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Local Union 97

International Brotherhood of Electrical Workers New York State

Good afternoon,

January 28, 2016

My name is Dan Machold and I am with the IBEW Local 97, representing over 4000 utility employees in NYS electric and natural gas power transmission, distribution and power generation.

We sincerely appreciate the opportunity to present today and would like to thank the Chair for presiding over an issue that's taken on an increasing impact on our members and the communities where we live and work.

NYS is engaged in an unprecedented effort to reduce emissions associated with climate change, and those efforts are squarely focused on the energy sector rather than transportation and other sectors that emit equal or even greater amounts of carbon emissions. As this effort moves forward, it is critical that the playing field be as level as possible to prevent harmful impacts to our NYS economy and energy independence.

Our fossil generators are now either mothballed, or in the midst of retirement, impacting the livelihood of 146 members in Western New York. The need for power is essential for virtually every aspect of our daily lives from commerce to home life, and it is well documented that energy independence is imperative for NYS security and economy.

This fact along with an alarming spike in efforts to import power from other states and countries to satisfy New York power needs raises concerns that brought us here today.

First, it is our understanding that the emissions counted in New York only track data from power generators located in New York. This must be corrected and emissions from imports must be counted in the New York statistics. As an example, one of our employers lost their reliability services agreement in Southwest New York the moment a major new substation became energized at the Pennsylvania border. Evidence supports the fact that imports from Pennsylvania through the new substation into the system previously relied upon by the New York generator is how the New York generator was determined to no longer be necessary.

Importing power while exporting New York jobs and deteriorating New York energy independence is bad economic policy. Worse yet and for the purposes of this hearing, Pennsylvania had over 70 coal fired power plants from the most recent statistics that

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makes up nearly 40% of the power coming off their grid into New York, while New York is in the midst of proactively closing the few remaining New York coal fired generators. As well, New York generators are also required to pay a carbon tax into the Regional Greenhouse Gas Initiative – or RGGI - driving up costs and ability to compete, while Pennsylvania simply opts out of the carbon reducing RGGI program. This is the same with neighboring New Jersey, where New York has raised imports in recent years, such as the costly HTP cable import project from New Jersey into New York that has tens of millions of dollars in annual losses born by the New York Power Authority.

While limiting interstate commerce through imports is likely insurmountable, the playing field must be leveled regarding emissions reported from imports if New York is sincere about carbon reduction. On the surface, when a coal fired New York power plant retires, it appears that New York can claim victory for reducing emissions, but when imports are responsible for dramatically higher emissions, these must be accounted for and included in the New York emissions profile. This is the least that is owed our members who have lost their jobs and are now unable to pay their mortgages and support their families and communities, and who are told by environmentalists that this is a necessary sacrifice to save our planet.

The trend continues as a massive transmission project known as the Pennsylvania Power and light Compass project is now applying for New York support for a major transmission line directly into New York City, at a time when that City's mayor has pledged to dramatically reduce carbon emissions.

Equally as disturbing are increasing foreign imports from Ontario and Quebec, where New York generators are required to compete with Government owned and subsidized entities in Ontario-Hydro and Hydro-Quebec. In addition to further threatening New York jobs and community tax revenues, this increasing practice is contrary to the "2007 Energy Independence and Security Act of Congress", prefaced as "*An Act to move the United States toward greater energy independence and security.*"

Finally, as New York is aggressively moving ahead with emission reduction efforts and development of carbon free power generation, with regards to accomplishing these objectives without taking away power generation employment and community tax revenues, we will equally and aggressively support:

- Requiring emissions from imports be counted in New York statistics. If electric imports run the New York air conditioner and factory motors – associated emissions must be transparent, reported, recorded and made public!
- Current cases at the New York State Department of Public Service are calculating a price for carbon to be provided to zero carbon energy sources. This value must be **equally applied without prejudice** to all zero carbon power generation including wind, solar, hydropower, biomass, and particularly zero carbon nuclear facilities, currently distressed due to low natural gas prices and delayed New York transmission projects. Nuclear generation assets are imperative to New York carbon reduction efforts and ***equal treatment for carbon reduction benefits must be delivered or the competitive New York energy markets will be imploded.***

- **New York utilities must be allowed to own and operate large-scale renewable projects, if they are cost effective and in the best interest of ratepayers. Members of the IBEW have listened to environmental groups claims that our lost fossil jobs will be replaced by green energy jobs. This has simply not occurred, and the growing body count of lost New York power generation employment must be balanced through new employment opportunities that can be provided through cost effective utility ownership of large-scale renewable projects.**

Thank you for your time and attention to this critical issue.