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LONG ISLAND POWER AUTHORITY

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Public Hearing

RE: LIPA Energy Master Plan

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Brookhaven Town Hall

One Independence Hill

Farmingville, New York

May 7, 2008

10:08 a.m.

Before:

KEVIN S. LAW,

President & CEO - LIPA,

THE MODERATOR

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

3 For the Long Island Power Authority:

4 Michael Deering -

5 Vice President Environmental Affairs

6 Jim Parmelee -

7 Executive Director Power Markets

8 A L S O P R E S E N T:

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10 The Public

11 The Press

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Marc Russo

22 Reporter

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PROCEEDINGS

THE MODERATOR: Can everybody be seated. We're going to get started now. Folks, we're getting started now so please have a seat.

Good morning. Thank you very much for coming today.

This is the second public hearing we are having on LIPA's effort to conduct a new energy master plan for Long Island.

We held a hearing last week in Nassau County which was pretty well attended and I'm happy to see some folks here today as well.

Again, earlier this year I proposed that we update and create a new master plan, energy master plan for Long Island. And I said what we would do is it would be a very open and transparent process; that we would prepare an outline with particular topics that we were planning to address but we wanted to share that

22 outline with the public to get their comments.

23 And, again, the purpose

24 of this public hearing is to solicit testimony on

25 the master plan.

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2 This is not a LIPA Board of  
3 Trustees' meeting with an open agenda for other  
4 issues. This is a public hearing to solicit  
5 testimony upon our outline, our draft outline for  
6 the master plan.

7 And what we envision doing then is  
8 taking these comments into consideration as we  
9 finalize the outline. We will then begin work on  
10 the draft plan. And we will hopefully finish the  
11 draft plan in early fall. And then we'll have some  
12 more public hearings on the draft plan before that  
13 plan becomes finalized.

14 So that's the process and that's  
15 the intention of this public hearing.

16 I'm going to exercise the  
17 prerogative of chairing this hearing and allow our  
18 host and some officials to speak first and then go  
19 to the order of the list of people who had signed  
20 up to testify.

21 And we're going limit comments to

22 five minutes. And to kick this meeting off,  
23 Supervisor Foley was going to say a couple of  
24 words. I understand something has come up and we  
25 have his Chief of Staff, Deputy Supervisor John

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2 Schneider will say a few words for us.

3 DEPUTY SUP. SCHNEIDER: Thank you,

4 Kevin.

5 Well, I'm Deputy Supervisor John

6 Schneider. And on behalf of Supervisor Foley and

7 the Brookhaven Town Board, I would like to welcome

8 you all to Brookhaven Town Hall today for this very

9 important meeting.

10 As you know, the future of energy

11 consumption and demand on Long Island is really

12 about the future of our entire region and the

13 choices we make today are going to have an impact

14 for the next -- for the next several decades.

15 So we're very pleased that LIPA is

16 going through this process and has chosen to use

17 Brookhaven Town Hall for the Suffolk County comment

18 portion of this.

19 Actually, the building that you're

20 standing in today, we've -- is one of the most

21 energy efficient buildings on Long Island. You may

22 have noticed that we actually derive about ten  
23 percent of energy from wind power. If you look out  
24 of the parking lot there, we have a little wind  
25 turbine that we've been using.

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2                   And we're in very exciting talks  
3 with LIPA and other partners possibly to -- to when  
4 we renovate our -- the roof on Town Hall, we're  
5 looking to see if we can use solar power to really  
6 meet all of our energy demands at the Town Hall and  
7 possibly even be able to sell some energy back to  
8 the grid. And hopefully that's the kind of  
9 collaborative project that the other municipalities  
10 can take going forward.

11                   We're looking very forward to all  
12 the comments that we will be hearing today, all of  
13 the ideas and working with LIPA as well as other  
14 Towns and municipalities throughout the region on  
15 our energy future.

16                   Thank you very much for coming  
17 today and we look forward to a great public  
18 hearing.

19                   Thank you.

20                   THE MODERATOR: Thank you, John.

21                   The first elected speaker -- the

22 first elected official to sign up and speak was

23 John Edwards from the Town of Islip.

24 COUNCILMAN JOHN EDWARDS: Good

25 morning.

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My name is John Edwards. I'm the  
Islip Town councilman and I'm here on behalf of the  
Town. And I want to thank you for this  
opportunity. And the Town of Islip applauds LIPA  
for conducting these hearings to address the topics  
for the master plan.

At the Town we have made, since  
the start of this year, our energy policy a  
priority. So, again, we welcome the opportunity to  
give some input here.

Some of the things that we have  
done recently is we've adopted Energy Star building  
standards for residential construction in the Town.  
We're also continuing to investigate standards set  
by LEEDs for both residential and commercial  
construction.

We also are negotiating a demand  
reduction contract for the Town to enter in order  
to be compensated for curtailing energy  
consumption --

22 (Microphone feedback.)

23 COUNCILMAN JOHN EDWARDS: Sorry.

24 How's that? I think that may have done it.

25 -- during times of peak demand.

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We also, in some smaller steps -- but I think it all adds up in, again, when you're looking at a master plan -- we've also passed a resolution recently requiring the use of compact fluorescent light bulbs rather than the incandescent bulbs for all town offices and buildings.

We've also expanded our Induction Street Lighting Program where we're replacing existing high-power sodium bulbs and mercury vapor bulbs with the much more efficient induction bulb technology.

In addition, we are also entering the market. We're becoming a member of the Chicago Climate Exchange so that we can receive carbon reduction credits, or actually we'll have carbon reduction credits and will sell those and receive a revenue for the methane that we burn at our Broadwater landfill site. And we're hoping that that revenue will allow us to fund some additional

22 environmental initiatives.

23                   And the Town is also developing

24 plans for a significant solar installation,

25 consisting of over 18,000 photovoltaic modules

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2 producing 170 watts of electricity per hour, atop  
3 our closed landfill at the Blidenberg site.

4 We're also planning for the  
5 construction of a wind turbine to -- or turbine, to  
6 assist in powering some new renovations at our  
7 Town's Bay Coslow (ph) headquarters located along  
8 the Great South Bay.

9 So there's a lot of things that  
10 the Town of Islip is to trying to do. And, again,  
11 we would hope that LIPA would follow step and that  
12 we can work together partnering.

13 Specifically to that end, I think  
14 that our -- our solar facility that we're  
15 contemplating will probably make the Town of Islip  
16 a stakeholder in LIPA's search for a fifty-megawatt  
17 solar photovoltaic commitment from outside  
18 contractors.

19 That facility will probably  
20 provide the necessary size and a suitable location  
21 to assist in any contractor meeting such

22 commitment. So we'd hope that that be kept in

23 mind.

24 In addition, we would ask that

25 LIPA consider promoting further the training of

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2 their HERS Ratings in regard to the Energy Star  
3 program. The Town wanted to include in our  
4 requirements an Energy Star indoor air quality  
5 package. However, we were informed by LIPA's local  
6 representatives and contractors that the HERS  
7 Ratings on the local level are not up to speed on  
8 that program and so we had to withdraw that  
9 language from our resolution.

10 But we're hoping that if the HERS  
11 Raters can be brought up to speed on that indoor  
12 air quality program, that at some point in the near  
13 future we can put that back into our requirements.

14 We'd also like LIPA, the master  
15 plan, to include a reassessment of the discount  
16 LIPA will provide our Town and others for use of  
17 LED technology in traffic control signals.

18 Currently, traffic signals are not  
19 metered individually so that our Town pays LIPA a  
20 flat rate per signal. I'm informed that converting  
21 to LED would result in a ninety percent reduction

22 in the energy needed to power each signal.

23                   However, to date, LIPA has only

24 offered a fifty percent reduction in the cost of

25 every signal that we would convert. So that we

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2 would ask that LIPA revisit this issue and assist  
3 us in making the conversion to LED technology by  
4 providing the appropriate cost savings that we  
5 would be achieving through such conversion.

6           Lastly, I would ask that the  
7 master plan just take into consideration that the  
8 Town of Islip and LIPA currently have an agreement  
9 concerning the eight megawatts of electricity  
10 produced by our Waste Energy facility and that that  
11 agreement is expiring in 2010, which is right  
12 around the corner.

13           At the conclusion of this  
14 agreement, the Town will obviously seek the best  
15 price available to benefit our residents for that  
16 energy that we're providing. But we would welcome  
17 a competitive bid from LIPA or prior to the  
18 conclusion of that agreement, maybe a renegotiation  
19 of its terms and an extension.

20           Again, thank you very much. If I  
21 can answer any questions, I'm happy to do so. If

22 not, we'll see how this goes and we can follow-up

23 later on.

24 THE MODERATOR: Thank you, John.

25 And thank you and your colleagues on the Nassau

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2 Town Board and Supervisory Foley, more recently  
3 following Brookhaven Town and some other towns out  
4 here, both Nassau and Suffolk, for passing the  
5 Energy Star legislation for residential  
6 construction. So I commend you for that. And you  
7 raised some good points and we will take them into  
8 consideration.

9 COUNCILMAN JOHN EDWARDS: Thank  
10 you, Kevin.

11 THE MODERATOR: Thank you.

12 COUNCILMAN JOHN EDWARDS: Have a  
13 nice day, gentlemen.

14 THE MODERATOR: The next speaker  
15 is County Legislator Ed Romaine.

16 SUFF. CON. LEG. ROMAINE: Good  
17 morning.

18 THE MODERATOR: Good morning.

19 SUFF. CON. LEG. ROMAINE: I want  
20 to, first of all, thank LIPA for focusing in an  
21 energy conservation. I guess a lot of that has to

22 do with you, Kevin and your interest in energy

23 conservation.

24 It is one of the key things that

25 we need in this Island. We're facing an energy

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2 crisis. And as a legislator I'm more than happy to  
3 work with LIPA to encourage conservation and to  
4 support alternative sources of energy.

5           And finally, to try to convince, I  
6 guess, your contract vendee, National Grid, to work  
7 with Connecticut to bring the Islander East  
8 pipeline from Connecticut without going through the  
9 Thimble Islands and creating an environmental  
10 problem, but to bring it to Shoreham so that we  
11 have an alternative source of natural gas now that  
12 Broadwater is out of the picture - and I say thank  
13 God for that - but we need to still address energy.  
14 Energy conservation is only one end of that.

15           Let me just say I want to say that  
16 I think LIPA is doing a great job in terms of  
17 encouraging people to conserve energy. And what do  
18 I mean by that? Well, I understand you're going to  
19 raise rates by another three percent. And that  
20 announcement comes on top of an increase of two  
21 percent instituted in January at a time when LIPA

22 is currently reimbursing ratepayers for funds

23 over-collected last year.

24 As the second highest utility in

25 terms of rates in the United States, I can't think

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2 of anything that would encourage conservation more  
3 than the rate structure we have.

4           What I would ask you to do is when  
5 you think about energy conservation, instead of  
6 adding more money into the rate to encourage  
7 conservation -- because I think the rates are  
8 already high enough and the encouragement is  
9 already there -- that you use the carrot as opposed  
10 to the stick approach, that you use incentives.

11           Certainly as a county, one of the  
12 things that we're looking at -- and quite frankly,  
13 the County shouldn't be having to focus on energy  
14 policy. We should have a national energy policy of  
15 conservation. And I understand that LIPA is trying  
16 to be the responsible citizen. But we need a  
17 national energy policy.

18           I know at the County we're looking  
19 to encourage alternative sources of energy. We're  
20 looking to encourage conservation.

21           I am putting a bill in that will

22 relieve all hybrid cars of any County portion of  
23 the sales tax and asking the State to join us in  
24 that. I think that's very important. That's going  
25 to encourage hybrids.

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We're looking at running our

diesel trucks with propane. They can be converted

to propane. Propane burns cleanly.

The other things that we're

looking at that we would encourage is the use of

FOG, fats, oil and grease, for bio diesel. We

don't need corn or other food stuffs that have

created a crisis worldwide. We can use products

such as fats, oil and grease to convert the bio

diesel. And there is no encouragement.

I mean I would encourage LIPA and

National Grid to start thinking about running their

diesel vehicles on either propane or bio diesel

made from fats, oil and grease because I think that

type of thing sends a very clear message.

Some of the other things that I

would urge is -- and I was going talk about rates

but I realize that I can do that another time.

This is about energy -- we should take a look at

alternative energies. Obviously, wind energy is

22 something that we should take a serious look at.

23 There are aesthetics about that.

24 There are people, for example, savejonesbeach.org,

25 that don't want to see it out in the ocean. But

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2 wind power has tremendous potential, as well as  
3 power.

4           If we want to get solar power,  
5 let's start giving. Let's work with the Towns, the  
6 County, the State, even the Federal Government to  
7 give rebates.

8           One of the things that disturbed  
9 me is in an effort to stimulate the economy we're  
10 sending people checks. What we should be doing  
11 instead is taking that money and targeting, saying  
12 we will give you tax credits, federal tax credits  
13 if you install solar power on your homes. We will  
14 give you federal tax credits if you insulate your  
15 home; install new energy efficient windows or  
16 appliances.

17           I always think the carrot approach  
18 is better. So I would encourage you, when you do  
19 this master plan, not to think about raising rates  
20 as a way to pay for this because that in itself  
21 will obviously discourage energy use but also will

22 have a downturn in terms of an economic effect on  
23 our economy. So I would encourage you not to  
24 raise rates as part of any master plan, but instead  
25 to use incentives, if that is possible.

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2 I would encourage you to work with  
3 the townships and the County in helping them craft  
4 policies that mirror your policies that will  
5 further encourage conservation by using incentives.  
6 It's the one way that we can go. It may cost us a  
7 little bit in the long run, but we will save.

8 We are in a war, not only a price  
9 war with gasoline and oil and everything else, but  
10 in global warming. If we don't move to act to  
11 restrict energy use, to have more efficient  
12 appliances, we will inherit a world that we did not  
13 want.

14 I encourage you. I thank you for  
15 your efforts with your master plan and I look  
16 forward to coming back when it's finally drafted  
17 and working with you to do whatever I can at the  
18 County level to enact legislation that will mirror  
19 your efforts at LIPA.

20 Thank you very much.

21 THE MODERATOR: Thank you, Ed.

22 (Applause.)

23 THE MODERATOR: Thank you, Ed.

24 And thank you for your leadership on environmental

25 issues in Suffolk County throughout your career.

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2           And we will have the program that  
3 you're referring to, the Energy efficiency program.  
4 There will be public hearings on that this summer.  
5 Again, this hearing, as you correctly pointed out,  
6 is for the master plan. And that program is  
7 incentive-laden to help our customers lower their  
8 bills.

9           And, again, we'll have some public  
10 hearings on that this summer when we go through the  
11 State Administrative Procedures Act for that new  
12 program.

13           And thank you, again, for your  
14 comments.

15           Our next speaker is going to be  
16 David Manning from National Grid.

17           Thank you, David. We're going to  
18 try to limit comments to about five minutes.

19           MR. DAVID MANNING: Absolutely.

20           Thank you, Mr. President, Mr.  
21 Deering. Appreciate this opportunity.

22                   You have a very significant  
23 challenge on your hand obviously. But National  
24 Grid wants to commend LIPA and commend your  
25 leadership and efforts to do this kind of analysis

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2 and do this review. And we think that it's both  
3 timely and critical.

4

And in fairness to the history of  
5 it, we have been seeing a very different dynamic in  
6 energy. Energy pricing, energy flows are so  
7 dynamic, Mr. President that this is, in fact, very  
8 timely. And along with the work we've done in the  
9 past, it will be helpful to us but it's not going  
10 to be driving what decisions are made in the  
11 future.

12

Clearly, as the gas provider on  
13 Long Island, National Grid also, of course, operate  
14 the plants that serve LIPA. We're very, very  
15 focused on our energy supply.

16

The Broadwater decision was a  
17 momentous decision. National Grid had not taken a  
18 position on Broadwater. Our greater concern  
19 however, has been our inability to build the  
20 Islander East Pipeline. So I think this is a  
21 reminder that we are, in fact, an island here on

22 Long Island.

23 I commend your efforts to do more

24 renewables, to do solar, to do wind, to do an

25 energy efficiency.

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2 National Grid has always been of  
3 the belief that energy efficiency is the first and  
4 best defense to energy pricing and our concerns  
5 about supply going forward.

6 Your new program, which you just  
7 announced, Energy Long Island, is exactly where you  
8 need to be. National Grid looks forward to helping  
9 in any way that we can assist.

10 But more importantly, we also  
11 recognize that while you are working to get to a  
12 far less carbon-intensive Long Island, there's  
13 going to be a need for carbon fuels. And it's in  
14 our interest, we believe, as Long Island, that we  
15 have a bias, of course, at National Grid that the  
16 carbon fuel should be natural gas.

17 So we look forward to  
18 participating with you in any way that we can  
19 assist on trying to overcome some of the challenges  
20 of bringing additional supplies of natural gas to  
21 Long Island.

22                   The inability to build the  
23   Islander East Pipeline, I think, is a very serious  
24   issue for LIPA and for National Grid going forward.  
25   The project is not dead but it certainly is not --

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2 it's not embraced by Connecticut. It has been  
3 approved by all federal authorities, as you know,  
4 but it lacks state support.

5 So I don't want to make that the  
6 entire focus. But our focus should be, as Long  
7 Islanders, first and foremost, energy efficiency.

8 National Grid over the last twenty  
9 years have saved over a billion dollars in its  
10 operating territories in the U.S. alone with energy  
11 efficiency programs. LIPA's got some great success  
12 to date but there's much more that could be done  
13 and LIPA is showing leadership in that area.

14 But as we try and upgrade those  
15 plants, we perhaps repower, and we support you in  
16 all of those initiatives. We are going to require  
17 ultimately additional supplies of natural gas.

18 Fortunately, by a recent expansion  
19 of the Iroquois system, we don't have an urgent  
20 need. We were -- we were in an urgent mode up  
21 until a few months ago, but with the expansion of

22 Iroquois we've been able to meet our immediate  
23 needs for National Grid and I would suggest also  
24 for the LIPA plants.

25 But that not's a long-term supply

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2 because the Iroquois Pipeline could not further  
3 expand its flow without more pipe in the Sound.  
4 And that, of course, is the bind that we've had  
5 with Islander East.

6           So I think part of your challenge  
7 going forward is -- I would commend all of your  
8 efforts on efficiency and renewables. And the more  
9 you can do with both of those, the better. But we  
10 do need to be working collaboratively on the solid,  
11 long-term gas supply initiative as well and we  
12 pledge our support to do that.

13           THE MODERATOR: David, thank you  
14 very much.

15           And a couple of comments.

16           One, for the master plan. I don't  
17 see how we can have an energy master plan if we're  
18 not also addressing where are we going to get our  
19 future gas supplies from and so to have National  
20 Grid partner with us on that aspect of our plan.

21           And, again, for those in the

22 audience who don't know, LIPA, we own the  
23 transmission system. We provide the electricity.  
24 National Grid owns the generation plants on Long  
25 Island and they are also the gas supplier on Long

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2 Island.

3

So we do need to partner together  
and I appreciate National Grid's commitment to work  
with us on the master plan.

6

And I was up in Albany yesterday  
meeting with our State Senate and Assembly  
Delegation. And they asked me, so how is the  
merger going so far with National Grid? And I  
said, actually, it's going very well, you know, and  
everything that KeySpan did, you know, National  
Grid is doing and so far so good so let's keep the  
partnership working well.

14

MR. DAVID MANNING: I appreciate  
it.

16

I just want to, in closing, we  
will be doing some outreach, some marketing  
programming which will focus on the advantage of  
natural gas over oil. We've not done that as much  
in the past as we should have frankly, in terms of  
the environmental benefits.

21

22                   So there will not only be an  
23 approach to our space heating, because, of course,  
24 converting from an older oil heat to new gas heat  
25 sources, be it a furnace or a boiler, reduces CO2

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2 emissions and other emissions by about forty  
3 percent.

4           And you can take that same  
5 argument into our plants. Now LIPA's been making a  
6 decision to burn natural gas for the -- in the  
7 recent period, which I commend. And, of course, the  
8 emissions are much, much lower as a result.

9           And a very recent survey has shown  
10 that these plants are not dirty. They're just not  
11 efficient. So -- but if there is to be repowering,  
12 new -- new repowering technology, combined-cycle  
13 technology, you could run on distillate for thirty  
14 days a year but you cannot run on oil.

15           So as you move forward, LIPA, to  
16 make your power decisions in the future, natural  
17 gas is not only an advantageous fuel, it will be  
18 the critical fuel because it's the only fuel you  
19 can burn in these combined-cycle units as you well  
20 know.

21           Thank you, Mr. President.

22 THE MODERATOR: Thank you very

23 much.

24 Our next speaker is Dr. Matthew

25 Cordaro from Long Island University.

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2 DR. MATTHEW CORDARO: Thank you.

3 Good morning.

4 I want to start by saying that

5 I've examined, in detail, the outline of the

6 environmental planning process and the documents

7 you provided. And I want to compliment you on

8 doing a good job in that regard and getting that

9 out to the public in advance so they can have some

10 input and react to what you're doing.

11 I also want to say that in my

12 view, having done this for forty years, or have

13 forty years experience in doing it, what you've

14 laid out is very impressive.

15 The methodology is sound. It's

16 comprehensive and I think it will produce a

17 rational approach or result in a rational approach

18 to evaluating alternatives in making sure that a

19 proper balance is struck between costs to the

20 ratepayers and minimizing environmental impact by

21 whatever strategy is adopted.

22 I was further assured about the  
23 soundness of the process in a presentation that  
24 Mr. Parmelee gave to the Repowering Stakeholders  
25 Group a couple of weeks ago where he detailed how

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2 the planning process would dovetail with the  
3 studies going on for Northport and Port Jefferson repowering.  
And he further assured me of the  
5 validity and the soundness of the approach that's  
6 being taken.

7           You know, as part of this, I'm  
8 here to urge that the process you have laid out is  
9 pursued vigorously and not compromised in any way.  
10 This should have always been the approach to energy  
11 planning.

12           In the past, the earlier plan that  
13 was produced was more of a collection of things  
14 that LIPA was already committed to, programs LIPA  
15 had in place and served more to justify the  
16 decisions being made rather than be a  
17 future-looking document to be used as a planning  
18 tool to make decisions in the future. And I think  
19 what you've done and what you've laid out, in fact,  
20 does that.

21           I did make a comment at the board

22 meeting last week, which I'll expand upon a little  
23 bit. And that's in regards to the need to include  
24 all major decisions, from an energy supply  
25 standpoint, from an electricity resource

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2 standpoint, in the energy planning process that's  
3 underway.

4           And this includes the \$924  
5 Efficiency Long Island program, as well as the  
6 fifty-megawatt solar program, and also the  
7 continuing solar rebate program and Renewable  
8 Energy Initiatives which are outside of the  
9 Efficiency Long Island program.

10           I think they need to be included  
11 in this emergency -- energy planning process and  
12 not be decided upon outside of the framework of  
13 that process.

14           If this is not done and we move  
15 forward and prematurely adopt those programs, it  
16 undermines considerably the results of the energy  
17 planning process. And the reason for this is  
18 because it severely limits the funds that are going  
19 to be available for the other alternatives that  
20 will be considered.

21           Obviously, there's a limit to the

22 amount of money that ratepayers can come up with to  
23 help finance and fund these programs. And by  
24 limiting that prematurely and not subjecting the  
25 distribution of those funds to the energy planning

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2 process, it compromises the results and it doesn't  
3 provide a combined energy strategy which is the  
4 most cost effective and also the one that causes  
5 the least environmental impact.

6           The only way to distribute these  
7 scarce financial resources and produce the greatest  
8 benefits in a true energy planning process is to  
9 examine all alternatives at the same time and  
10 produce a combined strategy that minimizes the  
11 customer review requirements while maximizing the  
12 environmental benefits.

13           There's really no other valid way  
14 to do it, that I know of anyway, that will result  
15 in an acceptable outcome. In fact, in doing this -  
16 and I mentioned this at the board meeting - it's  
17 conceivable that you may decide, or the energy  
18 planning process may decide that more money than  
19 \$924 million should be spent on efficiency, that's  
20 it's most cost effective thing to do or it may  
21 decide that that money should be distributed among

22 other alternatives such as repowering which is a  
23 very viable alternative that LIPA is studying in  
24 detail right now.

25 The point I'm trying to make is

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2 that to have a good energy planning process -- you  
3 have a good energy planning process laid out. You  
4 shouldn't jeopardize the success of that, as a  
5 planning tool, by not examining the entire range of  
6 alternatives at the same time, at one time.

7           And this is not what you do when  
8 you make determinations or apply determinations  
9 that indeed you're going to be pursuing one program  
10 over another outside of the formal reckoning of the  
11 energy planning process.

12           With that, I just want to finish  
13 by making a couple of very minor points and I  
14 mentioned this to you in the past in passing.

15           One relates to the name of the  
16 energy planning process to begin with. I would  
17 suggest a more appropriate label for it is an  
18 "electric resource plan" or "integrated electric  
19 supply plan," something along those lines. Because  
20 a total energy plan is really something much  
21 broader than what you are proposing to do and what

22 you should be doing.

23                   You would have to take into

24 account transportation, the exploration of

25 different fuels, the interrelationship between

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2 different sources of energy and forms of energy.

3           An example of how broad these  
4 things can get can be found at Brookhaven National  
5 Laboratory in Marcal Studies (ph) which produce  
6 frag networks which show how complex the energy  
7 picture is and the very subtle interrelationships  
8 between many different factors, which wouldn't be  
9 expected to come up in a study of yours.

10           So it's a minor point but I think  
11 to more accurately reflect what you are doing it  
12 should be -- the plan might better be labeled as an  
13 electric supply planning process.

14           The last comment refers to your  
15 volume II in the outline.

16           My concern here is that the  
17 expense of producing this volume should be  
18 critically minimized compared to what should be  
19 allocated to the true planning efforts you are  
20 undertaking.

21           The focus of the energy plan

22 should be how LIPA intends to go forward, not dwell

23 on justifying past decisions which results in more of a public relations

25 document if you start doing that.

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2           I think the image of the Authority  
3 is better served by what is in its plan for dealing  
4 with the future, not with the defense of past  
5 decisions and water under the bridge.

6           There was a lot of this in the  
7 first LIPA plan, which I mentioned earlier,  
8 justification for decisions and more public  
9 relations than anything else. And I don't think a  
10 lot of money should be spent in doing the same  
11 thing here. The money should be more directed  
12 towards the true worth and value of this planning  
13 process and producing a tool that you're going to  
14 use to make decisions going into the future.

15           Your present plan, as described in  
16 the outline, is well thought out and if properly  
17 executed, will provide a very good result. I just  
18 urge you not to tarnish that by devoting too much  
19 effort and volume to it in a public relations type  
20 of effort.

21           Thank you.

22 THE MODERATOR: Matt, thank you

23 very much and thanks for your guidance and

24 suggestions in the last few months.

25 DR. MATTHEW CORDARO: Thank you.

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THE MODERATOR: The next speaker  
is John McConnell from SY Civic.

MR. JOHN MCCONNELL: Good morning.

My name is John McConnell,  
M-c-c-o-n-n-e-l-l.

I'd like to bring out a couple of  
points, touch on what has been said already.

But a couple of years ago when you  
introduced the Green Power Program, my wife and I  
were very excited about it. We signed up for twice  
actually, okay, based on hydropower, wind and bio.  
And somehow we never got connected to that.

But then we found out that the --  
there was going to be -- the Green Power was  
supposed to come from Upstate. They were going to  
put a surcharge on it which, like didn't make any  
sense. We were going to pay a penny more a  
kilowatt, whatever it was, for hydro, wind and bio.  
Yet there's going to be a surcharge for signing up  
for Green Power which I guess is called Green

22 Choice now? Is it Green Choice or still Green

23 Power?

24 THE MODERATOR: Green Choice.

25 MR. JOHN MCCONNELL: It's Green

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2 Choice. But it used to be called Green Power,  
3 right? So kind of the same thing.

4 A couple of other things here that  
5 -- I have just a couple of points here.

6 You mentioned about National Grid  
7 and it's going very well. Well, maybe it is, but  
8 the other thing, we the ratepayers don't like the  
9 fact that National Grid seems willing to pass the  
10 cleanup of the manufactured gas plants onto us,  
11 which Legislator Wayne Horsley said probably would  
12 be about a billion dollars. Why should we the  
13 ratepayers do that?

14 That's another thing too.

15 We talked about repowering. Mr.  
16 Cordaro talked about repowering. Even before you  
17 do repowering in Northport maybe what you can do is  
18 to burn cleaner fuel up in that plant. It's become  
19 a well known fact that for many, many years the  
20 Northport plant, and probably the others, have been  
21 burning toxic fuels up there, which cuts down

22 efficiency. Instead of forty percent it's probably

23 thirteen or fourteen percent.

24                   So if you clean that up, even

25 without repowering, you would burn a lot less fuel

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2 and, you know, maybe pass it onto the consumers.

3 Okay.

4 All right. A couple of things

5 real quick.

6 The -- oh, here it is. You had

7 the paper about the smart electric meters,

8 automated. That seems good. It seems to help --

9 help LIPA monitor things and it helps you people

10 more.

11 I contrast that with -- in

12 California, in California and other places that use

13 what they call variable pricing on the meters.

14 Because what they've done in California -- I don't

15 know why New York can't be the same as, you know,

16 somewhat, anyway, catch up to California.

17 California is way ahead of everybody else it seems

18 like.

19 What they've done there with

20 variable pricing and all the other stuff that's

21 done in California, it's estimated that 24 -- they

22 have prevented the building of 24 new power plants

23 in California because of what they've done.

24 In California it's twice the

25 population we have here. And what are we doing, we

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2 had people up last week selling power plants,  
3 building power plants. Why can't we be like  
4 California and stop building power plants. Twenty  
5 four, that's unbelievable. I don't know what  
6 timeframe it is, but 24 is very significant.

7           And this variable pricing, I don't [know]  
8 if the public knows what variable pricing is. It  
9 -- the meter runs -- during high energy it runs  
10 faster and whatever or cost-wise you realize, you  
11 can get an idea of how much you're being charged at  
12 that particular time. So if you're being charged a  
13 higher rate, you're going to cut back. And that is  
14 cut back by thirteen percent on a demand in  
15 California. That's huge. I mean what you're  
16 trying to do here, you know, is good but I don't  
17 know, California is unbelievable here on that.

18           Just some other things real quick  
19 is that I'm glad that the -- I have it up here,  
20 okay. Here it is -- that the State is going to  
21 audit LIPA to get a better control of things which

22 is good. Because the other one that you had, by  
23 the way, the, what's that company, KPMG? It has a  
24 tainted past. I don't know if you know that, okay,  
25 out in California with Medicare. Maybe you ought

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1  
2 to check out (indicating.) It's in this book here,  
3 Free Lunch, David Cay Johnston, okay. So maybe  
4 the, you know, the new audit will be -- will help  
5 everybody out.

6           And as far as Northport, this a  
7 picture of Eric Knudsen, okay. He's a former worker  
8 there. And because of working in toxic fuels he  
9 can't work anymore.

10           But anyway, thank you. Bye.

11           THE MODERATOR: Thank you,  
12 Mr. McConnell.

13           Just an aside on the programs you  
14 mentioned in California. The program I announced  
15 last week, the Energy Efficiency program, the goal  
16 of that program is for us to avoid having to spend  
17 a billion dollars on the next power plant and so  
18 thank you for bringing that -- raising that issue.

19           The next speaker scheduled is Dr.  
20 Carmine Vassile.

21           Again, folks, we're here to

22 solicit testimony on the master plan and the draft

23 outline of the master plan.

24 DR. CARMINE VASILE: This is

25 show-and-tell.

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2 THE MODERATOR: What do you have  
3 there, Carmine?

4 A VOICE: He's paying me for this  
5 (indicating.)

6 DR. CARMINE VASILE: My name is  
7 Carmine Vasile. I live in Patchogue.

8 Good morning.

9 I brought this here because words  
10 don't seem to cut it. Ten years ago -- ten years  
11 ago I came to (indicating) give a talk before  
12 Kessel on the Clean Air Initiative. And he invited  
13 me to submit this proposal. And I had this title:  
14 "Clean Air Energy Initiative R&D Options,  
15 eliminating Long Island's leaking oil tank problem  
16 saving residential energy by converting to the  
17 combined space and water heating using tankless gas  
18 or electric water heaters."

19 And Virginia Power, they had taken  
20 - I'll talk about this in a minute - they had taken  
21 an exclusive sublicense for this and they

22 encouraged me to put this system together.

23 I have a tankless water heater and

24 I've been heating my house for twelve years now

25 with a fifteen-kilowatt tankless water heater. It's

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2 got no emissions locally and I can use tankless gas  
3 or tankless electricity.

4

5 If you guys went to a dual-fuel  
6 system like they have in Minnesota, you can save a  
7 lot of people some money. And my idea here was that  
8 I could increase the peak load because LIPA is a  
9 summer peaking utility. I thought we could increase  
10 the peak load and generate revenue from those power  
11 plants during the winter. That was my idea.

12

13 And they lost ten copies of this.  
14 When I finally drove into Kessel's office, I handed  
15 him a copy. Lou Dobrino told me the money's gone  
16 on the Clean Air Initiative which is what you're  
17 investigating now to find out what happened to that  
18 money.

19

20 Okay. Now, to touch on -- what  
21 this thing is it's a heat recovery system. It  
22 recycles energy from drain water. Very simple. I  
23 invented this thing in 1980. Thousands worldwide.

24

25 We've got a federal rebate in

22 Canada, nationwide and some provinces match it. I  
23 got a call yesterday, Minnesota Power was ordered  
24 to put a \$350 rebate on this by the Department of  
25 Commerce. I had a rebate from Minnesota Power

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2 years ago but they locked it to new conservation  
3 and I never got Energy Star labels. So they kept  
4 it out of the new conservation.

5 LIPA gave a very generous rebate  
6 years ago. Now, I'll leave these couple of sheets.  
7 They gave one of the best commercial rebates there  
8 was. And I have it in here. I have a handout.

9 And what happened is, they limited  
10 the commercial electric. And when I went around to  
11 McDonald's and other places that had all electric  
12 heating, they said we're not going to put this in  
13 because we have ratcheted rates. So even though we  
14 save energy, we don't save money.

15 So you have to -- in your master  
16 plan, you have to do something about these  
17 ratcheted rates. Now, they create a misconception  
18 because when it ratchets down, it stays there so  
19 you do have money in the long term. But the owner  
20 said well, it's not going to save me money in the  
21 first year. And I said it's not, I know.

22                    Now, I also met with Daniel  
23   Carpin, set up a meeting with Catell and Dave  
24   Manning, who spoke before. And Catell said he was  
25   going to get me rebates and he did. In New Jersey

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2 they were giving us \$50 rebates and they were  
3 sending these mailers out to residential people,  
4 but your predecessor would not let this rebate on  
5 Long Island for gas.

6           So then there's other angles.  
7 Energy Star. Energy Star -- this unit was in the  
8 Smart Living Center in Connecticut. There were two  
9 of them in there. And the reason I got it back is  
10 the Governor stole the budget. He went to jail.  
11 And they told me come and get this unit otherwise  
12 it'll disappear.

13           So one of them went to Epcot.  
14 It's in the House of Interventions. And this one I  
15 still have and carry it around.

16           But at the Smart Living Center --  
17 and that's something you may want to do, set up a  
18 smart living center like they have in Connecticut.  
19 And they had everything there, geothermal, solar,  
20 and it was for educating the public.

21           And they had one, this one view

22 graph up, which these are very secret numbers that

23 you can't figure out. But they had a list of what

24 an Energy Star package can save: Television,

25 dishwasher, air conditioner, computer, clothes

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2 washer, refrigerator.

3

4 And those combined can save an  
5 average of 2355 kilowatt hours a year. This thing,  
6 with a water heater can save 2480 for a medium use  
7 and 4368 for a heavy user. This is from the  
8 Lawrence -- the Arthur D. Little study for DOE.  
9 They have the most comprehensive water heating  
10 study in the world.

11

12 And there's over a hundred -- a  
13 trillion kilowatt hours of equivalent energy goes  
14 down the drain in America every year. Now -- so  
15 that's something you have to look out for,  
16 commercial and residential.

17

18 THE MODERATOR: If you can give  
19 us a copy of that report, we'll make sure that we  
20 read it.

21

22 MR. CARMINE VASILE: Well, you  
23 know, I'll e-mail it. I only have one copy.

24

25 THE MODERATOR: Just get us a  
26 copy.

22 MR. CARMINE VASILE: Yes. I'll

23 get you a copy.

24 And the last -- oh, the last one I

25 wanted to make is, this is a (indicating) savings

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2 to investment ratio table that I did. When the  
3 heck did I do it, 2005, before everything started  
4 going crazy, oil, copper and everything.

5 And the savings to investment  
6 ratio for one of these is -- was 11.8 on Long  
7 Island. The -- the formulas I used are from the  
8 Ohio Energy Office. And they called me and they  
9 said you have to calculate the savings to  
10 investment ratio. We cannot consider one unless  
11 it's more than one.

12 So I said I don't know how to  
13 calculate this. So he sent me the formulas. And  
14 then I calculated it for gas and for oil. And it's  
15 7.5, 8.6, 5.5. And in 1986 when DOE evaluated this  
16 for my grant, the ratio was 3.8 for oil, 2.4 and  
17 7.4 for electric. But this technology has pretty  
18 much been kept off Long Island. And --

19 THE MODERATOR: We'll take a look  
20 at it.

21 MR. CARMINE VASILE: And then

22 there was one final thing. I lost it. Oh, and I

23 have a question for Mr. Deering.

24 Steve Levy sent me a copy of a

25 memo he sent to you in 2006 and I'd like to read it

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2 into the record.

3

I'm writing on behalf of a

4

constituent, Dr. Carmine Vasile, 60 Herbert Circle

5

of Patchogue, Chief Executive Officer of Waterfilm

6

Energy, who has contacted my office to request a

7

meeting with the Clean Energy Leadership Task Force

8

to introduce a product that recycles energy from

9

drain water.

10

Dr. Vasile believes he can assist

11

the County in becoming more energy efficient and he

12

alleges that the Long Island Power Authority has

13

blocked his efforts to introduce this project in

14

Suffolk County.

15

It would be greatly appreciated if

16

your office could review the information that Dr.

17

Vasile faxed to my office and respond.

18

Dr. Vasile may be reached at

19

758-6271.

20

Please keep Jennifer Craigen in my

21

Community Relations Unit appraised of the action

22 taken on behalf of this constituent.

23 And I'd like to know, why didn't

24 you ever call me?

25 THE MODERATOR: We will respond.

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2 We'll take that under advisement and give us a copy  
3 of that.

4 MR. CARMINE VASILE: I called you  
5 ten times. You never called me back. Okay. That's  
6 about it.

7 THE MODERATOR: Carmine, thanks  
8 for coming down. Thank you for coming down to the  
9 Nassau County meeting, both meetings. You gave us  
10 some good suggestions and we'll take them under  
11 advisement.

12 MR. CARMINE VASILE: Okay. I'll  
13 get you a copy of this. I'll mail it to you.

14 THE MODERATOR: Thanks.

15 MR. CARMINE VASILE: And let me  
16 give you some handouts that you asked for. I got it  
17 all messed up.

18 THE MODERATOR: The next speaker is  
19 Bill Feldmann from LISEIA.

20 Bill, if you can keep your  
21 comments to the master plan and to five minutes.

22 Thank you.

23 MR. WILLIAM FELDMANN: Yes.

24 Good morning. I thank you for

25 holding this public meeting. It's a good thing to

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2 take input.

3

4           There's a couple of things that  
5 the energy master plan I think would be better  
6 called the electricity master plan. And  
7 electricity production has the greatest potential  
8 for moving from a carbon-based generation to a  
9 non-carbon-based, clean energy generation.

10

11           The Department of Energy did a  
12 study three years ago which asked the question  
13 where should we invest our money for the energy  
14 future, long term? Of course, the energy master  
15 plan needs to have both short term and long term.

16

17           I think the short-term energy  
18 efficiency is very important. But long term it's  
19 less important if -- because of where we're getting  
20 our energy from. Clean energy is important.

21

22           Preindustrial carbon concentration  
23 levels in the United -- in the world, to hold that  
24 to double the amount of the pre -- by 2050 we need  
25 twice the amount of clean energy than the whole

22 world consumed in the year 2000. That's a

23 tremendous amount of energy.

24 The second largest renewable

25 energy or sustainable energy capacity is wind,

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2 worldwide on land. It has the capability of  
3 producing, I believe it's, I forget the amount. I  
4 think it's like fifteen terawatts available. And  
5 we need a lot more than that.

6           The largest, by far, available  
7 energy source is the sun for solar on land. Six  
8 hundred terawatts of clean energy is available on  
9 rooftops and land that doesn't need to be used for  
10 agriculture.

11           So by far that study concluded  
12 where we should invest our money is in capturing  
13 the sun's energy. It's the largest untapped  
14 natural resource in the world.

15           So the energy master plan should  
16 consider that heavily. Again, energy efficiency is  
17 very important because of where we're getting our  
18 energy from.

19           If we were getting it from the sun  
20 with no environmental impacts, the efficiency would  
21 not be as important. So I think that this plan

22 should look heavily at solar even though right now

23 it's expensive, but it's compatible to retail

24 electricity.

25 And if more of it is deployed,

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2 more manufacturing will take place, more jobs will  
3 be created and the jobs could move from the  
4 unsustainable carbon-based industry to a  
5 sustainable clean energy industry, the job force,  
6 economic engine, everything. And I think that's  
7 important.

8 THE MODERATOR: Bill, thank you  
9 very much. And we've got tremendous response so  
10 far to the fifty-megawatt solar project that we  
11 RFP'd two weeks ago - the largest solar energy  
12 project in New York State's history.

13 And we're excited about the  
14 opportunities and looking forward to working with  
15 your organization in the future.

16 The next speaker is Sid Bail from  
17 Wading River.

18 MR. SID BAIL: I'm not speaking.

19 THE MODERATOR: I'm sorry. Sid,  
20 there was a "no" there.

21 MR. SID BAIL: No thanks.

22 THE MODERATOR: Good to see you.

23 The next speaker is Michael White

24 from the Long Island Regional Planning Board.

25 Good to see you.

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2 MR. MICHAEL WHITE: Good to see  
3 you.

4 Thank you. Good morning.

5 My name is Michael White. I'm the  
6 Executive Director of the Long Island Regional  
7 Planning Board. And thank you for giving me an  
8 opportunity to speak.

9 First let me, as many have  
10 already, commend you for recognizing the challenge  
11 that you have before you and also show appreciation  
12 for your dedication in taking it on and for  
13 inviting the Long Island Regional Planning Board to  
14 work in collaboration with LIPA with respect to its  
15 master energy plan.

16 As you are probably aware, the  
17 Long Island Regional Planning Board is proceeding  
18 with its own Long Island Sustainability plan, a  
19 "Plan LI," if you will, fashioned after PlaNYC, the  
20 paradigm that Mayor Bloomberg has established  
21 through his work in New York City.

22                   We indeed had a notice of intent  
23   out to McKenzie and Company as the lead consultant  
24   with respect to our Plan Long Island. McKenzie and  
25   Company were the lead consultants for PlaNYC for

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2 Mayor Bloomberg. They're extremely accomplished in  
3 the work with respect to sustainability planning.

4 And certainly you're aware of their work with  
5 respect to global climate change both reporting in  
6 Albany and Washington and on Long Island.

7           Indeed today, the proposals are  
8 due for that notice. And so one thing I do want to  
9 do is just present to you a copy of the notice that  
10 had gone out.

11           (Handing.)

12           THE MODERATOR: Thank you,  
13 Michael.

14           MR. MICHAEL WHITE: Just reading  
15 from the notice, not the whole thing, but with  
16 respect to energy, because our sustainability plan  
17 -- and I think this is in light of what Dr. Cordaro  
18 had pointed out -- our energy plan, our energy  
19 segment might indeed be broader than LIPA's, which  
20 is more of the electrical generation piece of this.

21           But our energy plan looks at

- 22 existing and new infrastructure, sustainability,
- 23 diversity and reliability of supply, both
- 24 electrical generating capacity, natural gas,
- 25 petroleum, air quality and greenhouse gas, climate

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2 impact, uses and efficiency, conservation  
3 opportunities, likely future costs, and the role of  
4 renewable energy sources.

5           So as you can see, there's a  
6 tremendous and natural overlap in the work that  
7 we'll be doing and working with you and therefore  
8 the need for the cooperative and collaborative  
9 effort and certainly to avoid duplication. And so  
10 we look forward to that combined effort.

11           Shortly after Kevin came to LIPA,  
12 you came back to the Long Island Regional Planning  
13 Board when we were having a segment on energy  
14 planning, and revealed the existence of the  
15 existing 2004 to 2013 plan - a very large document.

16           And Kevin indeed, noted that it  
17 sort of -- it seemed to escape us all or the powers  
18 to be, that there was indeed that plan that had  
19 been put together. And you left me a copy, which  
20 I've had an opportunity to look over, and indeed  
21 are sending a copy of that, or will be sending a

22 copy of that to our consultant which we expect will

23 be McKenzie.

24 But I want to first note that your

25 proposed energy plan, master plan outline, now the

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2 -- now the 2008 to 2017 plan, pretty much presents  
3 a plan in the same form as that existing plan  
4 indeed describes the organization of the new plan.  
5 Its elements are almost identical.

6           And on one hand I would say that  
7 it seems to make sense because you don't want to  
8 reinvent the wheel, at least with respect to form.  
9 But I would also argue that it better be a new,  
10 improved, greener and cheaper plan with respect to  
11 content.

12           Indeed, if LIPA is going to make a  
13 difference in the areas that it must, it must  
14 change the objectives or at least create a new  
15 priority of objectives that are expressed in that  
16 2004 to 2013 plan, because I would submit to you we  
17 are under exigent circumstances.

18           The Long Island Index 2008 report  
19 on energy consumption shows that we're consuming  
20 more and more energy. Indeed, CO2 emissions on  
21 Long Island outpace that of the country.

22                   In the ten-year period between '95  
23   and 2005 we've seen an increase of 24 percent where  
24   in the nation it's around sixteen percent. Indeed,  
25   the 2004 CO2 emissions per megawatt hour on Long

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2 Island were [1412] pounds. For New York  
3 State 907 pounds, and the national average looking  
4 at 1363. These are areas we do not want to be a  
5 leader on.

6           Indeed, Long Island generates less  
7 than one percent on-Island energy generation from  
8 renewables. As we all know, and certainly this  
9 great team recognizes, that's not sustainable.

10           Yesterday at the Sustainability  
11 Conference over in Melville, there was a discussion  
12 about the Long Island and Crossroad Series which  
13 you probably remember from the 1978 Newsday.

14           And looking at that again revealed  
15 a lot about what we have not done to address the  
16 challenges on Long Island. And we all kind of have  
17 to take responsibility for that. But it's a new  
18 day and we're going to take on the challenge of  
19 this day.

20           But it looks like we face the same  
21 challenges now as we discussed in 1978. But

22 interesting about that article if you go back and

23 take a look at that, it was almost prophetic in

24 some of its declarations.

25 It talked about - and this is from

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2 1978 - it talked about around 2000 or so oil at  
3 being over \$100 a barrel. We're now, I think, at  
4 \$120-something a barrel.

5           It talked about home heating fuel  
6 being at approximately \$4.70 a gallon. We're almost  
7 there. And I think we'll unfortunately get there.

8           It talked about interestingly, the  
9 average LILCO bill to be an annual bill of \$411 and  
10 predicted going to \$2000 per year somewhere after  
11 2000.

12           Indeed, an interesting quote in  
13 that series from a LILCO -- then LILCO official,  
14 Wilfred Aul, said the effect would be so bad that I  
15 don't believe it will come to pass. Yet here we  
16 are. We're looking at LIPA bills on a monthly  
17 basis that looked like annual bills from 1978.

18           So we've had thirty years with  
19 little or no change and change going in the worse  
20 direction. So indeed, we've sort of collectively  
21 squandered the economic boom of the 80's and 90's

22 to do something about this issue.

23 And indeed, when we look at

24 specifically the affordability issue which

25 threatens our survival and economic sustainability

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2 on Long Island because our energy costs are an ever  
3 increasing percentage of our living expenses. And  
4 indeed, almost all of our energy is still generated  
5 by fossil fuels.

6           And when we look at the natural  
7 gas question that we discussed earlier, we indeed  
8 see the potential for a lack of supply, which may  
9 even threaten the initiatives that we're looking  
10 for in terms of, at least as LIPA has been doing,  
11 replacing the oil consumption with natural gas.

12           So I want to also reiterate what  
13 was said with respect to the Islander East  
14 Pipeline. It's clear that we have to do something  
15 about natural gas supply, to at least take  
16 advantage of natural gas as an interim, cleaner  
17 fuel before we really move into the next century or  
18 at least later in this century, hopefully sooner  
19 than later, where we're going to make green  
20 choices.

21           So I suggest to you we not only

22 have exigent circumstances but we need bold and  
23 provocative steps from LIPA and to simplify your  
24 objectives. And I'm going to go through five  
25 points:

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2           Reduce consumption of fossil  
3 fuels;  
4           Reduce emissions of air  
5 pollutants, greenhouses gases, specifically CO2;  
6 and

7           Of course, with respect to the use  
8 of fossil fuels, reducing rates because if it's  
9 fossil fuels, and particularly the cost of a barrel  
10 of oil that are effecting and controlling rates,  
11 let's just use less.

12           Implement real energy efficiency  
13 and conservation.

14           And I congratulate LIPA for taking  
15 a major step on that with a very aggressive program  
16 on moving towards energy efficiency.

17           Increase the use of renewables;  
18 and

19           Reduce or at least stabilize the  
20 cost of electrical generation or electrical cost to  
21 ratepayers.

22                   On a final point I want to note  
23   that the plan outlines now a term, and logically a  
24   ten-year planning term, a 2008 to 2017 where the  
25   plan that you're updating was a 2004 to 2013. So

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2 we're sort of in that overlap period where you're  
3 modifying the plan before 2013.

4 Now, the important thing about the  
5 2013 is it's my understanding that that's the date  
6 where we could see the expiration of the agreements  
7 between National Grid respecting the majority of  
8 the current on-Island generating capacity.

9 So two points on that.

10 The first point is that LIPA  
11 simply cannot do an electrical generating plan  
12 without National Grid at the table, at least with  
13 respect to the period of 2008 to 2013. Because  
14 along, midway through your planning period that  
15 you've established now of 2008 to 2017, you're  
16 either going to have those facilities or not or  
17 you're going to own them or not, or if you don't  
18 have them between now and 2013, we're going to have  
19 the ability to, I think, bring on about 4,000  
20 megawatts of generating capacity.

21 So my point here is, is that as

22 David Manning had suggested with respect to gas,  
23 and you've acknowledged, Kevin with respect to the  
24 partnership on the gas planning, you need to have  
25 National Grid at the table with respect to your

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2 electrical generating plan at least with respect to  
3 the 2013.

4           So I want to thank you for giving  
5 me this opportunity. And, again, I want to commend  
6 you for taking on this challenge. I know it's a  
7 tough one as are so many that we have at the  
8 Regional Planning Board as well. And I know that  
9 this team is up to it, and again, we will be  
10 working in partnership with you on this.

11           Thank you.

12           THE MODERATOR: Thank you, Mike.

13           A couple of points.

14           While the agreement that we have  
15 with Grid expires in 2013, we have an option for  
16 fifteen more years on the generation facilities to  
17 2028. And we look forward to working with the  
18 Regional Planning Board.

19           I would just ask that the plan --  
20 I would encourage you to protect the taxpayers'  
21 money and not duplicate anything that we're doing.

22 So it's important that we work together so we are  
23 addressing certain aspects of the plan and you are  
24 addressing other aspects of the plan and we're not  
25 going to be duplicating each other.

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MR. MICHAEL WHITE: I think I said  
that in the first -- first sentence, Kevin.

Absolutely. And so as soon as we begin to move  
forward with the consultant on the sustainability  
plan, we'll be setting up meetings with Michael.

In fact, indeed Michael is joining  
us at a meeting this afternoon, at least with  
respect to part of this sustainability plan where  
we're actually integrating our Long Island 2035  
work that began under Newdec (ph).

THE MODERATOR: Great.

MR. MICHAEL WHITE: So we're on  
it.

Thank you.

THE MODERATOR: Good to be on the  
same page.

MR. MICHAEL WHITE: Thank you.

THE MODERATOR: Thank you,  
Michael.

The next speaker is Michael Bailis

22 from LISEIA.

23 MR. MICHAEL BAILIS: Good morning.

24 My name is Mike Bailis. I

25 represent the Long Island Solar Energy Industry

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2 Association, as well as Sun Power Systems. We are  
3 a contractor here on Long Island installing solar  
4 electric systems under the LIPA Solar Pioneer  
5 program.

6

7 First I wanted to thank LIPA for  
8 their endorsement of the program over the past six  
9 years. They've created a thriving industry with  
10 hundreds of people employed installing solar  
11 systems, savings homeowners and commercial  
12 businesses thousands and thousands of dollars.

12

13 We also want to thank LIPA for  
14 their endorsement of the fifty-megawatt RFP. We  
15 feel that it's a great step towards a renewable  
16 future.

16

17 That said, I do want to point out  
18 that under the present structure of that program it  
19 may not necessarily benefit some of the local  
20 contractors that have really put solar on the map  
21 here. And the way the program is structured it  
22 might very well bring in outside contractors and

22 not support the industry that was created.

23                   So I want you to consider that as

24 part of your, not necessarily this program, but any

25 future programs that you make sure that you don't

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2 turn your back on the solar industry that you've  
3 created.

4           One of the interesting things that  
5 you mentioned earlier about the rates -- and I  
6 recognize that the rates you have very little  
7 control because of the cost of fuel, taxes, debt  
8 and such. And to encourage people to save energy,  
9 the easiest thing you can do, in my way of  
10 thinking, is to reward people that conserve.

11           Now, your energy efficiency  
12 program that you have just recently announced is a  
13 very, very aggressive program and we encourage you  
14 to do that. I would also encourage you to relook  
15 at enhancing the program by adjusting the rates in  
16 such a way that reward the homeowners or the  
17 commercial businesses that do, in fact, take  
18 advantage of these programs.

19           The most critical portion of the  
20 rate is the fuel adjustments. These fuel  
21 adjustments represent more than fifty percent of

22 the cost of the rate of the bills. Those people  
23 that take the initiative to take advantage of these  
24 energy efficiency programs should be awarded and  
25 not just by the fact that they save energy, but

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2 they should be rewarded by not having to pay the  
3 fuel adjustments on a portion of their bill.

4           If you take and shift some of that  
5 cost to those abusers, the revenue stream to LIPA  
6 will not change but the people that take the  
7 initiative to save energy will be rewarded doubly,  
8 not just saving the electricity but also saving  
9 additional funds on that first five hundred or a  
10 thousand kilowatt hours that they consume.

11           I want to come back to the solar  
12 program briefly.

13           In Germany - the global leader in  
14 solar right now - eighty percent of the  
15 installations are under 100 Kw. It's a very  
16 decentralized industry. It doesn't require  
17 megawatts of solar plants.

18           The one thing we do not have a lot  
19 of here is a lot of land. We have a lot of  
20 rooftops and a relatively speaking moderate sized  
21 rooftops.

22                   The programs that you should be  
23 encouraging should be a very decentralized solar  
24 program with incentives towards these type of  
25 systems, which brings me to the next avenue which

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2 is the commercial net metering program.

3

4 As I've been advised, there's a  
5 high likelihood that the net metering, the  
6 commercial net metering will pass this year. We're  
7 hopeful that it will.

8

9 At that moment LIPA needs to  
10 address how to encourage those medium-sized plants,  
11 those 20 to 100 Kw solar plants to be installed  
12 because under the present program it doesn't  
13 encourage them.

14

15 So if you combined a net metering  
16 program with a moderate solar program that  
17 encourages this size, you decentralize the grid and  
18 it becomes even more secure.

19

20 For the most part I think those  
21 are the two critical things that I believe will --  
22 that need to be added to the future master plan.

23

24 Again, to rephrase, I think a  
25 restructuring of the rate structure to encourage  
26 conservation and to encourage solar medium-sized

22 systems to adjust the program to accommodate

23 commercial systems.

24 That's all. Thank you.

25 THE MODERATOR: Thank you very

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2 much, Michael. You make some good points.

3 The next person who signed up and

4 said yes to speak is Peter Maniscalco from

5 Environmental Ethics, Professor at Dowling College.

6 There's a Lisa Courtney who signed

7 up but there's not a yes or a no if she would like

8 to speak.

9 A VOICE: No, sir.

10 THE MODERATOR: No? Thank you.

11 MR. PETER MANISCALCO: Good

12 morning.

13 THE MODERATOR: Good morning.

14 MR. PETER MANISCALCO: At one

15 time I was the coordinator of the Stop Shoreham

16 Campaign, and more recently a member of the

17 Anti-Broadwater Coalition.

18 I've been doing this for more than

19 thirty years. When I started, I had three young

20 children and now I have five grandchildren. So

21 this issue has gone on for many, many years as we

22 all know.

23 I would just like to offer that

24 there's really a story line here and that story

25 line is basically a three-act play.

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2 In act one we said no to Shoreham  
3 and nuclear power.

4 In act two we said no to  
5 Broadwater and fossil fuels.

6 And now we're beginning act three.

7 And I would hope that LIPA, as  
8 well as all the governmental agencies on Long  
9 Island, get act three right.

10 There are many, many people,  
11 excuse me, who have sacrificed a great deal to get  
12 to this point. I literally worked with thousands  
13 of them. And so I would encourage you, in what you  
14 do here, to make sure you're going to be an asset  
15 in getting this done correctly.

16 Everything in the world has  
17 changed today except for our way of thinking. If  
18 we sit here and think that we're going to approach  
19 this issue in the way we have thought in the past,  
20 we are going to fail in act three.

21 And I would suggest that the most

22 recent science reports say that we have to reduce  
23 carbon emissions by eighty percent by 2050 on the  
24 outside, some people now say 2020, to have a  
25 program of 15 by '15 is too timid. It is not going

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2 to get us where we need to go.

3 I would recommend that there has

4 to be two essential components of what you're going

5 to do here.

6 No. 1 is in terms of priorities,

7 conservation and efficiency have got to be the

8 highest priority, the first investment. I disagree

9 with the point of view that we need to do all of

10 these things at the same time.

11 Once all the demand is squeezed

12 out of this system, then the next investment has to

13 be renewable energy.

14 The third component, the

15 repowering component, maybe we have to do that.

16 Maybe we don't. We probably have to do some of it.

17 But to do repowering first is going to undermine

18 this whole process.

19 Repowering is the old way of

20 thinking. Repowering is the Wall Street big boys,

21 the big conservation people, people who thought

22 Shoreham was a great idea.

23                   And as the last gentleman just

24 spoke about, distributed generation, that is the

25 new way of thinking. The old way of thinking dies

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2 hard. We all know that.

3

4 And not to say that these people  
5 are not well-intentioned, but it is inappropriate  
6 if we're going to accomplish what we're setting out  
7 to accomplish here.

8

9 And I ask you, please, because  
10 you're going to be under tremendous pressure from  
11 all the money people to do this repowering right  
12 now. And if we do that, that's going to be a  
13 mistake.

14

15 And the second part is the  
16 conservation plan.

17

18 As well intentioned as you are in  
19 giving rebates for conservation, the only way this  
20 plan is ever going to work is if it's done with a  
21 pool of front money. This was done before by the  
22 New York Power Authority, will all of Long Island's  
23 schools.

24

25 There is so much demand to be  
26 squeezed out of the energy system that they put up

22 the money and they got paid back out of the energy

23 savings.

24 Now, Nassau County has a similar

25 program working with Citizens Campaign for the

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2 Environment where they're putting up-front money  
3 and the people are repaying low-interest loans.

4           And unless there's a pool of front  
5 money to do this conservation program, it will  
6 fail. We will all say yes, we had the best of  
7 intentions and we tried and we did the best that we  
8 could, and we'll bring our hands. And I really, I  
9 charge you as a --

10           You know, it's interesting. When  
11 you become a grandfather, you advocate for  
12 everybody's children, not only for your own  
13 children. And I think as the elders in this  
14 culture, in this society, we have a responsibility  
15 to protect the future. Probably, you know, the  
16 climate change issue won't be, you know, as  
17 tremendous for us as it will be for our kids.

18           And I hope that you say no to  
19 repowering first. And I hope that you find a way  
20 to do a program of conservation in a manner where  
21 it's going to be truly effective. And I don't see

22 that at the present time.

23 THE MODERATOR: Let me ask you a

24 question. First let me make three comments.

25 I think we're on the same page.

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2 You know, I prefer to do that. I recently announced  
3 -- you know, I'd rather spend a billion dollars to  
4 reduce our demand and improve our efficiency than  
5 build a new power plant. But then we get  
6 criticized and the media spins it as a rate  
7 increase.

8 MR. PETER MANISCALCO: Right.

9 THE MODERATOR: And I look at it  
10 as an investment in our future.

11 What tips do you have for us to  
12 continue down that path of educating the public on  
13 that aspect of my goals?

14 MR. PETER MANISCALCO: First of  
15 all, let me say I was amazed at your courage in  
16 saying that. I think that's one of the first times  
17 I've ever seen a public official say that.

18 Public officials will never say  
19 the word "sacrifice." They will never say that  
20 the Long Island lifestyle is not sustainable. And  
21 yet those two things are true and I think we know

22 they are true.

23 I would say that you call all of

24 us together, everyone who has an interest in this

25 issue, to find out who has the courage to stand

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2 with you and say that this is an opportunity to  
3 take a crisis moment and change it into a positive  
4 because I think that's the truth at the moment.

5           And I would, like I said,  
6 encourage you to get everyone together who is on  
7 this same page and we'll all stand together, you  
8 know, right alongside of you and go forward.

9           THE MODERATOR: Well, I  
10 appreciate it. And I'm going to take you up on  
11 that.

12           MR. PETER MANISCALCO: And I  
13 would be delighted to do that and I look forward to  
14 seeing what you gentlemen come up with.

15           Take care.

16           THE MODERATOR: Great. Thank  
17 you very much for coming down.

18           The next speaker is Cesar Malaga  
19 from the Hispanic American Association.

20           MR. CESAR MALAGA: Yes. Good  
21 morning.

22                    My name is Cesar Malaga. I'm the  
23   President of the Hispanic American Association here  
24   on Long Island.  
25                    You heard about the master plan.

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1  
2 You know, as a master plan, you know, if it's not  
3 implemented, it's a wasted effort. But I'm sure  
4 that you will implement the master plan.

5 I've been attending LIPA and LILCO  
6 meetings for many years. And many of us have  
7 suggested to LIPA many ways we can generate  
8 electricity here on Long Island. We are surrounded  
9 by water, wind and the sun.

10 It's amazing that, you know, that  
11 the Federal Government instead of subsidizing the  
12 oil companies billions of dollars, they do not use  
13 that money to subsidize homeowners who can install  
14 solar panels.

15 My daughter lives Upstate. For  
16 the last 25 years she has been using solar panels  
17 to power her house and there's not a single line  
18 coming from the highway to her house. So it's very  
19 efficient. It's here.

20 Plus, I was looking at the  
21 windmill out there. They also have a small windmill

22 that generates, you know, the power to generate, to

23 store energy in the batteries they have there. So

24 it's doable.

25 Like, many people mentioned about

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2 the use of solar panels. All the schools on Long  
3 Island, they should be using solar panels. All of  
4 the schools. They should be getting money from the  
5 state or Federal Government. And there are no trees  
6 surrounding the schools. These are wasting, wasting  
7 our solar energy.

8

Now, the other thing is that LIPA  
9 is spending millions of dollars to provide the  
10 facilities out east to the McMansions, they call  
11 them. Those tremendous, big houses.

12

The people who build those houses,  
13 they can well afford to install their own, you  
14 know, a power plant out there. They only need about  
15 three or four months during the year. And the  
16 investment you're making, you are not going to get  
17 back that money from them. They can install out  
18 there solar panels for their homes or small  
19 generators to care for electricity out there.

20

So we should not be wasting money  
21 to provide power to the billionaires, millionaires

22 out there. We are people who do not make millions.

23 But you should look into that. They should build

24 their own power and solar panels. We should not be

25 wasting money.

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2           Like, you're building right now a  
3 grid I think from Southampton to Bridgehampton to  
4 generate -- to provide power for people out there.  
5 I mean why waste money? Why? I mean, you know, we  
6 have the facilities and we should be using all the  
7 facilities.

8

          You know, I was in Europe, in  
9 Germany, Italy, France and also Peru. Like in  
10 Germany they use a lot of windmills. Many of them  
11 are not active.

12

          In France and Italy, of course,  
13 they use the mountain, streams to generate  
14 hydroelectric plants. I was also in Peru where  
15 they have the Machu Picchu Hydroelectric plant.  
16 They do plan to expand that plant. And that plant,  
17 hydroelectric plant, will be generating electricity  
18 for at least half of South America.

19

          So, you know, here in Long Island,  
20 as I mentioned, we surrounded by water. Many of us  
21 have suggested many ways of cutting the costs,

22 using what we have around Long Island.

23                   And rather than just accumulate

24 more data, what we should do is give it to our

25 universities, all the ideas that the people have

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2 submitted and so the university students can come  
3 up with a project. Here it is. It works. Because  
4 with high tide and low tide, you know, can actually  
5 reduce our energy. We can generate electricity on  
6 Long Island.

7           So let's go back to the data that  
8 they had in different meetings that they -- that  
9 people suggested and let's implement it. And once  
10 you have this master plan that you're proposing, I  
11 know that you will implement it because a master  
12 plan should not gather dust. It should be  
13 implemented.

14           Thank you very much.

15           THE MODERATOR: I agree. Thank  
16 you very much.

17           Just two points and a comment.

18           One, LIPA, we do not get one penny  
19 from the state of New York or from the Federal  
20 Government unfortunately. We get all of our money  
21 from ratepayers, all the charges to the

22 residential. That's one.

23                   And two, we are legally obligated

24 to provide electric service to any residential,

25 commercial customer no matter what their race, no

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2 matter what their income. And so we are legally  
3 obligated to do that.

4

5 But what we've done in  
6 Southampton, what we've asked them to do is we want  
7 them to pay for it. So I agree with your point.

8 Thank you for bringing it up.

9

10 MR. CESAR MALAGA: The only thing,  
11 when you said provide legally, you know, things are  
12 changing. We are not like we used to be. Jobs are  
13 going out of this country. The economy is down. The  
14 dollar bill is down and we have to change the laws.

15

16 The Federal Government, as I  
17 mentioned earlier, should stop subsidizing the oil  
18 companies. It should be giving that money to LIPA  
19 and to the residents of Long Island to set up their  
20 own panels, solar panels so we don't have to, you  
21 know, pay dollars for oil.

22

23 THE MODERATOR: You're right. But  
24 listen, the economy stinks. We're in a recession.  
25 But you know what, the demand for energy continues

22 to go up on Long Island.

23 MR. CESAR MALAGA: I agree with

24 you.

25 THE MODERATOR: And we are

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1  
2 obligated to meet that demand. I'd like to reduce  
3 that demand and that's what I'm trying to do.

4 Thank you very much.

5 MR. CESAR MALAGA: Thank you.

6 THE MODERATOR: The next speaker  
7 is Sail Van Nostrand from LISEIA.

8 MR. SAIL VAN NOSTRAND: Good  
9 morning, Kevin, Michael. How are you today?

10 My name is Sail Van Nostrand. I'm  
11 Vice Chairman of LISEIA - the Long Island Solar  
12 Energy Industries Association.

13 I want thank you for allowing us  
14 to express the collaborative position of LISEIA on  
15 your energy plan. And I want to thank you for the  
16 new LIPA, the greener version of the utility.

17 We're very much encouraged by your  
18 approach and we're looking forward to working with  
19 you on that.

20 The last plan was very much about  
21 centralized generation and it really gave lip

22 service to renewables. And like Michael White  
23 said, we'd like you to break the mold and consider  
24 that right now green is what we're talking about  
25 being renewable, not polluting the environment and

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2 findings ways to make clean energy.

3

And if you stay a slave to the old

4

plan in terms of form, and I'm not usually about

5

form over substance, but in this case you've got to

6

break the form in order for the substance to come

7

out. And that old form is built around really

8

giving lip service to renewables. So please

9

consider changing the way it's put together.

10

And we'd also like to you consider

11

making this not really a generalist plan like the

12

previous version, but more like a five-year budget

13

and build it like a five-year budget so that you

14

feel a beholden obligation to follow through where

15

the old plan was really more about talking about

16

where the power was and where it might come from.

17

It was more talking points than it was a plan.

18

We want to thank you for the

19

current rebate program. But as you've told us

20

directly, it's really a short-term approach to

21

market transformation and market transformation is

22 what this is all about. That's what we've heard a

23 lot about this morning has changed.

24 And we agree wholeheartedly with

25 today's Newsday editorial about commercial net

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80

2 metering. And we know that you feel the same way.

3 You've told us that directly. But you can't stop

4 there.

5 Commercial net metering is only

6 going to benefit a select few of commercial

7 customers because of our rate structure, which was

8 built way before the concept of net metering. We

9 need to change the rate structure. We need to

10 pursue your smart metering plan. Those two

11 combined will make a huge difference and will

12 really unleash the market forces that are just

13 waiting to be cut loose but can't under the current

14 circumstances.

15 It doesn't take rebates. It takes

16 releasing the pent-up demand by changing the way

17 the rules are written. LIPA and the ratepayers

18 will benefit from really studying the German model

19 and understand how Germany unleashed the market on

20 solar.

21 You know and I know but not

22 everybody in the room knows that Germany will be  
23 getting thirty percent of its energy from sun by  
24 the year 2012 because of the way they've  
25 structured the way they do business.

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1  
2           Lastly, what we've asked you to  
3 consider is that all future demand be met with  
4 renewable energy and only renewable energy. No  
5 increased demand should be met with further  
6 commitment to oil or a further commitment to  
7 polluting the environment.

8           For the good of our Island, for  
9 the good of our children, and the interest of  
10 national security, we ask that you do all of this  
11 and you do it all on a very fast track. We don't  
12 have anymore time.

13           Thank you, guys.

14           THE MODERATOR: Thank you very  
15 much for coming down. And just a point of  
16 observation.

17           The New York State Independent  
18 Systems Operator requires utilities like LIPA to  
19 review our reliability standards. And  
20 unfortunately right now solar and wind is still  
21 viewed as an intermittent source of power. And for

22 reliability purposes, you know, there's always

23 going to be a need for generation plants.

24 I hear you in terms of we need --

25 what we have but in terms of going forward let's

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1  
2 try to do that with renewables. I'm on the same  
3 page with you.

4 Thank you.

5 MR. SAIL VAN NOSTRAND: Thank you  
6 again.

7 THE MODERATOR: The next speaker  
8 is Robert Freudenberg from the Regional Plan  
9 Association.

10 MR. ROBERT FREUDENBERG: Good  
11 morning, gentlemen.

12 THE MODERATOR: Hi. How are you?

13 MR. ROBERT FREUDENBERG: All  
14 right. I'll keep my comments refreshingly brief.

15 Thank you --

16 THE MODERATOR: Thanks, Robert.

17 MR. ROBERT FREUDENBERG: Okay.  
18 Thank you for this opportunity to provide comments  
19 on the draft outline of the updated energy master  
20 plan.

21 My name is Rob Freudenberg and I'm

22 here representing Regional Plan Association, a  
23 not-for-profit planning, research and advocacy  
24 organization.

25 As RPA's Long Island Coordinator,

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2 it's my job to research issues of regional  
3 significance on the Island and to promote proposals  
4 and policy initiatives that will support balanced  
5 growth and sustainable development.

6 RPA would like to commend LIPA on  
7 its much needed comprehensive approach to analyzing  
8 and planning for Long Island's energy needs.

9 The draft outline offers the  
10 promise of a plan that will provide a blueprint for  
11 Long Island's electric energy future.

12 The plan has the potential to not  
13 only allow a vision for action and policy  
14 procedures, but also to function as an educational  
15 document that empowers Long Island residents with  
16 the knowledge of the most important issues in the  
17 energy industry.

18 We also commend the promise to  
19 conduct a transparent and public process that  
20 incorporates the comments and criticisms of  
21 concerned customers and other interested parties.

22                   We'd like to draw attention to a  
23   few key issues that we feel should be explicitly  
24   addressed by the plan to further strengthen its  
25   effectiveness.

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2           These issues are implied by many  
3 of the tasks outlined in the draft, but we feel  
4 that they are sufficiently important to be  
5 distinctly specified.

6

          As the pattern of development  
7 across the Island changes, basically as we've run  
8 out of land to develop in our suburban pattern, we  
9 urge LIPA to consider the energy applications of  
10 alternative land use patterns.

11

          Redevelopment of downtowns,  
12 particularly around transit facilities, can result  
13 in more efficient energy use. Municipal county and  
14 state governments are wrestling with policies right  
15 now that could either encourage or discourage this  
16 type of growth.

17

          While it's not LIPA's  
18 responsibility to make these development choices,  
19 it will be of utmost importance to ensure that  
20 there's coordination between LIPA and the  
21 appropriate state and local government agencies and

22 private stakeholders to address the areas where  
23 energy intersects with changes in land use and  
24 transportation.

25 The energy master plan should

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2 detail any plans for such coordination.

3

4           Second, when carried out, the  
5 master plan will have a major impact not only on  
6 energy supply and cost, but also on Long Island's  
7 contribution to global climate change. We feel that  
8 this presents a unique opportunity to outline the  
9 impacts that alternative energy sources and  
10 policies have on climate change.

11

12           Specifically the plan should  
13 detail how both the energy provider and customer  
14 can take steps to reduce CO2 emissions that  
15 contribute to warming and its effects such as sea  
16 level rise.

17

18           Finally, we'd like the master plan  
19 to address how new initiatives around clean energy  
20 and conservation will foster new economic  
21 development for the Island.

22

23           In particular, the plan should  
24 detail how the new green job possibility generated  
25 by the company's commitment to energy and

22 conservation and renewable energy will take place.

23 In conclusion, we once, again,

24 commend the work of LIPA on this energy master plan

25 and look forward to our continued cooperation in

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2 the future.

3

Thank you again for this

4

opportunity to provide comments on this important

5

issue.

6

THE MODERATOR: Great. Thank you

7

very much for coming down.

8

MR. ROBERT FREUDENBERG: Thank

9

you.

10

THE MODERATOR: Next is Joan Eff

11

from Long Island Energy Partners.

12

MR. JOHN EFF: John Eff.

13

THE MODERATOR: I'm sorry. John

14

Eff.

15

MR. JOHN EFF: That's okay.

16

THE MODERATOR: A combination of

17

your handwriting and my eyes.

18

MR. JOHN EFF: That's okay.

19

Thank you very much, Kevin and

20

Mike.

21

First, I'd like to commend you for

- 22 developing a very comprehensive energy plan. I
- 23 don't think people recognize the complexity of
- 24 putting together a demand supply side management
- 25 plan, particularly with the issues that effect Long

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2 Island.

3

My name is John Eff. I'm Vice

4

President of Business Development and Operations

5

for Long Island Energy Partners.

6

We are an ESCO working in the

7

demand side management and clean energy programs

8

that LIPA has and energy efficiency programs.

9

We work with these clean energy

10

programs. We've completed a number of projects in

11

the commercial market. And we continue to work in

12

the market segments in educational, manufacturing,

13

retail, healthcare, religious institutions and

14

other markets.

15

What we see from working with

16

these customers is the important viability of these

17

programs and the economic development aspects of

18

these companies' businesses and institutions.

19

They're important programs. We

20

look forward to working closely with you on

21

Efficiency Long Island which we feel is just a

22 fantastic program moving forward.

23                   The need for energy efficiency or

24 for Efficiency Long Island's success, we do have

25 some suggestions. It's a very comprehensive

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2 program. Nearly one billion dollars over ten years.

3

And key elements of the success

4

will probably be driven by enhanced educational

5

outreach to make the program successful, continued

6

single-point accountability on LIPA's side working

7

with the contractors and mostly a contractor

8

partnership outreach on LIPA's behalf to continue

9

to assist the contractor in these efforts.

10

And finally, if there's an ability

11

to have any kind of financing for these programs

12

moving forward as it relates to retrofitting and

13

energy efficiency improvements on commercial

14

customers, that would be extremely helpful.

15

What we find is working with the

16

various market segments, customers have a wish list

17

of various projects they have to accomplish to keep

18

their businesses viable. Although energy

19

efficiency is near the top of the list, the

20

financing comes up in certain market segments as a

21

key element.

22                   So with that being said, we look  
23 forward to working with LIPA and the customer base  
24 for the success of Efficiency Long Island.

25                   Thank you.

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2 THE MODERATOR: Thank you very  
3 much, John.

4 Next is Adrienne Esposito from  
5 Citizens Campaign.

6 As Adrienne is coming up, there is  
7 a Leslie Synder who signed up from the New York  
8 State Senate without an indication of whether or  
9 not she wanted to speak.

10 MS. LESLIE SYNDER: No.

11 THE MODERATOR: Thank you.

12 Hi, Adrienne.

13 MS. ADRIENNE ESPOSITO: Hi. How  
14 are you?

15 THE MODERATOR: Good. Long time no  
16 see.

17 MS. ADRIENNE ESPOSITO: Yes. I  
18 think it's been twenty hours?

19 I just have some quick comments to  
20 add to last week's testimony.

21 And that is that the first thing

22 is that the new LIPA, you know, needs a new plan  
23 for the new millennium. And we should start with,  
24 I think, CEO Kevin, that the fact that we cannot  
25 begin to address our energy bills until we begin to

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2 address our addiction to foreign fossil fuels.

3

We hear a lot that people want

4

electric bills to go down and then we also hear a

5

lot that we have no control over them. Well, I

6

would respectfully disagree. We have control over

7

how we plan our energy future which is exactly what

8

LIPA is doing now.

9

So the bottom line is that I think

10

in this new plan I'd like to suggest that we have a

11

goal for renewable energy usage. What is the

12

target.

13

Again, to reiterate what we said

14

last week in the environmental community, is that

15

we have a goal for carbon dioxide reduction. We're

16

calling for an eighty percent reduction by the year

17

2020. And also, in this new energy plan we would

18

like to see the plan that accompanies the

19

implementation of the energy efficiency program.

20

We agree with you a hundred

21

percent that the way the media treats energy

22 efficiency is a disserve not only to the public but  
23 to the country frankly. They don't get it. And  
24 that is an unfortunate and a tragic occurrence for  
25 the public because it gives the public the wrong

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2 information.

3

4 So the energy efficiency program  
5 needs an outreach component that is defined and  
6 laid out in the plan. And that outreach component  
7 needs to include outreach to our educational  
8 institutions. It needs to include outreach to  
9 civic leaders and civic groups and also the  
10 environmental community.

11

12 I'd like to raise that in the  
13 mostly recently released Rouse Foundation survey,  
14 the No. 1 entity that the public goes to for  
15 information about energy and global warming is the  
16 environmental community on Long Island. Makes  
17 sense to us and we think that's a good choice on  
18 the public's part.

19

20 But also that tells you something.  
21 It tells you that the partnership is needed to  
22 implement the plan successfully. We want energy  
23 efficiency plans on Long Island to be implemented  
24 successfully. We want your program to be the best

22 in the nation. And I think the only way that's  
23 going to happen is for a broad comprehensive  
24 outreach program to be part of that plan, one that  
25 makes sense, is aggressive, is bold and brings in

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2 diverse entities that can work together.

3

4 We have to get the message across  
5 to the public that energy efficiency is the  
6 easiest, the safest, the quickest way to bring  
7 consumption down resulting in lower energy costs.

7

8 That's what energy efficiency is about. Yes, it  
9 might cost \$3 on the bill, but it's going to save  
10 us money later. Spending \$3 now to save money later  
11 is a good investment of funds. It's not an  
12 expenditure of funds. There's a big difference.

12

13 So thank you. Good luck in your  
14 energy planning and we look forward to working with  
15 you.

15

16 THE MODERATOR: And same here,  
17 Adrienne. Thanks for your comments and commitment  
18 to our efforts.

18

19 Next, Joseph Schroeder from the  
20 Suffolk County Legislature.

20

21 MR. JOSEPH SCHROEDER: Good  
22 morning.

22 THE MODERATOR: How are you doing?

23 MR. JOSEPH: I'm the Energy --

24 hi, Kevin.

25 I'm the Energy Specialist for the

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2 Suffolk County Legislature.

3

I'm just here to make a few brief

4

remarks. I anticipate the Legislature will have

5

more detailed comments to submit later in writing.

6

Energy supply, energy demand are

7

the two greatest issues that our local economy

8

faces. The Legislature has adopted several pieces

9

of legislation to promote markets for renewables,

10

to encourage energy efficiency of county facilities

11

and support energy efficiency beyond county

12

facilities. And we intend to do that on a

13

continuing basis.

14

What we're looking for from LIPA

15

is some assurance that things that are within your

16

control and beyond your control are addressed

17

adequately in the plan.

18

LIPA witnessed a 200 -- 500

19

megawatt demand, peak demand increase in 2005. I

20

would suggest that economic activity in the year

21

prior to that doesn't support the notion that that

22 500 megawatts materialized in that twelve-month

23 period.

24 We have not had the kind of

25 weather conditions since 2005 that would reveal

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2 continued growth in demand to the degree that we  
3 witnessed in 2005. And my expectation is that the  
4 150 megawatt growth that we've been experiencing  
5 annually is continuing and I guess you would  
6 support that.

7           There are a lot of supply issues  
8 that are beyond our control. You may be aware the  
9 Public service Commission just adopted initial  
10 action on a backstop provision that will allow the  
11 pass along of new economic electric generation and  
12 electric supply infrastructure from ratepayers that  
13 would effect LIPA ratepayers as well.

14           There's a forecasted 2000 megawatt  
15 shortfall in the downstate region by 2013. And if  
16 the Indian Point Plant is closed, that could go up  
17 to as high as 4000 megawatts.

18           I'm not as encouraged as you are  
19 that the recent completion of projects here leaves  
20 us in as comfortable a reserve of supply as you  
21 seem to think. In fact, factoring in the growth

22 rates that we've been experiencing, it would appear  
23 that we're at a net zero gain with the completion  
24 of the Neptune Cable and even with the pending  
25 completion of the Caithness Plant.

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1  
2           So energy supply is a serious  
3 issue that we are best able to address through  
4 energy efficiency and demand side energy  
5 initiatives.

6           In the past, LIPA's practice on  
7 demand side initiatives has not been as aggressive  
8 as it should have been. And in part, that's been  
9 driven by the culture of revenue protection  
10 internally at the utility. That's typical of  
11 electrical utilities.

12           But as a public authority, LIPA  
13 should be less driven by revenues than a publicly  
14 traded company would be.

15           Distributed generation technology,  
16 such as that demonstrated by Dr. Vasile, and  
17 nonelectric technology should be supported more  
18 aggressively and embraced by LIPA as a tool to  
19 manage the growth of demand on the system as  
20 opposed to a threat to revenues.

21           Development of renewables is

22 supported by the County. However, on a bulk power  
23 basis, just as LIPA would not support the  
24 indiscriminate development of fossil fuel power  
25 plants, any proposal for a bulk power renewable

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1  
2 should have a component and contingent demand side  
3 management initiative. Maybe that can be accounted  
4 for in your energy efficiency programs.

5           Likewise, on a per building basis,  
6 incentives for renewables are something the County  
7 strongly supports and urges. But renewables are  
8 not the panacea for our energy problems. And  
9 incentives for a solar installation, for instance,  
10 on a building that hasn't met the basic energy  
11 efficiency needs is not appropriate.

12           So we would support a contingent  
13 requirement that buildings that received incentives  
14 for renewable installations also are required to  
15 bring themselves in line from an energy efficiency  
16 standpoint.

17           Repowering in a similar fashion  
18 should not be done in a vacuum and should be  
19 considered in context to demand side management  
20 initiatives that LIPA hopes to implement. And I  
21 look forward to a review and an opportunity to

22 comment on those initiatives, as we've discussed.

23                   One thing the County does not

24 support is that should repowering include a

25 reconstruction or other scenario relating to

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2 existing plants owned by KeySpan/National Grid or  
3 any other private entity, that the costs of  
4 repowering not be borne entirely by ratepayers.  
5 Those costs should be shared, to a degree, by the  
6 company that's going to benefit from the improvement  
7 of their asset.

8           And I'll leave my comments at that  
9 for the moment.

10           THE MODERATOR: Joseph, thank you  
11 very much. And some very good points and thank you  
12 for coming down.

13           MR. JOSEPH SCHROEDER: Okay.  
14 Thank you.

15           THE MODERATOR: The next speaker  
16 is Gordian Raacke.

17           MR. GORDIAN RAACKE: Good morning.

18           For the record, my name is Gordian  
19 Raacke. I'm Executive Director of Renewable Energy  
20 Long Island. And thank you for the opportunity to,  
21 once again, address you on the LIPA energy planning

22 process.

23 First, a quick -- before I get

24 into the subject matter itself, a quick procedural

25 recommendation.

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2 I would recommend that you  
3 consider holding a couple of nighttime meetings  
4 simply because there are people who will not be  
5 able to take off from work during the day. And it  
6 would be good to hear what that segment of the  
7 population would have to say.

8 THE MODERATOR: That's a good  
9 point, Gordian. And I plan, once we have the draft  
10 plan, to have four public meetings, two in the  
11 daytime and two in the nighttime in both counties.

12 MR. GORDIAN RAACKER: That would be  
13 helpful.

14 I do not want to repeat my  
15 comments from the last hearing. You heard me  
16 there. We talked about the urgent need to address  
17 climate change and for LIPA to focus on this plan,  
18 to focus on climate change.

19 When you look at the news - I'm  
20 sure you monitor the oil prices everyday - just  
21 yesterday we heard oil hit almost \$123 a barrel.

22 Goldman Sachs is now predicting that we may see

23 prices like \$150 to \$200 within the next two years.

24 It looks like we're headed for the

25 perfect storm. It looks like you're the captain of

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2 the ship in that storm. And while we all -- while  
3 we're all here to help you on hands on deck, we  
4 know that this is going to be a rough -- rough  
5 sale.

6           Apart from the oil price, of  
7 course, we know that potentially disastrous local  
8 and global impacts of climate change require an  
9 immediate and massive concerted effort.

10           I spoke a little bit about the --  
11 my experience with seeing those massive glaciers  
12 melt the last time. I know you're fully aware of  
13 the fact that we are, of course, also seeing our  
14 polar ice caps melting away rapidly.

15           And if we can believe what  
16 scientist are telling us, if that Greenland ice  
17 sheet, for example, were to melt and if the Western  
18 Antarctic ice shelf were to melt - and there is new  
19 and worse news everyday on that - we would, of  
20 course, see a sea level rise of forty feet. As an  
21 island, as a region that's close to water, it gives

22 us something to worry about, not to mention the  
23 increase in the severity of hurricanes and cyclones  
24 and other storms.

25 So we need to address this and we

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need to address it quickly.

I wanted to make some specific recommendations on what you might consider to include in the energy plan. I have just five very brief recommendations today for you on that.

First, as I said already, focus the energy plan on climate change and greenhouse gas reductions.

Second, set a 2017 target for carbon dioxide reductions that you can effect and then set annual targets that you can use to monitor your progress, metrics that you can use to see whether you're making the right kind of progress.

Establish carbon budgets would be my third recommendation.

I was very encouraged by National Grid's goal to reduce company-wide reduction, CO2 reductions eighty percent by 2050 and to direct department heads to establish a carbon budgeting process and look at each department level as to

22 what these reductions are doing.

23 National Grid needs to be

24 commended for that. I would hope that LIPA could

25 follow that same pattern. And a lot of businesses

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2 are establishing carbon budgets now.

3           The fourth recommendation is track  
4 your carbon emissions just like you would track  
5 financial expenditures in your budget. You need to,  
6 of course, make sure that once you've set up a  
7 budget, you stay on track.

8           So to do that I would recommend  
9 that you look at some organizations that you can  
10 join and maybe you can get assistance in tracking  
11 that budget process such as: ICLEI, the  
12 International Council for Local Environment  
13 Initiatives for Climate Protection;

14           The Climate Registry, which is an  
15 organization that has already been joined by the  
16 New York Power Authority, NYSERDA, the New York  
17 State DEC, the MTA, Con Edison and a few others,  
18 New York State and national entities.

19           So I would encourage you to look  
20 into those resources that you can bring to bear  
21 here and also work with the New York DEC Climate

22 Change office and I'm sure they would be happy to

23 help us in steering the ship here.

24 The fifth and last recommendation

25 I have is to assemble and lead a Long Island

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2 Climate Action partnership.

3           We can't do this alone. The Long  
4 Island Power Authority should and will be, I  
5 believe, a leader in this effort but we need to  
6 work with all hands on deck. We need to bring the  
7 stakeholders and powerful partners in this effort.

8           So I would suggest that you start  
9 the dialogue with the counties, with the towns on  
10 Long Island, bring in the gas and heating oil  
11 suppliers to the table, bring in the building  
12 sector. After all, buildings nationwide use about  
13 fifty percent of our energy and are responsible for  
14 a tremendous amount of carbon emissions.

15           Make sure that we bring the  
16 building sector, the Long Island Builders Institute  
17 and others into that process.

18           Bring in, of course, the  
19 transportation sector. At some point when electric  
20 plug-in hybrids will become more prevalent -  
21 they're looking at 2010, 2012 - you will, in fact,

22 become a transportation fuel provider.

23 As we plan for the 2017 planning

24 horizon, you need to bring that constituency and

25 stakeholders into the process.

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Bring in the business

associations, LIA, HIA and others. And, of course, work with us, the environmental and civic groups to make that happen.

We do need all hands on deck for this effort. I look at this and say, use the analogy of polar ice melting and ships sort of the Titanic story, I guess you can say.

We are seeing the tip of the iceberg which is oil at 123, 12 -- whatever dollars a barrel, possibly going up to 150 or 200, according to Goldman Sachs.

But the much bigger danger underneath that tip of the iceberg I believe is the looming crisis of our climate worldwide. We need to turn this ship around. We need to adjust our course pretty dramatically. We need a massive mobilization of forces to avoid hitting that iceberg. And we are at the ready to work with you on that.

22                   That concludes my remarks.

23                   Thank you very much.

24                   THE MODERATOR: Thank you,

25   Gordian. And a crisis is a terrible thing to waste

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2 and we're there. And I'll count on the help of our  
3 organization as well to move the ball forward.  
4 Because we spend about 55 percent of our budget on  
5 the cost of fuel. And with the costs going up and  
6 you're right, when Goldman Sachs says it may be  
7 going up, you know, that's scary. We need to be  
8 doing something differently. So thank you.

9 MR. GORDIAN RAACKER: Thank you.

10 THE MODERATOR: The next speaker  
11 is Rose Van Gilder.

12 MS. ROSE VAN GUILDER: Hi, Kevin.

13 THE MODERATOR: How were you?

14 MS. ROSE VAN GUILDER: I'm having  
15 surgery tomorrow.

16 THE MODERATOR: Good luck with  
17 that. You know you're going to limit your comments  
18 to five minutes and only to the master plan.

19 Thank you.

20 MS. ROSE VAN GUILDER: Okay. I  
21 brought pinnoli cookies.

22 Do I have to give my name?

23 THE MODERATOR: Yes, please.

24 MS. ROSE VAN GUILDER: Rose Van

25 Gilder.

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2           Good morning, or I should say good  
3 afternoon. It's after twelve.

4           I would just like to say that Long  
5 Island is not in an economical position to put into  
6 effect this master plan. What we need is a smart  
7 plan which will include some conservation programs  
8 and also keep the cost of electricity affordable to  
9 the ratepayers.

10           As you well know, LIPA was created  
11 to lower the price of electricity back in 1998 and  
12 also for the businesses of Long Island. However,  
13 our rates have seen a fifty percent rate hike and  
14 we have seen, through the surcharge category, the  
15 price go up to this amount.

16           And they are using, LIPA is using  
17 the surcharge category as a slush fund. They are  
18 incorporating different prices, different costs  
19 other than the cost of fuel, into this category.

20           The Comptroller has found this to [be the]  
21 fact many, many times. I don't want to go

22 into the dates or the particulars, but Comptroller

23 Hevesi has many, many times discovered this.

24 Kevin, I would like to propose, I

25 had given this to you at our prior meeting, the

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2 nano-solar energy. I don't know if you're looking  
3 to go forward with that, but I would like to  
4 reintroduce to you.

5           But prior to giving it to you,  
6 what I would like everyone to know is that the  
7 nano-solar energy is what they call the holy grail  
8 of renewables. What it is is it's radically  
9 different from the kind that European consumers are  
10 increasingly buying to generate power from their  
11 own roofs.

12           This is printed in newspaper  
13 directly onto aluminum foil. It is flexible, light  
14 and if you believe the company, it is expected to  
15 make it as cheap to produce electricity from  
16 sunlight as from coal.

17           They aim to produce the panels for  
18 99 cents a watt which is comparable to the price of  
19 electricity generated from coal.

20           I had presented this to CEO Mr.  
21 Kevin Law at a prior meeting on April 24th which I

22 believe he has been looking into this. And I'd

23 like to present this to you.

24                   And I would just like to mention

25 that the surcharges that have been assessed on the

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2 average household, by the last report that I have,  
3 is dated December 12, 2005. I spent all day  
4 yesterday calling up the Comptroller's Office  
5 trying to get an updated figure but I wasn't able  
6 to because they have not kept up any further  
7 records.

8 Our surcharge has added \$630 to  
9 the average household bill, increasing the -- our  
10 bills 34.6 percent since 2001. This report is  
11 dated December 12, 2005.

12 I called Michael Caplesi (ph)  
13 which is the specialist in the LIPA category. I  
14 called, I forgot her name, who is currently doing a  
15 LIPA audit. And she does not know how many  
16 additional surcharges have been placed since 2005.

17 The Comptroller's Office has  
18 stopped keeping track of additional surcharges that  
19 have been placed on us. That's three years. We  
20 don't know how many more surcharges there have  
21 been. It could be up to \$800.

22                   People that are on limited income  
23   that are on -- I am on Social Security Disability.  
24   I pay a Medicaid overage. I pay \$258, 57 dollars to  
25   LIPA. By the time I pay those two expenses, I'm

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2 down to \$500 monthly income, net. How do I pay  
3 rent? How do I buy food? How do I pay  
4 Cablevision. Could you please answer that? How am  
5 I to survive and all the other senior citizens and  
6 low-income individuals?

7           The people of today are in  
8 foreclosure. They're losing their jobs. The  
9 economy is in a recession. We are in a very bad  
10 economy. These programs are great and you can  
11 introduce them in a time when the economy is  
12 flourishing and everyone would applaud you.

13           These are wonderful ideas. I'm not  
14 saying they're bad ideas. It is just the timing.  
15 And I -- Kevin, I gave you three wonderful ideas.  
16 And I will continue to give you great ideas. But  
17 it is timing. And everything in life is timing.  
18 You know that. I mean meeting people, things the  
19 way they happen. My surgery got changed a day in  
20 advance -- a week ahead. It's timing and that's  
21 what I say.

22                   If you can do this in a slow place  
23   and keep the cost of electricity at a bear minimum  
24   so that we can afford to keep our lights on,  
25   otherwise we're not going to have that or we're not

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2 going to be able to pay our bills. And that's a  
3 problem you're going to have because then we're  
4 going to have to do other things and you may have  
5 some lawsuits. You don't want that, Kevin, do you?

6 THE MODERATOR: Rose, no.

7 We've got to wrap up. Any other  
8 comments?

9 MS. ROSE VAN GUILDER: Okay. I  
10 figured that.

11 By the way, I have some extra  
12 cookies saved for you. And they're over there. I  
13 gave some to David.

14 THE MODERATOR: Are those between  
15 the effigy of me?

16 (Laughter.)

17 MS. ROSE VAN GUILDER: It's in the  
18 tinfoil pan. I made them this morning before I came  
19 here.

20 THE MODERATOR: Good. Mike is my  
21 taste-tester. And I appreciate it.

22 (Laughter.)

23 MS. ROSE VAN GUILDER: I offered

24 them to everyone.

25 THE MODERATOR: Rose, thank you

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2 very much. You have good points. I appreciate  
3 talking to you, but now let's first get some facts  
4 on the table.

5 MS. ROSE VAN GUILDER: Okay. Thank  
6 you.

7 THE MODERATOR: Thank you. And  
8 good luck with your surgery tomorrow. Let's get  
9 some facts on the table.

10 MS. ROSE VAN GUILDER: Thanks.  
11 I'll be home. I'll be there for about five days.

12 Then I'll be home. Then you can call me and I'll  
13 give you more suggestions.

14 THE MODERATOR: God bless you.  
15 Good luck. We don't agree on everything but I wish  
16 you well.

17 But let's get some facts on the  
18 table.

19 This month --

20 MS. ROSE VAN GUILDER: You don't  
21 mind.

22 THE MODERATOR: Let me get some

23 facts out here to the audience.

24 This month is ten years ago that

25 LIPA took over LILCO and ten years ago a barrel of

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2 oil was \$14. It closed out at \$122 yesterday. And  
3 as Goldman Sachs has predicted it's going higher.

4 And so since oil and the purchase  
5 of power makes up 55 percent of our budget, that  
6 unfortunately is where rates have been heading.

7 And so I thank you, Rose for coming down.

8 The last scheduled speaker we have  
9 is Scott Carlin from Long Island University.

10 MR. SCOTT CARLIN: Good morning.

11 I'm an Associate Professor of  
12 Geography at the C.W. Post campus of Long Island  
13 University. I am also the coordinator of the Long  
14 Island Climate Solutions Network.

15 In February of 2006, I met with  
16 Mike Deering, then with Suffolk County, to propose  
17 a \$2 billion, ten-year regional investment strategy  
18 to begin tackling Long Island's large carbon  
19 footprint.

20 That plan included \$1.3 billion in  
21 utility-related investments and it was a plan

22 developed at no cost by a class of college

23 students.

24 A lot has changed in the

25 intervening two years. And the case for global

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2 warming has strengthened considerably with a new  
3 report by the UN and, of course, everyone's  
4 mentioning the price of fuels.

5           So in that context, I want to  
6 commend LIPA for its \$1 billion energy efficiency  
7 program that you're starting to unveil to the  
8 public. And I understand it's a three-fold  
9 increase over existing clean energy expenditures.

10 So that's certainly a step in the right direction.

11 But how do we know if this is an adequate step?

12 What exactly are the goals that we're trying reach?

13 Who gets to set those goals?

14           LIPA's new efficiency program  
15 talks about the need to slow growth. But, no,  
16 first we need a plan that commits Long Island to  
17 negative growth in fossil fuel consumption.

18           Second, LIPA needs to establish a  
19 more democratic decision-making process. There are  
20 hundreds of professionals outside of LIPA with an  
21 interest in building a more successful regional

22 energy system. Give them a greater role in your

23 decision making.

24 A 2002 report by the Sustainable

25 Energy Alliance recommended placing the LIPA Board

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2 -- replacing the LIPA Board with one elected by  
3 Long Island citizens. That report also recommended  
4 the establishment of a Citizen Advisory and  
5 Oversight Committee.

6 LIPA should hold public hearings  
7 as part of its planning process to investigate what  
8 the region would gain and lose from those kinds of  
9 structural changes.

10 Third, the new energy master plan  
11 needs to plan for a wider range of scenarios given  
12 the volatility of today's world. And my comments  
13 reflect the nine different scenarios that were in  
14 that document you released.

15 How will the energy plan address  
16 the possibility that energy prices will continue to  
17 rise? It's not clear from what has been publicly  
18 let out how pricing will fit into your modeling.

19 How will this affect LIPA's  
20 investment strategies?

21 Every industrialized nation in the

22 world, Australia being the last, is now a signatory  
23 to the Kyoto Treaty except for the United States.  
24 While LIPA is under no legal requirement to adhere  
25 to Kyoto, LIPA has a moral obligation to provide

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2 Long Island with a potential plan for meeting  
3 Kyoto-style reductions in regional carbon  
4 emissions. And right now that's not part of your  
5 nine scenarios.

6 LIPA's energy plan extends to  
7 2017. It is certainly reasonable to expect that in  
8 the 2012 to 2017 time -- sorry, 2017 time period,  
9 the United States will initiate programs to cut  
10 total carbon emissions. It's not unreasonable to  
11 explore aggressive reduction targets. My numbers  
12 would be ninety percent by 2030, not too far off  
13 from Adrienne's eighty percent by 2020.

14 In fact, it is morally  
15 unconscionable to not explore such options. We're  
16 not committing to a path. We're just saying if we  
17 follow that path, what does that mean for us.

18 How expensive would such a path  
19 be?

20 What benefits would the region  
21 derive?

22                   In proposing nine scenarios, LIPA  
23 might protest that we already are modeling many  
24 alternatives. But these nine fail to explore the  
25 full range of choices that are available to us.

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2 They fail to explore the full range of likely  
3 regulatory changes over the next few years.

4 My own opinion is that the world  
5 faces an unprecedented energy crisis. There is an  
6 urgent need to slash regional fossil fuel  
7 consumption year after year. LIPA needs to stop  
8 forecasting annual increases in consumption and  
9 start leading the region toward annual reductions  
10 in energy demand.

11 Step one would be an aggressive  
12 energy efficiency campaign.

13 We should aim to reduce total  
14 demand by 25 percent by 2040. LIPA has ignored a  
15 prior Sustainable Energy Alliance proposal to offer  
16 a rate rebate to households that use fifteen to  
17 twenty percent less electricity. A plan like that  
18 was enacted in California.

19 And in 2002, that same coalition,  
20 SEA, advocated reducing regional energy demand ten  
21 percent by 2010. And we failed to act on that

22 well-thought out proposal.

23                   Second, we have to set aggressive

24 renewable energy objectives.

25                   In 2002, again, SEA advocated a

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2 goal of ten percent renewables. Our region is much  
3 worse off today. Perhaps we should be thinking  
4 sixty percent renewables by 2040.

5 But we need to clear away existing  
6 institutional barriers that continue to impede  
7 renewable installations.

8 And lastly, we need to cut  
9 system-wide fossil fuel-based production.

10 By my estimate we could plan on a,  
11 and it's a very rough estimate. I don't claim to be  
12 an expert at this. But we could plan for 2,500  
13 megawatts of fossil fuel capacity, half of today's  
14 consumption and we could do that using repowering,  
15 which would, again, significantly reduce the amount  
16 of energy per megawatt that we would need for  
17 fossil fuels.

18 Since we met, Mike, a couple of  
19 years ago, I've written a couple of pieces for  
20 Newsday on energy themes. And one of the core  
21 messages that I've tried to convey publicly is that

22 the theme of our era is now interdependence. And

23 Gordian mentioned the idea of establishing a

24 regional partnership.

25 You have to start preparing for

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2 the day when you become a transportation energy  
3 agency as well.

4           And I really wanted to endorse the  
5 notion that we're only going to get through this by  
6 working more collaboratively together and that  
7 involves the public. It involves all the other  
8 governmental institutions and I hope that is  
9 something that makes it into your plan as well.

10           Thank you.

11           THE MODERATOR: Some very good  
12 points, Scott. So thank you for coming down to  
13 speak.

14           MR. SCOTT CARLIN: Sure.

15           THE MODERATOR: That's it. We  
16 don't have any other scheduled speakers. And  
17 seeing nobody else looking to speak, we're going to  
18 adjourn this public hearing.

19           We're going to reserve and give  
20 people an opportunity to submit written comments to  
21 our plan over the next couple of weeks. And we'll

22 be finalizing our outlines, begin working on the  
23 draft plan. And we'll circulate and have public  
24 hearings on the draft plan some time this fall.

25 Thank you.

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(At 12:17 p.m., the proceedings

were concluded.)

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25     C E R T I F I C A T I O N

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I, MARC RUSSO, a Shorthand  
(Stenotype) Reporter and Notary  
Public within and for the State of  
New York, do hereby certify that the  
foregoing pages 1 through 119 taken  
at the time and place aforesaid, is  
a true and correct transcription of  
my shorthand notes.

IN WITNESS WHEREOF, I have  
hereunto set my name this 21st day  
of May, 2007.

\_\_\_\_\_

MARC RUSSO

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