should not be allowed to kick the can down the road. Every effort should be made to reach the 2015 goals, and the plan should outline what efforts will be made. The plan should also specify very ambitious targets for 2020 and 2025.
- **On a positive note, the plan outlines the need to modernize the grid in some important ways that will help lay the foundation for a renewable energy system.** For instance, the plan instructs the Department of Public Service “to work with utilities to foster smart grid development and reap its attendant benefits, such as interoperability, coordinated distributed operations, and real time data management.” (Vol. 1, pg. 40) This kind of development is essential for making a renewable energy system possible. It will encourage customers to use and store energy when it is cheap and abundant (sunny and windy times) and conserve energy during times when production is more expensive.
- **Volume 1 of the plan, which is the vision document, does not include any mention of nuclear power, even though the industry is undergoing major changes.** The nuclear industry in the U.S. is seeing record plant closures due to a combination of rising costs, aging, and inability to compete in the market. Financial analyses and news media have put many of New York's reactors on the short list of most likely to retire early due to financial distress. Specifically, the FitzPatrick reactor in Oswego County and the Ginna reactor in Wayne County are seen as most vulnerable.

Nuclear retirements are an opportunity for reinvestment in renewable energy and energy efficiency, but they should be planned for in advance to ensure responsible decommissioning (including retention of the workforce for decommissioning). Workers and communities that currently rely on nuclear plants for jobs and tax revenue will need targeted economic development strategies. While the state is proactively involved in contingency planning for the possible closure of the Indian Point reactors, the Energy Plan is mute on the possibility of other closure. The energy plan should include contingency plans for the potential closure of all nuclear reactors. These contingency plans should include identification of any potential reliability issues, strategies for replacing nuclear power with renewables, and policies that will facilitate a just transition for nuclear workers and reactor communities.

The Energy Plan also lacks a clear articulation of state's ongoing planning around the closure of Indian Point. The Nuclear Regulatory Commission is currently reviewing an application to extend operations at Indian Point for another 20 years. While the energy plan acknowledges the state's opposition to relicensing Indian Point (Vol 2 – Sources, pg. 24), it mentions outdated strategies for Indian Point replacement, such as repowering with natural gas (Vol 2 – pg. 128) or building new gas-fired plants. (Vol 2 – Sources, pg. 62). The Plan should be updated to incorporate the latest plans for Indian Point replacement, which rely heavily on transmission upgrades and energy efficiency.

The Plan includes erroneous and irrational projections for the role of nuclear power in New York's electricity generation. Two of the state's nuclear reactors' licenses will expire in 2029, yet the nuclear generation projections in Vol. 2 show an *increase* for 2030. (Vol 2 – Sources, pg. 59) The rest of the state's nuclear reactors will be retired between 2030 and 2050, if not sooner. Meanwhile, there are no new nuclear projects proposed in New York. Due to the high costs and long licensing and construction times for new nuclear reactors, new nuclear plants are unlikely to be built in New York. By failing to reflect the retirement schedule for New York's nuclear fleet, the Energy Plan will underestimate the amount of efficiency and renewable energy needed to meet the 2050 greenhouse-gas reduction goals. The plan should be revised to reflect the following retirement schedule:

Nuclear Reactor	Year Slated to Close
Indian Point 2	2013 or 2033*
Indian Point 3	2015 or 2035*
Ginna	2029
Nine Mile Point 1	2029
FitzPatrick	2034
Nine Mile Point 2	2046

* Retirement year depends on whether the Nuclear Regulator Commission grants Entergy its requested 20-year license extension.

- **The Plan promotes the use of fracked gas from other states and does not preclude fracking in New York.** The plan does not indicate whether state policy-makers will try to move forward with permitting fracking for natural gas in New York. It's time for New York to commit to a frack-free future, and not just within state borders. It is not ethical to advocate policies that will lead to pollution elsewhere while preserving our own immediate environment. This violates the principles of environmental justice.

- **The Plan promotes natural gas as a replacement for oil in home heating.** (Vol. 1, pg. 44) This is not consistent with the greenhouse-gas reduction goals outlined in the plan, which will require dramatic

reductions of all fossil fuels. In the case of space heating, natural gas is not a transition fuel; it is a derailment fuel. To eliminate fossil fuels in space heating, highly efficient electric, solar thermal and geothermal heating systems must be installed and the electricity to operate them must be delivered from renewable sources. Switching from one fossil fuel to another in space heating represents a waste of resources on infrastructure and equipment that will need to be replaced yet again. The state should end any promotion or subsidization of natural gas in space heating systems and should instead encourage and subsidize only solar thermal, geothermal, and highly efficient electrified systems, such as certain air-to-air heat pumps and mini-splits. Many of these technologies are already competitive in terms of price and energy efficiency when compared to natural gas and will lead us in the right direction in terms of infrastructure.

- **Volume 2 of the plan details major construction of natural gas infrastructure.** (Vol 2 – Sources, pg. 101) To meet the greenhouse-gas reduction goals, the state should fight new natural gas pipelines. Infrastructure investments take decades to pay off. We must not be locked into infrastructure that increases the use of fossil fuels, promotes increased and ongoing greenhouse-gas emissions, and encourages industries that bring environmental devastation to local communities. The state and the private sector must instead invest all available resources into infrastructure that will support an efficient and renewable energy system.

- **The energy plan lacks attention to the needs of workers and communities that currently benefit from fossil-fuel industries.** If it wants to achieve the energy transition envisioned in the energy plan, the state cannot pursue an “all of the above” energy strategy anymore. This means energy planners must come to terms with the inevitable closure of coal- and gas-burning plants and the phase-out or transformation of companies that support fossil-fuel extraction, transportation and combustion. The state must commit to this transition and must acknowledge the potential disruption this could cause to workers and communities. In order to mitigate the potential negative impacts of this transition and to avoid political blowback and resistance to the necessary changes, localized transition planning and community economic development should be done now.

For more information about energy affordability, see this analysis from the Utility Law Project: <http://utilityproject.org/2014/02/11/draft-ny-plan-calls-for-energy-affordability-for-low-income-customers-comments-invited-public-hearings-scheduled>

For more information about coal plant closures and proposals for wind energy development, see the Sierra Club Atlantic Chapter's talking points: <http://allianceforagreeneconomy.org/sites/default/files/Sierra-talking-points.pdf>

For more information about fracking and natural gas in the plan and other technical flaws, see these talking points from Keith Schue: <http://allianceforagreeneconomy.org/sites/default/files/Schue-talking-points.pdf>