

Montgomery, NY - Congressman Maurice Hinchey (D-NY) will speak at the New York Public Service Commission (PSC) community forums on the proposed New York Regional Interconnection, Inc. (NYRI) power line scheduled in Orange County this evening and Sullivan County tomorrow afternoon. Hinchey will reiterate his strong opposition to the proposed project to construct a 190-mile transmission line across eight counties in New York. Hinchey has helped to lead efforts to block NYRI's proposal and worked in Congress to overturn regulations that allow the federal government to permit transmission line projects and grant the power of eminent domain in cases where states deny permits and find such projects are not in the public interest.

The Energy Policy Act of 2005, which Hinchey opposed and voted against, provided the U.S. Department of Energy (DOE) the authority to designate so-called National Interest Electric Transmission Corridors (NIETC.) The DOE has included most of New York State in its Mid-Atlantic NIETC, which allows the federal government under certain conditions to overrule state permit denials for electricity transmission lines. This designation also would allow the federal government to directly issue construction permits to energy companies and grant the use of eminent domain authority to private corporations, allowing the seizure of private property from unwilling sellers in order to develop power lines. In April 2007, the Department of Energy proposed two NIETC designations in the United States, including one in eastern part of the country that includes 47 counties in New York. Hinchey is continuing to work with many of his colleagues in Washington to try to block the NYRI plan from moving forward.

Below are Hinchey's prepared remarks for the PSC hearings in Montgomery and Callicoon:

I thank the New York Public Service Commission (PSC) for organizing this evening/afternoon's forum and hosting twelve other ones along the proposed NYRI routes to maximize public participation. I appreciate your agency's commitment to public involvement in this process, and I salute all of those who took time out of their busy lives to be here tonight.

I am here this evening to reiterate my strong opposition to the electricity transmission line proposal submitted by New York Regional Interconnection, Inc. (NYRI), a project that I have vigorously fought since it was first proposed in early 2006. I have worked to block the U.S. Department of Energy's designation of much of New York State as a National Interest Electricity Transmission Corridor (NIETC), a designation which would allow NYRI to seek federal permits for this project if it is not approved at the state level. I have also opposed NYRI's request to the federal government for Incentive Rate Treatment.

I will continue to work with my colleagues Rep. John Hall and Rep. Michael Arcuri to oppose this project at every turn. We will continue our efforts to repeal the misguided provisions of the Energy Policy Act of 2005 that allow NYRI to appeal directly to the federal government if it doesn't like the outcome of this state process. I believe that it is critically important at this juncture for the PSC to deny NYRI's application for a Certificate of Environmental Compatibility and Public Need. This denial will send a strong message to the federal government and the courts as elected officials and community organizations continue the legislative and legal efforts to stop the federal government from intervening in this state matter.

Transmission lines proposed by NYRI are not needed.

Ensuring the reliability of New York State's electricity system is no doubt paramount to our state's economic health and quality of life. NYRI's proposal to build a 200-mile high voltage, direct current (HVDC) line fails to address our state's electricity reliability needs and seeks only to maximize profits for large corporate investors.

In July 2008, the New York Independent System Operator (NYISO) released its 2008 Comprehensive Reliability Plan (CRP) for New York's bulk electricity grid, which addressed electricity reliability issues through 2017. NYISO's recommendations for meeting our state's needs include demand management, additional generation, and upgrades and additions to existing transmission capacity.

The ISO's report found that market based proposals will provide ample additional electricity capacity to the State over the next decade. The ISO defines NYRI's proposed transmission project as an "alternative regulated solution" not a market based solution. The ISO goes on to say that an in-depth review of such "alternative regulated solutions" was not undertaken because there are sufficient market based solutions to meet New York's electricity needs.

NYISO does not classify NYRI as a "market based solution" because its project will be paid for by the ratepayers of New York with guaranteed rates of return. NYRI has already applied to the federal government for an extraordinary rate of return on its investment before it has even gained a single approval or put a shovel in the ground, and the PSC wisely opposed the proposed incentives.

NYRI's requested rate incentives would force the ratepayers of New York to shoulder the costs of a project that not only threatens their communities but would also take private property through eminent domain. These incentives benefit a small number of wealthy and powerful investors while the rest of us pay the costs.

Proposal threatens serious adverse impacts to our communities.

NYRI's power line proposal will impact our communities in a very negative and profound way. This proposal raises a host of concerns including visual impacts, health issues, environmental degradation, declines in property values, and adverse regional economic impacts.

The imposition of 110-foot towers stretched for two hundred miles across New York's landscape will impact many of the historical, scenic, and environmental resources of our upstate communities. The proposed towers and lines will literally cut in half some in our historic hamlets and towns and slice into the Hudson River Valley National Heritage Area.

NYRI's proposed power lines would parallel and/or cross the Upper Delaware Scenic and Recreation River corridor, which is recognized by the federal government for its outstanding scenic, recreational, historic, environmental, and cultural assets and is protected by the National Park Service (NPS) for present and future generations. The management plan for this area, which was approved by the U.S. Department of Interior, specifically excludes construction of high voltage power lines.

Destroying the scenic, historical and environmental resources of our communities will of course degrade our region's quality of life but will also have economic repercussions. The NY State Department of Labor's 2006 analysis of employment by sector estimates that Sullivan and Orange Counties have more than 7,000 jobs that directly rely on the tourism industry. Our region also depends on the tax benefits from second home growth. Massive power lines will mar the tremendous beauty of our region that attracts visitors and new residents to our area and will impact these important economic sectors.

NYRI threatens long-term energy reliability and sustainability in New York.

While the ISO's report indicates that NYRI's proposed line is not necessary to ensure electricity reliability, this project does undermine our State's efforts to promote more environmentally sustainable, cost effective and reliable solutions. The State has set very aggressive goals to reduce consumption of electricity 15% by 2015. New York City and Long Island Power Authority are similarly pushing demand management and energy efficiency programs.

New York State has also taken very positive steps in promoting the development of renewable energy. The State approved an expansion of renewable energy net metering, which will encourage residents, farms and businesses to install solar and other renewable energy systems. The State is providing resources and support for The Solar Energy Consortium that I helped to form last year. This non-profit solar industry organization is committed to making our state and region a national center for solar energy development and production. Recent federal investment and production tax credits for solar, wind and other renewable energy resources will spur further investment in clean technologies.

NYRI boasts that its power lines will be used to bring more renewable energy sources on-line. Unfortunately, it's much more probable that NYRI will deliver power from outdated, dirty coal plants that will serve to undercut the development of cleaner alternative energy sources in the Hudson Valley.

Many utilities are interested in the development of renewable energy and would welcome additional clean electricity in our region's grid. However, two of our state's largest electricity service providers, Consolidated Edison Company of New York and Orange & Rockland, have come out squarely against NYRI's project, indicating that it will "degrade the reliability of the New York State transmission system."

NYRI has yet to adequately explain what it plans to do with its power once it gets to Rock Tavern and respond to how it would overcome the technical concerns raised by service providers. There are not adequate connections to bring power to the areas with the greatest demand, which are New York City and Long Island. This might explain why the ISO stressed transmission and generation projects that are market-based and would deliver power directly to the highest demand areas.

NYPSC should consider alternatives that are more consistent with NYS policies and deny NYRI

its certificate of need.

The PSC has the task of deciding if this proposal is compatible with the environment and is consistent with the interests and needs of the citizens and ratepayers, which it is not. This fact is even clearer when one considers and compares NYRI with alternatives, including implementing aggressive demand reduction programs, promoting efficiency and capacity upgrades to existing transmission lines, and facilitating the development of decentralized, clean energy in the Hudson Valley and metropolitan area.

NYRI's project would in fact undermine such common sense alternatives that would also provide significant economic and environmental benefits. The NYRI power line would absorb \$1.8-2.1 Billion in ratepayer subsidies plus some return on that investment that is yet to be determined. A fraction of this amount invested in alternative energy and energy efficiency programs would better ensure electricity reliability without degrading our communities and quality of life. As New York State mentioned in its official comments to the U.S. Dept of Energy on the proposed designation of NIETCs, NYRI's project also would serve to undermine market-based transmission and generation projects that are already in the planning process.

New York State has set out a vision for a cleaner, more cost efficient and reliable electricity system, and the PSC can help to protect that vision by denying NYRI's Certificate application under Article VII. Thank you for your consideration of my comments as well as the concerns raised in this and other public forums on this important issue.