

BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING

In the Matter of the
2016-2017 EXECUTIVE BUDGET ON
ENVIRONMENTAL CONSERVATION

Hearing Room B
Legislative Office Building
Albany, New York

January 28, 2016
9:39 a.m.

PRESIDING:

Senator Catharine M. Young
Chair, Senate Finance Committee

Assemblyman Herman D. Farrell, Jr.
Chair, Assembly Ways & Means Committee

PRESENT:

Senator Liz Krueger
Senate Finance Committee (RM)

Assemblyman Robert Oaks
Assembly Ways & Means Committee (RM)

Senator Thomas F. O'Mara
Chair, Senate Committee on
Environmental Conservation

Assemblyman Steve Englebright
Chair, Assembly Committee on
Environmental Conservation

Senator Patricia A. Ritchie
Chair, Senate Committee on Agriculture

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3 PRESENT: (Continued)

4 Assemblyman William Magee
Chair, Assembly Committee on
5 Agriculture

6 Senator Diane J. Savino

7 Assemblyman Jeffrion L. Aubry

8 Senator Elizabeth O'C. Little

9 Assemblywoman Patricia Fahy

10 Assemblywoman Barbara S. Lifton

11 Senator Brad Hoylman

12 Assemblyman Clifford Crouch

13 Assemblyman Michael J. Cusick

14 Senator Tony Avella

15 Assemblyman Dan Stec

16 Assemblyman Peter D. Lopez

17 Senator Kathleen A. Marchione

18 Assemblyman Steven Otis

19 Assemblywoman Addie J. Russell

20 Assemblyman Thomas J. Abinanti

21 Assemblywoman Didi Barrett

22 Assemblyman Brian P. Kavanagh

23 Assemblywoman Carrie Woerner

24 Senator Phil M. Boyle

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4 Assemblywoman Earlene Hooper

5 Assemblyman Todd Kaminsky

6 Assemblyman Felix Ortiz

7 Assemblyman Matthew J. Titone

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1 CHAIRWOMAN YOUNG: Good morning, and
2 I'd like to welcome everyone.

3 Pursuant to the State Constitution and
4 Legislative Law, the fiscal committees of the
5 State Legislature are authorized to hold
6 hearings on the Executive Budget proposal.
7 Today's hearing will be limited to a
8 discussion of the Governor's proposed budget
9 for the Department of Environmental
10 Conservation, the Office of Parks, Recreation
11 and Historic Preservation, Department of
12 Agriculture and Markets, and the New York
13 State Energy Research and Development
14 Authority.

15 Following each presentation, there
16 will be some time allowed for questions from
17 the chairs of the fiscal committees and other
18 legislators.

19 So first I'd like to welcome Basil
20 Seggos, who is acting commissioner of the
21 Department of Environmental Conservation.
22 Welcome. Glad to have you here today.

23 But before you begin, I'd like to
24 introduce our colleagues who have joined us.

1 First we have Senator Liz Krueger. We're
2 also joined by Senator Tom O'Mara, Senator
3 Betty Little, Senator Diane Savino and
4 Senator Brad Hoylman.

5 So welcome, and at this time I'd like
6 to turn it over to my colleague, Assemblyman
7 and Chair Denny Farrell.

8 CHAIRMAN FARRELL: Thank you very
9 much.

10 We've been joined by Assemblyman
11 Michael Cusick, Assemblywoman Carrie Woerner,
12 Assemblyman Steve Otis, Assemblywoman
13 Russell, Assemblywoman Lifton, Assemblyman
14 Steve Englebright, Assemblywoman Fahy.

15 And Assemblyman Oaks, who will give us
16 his people.

17 ASSEMBLYMAN OAKS: Yes. We've been
18 joined by Assemblyman Stec, Assemblyman
19 Crouch, and Assemblyman Lopez.

20 CHAIRWOMAN YOUNG: Thank you,
21 Assemblyman.

22 The acting commissioner's testimony
23 will be followed by a question-and-answer
24 period by members of the Legislature, as I

1 said. And after the final question-and-
2 answer period, an opportunity will be
3 provided for members of the public to briefly
4 express their views on the budgets under
5 discussion.

6 At this time I would like to begin the
7 testimony of Acting Commissioner Basil
8 Seggos. And again, welcome. So happy to
9 have you here this morning.

10 ACTING COMMISSIONER SEGGOS: It's
11 great to be here. Thank you.

12 Chairwoman Young, Chairman Farrell,
13 Senator O'Mara, Assemblyman Englebright, and
14 members of the legislative fiscal and
15 Environmental Conservation Committees, I am
16 Basil Seggos, acting commissioner for DEC.

17 Thank you for the opportunity to
18 discuss Governor Cuomo's budget
19 recommendations for DEC for state fiscal year
20 2016-2017. Joining me today are Julie Tighe,
21 assistant commissioner for intergovernmental
22 and legislative affairs, and Jeff Stefanko,
23 assistant commissioner for administration.

24 Since taking office, Governor Cuomo

1 has established one of the strongest
2 environmental records in the nation. This
3 record is built on the belief that the
4 state's prosperity, both now and in the
5 future, depends upon the health and
6 resilience of its land, water, and air.
7 We're protecting our environment to ensure
8 our economy remains competitive long into the
9 future.

10 Nowhere is the Governor's record on
11 the environment stronger than on climate
12 change. Indeed, climate change mitigation
13 and adaptation are the centerpieces of the
14 Governor's environmental agenda -- and
15 New York State is now a global leader in this
16 effort. The state has made great strides in
17 reducing greenhouse gas emissions from the
18 power sector through the multistate Regional
19 Greenhouse Gas Initiative. We're not
20 stopping there. The 2015 State Energy Plan
21 has set ambitious targets to further this
22 effort by reducing carbon emissions by
23 40 percent below 1990 levels by the year
24 2030, and mandating that 50 percent of the

1 energy used by New Yorkers come from
2 renewable sources by 2030. So New York will
3 be a leader in the clean energy economy.

4 Working together with the Legislature
5 over the last five years, we began to restore
6 the Environmental Protection Fund, we put
7 sorely needed resources into parks and open
8 spaces, we prioritized hunting, fishing, and
9 outdoor tourism, enacted one of the nation's
10 strictest bans on illegal ivory sales, and,
11 importantly, directed hundreds of millions of
12 dollars into wastewater infrastructure
13 upgrades.

14 Just last year alone, we reformed and
15 extended the Brownfield Cleanup Program,
16 provided \$1 billion for the State Superfund,
17 and increased funding to address oil spills.

18 The vital signs of New York's
19 environment are trending upward thanks to our
20 collective work. Air pollution levels have
21 been slashed dramatically since 2005, and
22 New York is in attainment for all federal air
23 quality standards except ozone, which is
24 largely an upwind-states issue. In 2014,

1 70 percent of all waters fully support the
2 uses for which they are designated, and
3 that's up from 66 percent in 2005.

4 Our lands, too, are gaining
5 protection. Since 2011, DEC has acquired
6 nearly 100,000 acres of fee and easements,
7 protecting lands in every region of the
8 state. And we're nearly done acquiring the
9 Finch Pruyn property in the Adirondacks,
10 which is one of the largest land conservation
11 and public access projects in the state's
12 history.

13 Outdoor recreation is booming across
14 the state -- hunting, fishing, biking,
15 camping. For example, thanks to the state's
16 focused efforts in the Adirondacks,
17 tourism-related employment is up nearly 8
18 percent, tourism spending is up 10 percent,
19 and visitation is up 15 percent just in the
20 Adirondacks. And we're going to bring that
21 same attention to the Catskills this year.

22 All of this is good news. But make no
23 mistake, the task ahead of us and the
24 challenge ahead of us remains enormous,

1 whether it's climate change or invasive
2 species or the burdens faced by disadvantaged
3 communities. That's why this year the
4 Governor has laid out one of the most
5 ambitious environmental agendas of any
6 governor in generations.

7 First, the Governor has proposed
8 \$300 million for the Environmental Protection
9 Fund -- the EPF -- which is more than double
10 the funding provided in 2010. Much of this
11 increase will support traditional EPF
12 programs such as municipal recycling, parks,
13 oceans and great lakes, invasive species, and
14 land acquisition.

15 But we are also proposing two new
16 commitments. The first is the Climate Change
17 Mitigation and Adaptation Account. This \$32.5
18 million account will provide funding to
19 communities for planning and capital
20 investments to mitigate and adapt to the
21 effects of climate change, reduce non-energy
22 sector emissions, and assess the
23 vulnerabilities of our state operations.

24 The Governor is also proposing the

1 largest investment of direct environmental
2 justice funding ever made in New York,
3 \$7 million. This funding will continue to
4 provide community impact grants for
5 underserved and overburdened communities.
6 But now it will also increase funding for
7 air-quality monitoring in urban areas,
8 education and outreach efforts, and provide
9 access to our wonderful state lands.
10 Environmental justice will be one of my top
11 priorities at DEC as the Governor launches a
12 statewide environmental justice agenda.

13 Second, the Governor has made it clear
14 that we must address the state's water
15 infrastructure. Our communities need it, our
16 economy needs it, and so does our
17 environment. Last year, working with you, we
18 enacted a \$200 million Water Infrastructure
19 Improvement Act. The first year's funding
20 was coupled with federal grant funding and
21 Environmental Facilities Corporation
22 financing, turning what was \$75 million in
23 grants into over \$440 million in projects.
24 This year we propose to add another \$100

1 million in funding. Combined with the
2 original investment, these funds will result,
3 over three years, in more than \$1 billion in
4 projects, creating construction jobs,
5 providing clean drinking water and healthier
6 waterways.

7 Third, the Governor continues to
8 improve the state's visible infrastructure
9 through NY Works. Since its inception in
10 2012, NY Works has provided more than
11 \$220 million in funding to DEC for
12 environmental capital projects such as
13 repairing and improving recreational
14 facilities, hardening dams and flood control
15 structures, upgrading fish hatcheries,
16 plugging abandoned oil and gas wells, and
17 implementing our eBusiness strategy. This
18 year, the Governor proposes another \$40
19 million for NY Works.

20 Lastly, DEC's budget for the coming
21 year recommends state operations
22 appropriations of \$462.5 million and a
23 capital budget totaling \$858.6 million --
24 this includes the EPF investment, water

1 infrastructure funding, NY Works, and State
2 Superfund -- to continue these critical
3 capital programs. And the budget maintains
4 DEC's budgeted fill level of 2,946 employees.

5 One of the best things about coming to
6 DEC is the chance to work with such talented
7 and dedicated staff. From monitoring air
8 quality to issuing permits, from managing our
9 state lands to rescuing stranded hikers,
10 DEC's employees are there to protect and
11 improve our environment and ensure that New
12 York is open for business. And I want to
13 especially recognize our forest rangers and
14 environmental conservation officers for their
15 work responding to last weekend's storm. I
16 had the honor of working with them as they
17 helped dig Long Island out from near record
18 levels of snow. We're always proud of their
19 work, and are looking forward to replenishing
20 their ranks with a new class this year.

21 I'm confident the Executive Budget
22 will enable DEC to continue to fulfill its
23 mission to protect public health and the
24 environment. I appreciate the opportunity to

1 testify and would be happy to answer any of
2 your questions.

3 CHAIRWOMAN YOUNG: Thank you, acting
4 commissioner. I know that my colleague
5 Senator Tom O'Mara, who is the chair of the
6 Environmental Conservation Committee, has
7 some questions.

8 SENATOR O'MARA: Thank you,
9 Chairwoman.

10 And Commissioner, thank you for being
11 here this morning. Thank you for keeping
12 your comments brief so we can get through
13 this long agenda that we have before us today
14 and get started out on the right foot here
15 this morning.

16 Last year we were very successful in
17 retooling the Brownfield Cleanup Program in
18 the state. I haven't noticed; were there any
19 changes proposed in the budget this year to
20 the Brownfield Program?

21 ACTING COMMISSIONER SEGGOS: We have
22 no changes proposed in the budget this year.

23 SENATOR O'MARA: All right, I didn't
24 think so. Thank you.

1 With regard to a couple of the items
2 that you mentioned in your testimony, on the
3 resiliency planning of -- I think you said
4 \$32.5 million for adaptation and mitigation
5 to climate change, can you provide a little
6 detail on how those dollars will be awarded,
7 what criteria there are, and who's eligible
8 to receive those monies?

9 ACTING COMMISSIONER SEGGOS: On the
10 resiliency planning line?

11 SENATOR O'MARA: Yes.

12 ACTING COMMISSIONER SEGGOS: So that's
13 a \$2 million line. It's grants that go
14 out -- it's actually a DOS program -- grants
15 that go out to communities to update and
16 modernize their local waterfront
17 revitalization plans, which is a critical
18 tool to help communities adapt to changing
19 climate. It also will help them comply with
20 anything that comes out of the Community Risk
21 and Resiliency Act which the Legislature
22 passed a couple of years ago.

23 SENATOR O'MARA: So that is
24 specifically to waterfront revitalization.

1 ACTING COMMISSIONER SEGGOS: Yes.

2 SENATOR O'MARA: Are there any
3 limitations on what communities are eligible
4 for it or not eligible for it?

5 ACTING COMMISSIONER SEGGOS: On that
6 line? I could confer with my colleagues at
7 DOH. The limitations would be focused on
8 waterfront and the extent to which any
9 climate change work is done from the
10 waterfront outwards into the communities and
11 the watersheds that are impacted.

12 SENATOR O'MARA: All right. But
13 there's no demographic criteria --

14 ACTING COMMISSIONER SEGGOS: No.

15 SENATOR O'MARA: -- for communities
16 that need to be met?

17 ACTING COMMISSIONER SEGGOS: No, sir.

18 SENATOR O'MARA: Thank you.

19 With regard to the water
20 infrastructure projects -- and that was
21 changes we did last year in the EFC providing
22 grants in addition to the low- or no-interest
23 loans that the EFC has traditionally
24 provided.

1 ACTING COMMISSIONER SEGGOS: Right.

2 SENATOR O'MARA: We're doing an extra
3 \$100 million this year, is your proposal in
4 the budget?

5 ACTING COMMISSIONER SEGGOS: Yes, sir.

6 SENATOR O'MARA: I think that has been
7 an extremely successful program so far, in
8 what we did last year, and it's helping our
9 governments stay within their tax caps and
10 get some of these projects started with that
11 extra grant money in addition to the low- and
12 no-interest loans that were available there.

13 Are there any limitations on what
14 types of communities can receive those grants
15 at this point?

16 ACTING COMMISSIONER SEGGOS: No. All
17 municipalities are eligible to receive those
18 grants. There's a scoring process through
19 the application process at EFC. Certain
20 credit is given to hardship communities,
21 communities that have CSO discharge problems.
22 But this is a grant program available to all
23 municipalities that have needs with
24 wastewater they have to demonstrate.

1 SENATOR O'MARA: In addition to the
2 added \$100 million this year, is there any
3 change in the criteria for awarding those?

4 ACTING COMMISSIONER SEGGOS: We don't
5 expect any changes to the criteria. They've
6 worked very well this first year.

7 SENATOR O'MARA: How much of the \$200
8 million from last year has been spent, and
9 how much remains to be awarded? Or was that
10 all awarded last year?

11 ACTING COMMISSIONER SEGGOS: We
12 actually -- in Year 1, we only made \$50
13 million out of that pot available for
14 communities. We added to that an additional
15 \$25 million that came to us from the federal
16 government, so it was actually a \$75 million
17 pot in Year 1. And all of that was spent and
18 awarded.

19 SENATOR O'MARA: Okay. So then is it
20 accurate to say, then, that 150 of that
21 initial 200 is going to be reappropriated
22 this year?

23 ACTING COMMISSIONER SEGGOS: That's
24 correct.

1 SENATOR O'MARA: Plus another hundred
2 million.

3 ACTING COMMISSIONER SEGGOS: Plus
4 another hundred.

5 SENATOR O'MARA: And that will also be
6 eligible for some type of federal match to
7 amplify that amount?

8 ACTING COMMISSIONER SEGGOS: We are
9 still looking into whether or not we can add
10 federal dollars to that. That appeared to be
11 a one-time shot.

12 SENATOR O'MARA: Okay. With regards
13 to SEQR, there's been a great deal of
14 discussion surrounding SEQR -- and I know
15 that myself and you have spoken about this --
16 with seemingly endless processes that
17 continue on certain projects without meeting
18 a resolution. I know that the department has
19 been discussing considering some changes to
20 help streamline those efforts and provide
21 some definity on how long -- some definition
22 as to how long the processes may take and
23 some more certainty for individuals,
24 industry, companies, whatever that are

1 seeking to get a project approved.

2 Is there anything in the budget at
3 this point with regards to any proposed
4 changes to SEQR?

5 ACTING COMMISSIONER SEGGOS: There's
6 nothing in the budget, sir, no.

7 SENATOR O'MARA: When do you
8 anticipate that you may be coming out with
9 some SEQR recommendations?

10 ACTING COMMISSIONER SEGGOS: Senator,
11 SEQR's obviously an important law that's
12 helped to protect New York's environment. We
13 recognize that there are aspects of the law
14 that can be streamlined. And we heard from
15 stakeholders, from the environmental
16 community all the way through to the
17 regulated community, about -- with their
18 certain ideas.

19 We have a package of regulations,
20 draft regulations that we're working on right
21 now. We expect to release those for public
22 comment shortly.

23 SENATOR O'MARA: The budget as
24 proposed by the Executive with regard to DEC,

1 is it calling for any increasing staff levels
2 this year?

3 ACTING COMMISSIONER SEGGOS: No,
4 Senator, it's flat.

5 SENATOR O'MARA: Now, with the delay
6 in a lot of the decision-making, from my
7 perspective, on significant projects, the
8 delay is bad for -- it's bad for industry and
9 business in how long these things get dragged
10 out. It's bad for the communities that may
11 support or oppose a project.

12 And, you know, we have one significant
13 project in my district surrounding the
14 underground storage of LPG, which we're now
15 up to somewhere around 500 arrests of people
16 protesting this facility that has dragged on
17 for six or seven years now. And every year
18 I'm a little dumbfounded as to why the
19 department isn't asking for more resources to
20 provide staff to be able to more expediently
21 handle these types of major issues.

22 Now, another one that's pending now is
23 the Constitution Pipeline, which has received
24 all the federal approvals and is now just

1 hung up with DEC. And without the request or
2 the -- what I see as a need for further
3 staffing at DEC, these decisions just seem to
4 drag out longer and longer and longer. And I
5 don't think it's appropriate or fair to
6 either side, whether you support or oppose a
7 project in this, and more timely
8 decision-making would be more warranted.

9 Can you address those concerns?

10 ACTING COMMISSIONER SEGGOS: Well, on
11 the LPG project, that matter right now, as
12 you know, is with our administrative law
13 judge in a formal proceeding. I expect to
14 have a decision from the judge within the
15 next few months. And as I'm the ultimate
16 decider on that project, I can't weigh in on
17 its merits. I will say, though, that the
18 submissions were extensive and timely, and I
19 know that's why it's taken quite a bit of
20 time to work through the process.

21 On the Constitution Pipeline, it is a
22 large proposed project, a 124-mile pipeline,
23 99 miles of which is in New York, many, many
24 stream crossings and wetland crossings. Our

1 department has been working very hard to
2 understand the full impacts of the
3 Constitution Pipeline. It is taking time,
4 but I'm not going to pressure my department
5 to move more quickly than they believe is
6 warranted to complete their required hard
7 look on the project.

8 SENATOR O'MARA: A last question, I
9 think for now, unless I think of something
10 for another round. But you mentioned the
11 environmental justice grants that are out
12 there, I think you said \$7 million. And you
13 mentioned the air-quality monitoring, which
14 was an issue that was raised recently with
15 seemingly a lack of monitoring stations in
16 the Southern Tier. And the monitoring
17 station that I believe is in the Binghamton
18 area really is -- there's nothing further
19 east than that along the Southern Tier for
20 that.

21 Can you explain, first of all, how the
22 environmental justice grants are going to be
23 awarded, what criteria there is for those,
24 and what your thoughts are on air quality

1 monitoring in the Southern Tier?

2 ACTING COMMISSIONER SEGGOS: Of
3 course. On the EJ grants -- this is a
4 project we launched last year with the
5 Legislature's help. It was a million-dollar
6 line last year. So this year the total line
7 is \$7 million. We expect that we're going to
8 be doubling the grant program within that.
9 It will go to the same types of grants that
10 we awarded last year, a \$50,000 maximum on
11 each grant. And that was very popular last
12 year.

13 The balance of the EJ line will go to
14 fund projects like air monitoring in urban
15 areas. And we're going to work with the
16 regulated community, the environmental
17 justice community, to make sure that those
18 grants are channeled to local air monitoring
19 projects that have been requested.

20 As to air monitoring statewide, we
21 actually have 57 stations statewide, which is
22 more than double what the EPA has asked of
23 us. It's a strong program. We have a
24 talented and dedicated staff that manage it.

1 In the Southern Tier there is one run
2 by the state, and I know that there are also
3 two that are not run by the state that we
4 either are or will be drawing information
5 from. I don't have the exact locations for
6 you, but it's in the Southern Tier area.

7 So that's painting a good picture of
8 air quality in New York State. And as I
9 mentioned in the beginning, the state's vital
10 signs on air are trending in the right
11 direction. We are seeing significant
12 improvements since 2005 in all of the air
13 pollutants that are of concern to us. And
14 we'll continue to look at that hard and
15 continue to look at how we space our air
16 monitors across the state.

17 SENATOR O'MARA: Now, finally, on the
18 environmental justice grants, just to wrap
19 up, are there any specific community
20 demographic requirements or limitations for a
21 community being eligible for such a grant?

22 ACTING COMMISSIONER SEGGOS: I believe
23 that environmental justice communities are
24 defined in the law. And we would continue

1 whatever definition we used last year, which
2 has proven to be very effective.

3 SENATOR O'MARA: Thank you,
4 Commissioner.

5 ACTING COMMISSIONER SEGGOS: Thank
6 you, Senator.

7 CHAIRWOMAN YOUNG: Thank you, Senator.
8 Our next speaker will be Senator Brad
9 Hoylman. Ranking member?

10 SENATOR KRUEGER: It's the Assembly
11 now.

12 CHAIRWOMAN YOUNG: Oh, I'm sorry.

13 Well, is the Assembly here today? Oh
14 yes, you are.

15 (Laughter.)

16 CHAIRWOMAN YOUNG: You're down there.
17 I'm sorry. Go ahead, Assemblyman.

18 CHAIRMAN FARRELL: Thank you very
19 much.

20 We've been joined by Assemblyman Felix
21 Ortiz and Assemblywoman Barrett.

22 And first to speak is Assemblyman
23 Englebright, chairman.

24 ASSEMBLYMAN ENGLEBRIGHT: Thank you,

1 Mr. Chairman.

2 Good morning, Commissioner.

3 ACTING COMMISSIONER SEGGOS: Good
4 morning, Assemblyman.

5 ASSEMBLYMAN ENGLEBRIGHT: Just before
6 I begin, I just want to first offer
7 congratulations. Over this past year, the
8 Governor has really started to take a
9 national leadership role on the question of
10 climate change. We see that reflected in
11 this budget, with a major point of contention
12 last year being the raid on RGGI. That's not
13 in here this year. The Governor has
14 responded affirmatively on this, on the
15 Ambrose Channel gasification project, where
16 he very emphatically rejected that project,
17 and of course at that remarkable event at
18 Columbia University that we were both at -- I
19 think that was your first day as
20 commissioner.

21 ACTING COMMISSIONER SEGGOS: Great
22 day, first day.

23 ASSEMBLYMAN ENGLEBRIGHT: It was a
24 great day.

1 I'm a graduate of the University of
2 Tennessee, and of course Al Gore, Sr., was my
3 Senator when I was an undergraduate, and his
4 son is the gold standard for climate change.
5 It was a privilege to see our Governor up on
6 the stage with him.

7 ACTING COMMISSIONER SEGGOS: Yes, it
8 was.

9 ASSEMBLYMAN ENGLEBRIGHT: And it was a
10 privilege to be there with you on your first
11 day as commissioner.

12 ACTING COMMISSIONER SEGGOS: Thank
13 you.

14 ASSEMBLYMAN ENGLEBRIGHT: So all of
15 that being said, I still have some hard
16 questions for you, so --

17 ACTING COMMISSIONER SEGGOS: Please.
18 I would expect nothing less.

19 ASSEMBLYMAN ENGLEBRIGHT: Under the
20 Environmental Protection Fund, under the
21 invasive species issue, EPF contains
22 \$10 million for invasive species, a
23 \$4.1 million increase over last year. And
24 when asked what funding would be used for,

1 the department indicated that specific
2 details were not yet available, with the
3 exception of \$1 million for Adirondack
4 invasive initiatives such as boat washing
5 stations and boat stewards, and \$500,000 to
6 combat hydrilla in the Croton River
7 Reservoir.

8 In the past, invasive species funds
9 have been used for preventive activities such
10 as statewide education and outreach and the
11 Online Invasive Species Clearinghouse. The
12 only funds identified as eradication grants
13 this year, in the sum of \$2 million, are used
14 for invasive removal. The DEC indicates that
15 this year the entire \$2 million will be used
16 only for aquatic invasives.

17 So here's some questions on this
18 topic. New York has become home to hundreds
19 of invasive species. That should be the
20 first thing anyone who is a climate change
21 denier ought to think about. The entire
22 state has been invaded by hundreds of species
23 that previously were limited by climate to
24 the south. These include terrestrial and

1 aquatic species that not only pose the
2 potential to out-compete native species but
3 also bring an unwelcome financial burden.
4 Areas across the state are struggling to
5 combat the impacts from lakeside communities
6 such as those that the gentleman to my left
7 represents. Assemblymember Stec was very
8 kind to invite me to the Adirondacks this
9 past summer. It was eye-opening. And the
10 communities there as well as other parts of
11 the state are struggling to clear
12 fast-spreading water plants that threaten
13 recreational boating. We also have a
14 southern pine beetle infestation on Long
15 Island.

16 Would you please identify the funding
17 in the budget that will help with eradication
18 efforts?

19 ACTING COMMISSIONER SEGGOS:
20 Assemblyman, we have put a priority on
21 invasive species statewide. We've understood
22 that it's a significant impact not only to
23 the environment but also to local economies.
24 So the boost of the EPF line reflects we're

1 going to put our money where our mouth is on
2 this. And we're going to work with the
3 Legislature, work with our experts to
4 determine how the monies are going to be made
5 available.

6 The front line, the first action has
7 to be on education and prevention. We want
8 to educate the community to ensure that they
9 can do -- that they know what they can do to
10 prevent the spread of various invasives
11 around the state.

12 You're right, we have an enormous
13 amount of work going on in the department
14 level, not funded by the EPF, to remove the
15 southern pine beetle, for example, in Long
16 Island and elsewhere. We're happy to discuss
17 the ways in which these additional monies can
18 be spent and look forward to working with you
19 on that.

20 ASSEMBLYMAN ENGLEBRIGHT: I think we
21 should take you up on your offer. I thank
22 you for indicating an openness and a
23 willingness, because this is an evolving
24 program need that we're still discovering the

1 depth of. And we will cooperate, as we did
2 with the visitation invitation, and we will
3 be back to you on that. Appreciate it.

4 We're pleased, as I mentioned, to see
5 the EPF not working against the environment,
6 so to speak, by pulling money, as it did last
7 year, out of RGGI. And instead, the EPF is
8 proposed at \$300 million. This is also
9 welcome. And we're grateful to see the
10 Governor's leadership and your leadership,
11 because this is really critically important.

12 This increase is based on \$120 million
13 in settlement monies and an additional \$3
14 million from the General Fund. Is this
15 something that we can identify funds for
16 future years? We're delighted with this year
17 and this very bold re-equilibrium, if you
18 will. This is what we should have been doing
19 all along.

20 ACTING COMMISSIONER SEGGOS: Agreed.

21 ASSEMBLYMAN ENGLEBRIGHT: We are
22 nevertheless grateful that we've taken this
23 step forward to equalize the funding with the
24 need. So what are we looking at for future

1 years? Where are you going to get the money
2 next year? Is this a one-shot?

3 ACTING COMMISSIONER SEGGOS:

4 Assemblyman, this is certainly not one-shot.
5 A \$300 million EPF is now contemplated in the
6 financial plan. We expect to draw upon our
7 capital authority to meet a \$300 million EPF
8 in future years.

9 ASSEMBLYMAN ENGLEBRIGHT: So you will
10 in future years maintain this level. That's
11 a commitment we will look forward to seeing
12 being kept in future years. But will the
13 debt service come out of the EPF? If we
14 borrow in the future, where will the debt
15 service for the borrowing come from?

16 ACTING COMMISSIONER SEGGOS: Well, all
17 I can say, Assemblyman, is that the Division
18 of Budget has looked at this and this is
19 achievable within our capacity, our debt
20 capacity.

21 ASSEMBLYMAN ENGLEBRIGHT: I'm not sure
22 that was the answer to the question, but --
23 we're concerned that the debt service not
24 come out of EPF if borrowing is used in the

1 future. Just so you understand where we're
2 coming from.

3 ACTING COMMISSIONER SEGGOS:

4 Understood.

5 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

6 Shifts to the EPF of projects
7 typically found elsewhere in the budget
8 include items such as River Basin Commissions
9 this year, the Pro-Dairy, Integrated Pest
10 Management, Brownfield Opportunity Area
11 program, and certain local landfill
12 agreements. Why are these shifts in the
13 budget this year?

14 ACTING COMMISSIONER SEGGOS: These
15 shifts were on Aid to Localities, and we
16 moved them into the EPF. The EPF was
17 designed to, in part, fund such things as the
18 Pine Barrens Commission and others. Many of
19 the commissions that you just mentioned have
20 similar missions, similar authorities, and
21 it's a natural place for them to be, to be
22 funded through the EPF.

23 ASSEMBLYMAN ENGLEBRIGHT: It is good
24 to see new money coming into the EPF. It's

1 not good to see an offloading of other
2 expenses at the same time. So while we'd
3 like to cheer that the whole number is
4 bigger, in fact it could be even bigger had
5 these parts of the new responsibility of EPF
6 been kept funded in the way that they'd
7 previously been funded.

8 ACTING COMMISSIONER SEGGOS:

9 Understood.

10 ASSEMBLYMAN ENGLEBRIGHT: These tend
11 to subtract from the enthusiasm that we just
12 expressed to you.

13 ACTING COMMISSIONER SEGGOS:

14 Understood.

15 ASSEMBLYMAN ENGLEBRIGHT: One of the
16 things that will be done with the new funding
17 is land acquisition. What if any steps are
18 being taken to ensure that the state's land
19 acquisitions are distributed equitably or
20 more equitably than in prior years? As you
21 and I have discussed, the Long Island,
22 coastal New York region and certain of our
23 communities in New York City have
24 historically been dramatically underfunded.

1 ACTING COMMISSIONER SEGGOS:

2 Assemblyman, our approach to land acquisition
3 is guided by the state's Open Space Plan, as
4 you know, which is a statewide view of
5 available land. Our acquisitions over the
6 last year, the last few years, frankly have
7 been fairly well balanced. Last year we
8 spent, I believe, \$3 million on acquisitions
9 in the downstate area, Regions 1, 2 and 3,
10 which is more than is even contemplated by
11 the line that's specifically in the EPF on
12 downstate.

13 So we see a number of key parcels
14 downstate that would be helpful for the
15 environment. You and I have talked about
16 certainly one of them, which is at the top of
17 our list. In addition to parkland, there's
18 also acquisitions of wetlands and title areas
19 that are important for habitat and for
20 communities. So we certainly see downstate
21 resiliency as a very important objective of
22 the EPF to prevent the effects of climate
23 change. And we've talked, you know, quite a
24 bit and experienced these storms over the

1 last couple of years where, you know, open
2 space is important to downstate.

3 ASSEMBLYMAN ENGLEBRIGHT: As we've
4 discussed, the corridor, the wildlife
5 corridor that runs through the Bronx, which
6 is the Bronx River that also cuts through the
7 New York Botanical Garden and its sister
8 institution, the Bronx Zoo, is an important
9 thing. I'd like to return to that and
10 further that conversation with some of the
11 local representatives there to protect that
12 habitat in the city as well.

13 But let me ask you, you know, as you
14 know, we had a hearing -- Julie Tighe was
15 there -- on Plum Island. And Senator LaValle
16 was kind enough to assist us with that
17 hearing as well as to provide an opportunity
18 to visit the island.

19 So I would like to again say to you I
20 think we should put a meeting together,
21 working with the Senator, and go and visit
22 the island together.

23 ACTING COMMISSIONER SEGGOS: Sounds
24 fantastic. I'll get the boat. You bring the

1 Senator.

2 ASSEMBLYMAN ENGLEBRIGHT: So is this
3 on your radar screen?

4 ACTING COMMISSIONER SEGGOS: It is,
5 very much so. I mean, Plum Island is
6 obviously an important natural resource for
7 us. We have a long-term objective to make
8 sure that it's conserved. I understand the
9 auction won't happen until 2023, the federal
10 auction till 2023, but we certainly need to
11 keep our eye on it before that, elevate the
12 profile of the island and see that it's got a
13 place in the state's long view of
14 conservation.

15 CHAIRMAN FARRELL: Thank you,
16 Assemblyman.

17 ASSEMBLYMAN ENGLEBRIGHT: Okay.

18 CHAIRWOMAN YOUNG: Thank you very
19 much. Our next speaker is Senator Brad
20 Hoylman.

21 SENATOR HOYLMAN: Thank you, Madam
22 Chair. And thank you, Chair Farrell, and to
23 my colleagues.

24 It's great to see you, and I echo the

1 enthusiasm from my Assembly colleague on our
2 appreciation for your work and the positives
3 in this budget: The \$123 million increase to
4 the EPF; the environmental justice component,
5 which is really terrific; the fact that
6 you're not delaying the Diesel Emission
7 Reduction Act, all of the emphasis on climate
8 change. Given that 2015 was the hottest year
9 in recorded world history, I'm thankful that
10 the administration is taking major steps to
11 address this crisis.

12 I have a few questions on a range of
13 topics. I'll be brief, though. The first is
14 the Environmental Protection Fund. And
15 again, we're pleased with the increase. And
16 my Assembly colleague asked you about
17 outyears for funding of it. It's a one-shot
18 for this year, as you stated and as the
19 budget indicates.

20 Why aren't we linking the EPF to its
21 original source of funding, the real estate
22 transfer tax? That would seem to be the most
23 logical connection. I mean, I think the
24 idea, I think there's a policy goal behind it

1 that as we increase our built environment,
2 that we make sure that we protect our natural
3 environment through the EPF. And given that
4 real estate values have rebounded, and then
5 some, it would seem to be a steady source of
6 funding.

7 ACTING COMMISSIONER SEGGOS: Well,
8 Senator, all I can say is that this year the
9 settlement funds enable us to do this
10 \$123 million increase. When we look at the
11 EPF, as we do any part of the budget, we'll
12 go year to year and find the best way to find
13 the resources to meet those goals.

14 All I can say is that next year our
15 view is we will -- we'll find a way to get
16 the \$300 million. And we believe the fastest
17 way to do so is by looking at our capital
18 appropriations.

19 SENATOR HOYLMAN: So you don't rule
20 out recoupling it with RETT, with the real
21 estate transfer tax?

22 ACTING COMMISSIONER SEGGOS: I won't
23 rule that out now, but next year is a
24 different year.

1 SENATOR HOYLMAN: I would urge you to
2 focus on that potential steady source of
3 funding.

4 In connection with climate change,
5 again, I applaud you for the program on
6 Climate Smart Communities, funding for the
7 climate change mitigation and adaptation.
8 Will New York City be eligible as a
9 municipality for the Climate Smart
10 Communities competition?

11 ACTING COMMISSIONER SEGGOS: Yes,
12 absolutely. Every municipality in New York
13 State will be available -- will be able to
14 take those funds.

15 SENATOR HOYLMAN: How is that going to
16 work? I mean, is it -- do you have a time
17 frame? Can you give us some examples of what
18 kind of projects you're going to be looking
19 for?

20 ACTING COMMISSIONER SEGGOS: Sure.
21 Well, I say we're still designing the
22 program. Of course we don't have the money
23 for it yet. We're still designing the
24 program. Our view is to make available the

1 funds for every municipality. We'll come up
2 with criteria that would enable
3 municipalities to put plans and proposals in
4 front of us so we can fund those proposals.

5 We'll draw upon and certainly favor
6 communities that have shown early interest in
7 climate change mitigation and adaptation. I
8 mean, there are 176, for example, communities
9 that have put together Climate Smart
10 Communities plans. I believe there are six
11 that are certified. Those are examples of
12 communities that you may have dozens of great
13 projects ready to go -- they're almost
14 shovel-ready -- everything from, you know,
15 waterfront restoration to reducing one's
16 dependence on certain sources of carbon
17 emissions.

18 So I think the door is wide open for
19 meaningful projects that will help the state
20 become more responsible in its climate change
21 approach.

22 SENATOR HOYLMAN: And any examples of
23 what kind of -- like do you have in your
24 mind's eye the kind of projects you're

1 looking for?

2 ACTING COMMISSIONER SEGGOS: Well, I
3 would say if a community has a vulnerability
4 because of flooding or storm surge and has a
5 concept of perhaps using the natural
6 infrastructure to prevent that kind of damage
7 to communities, that might be one project we
8 would fund.

9 Similarly, if a community wants to
10 become more energy independent, use renewable
11 sources of energy, say, on municipal
12 structures -- solar panels -- if other
13 programs that we have in place with our
14 energy agencies aren't able to address any of
15 the desires of these communities, then we
16 would make these funds available to reduce
17 emissions.

18 SENATOR HOYLMAN: And how large will
19 these grants be?

20 ACTING COMMISSIONER SEGGOS: We
21 haven't set the level yet. We want to make
22 the grants sizeable enough so that the impact
23 can be measurable, but small enough such that
24 we can spread the grants widely throughout

1 the state.

2 SENATOR HOYLMAN: Thank you.

3 On RGGI -- and I'm pleased that you
4 mentioned it in the third paragraph of your
5 opening comments -- we didn't see the sweep
6 as we saw in last year's budget, so again
7 thank you for that. Although it is being
8 used for other purposes arguably related to
9 the goals of RGGI, but some can claim
10 otherwise. Twenty-three million dollars is
11 going to cover the cost of tax credits,
12 \$15 million is going to be directed to SUNY
13 for a new clean energy worker training
14 program.

15 Since the state has a big climate
16 pollution reduction and obviously clean
17 energy goals, why not spend General Fund
18 revenue to cover the programs being covered
19 by the RGGI funds and use RGGI to do even
20 more things?

21 ACTING COMMISSIONER SEGGOS: We think
22 that the programs contemplated that we
23 propose to use RGGI funds to support -- the
24 tax credit program and the workforce training

1 program -- are entirely appropriate within
2 the bounds of RGGI.

3 We want to -- through the tax credit
4 program we are getting -- we are installing,
5 for example, solar panels on homes that's
6 reducing the carbon footprint statewide. On
7 the workforce issue, it's a goal to ramp up
8 our statewide levels of, for example, again,
9 solar panels. Well, if we want to become the
10 national leader in the green energy economy,
11 we've got to have a workforce that's ready
12 and trained to do those installations and to
13 monitor those installations. So the \$15
14 million that goes to that particular need
15 will only benefit the state in the long term.

16 SENATOR HOYLMAN: If the Legislature
17 doesn't approve the transfer of the
18 \$23 million in RGGI funds that have been
19 linked to the energy tax credit, would you
20 advocate for repeal of the tax credit? Or
21 what do you do in a situation like that?

22 ACTING COMMISSIONER SEGGOS: I don't
23 want to speculate as to what we might do if
24 the funds aren't appropriated. I think we

1 all understand that the tax credit is vital
2 at this stage. You know, we were successful
3 in getting the federal tax credit
4 reauthorized this year. The state tax credit
5 is needed as well. And we're seeing great
6 levels of installations across the state. I
7 know my colleagues at NYSERDA can speak to
8 that specifically.

9 SENATOR HOYLMAN: I just want to take
10 a moment to talk about an issue close to your
11 heart, I know, which is the Hudson River and
12 GE's mitigation efforts. The National
13 Oceanographic and Atmospheric Administration,
14 NOAA, I think you know has released a report
15 suggesting that GE's cleanup efforts were
16 only at about 65 percent of the existing PCBs
17 in the waterway -- 65. If my daughter
18 brought home a 65 on her report card, I
19 wouldn't be very happy about it. I think
20 that's a D.

21 And you also know that the EPA is
22 speeding up its five-year review to make I
23 think a definitive determination on the
24 effectiveness of GE's dredging.

1 Is DEC in contact with EPA about this
2 five-year review? And what are you doing to
3 make certain that that happens in a timely
4 fashion?

5 ACTING COMMISSIONER SEGGOS: We are in
6 contact with EPA about the five-year review
7 and are glad they will be accelerating it.

8 SENATOR HOYLMAN: And do you know, is
9 there a timeline for the natural resources
10 damages assessment?

11 ACTING COMMISSIONER SEGGOS: That's a
12 good question. You know, we have been
13 conducting studies on the Hudson River for
14 about 15 years. We have an extremely
15 detailed view of the extent of contamination
16 through this natural resource damage
17 assessment. There's actually \$2 million in
18 this year's budget, in the EPF line, to help
19 fund the continuation of those assessments.
20 I believe that assessment process should be
21 wrapped up within the next two years, and at
22 that point we will have a solid picture of
23 the damages to the river.

24 SENATOR HOYLMAN: Well, now that

1 General Electric's going to be a Connecticut
2 to Boston corporate resident, I don't think
3 we should be holding back on our scrutiny of
4 their efforts.

5 The final question for me also regards
6 the river, and it's Hudson River Park, which
7 is in my district. You know, it's a
8 five-mile waterfront park, actually the
9 longest waterfront park in the nation, 17
10 million visitors each year, 550 acres,
11 busiest bikeway in the country.

12 I was disappointed to see a 66 percent
13 cut of funding for the Hudson River Park,
14 from \$2.5 million to \$800,000. They have, as
15 you know as a member of their board, an
16 excessive amount of unmet needs, including
17 \$104 million for the reconstruction of a pier
18 and millions of dollars of operational
19 expenses each year.

20 Can you explain why the funding was
21 decreased?

22 ACTING COMMISSIONER SEGGOS: Well, the
23 EPF line is actually a little bit misleading.
24 Eight hundred thousand dollars is not what

1 HRPT will be receiving this year. They've
2 got significant back appropriations, up to
3 \$22 million worth. We've spoken with HRPT.
4 We're confident that they'll be spending up
5 to \$6 million this year out of their back
6 appropriations. So the number is a little
7 bit misleading, but the good news is their
8 projects will get underway this year.

9 SENATOR HOYLMAN: It's my
10 understanding that they believe they didn't
11 have authorization to spend whatever excess
12 funds they had.

13 ACTING COMMISSIONER SEGGOS: I don't
14 believe that's accurate.

15 SENATOR HOYLMAN: Okay.

16 ACTING COMMISSIONER SEGGOS: Yeah.

17 SENATOR HOYLMAN: So thank you. Thank
18 you, Acting Commissioner. I really, again,
19 am so appreciative for the outlines of this
20 budget. I look forward to working with you
21 closely, and Julie, in the weeks ahead.

22 ACTING COMMISSIONER SEGGOS: Great.
23 Thank you, Senator.

24 CHAIRWOMAN YOUNG: Thank you, Senator.

1 CHAIRMAN FARRELL: Thank you.

2 We've been joined by Assemblyman
3 Magee, Assemblywoman Hooper, and Assemblyman
4 Kaminsky.

5 Senator, can we discuss the timing?

6 CHAIRWOMAN YOUNG: Well, we would ask,
7 first of all, the legislators to make sure
8 that when you are speaking, to look at your
9 screens, because we've gotten into quite a
10 lengthy proceeding over the past several days
11 with these hearings. And so I would ask that
12 the legislators respect the time limit.

13 And as we move forward, we may have to
14 cut down some of the testimony because we
15 have such a lengthy agenda today. So some of
16 the groups that come in may be limited to
17 five minutes instead of 10. So I just wanted
18 to let people know that.

19 CHAIRMAN FARRELL: The members should
20 also follow that five-minute quote. If you
21 keep your questions tight, we can get a lot
22 done in those five minutes. Thank you.

23 Next is Assemblyman Cusick to prove
24 that's true.

1 ASSEMBLYMAN CUSICK: Thank you. I'm
2 the test case. Thank you so much.

3 Welcome to your first committee
4 hearing here.

5 ACTING COMMISSIONER SEGGOS: Thank
6 you.

7 ASSEMBLYMAN CUSICK: Welcome. First,
8 I want to thank you for the increase in the
9 EPF funding. As someone whose district has
10 benefited from the funding with the Pouch
11 Camp investment by the state, I know how
12 important it is for land acquisition, and so
13 I want to thank you on that.

14 I have a local issue. It's going to
15 surprise a lot of my colleagues here today,
16 but there is a deer issue in New York City,
17 and concentrated -- they found their home in
18 Staten Island. I just wanted to ask you a
19 update on that. I know the last count, it
20 was close to 800 deer that have now resided
21 on Staten Island. Could you give us an
22 update on what's happening with the plans
23 with New York City Parks and where we're
24 heading?

1 ACTING COMMISSIONER SEGGOS:

2 Absolutely, Assemblyman. We have a robust
3 dialogue underway right now with both the
4 USDA and City Parks to develop a management
5 plan for deer. We understand this figure of
6 800 deer is besetting the island. We expect
7 to have the plan out for review within the
8 next few months.

9 ASSEMBLYMAN CUSICK: In the next few
10 months we'll have a review? I know that
11 there was a meeting with DEC and New York
12 City Parks and the community to go over how
13 to live with the deer. I do have to say they
14 have gotten used to Staten Island, they
15 already have that Staten Island attitude.

16 (Laughter.)

17 ASSEMBLYMAN CUSICK: They're running
18 in the trails of the Green Belt. I have run
19 into some of my deer neighbors, and they
20 don't get off the trail. So I want to thank
21 you for having that dialogue with the
22 community and working with us.

23 I want to shift gears to air quality.
24 I know that the topic of air quality has come

1 up, and I know there is one air quality
2 monitor on Staten Island at the location of
3 Fresh Kills. Could I put in a request to
4 have DEC look at air quality monitors near
5 the Goethals Bridge or areas that we border
6 New Jersey where the chemical plants are? I
7 know that last summer we had many complaints
8 and there was an issue of air quality and
9 smell in the air. If we could work on that,
10 that would be something that the people of
11 Staten Island would appreciate.

12 ACTING COMMISSIONER SEGGOS: We'd love
13 to work with you on that.

14 ASSEMBLYMAN CUSICK: And just one
15 more, to keep under the five minutes.

16 In your testimony you mentioned about
17 a new class of DEC officers, I believe?

18 ACTING COMMISSIONER SEGGOS: Yes.

19 ASSEMBLYMAN CUSICK: And I know --
20 correct me if I'm wrong -- I think on Staten
21 Island, for the vast area that we have and
22 for the environmental needs that occur, I
23 think there's one officer currently on Staten
24 Island. In that class, how will the officers

1 be located to areas? And will there be
2 sufficient officers not only for Staten
3 Island, but for downstate? I understand that
4 it would have to be a regional need.

5 ACTING COMMISSIONER SEGGOS:
6 Assemblyman, we have always approached the
7 balance of our ECOs and rangers on a
8 year-to-year basis.

9 We will review, certainly, the needs
10 on Staten Island and Region 2, frankly. I
11 will say that I did work with your folks,
12 your local ECOs last weekend. We had teams
13 across from Staten Island all the way to
14 Montauk ready to work on the storm surge,
15 were that to happen, and on snow removal.
16 And I will say that whereas you may only have
17 one in a particular area, they're an
18 extremely well integrated force, and we were
19 able to move ECOs downstate very quickly from
20 Regions 4 and 5 to backfill expected need.

21 So sometimes the number can be
22 misleading where one person might be, one ECO
23 might be. But we can always move many ECOs
24 to meet needs on a -- really, on an urgent

1 basis as needed.

2 ASSEMBLYMAN CUSICK: And that's
3 understood, and they do a great job. And I
4 know that now we're working on the budget
5 with the Legislature, maybe we can work on
6 giving them some more help and maybe
7 providing some more help down in that region.

8 But thank you. Thank you,
9 Commissioner.

10 And, Mr. Chairman, I just want to note
11 I am under the five minutes. Thank you.

12 CHAIRMAN FARRELL: Thank you.

13 CHAIRWOMAN YOUNG: Very good. Thank
14 you very much.

15 Our next speaker is Senator Betty
16 Little.

17 SENATOR LITTLE: Thank you.

18 Thank you, Commissioner, for being
19 here. I have just a few questions.

20 One, I was glad to see the Water
21 Quality Infrastructure Improvement Act
22 continue this year with another \$100 million.
23 And from the sounds of it, there's \$150
24 million left from last year. And my question

1 is, is that because there weren't enough
2 applications, or were you limited to
3 disbursing only \$50 million for last year?

4 ACTING COMMISSIONER SEGGOS: Senator,
5 the Water Infrastructure Improvement Act last
6 year contemplated a three-year program. So
7 Year 1 was \$50 million, Year 2 is 75, and
8 then 75 again. So we actually, in addition
9 to the 50 last year, we were able to go find
10 that \$25 million additional federal dollars
11 to make it a \$75 million program.

12 So we still have 150 available; that's
13 75 this year and 75 next year. And if we're
14 able to add the \$100 million to it, obviously
15 it becomes bigger over a two-year period.

16 SENATOR LITTLE: All right, so the
17 \$100 million is in addition.

18 ACTING COMMISSIONER SEGGOS: Right.

19 SENATOR LITTLE: That's really a very,
20 very good program for many small
21 municipalities --

22 ACTING COMMISSIONER SEGGOS: It is.

23 SENATOR LITTLE: -- who are under huge
24 consent orders.

1 The second question I have is I have a
2 lot of forestland, and forestland where the
3 state pays taxes on it but there can never be
4 a building, a house, or anyone ever living on
5 it. And what we have tried to do is we have
6 a 480-a program. And I was disappointed that
7 it wasn't in the budget this year. You're
8 continuing to work on that?

9 ACTING COMMISSIONER SEGGOS: We are,
10 Senator. My team has been working hard with
11 stakeholders over the last year to come up
12 with a plan that not only benefits the
13 forests and the property owners up there in
14 the Adirondacks but, very importantly, the
15 towns as well and their tax issues.

16 SENATOR LITTLE: Absolutely. And the
17 streamlining of it is important. But the
18 most important thing is either the tax credit
19 or some reimbursement to the towns for their
20 lost assessed value.

21 ACTING COMMISSIONER SEGGOS: Agreed.

22 SENATOR LITTLE: Okay. Thank you very
23 much.

24 And invasive species has always been a

1 topic for me since I got here, actually. And
2 I really appreciate the emphasis on education
3 and awareness. I think the boating
4 inspection program this year -- I know Lake
5 George was mandatory, but many other parts of
6 the state are doing that and just educating
7 boaters to know that their boat could be
8 carrying invasives and contaminating another
9 water body.

10 The Clean, Drain and Dry program is
11 very important, and I know we'll continue all
12 of that.

13 ACTING COMMISSIONER SEGGOS: It is.

14 SENATOR LITTLE: However, I have a lot
15 of small lakes. I think in the Adirondack
16 Park there's over 2,000 lakes, and a lot of
17 them are in my district. Eradication is
18 very, very important to these lakes that
19 already have an invasive.

20 And in the beginning, when we started
21 the program, we had a matching program for
22 municipalities and for lake associations.
23 And it would just match them two to one, like
24 they'd get a dollar for every \$2 they were

1 spending. One time it was one for one.

2 But these small associations, many of
3 them have forestlands on the lake and so
4 there's no resident paying into this
5 program -- Eagle Lake, for one. They can't
6 afford it, and they need these matching
7 funds.

8 So in the money this year could we do
9 a matching program again?

10 ACTING COMMISSIONER SEGOS: We're
11 certainly willing to entertain the
12 discussion. We want to make sure the
13 dollars, while increased this year, are able
14 to go far and wide. You mentioned that we're
15 doing a really good job on education, and
16 that's really because an enormous number of
17 people have come together to work on this --
18 both sides of the aisle; you know,
19 traditional foes are now friends on this
20 issue. We can do more in eradication, and
21 we'd be willing to entertain a discussion on
22 that.

23 SENATOR LITTLE: Well, the
24 invasives -- and I'm talking about the

1 aquatic ones. I live on a small lake, and
2 we've had milfoil, zebra mussels, pond weed
3 and other things. And it does take away the
4 value of the property as well as the
5 recreational opportunities, unless you can
6 work at eradicating.

7 ACTING COMMISSIONER SEGGOS: Agreed.

8 SENATOR LITTLE: Which is what my lake
9 has done.

10 But the other thing is, if anything is
11 stewardship, I think this is. This is really
12 stewardship of the lakes that we have and
13 keeping the water quality good, so any money
14 put towards that is really important.

15 But thank you very much, and thanks
16 for all you're doing.

17 ACTING COMMISSIONER SEGGOS: Thank
18 you, Senator.

19 CHAIRWOMAN YOUNG: Thank you, Senator.
20 Assemblyman?

21 CHAIRMAN FARRELL: Thank you.
22 Assemblywoman Russell.

23 ASSEMBLYWOMAN RUSSELL: Thank you,
24 Mr. Chairman.

1 Thank you, Commissioner. Like several
2 of my colleagues, I am also very happy about
3 the proposed increase in the Water
4 Infrastructure Improvement Act. I have a
5 number of communities that are struggling
6 with water quality issues. And your
7 testimony today regarding criteria, I would
8 like to delve into a little bit more.

9 You indicated that you thought the
10 criteria used for this grant pool for the
11 first \$50 million worked out pretty well.
12 And I'm just wondering if you do see areas
13 that we can maybe tweak that criteria to help
14 out some long-struggling communities.

15 ACTING COMMISSIONER SEGGOS: Well, I
16 know the program has been very effective,
17 Assemblywoman, to address communities of
18 need, from the hardship communities to those
19 that are not hardship.

20 As we did last year with the
21 Legislature, we worked hard on establishing
22 criteria that would be all-encompassing. We
23 believe it's written well. At this point
24 we'd be willing to entertaining any ideas the

1 Legislature has in order to ensure that we
2 get funds to the right places. But I'm not
3 aware of any barriers at this point. It's a
4 well-functioning program.

5 ASSEMBLYWOMAN RUSSELL: One of my
6 communities was of the understanding that
7 because they were building a new water
8 district that they were ineligible to apply
9 because the funding criteria specified that
10 it was for existing systems. And that was a
11 barrier to addressing an environmental
12 concern.

13 And so I would ask that maybe we look
14 at, you know, at least a portion of it to
15 allow grant funding to go to projects that
16 are not existing municipal water systems, to
17 address kind of, you know, the areas like
18 mine that most of the area isn't covered by
19 water districts.

20 In addition, you know, when we're
21 looking -- I'm absolutely sensitive to those
22 communities that rank highly in terms of
23 poverty and the problems with the water
24 quality in their area. But now we also have

1 a situation where even with EFC and USDA
2 bundled financing, there is still a gap. So
3 it was great to see that the \$50 million
4 leveraged \$440 million in projects, but I
5 would submit that there are other projects
6 out there that are nearly all the way funded,
7 but without grant funding they do not meet
8 the Comptroller's calculation for, you know,
9 the income of the people in the district.

10 So we have -- it seems like maybe our
11 scoring on income is out of whack when the
12 Comptroller says, no, you need more grant
13 funding in order to make this work.

14 So I would suggest that there are a
15 couple of areas there, you know, in terms of
16 addressing water issues outside of existing
17 districts, and the gap in actually having a
18 project be able to move forward and meet the
19 income guidelines that the Comptroller's
20 office requires.

21 So I would just ask that we take a
22 look at these types of issues because I have
23 a serious problem in my district, which I
24 know you're aware of, where criteria shifts,

1 even if it was a portion of that money that
2 had those enhanced criteria, would go a long
3 way, and also bring in that additional --
4 that matching funding from other funding
5 sources and open up economic development in
6 many instances.

7 And then, secondly, you know, the
8 Executive Budget proposes increasing Oceans
9 and Great Lakes Initiatives funding by
10 \$9 million to \$15 million. I represent the
11 St. Lawrence River Valley, and so all of
12 the Great Lakes --

13 ACTING COMMISSIONER SEGGOS: Beautiful
14 place.

15 ASSEMBLYWOMAN RUSSELL: Yes. All the
16 Great Lakes flow right through my entire
17 district up into Canada and out into the
18 ocean.

19 And so I was just wondering, you know,
20 are there any projects on tap for the Great
21 Lakes area in my region of the state? As
22 it's a beautiful area that we're highlighting
23 with tourism funding, but we also have the
24 issues of invasive species and concern about

1 security and maintaining the environment
2 there. So I just didn't know if there was
3 any further details on what we expect to do
4 there.

5 ACTING COMMISSIONER SEGGOS: The Great
6 Lakes Action Plan, as you know, that's been
7 developed over the course of a couple of
8 years, contemplates significant work both in
9 Lake Ontario and along the St. Lawrence.
10 This line has funded St. Lawrence River
11 Valley projects in the past. We anticipate
12 it will in the future and will be part of the
13 Great Lakes Action Plan.

14 ASSEMBLYWOMAN RUSSELL: Thank you very
15 much.

16 ACTING COMMISSIONER SEGGOS: Thank
17 you.

18 CHAIRMAN FARRELL: Thank you.

19 CHAIRWOMAN YOUNG: Thank you. Our
20 next speaker is Senator Diane Savino.

21 SENATOR SAVINO: Thank you, Senator
22 Young.

23 I'm going to try and do this first.
24 So first, with respect to the issue that

1 Assemblyman Cusick brought up with the Staten
2 Island deer, I just want to add one thing to
3 that. You know, the Staten Island deer were
4 not Staten Islanders, they were originally
5 from Jersey. They're doing a reverse
6 commute.

7 (Laughter.)

8 SENATOR SAVINO: And recently,
9 recently two of them decided to take a trip
10 to Coney Island. They swam across the
11 narrows, they showed up in Brooklyn --

12 ACTING COMMISSIONER SEGGOS: It's
13 tourism.

14 SENATOR SAVINO: -- and what happened
15 was they were scooped up and delivered back
16 to Staten Island. That's not the way to deal
17 with deer. They were not ours to begin with.
18 So I just want to remind you of that.

19 In addition, our turkey problem. You
20 guys have been great. The turkeys probably
21 will never really go away. But whenever we
22 find a farm upstate that's willing to accept
23 the turkeys, the regulations in order for
24 them to accept them are a little bit

1 ridiculous. They have to put up a fence,
2 they have to add barbed wire. So it's a
3 disincentive to anybody to take them. And as
4 you know, the turkeys are a real problem.

5 Phragmites, the complaints are not as
6 much as they used to be because of the Sandy
7 buyout, but they're still there and they are
8 a fire hazard in the summertime, so we need
9 to focus on that.

10 And finally, the thing that I'm most
11 concerned about now -- you didn't touch on it
12 in your discussion, but the Bottle Bill.
13 Right now there are a number of illegal
14 redemption centers in New York City. One of
15 them is in my district. And on any given
16 day, you will see massive truckloads coming
17 from all over the city and delivering them to
18 this one particular location.

19 Your agency has actually investigated
20 it and found that they were engaging in
21 illegal redemption. Their activity, which
22 forced a wholesaler on Staten Island to
23 accept deposits that he did not initiate,
24 forced him to go out of business. He could

1 no longer afford it. He sold his
2 distributorship, which had been in business
3 in his family for 30 years, back to
4 Anheuser-Busch. Something has to be done
5 about the illegal redemption centers and the
6 double redemption that's happening.

7 In addition, there are people every
8 morning who walk up and down the streets in
9 New York City, especially in Staten Island
10 when people put their blue cans out -- they
11 are taking the cans out of people's
12 residential boxes, also taking it out of the
13 city's revenue stream.

14 It should be illegal to do that. We
15 have to crack down on this. If the Bottle
16 Bill is going to work, everyone has to be on
17 the same page and there has to be
18 enforcement. We cannot drive businesses out
19 because they're being forced to take in
20 product that they did not initiate.

21 So we need your help on this. I know
22 it's also an issue of local enforcement with
23 Sanitation. But there has to be a discussion
24 with Kathryn Garcia. She is as frustrated as

1 we are, because she's seeing the city's
2 revenue disappear out of the blue boxes. So
3 we need to take a look at this with fresh
4 eyes and figure out how to solve this
5 problem.

6 Thank you.

7 ACTING COMMISSIONER SEGGOS: We'd be
8 happy to do that with you, Senator.

9 CHAIRWOMAN YOUNG: Thank you.

10 CHAIRMAN FARRELL: Thank you.

11 Assemblyman Stec.

12 ASSEMBLYMAN STEC: Thank you,
13 Chairman.

14 Hello, Commissioner.

15 ACTING COMMISSIONER SEGGOS:
16 Assemblyman.

17 ASSEMBLYMAN STEC: My time is limited,
18 so I'll jump right in here.

19 But I first want to echo what Chairman
20 Englebright and Senator Little pointed out,
21 and others, about the importance of aquatic
22 invasive species, certainly in my district.
23 And I appreciate the chairman coming up, as
24 he did last summer, to see firsthand a few

1 bodies of water in the district.

2 But, you know, I'm a strong advocate
3 for this, and I think that we need to make
4 sure that we're looking statewide. I'd like
5 to see more efforts put into eradication.
6 And I think -- you know, everyone uses the
7 expression about a rising tide lifting all
8 boats, and I think a statewide approach to
9 this, as opposed to a hunt and peck, you
10 know, whack-a-mole to various bodies of water
11 -- while, you know, there's a few that are
12 particular to me, in my district I've got
13 dozens and dozens of lakes that most people
14 in the room here may not have heard of. But
15 they're all struggling with aquatic
16 invasives.

17 I think it's an awful lot to put on a
18 local municipality or a homeowners or a lake
19 owners association when I think that there's
20 a statewide benefit. So I'd like to see as
21 much funneled into the eradication effort in
22 aquatics as possible.

23 ACTING COMMISSIONER SEGGOS:

24 Understood.

1 ASSEMBLYMAN STEC: The first question
2 I'd like to ask, though, getting back to the
3 EPF -- and we've talked a little bit about
4 the \$75 million that's in place for water
5 projects. But I'd like to talk about sewer
6 projects and funding for sewer projects.

7 In particular, I know that it's been
8 identified that there's a multi-billion-
9 dollar need statewide in both water and
10 wastewater infrastructure in the state. And
11 certainly, as you can imagine, I've got
12 several municipalities that are small
13 municipalities, but they're located in
14 critically environmentally sensitive areas on
15 pristine bodies of water, important national
16 bodies of water, Lake Champlain and Lake
17 George.

18 But the economies of scale are not
19 there as they are in urban areas to make
20 sewer easy to pay for. So can you talk a
21 little bit about the funding that is in place
22 for these needs in particular, and bearing in
23 mind that -- and can you also confirm that
24 DEC has issued several dozens, my

1 understanding is, consent orders on
2 wastewater projects to municipalities around
3 the state and that there's a deadline of 2018
4 to get this work done? I've been told by a
5 few of my communities that that is just not
6 achievable with the current financial support
7 that's in place. So either more money or
8 more time on those consent orders would be
9 desirable.

10 ACTING COMMISSIONER SEGOS:

11 Understood.

12 First of all, on the Water
13 Infrastructure Improvement Act, just to make
14 clear, that provides money not just for
15 drinking water but also for wastewater. So
16 the \$75 million this year that we would be
17 adding to, that we propose to add to with the
18 extra hundred million dollars, would go on a
19 60/40 split, as it did last year,
20 wastewater/drinking water. So we handle,
21 with EFC, the wastewater side.

22 So there is significant money this
23 year to help close the gap that the
24 communities are looking for on financing.

1 Specifically on the wastewater plants
2 that you're talking about that are under
3 consent order, we have unfortunately many
4 consent orders around the state on
5 wastewater. We'd be happy to work with you
6 on the specific municipalities that have
7 issues with those consent orders. We've done
8 that in the past and found creative ways to
9 accelerate compliance.

10 ASSEMBLYMAN STEC: All right, I
11 appreciate that.

12 In the same vein -- and I know no DEC
13 commissioner is going to come here at a
14 budget hearing and say that they need more
15 money than the Governor has requested in the
16 budget, but I am concerned that occasionally
17 it seems the state's management approach to
18 new land purchases or just existing state
19 responsibilities is to just maintain the
20 status quo, buy new land and put a padlock
21 across it, and that's the management plan.
22 It's a cheap way to do it, but I'm not sure
23 it's exactly what the residents had in mind
24 or certainly I don't think it's beneficial in

1 these instances to the localities that have
2 this.

3 But I'm concerned with the
4 department's ability to keep up with
5 maintaining and updating Unit Management
6 Plans and the State Land Use Master Plan. As
7 you know, there's a few that are currently
8 ongoing in the Adirondacks. In my opinion,
9 they've been going on far longer than they
10 should, and it's either a political issue or
11 it's a funding issue that I think is at the
12 root here of what the holdup is.

13 So are you adequately staffed to
14 maintain this? Because the status quo may be
15 desirable to some in this room, but to the
16 people that I represent, you know, the
17 localities, these changes will make a
18 difference economically to the communities in
19 the Adirondacks.

20 ACTING COMMISSIONER SEGGOS: Well, I
21 can tell you this, Assemblyman. We have
22 developed a fairly aggressive approach to
23 tapping into the UMPs that have been
24 lingering for many years. We have a Lean

1 process underway that will focus specifically
2 on the UMPs to make sure those move more
3 quickly.

4 And yes, you're right, some of them
5 are politically charged, but that hasn't
6 stopped us from confronting some of the
7 issues and trying to find balance.

8 We are adequately staffed to manage
9 projects. Our goal is, again, with any of
10 our acquisition projects to ensure we have a
11 balanced approach that, you know, is not a
12 padlock approach, that we have protections
13 and use. Because we know it's important to
14 the communities in the Adirondacks and,
15 frankly, elsewhere in the state.

16 ASSEMBLYMAN STEC: All right, thank
17 you. And my time is up. Thank you.

18 ACTING COMMISSIONER SEGGOS: Thank
19 you.

20 CHAIRWOMAN YOUNG: Thank you very
21 much. Our next speaker is Senator Liz
22 Krueger.

23 SENATOR KRUEGER: Thank you.

24 I'm following up on several questions.

1 to help reduce carbon emissions in New York
2 State. The tax credit program is also
3 designed to reduce carbon emissions in New
4 York State by getting solar and other
5 renewables to homes. So there's a natural
6 marriage of interest there between the two.
7 So I would disagree that it's an
8 inappropriate use of RGGI funds.

9 SENATOR KRUEGER: Would you agree with
10 me that it is worth exploring the fact that
11 we are giving out tax credits to the tune of
12 \$1.6 billion for fossil fuels, as opposed to
13 this very small amount of tax credits we're
14 giving for environmentally sound models that
15 we want to encourage people to participate
16 in?

17 ACTING COMMISSIONER SEGGOS: Well, I
18 can just tell you that the Governor has been
19 outspoken recently on the state's desire to
20 transition away from fossil fuels. We
21 have -- my colleagues will be testifying to
22 that later today, on their efforts.

23 All options are available to us. And
24 we'll ensure that the state is acting

1 appropriately in the long term, for the long
2 term.

3 SENATOR KRUEGER: So I think everybody
4 is focused, from the news now, on issues with
5 drinking water and the risks that may be
6 facing our communities. Obviously you had a
7 press announcement yesterday about
8 intervening with the problems in Hoosick
9 Falls -- did I say that correctly? Thank
10 you -- which was a specific chemical
11 contamination. No one who's aware of
12 anything going on in the world is not aware
13 about the Flint, Michigan, crisis, which is
14 an issue of lead through corrosion in the
15 pipes.

16 And we've had quite a bit of
17 discussion about infrastructure monies for
18 water, for fixing problems when we see them.
19 And it's great that we're seeing the
20 increase. I applaud the Governor. I suspect
21 it's a drop in the bucket -- bad pun --
22 compared to where we might need to go.

23 How do citizens find out and make sure
24 that they are not in the situation of the

1 people of Hoosick Falls or any other part of
2 the state? Can they contact you to test
3 their water when they worry there's something
4 going on?

5 ACTING COMMISSIONER SEGGOS: Well, we
6 have a strong relationship with the
7 Department of Health. The Department of
8 Health really is the front-line state agency
9 that deals with drinking water, so I would
10 defer questions to them. And they are and
11 they have been making themselves available
12 statewide for those types of questions.

13 SENATOR KRUEGER: So I know in
14 New York City, if I have a concern about my
15 water, I can contact the city DEC --

16 ACTING COMMISSIONER SEGGOS: DEP.

17 SENATOR KRUEGER: Excuse me. Excuse
18 me. DEP -- and they send me a kit and I pour
19 some of my house water into it and I send it
20 back, and they do an evaluation.

21 Is there an equivalent model for the
22 people in the rest of the state?

23 ACTING COMMISSIONER SEGGOS: I would
24 have to check with Dr. Zucker. I don't

1 believe that the DOH has that program. But
2 we should check with him.

3 SENATOR KRUEGER: Do you think it
4 would be a good idea at this point in
5 history, to offer that?

6 ACTING COMMISSIONER SEGGOS: Well, I
7 used to be a homeowner in New York City, and
8 that was effective when I was there. I
9 tested my pipes that way.

10 SENATOR KRUEGER: I think it would be
11 a good idea for everyone in the State of New
12 York to be reassured that the water they're
13 drinking from their taps is not going to
14 poison them or their children.

15 ACTING COMMISSIONER SEGGOS: I would
16 agree.

17 SENATOR KRUEGER: There was a question
18 earlier about continuing the brownfields
19 program, and the answer was we're not making
20 any changes. Can you estimate for me how
21 much we're spending in tax credits for the
22 current brownfield program now?

23 ACTING COMMISSIONER SEGGOS: I'd have
24 to get back to you with the statistics on

1 that. I know it's been a very successful
2 program over its years, and the changes that
3 we made last year with the Legislature were
4 very responsible changes in, you know,
5 reducing some of the fraud that had occurred
6 within the account.

7 We have a regular flow of applications
8 now coming in. The new changes to the
9 regulations have taken effect, and it's a
10 well-functioning program. But I can get you
11 the details on all of that.

12 SENATOR KRUEGER: I'd appreciate
13 the -- and the comparison charts of the old
14 program with where we're going.

15 ACTING COMMISSIONER SEGGOS:
16 Absolutely. We'll get it to you.

17 SENATOR KRUEGER: Thank you.

18 CHAIRWOMAN YOUNG: Thank you, Senator.

19 CHAIRMAN FARRELL: Thank you.

20 Assemblywoman Lifton.

21 ASSEMBLYWOMAN LIFTON: Thank you.

22 Good morning, Commissioner.

23 ACTING COMMISSIONER SEGGOS:

24 Assemblywoman. Good morning.

1 ASSEMBLYWOMAN LIFTON: I know that you
2 have a lot of responsibilities on your plate,
3 clearly, at DEC. But can I ask you if you
4 agree with me that climate change is the
5 biggest problem we face as a state, as a
6 country? Would you agree with me that indeed
7 it's a crisis that we're facing?

8 ACTING COMMISSIONER SEGGOS: I would.
9 I would. There is, in my view, no greater
10 threat to the long-term survivability of the
11 human race than climate change.

12 ASSEMBLYWOMAN LIFTON: Thank you,
13 Commissioner.

14 So to follow up on that, as you know,
15 I'm sure, an Executive Order in 2009 said
16 we're going to have a climate action panel,
17 we're going to go create a climate action
18 plan. In 2010 we had a draft plan that went
19 out for comment but it's never been
20 finalized. Six years later, we still don't
21 have a climate action plan.

22 Is there a plan in the making, is
23 there a plan to have a plan? Last year when
24 I asked the commissioner, he said we've been

1 very busy doing the regulations to do the
2 adaptations -- the new law that we passed, much
3 needed -- implying that we don't have enough
4 staff, really, at DEC to do this job.

5 But where are we now on having staff
6 at DEC working to produce a real climate
7 action plan for the state?

8 ACTING COMMISSIONER SEGGOS: Well, I
9 would say that the concept of a climate
10 action plan has passed us. We are now
11 focused on action. And our state agencies --
12 DEC, NYSERDA, DPS -- in the last year have
13 laid out really one of the most ambitious
14 plans to reduce the amount of carbon that the
15 state produces, both through the State Energy
16 Plan, the Reforming the Energy Vision
17 process, the lowering of the RGGI cap, the
18 amount of money we put into resiliency, both
19 through Sandy dollars and now through the
20 EPF.

21 We have moved past planning and we're
22 actually in implementation right now. We've
23 set goals to reduce carbon that will be
24 binding by 2030. We've gone beyond that for

1 2050 -- 80 percent reduction in carbon.
2 These aren't just goals. You know, the
3 Governor, I -- I don't like to see plans
4 sitting on shelves and goals without any
5 teeth behind them. Our focus has been --

6 ASSEMBLYWOMAN LIFTON: I'm sorry,
7 would you repeat what you just said? We
8 don't -- the last sentence. I'm sorry, I
9 missed -- there was a lot of commotion.

10 ACTING COMMISSIONER SEGGOS: Our focus
11 is not on plans but on implementation. And I
12 have no desire to see a plan sit on a shelf.
13 I want to see action and results.

14 ASSEMBLYWOMAN LIFTON: Well, I agree
15 that action is very important. But, you
16 know, it's great to have goals; goals are
17 critical. But to get to a goal, you have to
18 have a clear plan; right? You have to have
19 -- what we have now feels fragmented to me,
20 as a state legislator, trying to keep track
21 of it -- REV, State Energy Plan, and now we
22 have a Climate Mitigation Adaptation Program
23 of some sort. Lots of different programs.
24 They all seem like good tools to go forward.

1 But it seems to me that to get to
2 goals, you have to have some sort of clear
3 plan in place. And I would hope, given what
4 came out of Paris with a lot of talk about
5 1.5 rather than 2 as a goal, we really have
6 to step up our efforts, that we ought to be
7 front-loading any goals and activities we
8 have. The tools are great, but it seems like
9 you can't build a house without the actual
10 plans for the house.

11 ACTING COMMISSIONER SEGOS:
12 Understood. Well, listen. I believe this
13 may be a question of messaging. Right? We
14 are doing a great deal. We want to do more.
15 We're putting out, you know, I would think
16 some of the most ambitious announcements and
17 commitments. We want to ensure the public
18 understands that. Certainly the Governor
19 talking about it, as he has recently, is
20 helping to hone all of the actions that we're
21 doing, really frankly statewide. It's not
22 just DEC and NYSEDA, you know, it's Ag and
23 Markets, it's Parks. You know, we're one
24 government looking to address one of the most

1 pressing crises of our time, and if it's not
2 being communicated in such a way as to be
3 understandable, then we'll have to double
4 down on that. But I'm confident we are
5 heading in one of the more ambitious
6 directions in the nation right now.

7 ASSEMBLYWOMAN LIFTON: Can we expect
8 the DEC to issue draft regulations that will
9 set RGGI-like carbon pollution limits for
10 other sectors other than the energy sector?

11 ACTING COMMISSIONER SEGGOS: Well, we
12 -- as the Governor announced when we were
13 with Vice President Al Gore, we are exploring
14 right now linking our carbon markets with
15 other carbon markets. As you might know,
16 California has a similar carbon market system
17 which is economy-wide. It takes into account
18 transportation, whereas ours does not. We
19 need to think through all the various
20 pitfalls of linking that system together.
21 It's an exploration we're having right now
22 with our counterparts in California. It's
23 not an easy thing to merge two very different
24 systems. But we are open to making sure that

1 we have the most aggressive carbon market
2 system in New York State, knowing that we are
3 a part of a multistate organization of RGGI
4 states.

5 ASSEMBLYWOMAN LIFTON: Thank you,
6 Commissioner.

7 ACTING COMMISSIONER SEGGOS: Thank
8 you, ma'am.

9 CHAIRWOMAN YOUNG: Thank you.
10 Our next speaker is Senator Phil
11 Boyle.

12 SENATOR BOYLE: Thank you, Chairwoman.
13 Thank you, Commissioner.

14 ACTING COMMISSIONER SEGGOS: Senator.

15 SENATOR BOYLE: First I'd like to
16 commend you on a great increase in the
17 Environmental Protection Fund. It's great to
18 see, and I look forward to working with you
19 to make sure they try to stay in there.

20 ACTING COMMISSIONER SEGGOS: Thank
21 you.

22 SENATOR BOYLE: The other issue is
23 deer. Staten Island has deer; I represent
24 Fire Island, and we have a lot of deer. The

1 federal government has come up with a plan,
2 evidently -- still in the final stages -- of
3 culling the herd through shooting them, which
4 is making the constituents very upset.
5 They've tried that 20-some-odd years ago, and
6 it didn't go over well at all. That's not
7 your issue; I understand.

8 But what the DEC does in New York, and
9 I have dealt with the department over a
10 number of years, is the 4-Poster. If you're
11 familiar with this, it's a machine that you
12 can get food for the deer, corn; they rub
13 their ear against it and it kills the ticks,
14 which is the most significant thing when
15 you're having a problem with deer.

16 Lyme disease was a rampant problem 20
17 years ago, 15 years ago. Now people that
18 live there tell me that the ticks are almost
19 nonexistent. It is a great way of killing
20 the ticks and stopping Lyme disease from
21 spreading.

22 ACTING COMMISSIONER SEGGOS: That's
23 great.

24 SENATOR BOYLE: The DEC has had a

1 problem with some of the medication and the
2 drugs that are used, so I -- I know you're
3 probably not familiar with it in your new
4 position, but please look into it. It's
5 called the 4-Poster machine, and have your
6 staff brief you on it.

7 ACTING COMMISSIONER SEGGOS: Will do,
8 sir.

9 SENATOR BOYLE: Thank you.

10 CHAIRWOMAN YOUNG: Thank you, Senator.

11 CHAIRMAN FARRELL: Assemblyman Crouch.

12 ASSEMBLYMAN CROUCH: Yes, thank you,
13 Commissioner. Good to see you here.

14 ACTING COMMISSIONER SEGGOS: Thank
15 you.

16 ASSEMBLYMAN CROUCH: Couple of things.
17 The tire recycling fee, \$2.50, how much does
18 that generate on an annual basis?

19 ACTING COMMISSIONER SEGGOS: It's 25
20 to \$26 million a year.

21 ASSEMBLYMAN CROUCH: Twenty-five
22 million?

23 ACTING COMMISSIONER SEGGOS: Yes.

24 ASSEMBLYMAN CROUCH: Years ago the

1 annual waste tire stream was about 30 million
2 tires a year. Are we not getting some of the
3 fees in collection, or are people buying
4 their tires out of state?

5 ACTING COMMISSIONER SEGGOS: No, I
6 don't believe so, sir. I believe we've --
7 we're -- yeah, it's actually gone up, I
8 think. Yeah, the collections have gone up.

9 ASSEMBLYMAN CROUCH: Okay. What does
10 that go for? What is that utilized for in
11 the budget?

12 ACTING COMMISSIONER SEGGOS: Well, as
13 you might know, we've had tremendous success
14 in remediating tire piles around the state.
15 I think over the course of the waste tire
16 fund, 159 sites around the state we've
17 cleaned up. You know, the \$125 million to do
18 so.

19 There are a number of sites that
20 remain unremediated. We find new ones, we
21 find expanded ones regularly. So the fund
22 goes to keep the state protected from those
23 waste tire piles.

24 ASSEMBLYMAN CROUCH: Okay. Does it go

1 for staff or does it always go for these
2 programs?

3 ACTING COMMISSIONER SEGGOS: As you
4 might know, the account certainly helps our
5 solid waste team. It does go for staff. And
6 it supports the work that the staff does on
7 waste tires and other wastes.

8 ASSEMBLYMAN CROUCH: Does anything go
9 to promote more recycling programs?
10 Something that, you know, can make a widget
11 out of a tire, or some other product, does
12 anything go for that type of support?

13 ACTING COMMISSIONER SEGGOS: We
14 have -- certainly the municipal waste and
15 recycling line in the EPF goes to providing
16 grants for recycling around the state. We
17 promote recycling around the state through a
18 number of our different programmatic
19 activities that are --

20 ASSEMBLYMAN CROUCH: But not just tire
21 recycling?

22 ACTING COMMISSIONER SEGGOS: Not just
23 the waste tire issue, no.

24 ASSEMBLYMAN CROUCH: Yeah, okay.

1 The number of forest rangers, are you
2 increasing the number of forest rangers in
3 your budget?

4 ACTING COMMISSIONER SEGGOS: Well,
5 we're adding a class, we're actually having a
6 class begin in -- I believe a month. Exactly
7 a month from today, our first class starts.
8 That's going to begin recovering the numbers,
9 slightly, of the rangers and ECOs. So
10 hopefully that class will, after six months,
11 produce the next wave of our finest.

12 ASSEMBLYMAN CROUCH: Okay. I've had a
13 lot of loggers in my district express concern
14 that there's good solid trees that are not
15 being taken care of on state lands that are
16 basically rotting on the stump, they should
17 be cut. And I've always been concerned about
18 how the state manages its state forestlands.
19 If you've got, you know, good timber out
20 there, that's dollars that the state could
21 take advantage of. And as we cut our
22 forests, the state should be a model for
23 forest management.

24 And as you know, maturity forests

1 really don't support wildlife, it's got to be
2 -- you know, have some cutting done so you've
3 got younger growth to support the wildlife.
4 So I'd just encourage increasing our
5 foresters so we can properly manage our state
6 forests and get some of this timber out for
7 bid. The state needs the revenue, as we
8 know. So I'd just -- you're new on board and
9 I just want to make that statement that I
10 firmly believe we need to manage our state
11 forests properly.

12 ACTING COMMISSIONER SEGGOS: I would
13 agree with you.

14 ASSEMBLYMAN CROUCH: Thank you.

15 ACTING COMMISSIONER SEGGOS: Thank
16 you.

17 CHAIRMAN FARRELL: Thank you.

18 We've been joined by Assemblyman
19 Abinanti.

20 CHAIRWOMAN YOUNG: Thank you very
21 much.

22 I did have a couple of questions, and
23 then I think Senator O'Mara would like to bat
24 cleanup. But I did want to ask you about

1 electronic waste recycling. I know NYSAC,
2 the New York State Association of Counties,
3 has come out and said that they would like to
4 see a \$6 million allocation in the budget to
5 deal with electronic waste. And it is a
6 major problem.

7 And in fact I know in my district, for
8 example, cathode ray tubes from televisions
9 are a problem. And originally when the
10 Legislature took action on this, it was to
11 require the manufacturers to handle the
12 issue. Unfortunately, that is not happening.
13 And that is a dead technology, as you know.
14 It has environmental concerns.

15 And I just wanted to get your thoughts
16 on how to handle this. Because if there is
17 money in the budget, I think it would be well
18 spent to get this electronic waste out of our
19 environment.

20 ACTING COMMISSIONER SEGGOS: We
21 certainly agree, Senator.

22 The good news on e-waste is that
23 people are turning in their e-waste, by and
24 large. The more troubling news is that

1 sometimes the requirements aren't really well
2 embraced by the manufacturers. So we're
3 working with the manufacturers right now;
4 I've convened my team to discuss ways in
5 which we can improve their understanding of
6 how to comply with the law. We do have a
7 number of investigations done throughout the
8 course of the year to ensure compliance.

9 I certainly understand the issue of
10 the cathode ray tube. You know, it's a
11 large, heavy piece of glass that is often
12 difficult to recycle. It's trouble to
13 handle, trouble to deal with, and the markets
14 aren't really well established.

15 So our approach is we need to ensure
16 compliance, we need to ensure that they
17 understand how to comply with the law -- and
18 by "they" I mean the companies -- and that
19 communities are given resources. And we're
20 certainly exploring, you know, the ways in
21 which we might be able to support them.

22 CHAIRWOMAN YOUNG: But even with
23 recyclers, what happens is that if they're
24 taking recycled materials, they'll charge the

1 consumer to drop it off. And the consumer
2 obviously does not want to have to pay for
3 that, they just want to get rid of it. So I
4 think it's an issue that we should explore
5 some more and see if there's some solutions
6 that we can come to.

7 Also, quickly, as you heard today,
8 there's so much interest in clean water. And
9 I'm glad to see that the Governor has added
10 to the fund. We were here till very late
11 last night -- in fact, somebody said that the
12 first meeting of the State Legislature was in
13 1780 on that date yesterday, and we all felt
14 like we had been there since 1780 because the
15 proceedings went on so long.

16 (Laughter.)

17 CHAIRWOMAN YOUNG: But I bring that up
18 because, as we know, New York has such a rich
19 history. We're one of the oldest states, one
20 of the first states settled. And as a
21 result, our infrastructure is old. And so
22 many communities that are cash-strapped do
23 not fix their infrastructure. And I have
24 communities that wait more than a hundred

1 years to upgrade their water systems, upgrade
2 their sewer systems, and as a result there
3 are a lot of issues.

4 You said that there was about
5 \$50 million, I believe, that was unspent from
6 the EFC last year. And my question is, have
7 we done any kind of inventory on the water
8 and sewer systems in the communities across
9 the state? And if we have, is there any way
10 that we can be more proactive in helping
11 these communities address their problems?
12 Because what I see is they allow it to get to
13 the point of failure, then there are consent
14 orders and there are environmental orders and
15 there are fiscal issues. Communities feel
16 like they're going bankrupt as a result of
17 this, taxes go up, and it's a big problem,
18 obviously.

19 So is there any kind of central list
20 of these systems in communities across the
21 state? And if there isn't, is there
22 something that we can do to be more on the
23 ball?

24 ACTING COMMISSIONER SEGGOS: Yes,

1 Senator, there is a centralized list. I
2 mean, the Environmental Facilities
3 Corporation, which I am chair of, maintains a
4 list both of the drinking water systems and
5 the wastewater systems that have either
6 evinced some sort of interest in getting
7 financing or have gotten financing.

8 We know where the problems are. This
9 is a really -- the solutions need to be
10 partnership-based. The state can hopefully
11 provide more resources this year through our
12 legislation. But the municipalities
13 obviously need to step up when they can and
14 when they're able to.

15 And we have staff both in my
16 department, at DEC, as well as EFC who are
17 trying to get ahead of the ball. Right? We
18 want to get ahead and promote education,
19 promote awareness of the resources that are
20 available so that we can begin fixing
21 problems before they become health problems
22 or wastewater problems.

23 CHAIRWOMAN YOUNG: And have we
24 quantified the amount of money it would take

1 to fix all of these systems across the state?

2 ACTING COMMISSIONER SEGGOS: Well,
3 Senator, I only saw what was put out years
4 ago, that this is a \$36 billion
5 infrastructure need. And I don't profess to
6 understand the accuracy of that number, but I
7 think all of us agree that it's a big number.

8 CHAIRWOMAN YOUNG: It's enormous,
9 right. Thank you.

10 You know, there's an issue in my
11 district, the Town of Mina -- and I
12 appreciate Assemblywoman Russell bringing up
13 the fact that there are communities that by
14 the determinations and the qualifications
15 that are put forward by the state are
16 excluded from participation. And the town of
17 Mina is one because they're trying to -- they
18 have issues and now they're trying to set up
19 a sewer district as we speak. And as a
20 result of that, they do not qualify for the
21 program.

22 So I would hope that we could work
23 together to look at some of those issues and
24 come to a resolution. So I just want to

1 bring that to your attention.

2 And finally, I'm glad Senator Little
3 brought up the 480-a program. And I believe
4 you said that there's some -- I know you've
5 been working on it, but there's some kind of
6 proposal that will be out soon?

7 ACTING COMMISSIONER SEGGOS: We've
8 been working on a proposal. We don't have a
9 bill, for example, drafted. But we will be
10 sitting down with and we have been sitting
11 down with stakeholders to discuss the 480-a
12 program writ large.

13 CHAIRWOMAN YOUNG: So you don't
14 anticipate it would be in the 30-day
15 amendments?

16 ACTING COMMISSIONER SEGGOS: At this
17 time I do not.

18 CHAIRWOMAN YOUNG: Okay, thank you.
19 So as a result, then, it probably wouldn't be
20 solved until another year, at least?

21 ACTING COMMISSIONER SEGGOS: Well,
22 we're certainly going to look at 480-a this
23 year. And to the extent we can make a dent
24 in it in 2016, we will. But this will come

1 out in the context of our discussions with
2 the stakeholders and the Legislature.

3 CHAIRWOMAN YOUNG: Thank you very
4 much.

5 ACTING COMMISSIONER SEGGOS: Thank
6 you.

7 CHAIRMAN FARRELL: Assemblyman Lopez.

8 ASSEMBLYMAN LOPEZ: Thank you,
9 Chairman. And welcome, Commissioner.

10 ACTING COMMISSIONER SEGGOS: Thank
11 you.

12 ASSEMBLYMAN LOPEZ: I'll jump right
13 in.

14 Just, if I can, in your testimony we
15 talked about the Clean Energy Fund. And so
16 my quick question is, is that intended for
17 independent power producers or ends users?

18 ACTING COMMISSIONER SEGGOS:
19 Assemblyman, I'm going to defer, if it's okay
20 with you, to DPS and NYSERDA to answer that.
21 The Clean Energy Fund will be managed by
22 them.

23 ASSEMBLYMAN LOPEZ: Okay. I'm just to
24 going to highlight something just for your

1 purpose, in terms of a team approach. I see
2 two issues. If it is IPPs, one, we're going
3 to need to look at the rate of reimbursement
4 to the IPPs. That's been an issue for them
5 for a long time. It's prevented a number of
6 independent power producers from coming on
7 line.

8 And, two, if we're talking about using
9 renewables, we need to be more prepared for
10 intermittent energy production. And I would
11 suggest to you respectfully that we need to
12 look at energy storage. I use the
13 Blenheim-Gilboa Pumped Storage Power Project
14 in my district as an example of where the
15 state could be beneficial as a partner.

16 Moving on, on the climate change
17 mitigation, just a request. And again, as we
18 look at resiliency -- I know we've had long
19 conversations about that in my district --

20 ACTING COMMISSIONER SEGGOS: We have.

21 ASSEMBLYMAN LOPEZ: -- Irene and Lee
22 took their fair share of communities out. I
23 would suggest respectfully that those who
24 have been impacted by natural disasters,

1 whether it's Sandy, Irene, Lee, et cetera, be
2 given prioritization, and that projects that
3 have a demonstrated impact in resiliency
4 should find their way to a priority in the
5 pecking order. I'll just leave that with
6 you.

7 Moving on to the next issue, on
8 environmental justice, just a quick note. I
9 would hope that as we look at environmental
10 justice we also look at rural areas and the
11 intrusion of power lines, pipelines, gas
12 pipelines, oil pipelines running amuck, if
13 you would, at this point, with no rhyme or
14 reason, through homes, businesses, families,
15 et cetera.

16 So environmental justice I know is
17 often urban, but rural areas are becoming
18 crossroads with no rhyme or reason.

19 ACTING COMMISSIONER SEGGOS: That's a
20 good point.

21 ASSEMBLYMAN LOPEZ: Next, on the
22 infrastructure, I concur with my colleagues,
23 particularly those representing rural areas.
24 We need to conduct some sort of sensitivity

1 analysis on ability to pay. And the issue of
2 cost per household has marked impact on the
3 advancement of projects. And I'll use the
4 hamlet of Central Bridge in my own home
5 community as an example. We can talk about
6 that later.

7 I'll just move quickly and use my time
8 wisely here. In terms of the issue of the
9 forest rangers and tourism, on page 1 of your
10 testimony you talk about protection of the
11 Catskills. We've engaged with your office
12 constructively on issues of protecting life
13 and property in the Catskill Park.
14 Particularly we've talked about the
15 Kaaterskill Falls area; your team has done
16 immeasurable good work there.

17 But the issue of attendance to growing
18 tourism and threat to human safety is an
19 issue. I'm respectfully suggesting we look
20 at the timber harvesting dollars and see if
21 we're truly maximizing return on state lands
22 and maybe see if there's a way, on a
23 sustained basis, to increase that target
24 number and use that for dedicated staff to

1 protect life and property.

2 ACTING COMMISSIONER SEGGOS: We'd be
3 happy to do that. I mean, I have some good
4 news on that front. You may be aware in the
5 last two years we've actually not only
6 increased timber sales on state lands --
7 sustainably -- 50 percent, but also increased
8 the revenue to \$6 million, which is actually
9 a record for us.

10 ASSEMBLYMAN LOPEZ: And my suggestion,
11 respectfully, would be to look at tourism and
12 particularly protection of life and property
13 on forested lands in the watershed, in the
14 park, Catskill Park, et cetera, to use some
15 of those lands as a dedicated source, as
16 we're doing for the waste tire recycling fee
17 for solid waste.

18 ACTING COMMISSIONER SEGGOS: We'd be
19 happy to talk with you about that, sure.

20 ASSEMBLYMAN LOPEZ: Quickly, in terms
21 of -- and this was not addressed, I didn't
22 see it in your testimony, I haven't really
23 seen it -- in the issue of solid waste, I
24 continue to be horrified at reports within my

1 district of going through the process and I
2 hate to say the facade of source separation
3 and recycling, only to hear that waste is
4 landfilled and, in worst cases, commingled
5 with garbage. Very frustrating.

6 And my premise would be I think we
7 need to look at revenues, whether it's Bottle
8 Bill or others, to set up funds to help
9 incentivize the private sector to bring
10 recycling businesses online rather than look
11 at them as anomalies. So I guess I would
12 encourage your office -- and we're happy to
13 be part of this -- to look at ways of
14 mainstreaming recycling businesses as
15 sustainable economically and look at what
16 potentials there are. Again, it's very
17 frustrating in that regard.

18 So my time is done, and thank you.

19 ACTING COMMISSIONER SEGGOS: Thank
20 you.

21 CHAIRWOMAN YOUNG: Thank you. Next,
22 Senator Tom O'Mara.

23 SENATOR O'MARA: Thank you, Senator.

24 Commissioner, to follow up on some of

1 the comments made by some of my colleagues
2 and yourself in follow-up to their questions,
3 I just want to reiterate my concerns on
4 invasive species and the eradication
5 efforts that have been talked about,
6 particularly in getting aid to localities and
7 to lake owners associations to help with
8 really the annual maintenance efforts that
9 take place to deal with things such as the
10 Eurasian milfoil that may be a more common --
11 it's been around longer than the other
12 hot-button issues of hydrilla or the emerald
13 ash borer and things of the like. But those
14 are still critically important to the
15 viability of our freshwater lakes and the
16 recreational uses of those, in conjunction
17 with the water quality. So I want to make
18 sure that we have efforts going in that way.

19 And I appreciate Senator Young having
20 brought up the e-waste issue, because that
21 was an issue that I wanted to get to. And I
22 have a recycler in my district that has
23 particular concerns over the CRTs and the
24 lack of reimbursement, to the point where he

1 has to stop taking them at this point because
2 he can't afford to do it without those.

3 So we really need some greater
4 attention put to that, and I look forward to
5 working with you and the department on a
6 resolution to that. And, if possible, to do
7 something for the 30-day amendments in that
8 regard I think would be very helpful to get
9 that ball rolling.

10 ACTING COMMISSIONER SEGGOS: It's a
11 good idea. Thank you.

12 SENATOR O'MARA: On an issue, the Lake
13 Ontario Water Level Plan 2014, what is the
14 department's role in that ongoing process
15 right now? To change the lake levels in Lake
16 Ontario will benefit certain parts of the
17 river, primarily, with some alleged marginal
18 improvement to our wetlands that surround the
19 lake, but at grave risk to Lake Ontario
20 shoreline property owners.

21 And when we talk about the waterfront
22 improvement money that we have in the budget
23 here of \$15 million, that's very small in
24 comparison to the figures that I've seen on

1 the potential consequences and devastation to
2 the shoreline of Lake Ontario should that
3 plan be put into effect.

4 So I don't know if you can share your
5 thoughts on that, or where the Governor is on
6 this Plan 2014, because it's something that's
7 been kicking around again for a long time.
8 And I know it's a federal issue more than it
9 is a state issue, but I think they will be
10 looking to either the Governor or the
11 department on what the thoughts are on that.

12 ACTING COMMISSIONER SEGGOS: Senator,
13 you're right, it is a federal issue. It's an
14 international joint commission, which is
15 Canada and the U.S., and our State Department
16 is running most of the preliminary work on
17 it.

18 We are in regular contact with the
19 State Department to assess their review of
20 the plan. To my knowledge, it has not yet
21 advanced, in any meaningful way, out for
22 consideration. So we're certainly waiting to
23 see what the State Department's take is on it
24 and whether or not the federal government

1 would be proposing any federal dollars to
2 support the effort.

3 I also hear the same concerns that you
4 do about potential erosion on the lake,
5 accelerated by some slight increases to the
6 water levels. I also hear about the benefits
7 as well. I mean, I am partly conflicted in
8 this, as I have a piece of family property on
9 the shoreline of the St. Lawrence River.

10 So my personal feelings aside about
11 it, the Governor has not yet made any
12 decisions on this. We're certainly assessing
13 the plan, as it has changed considerably over
14 the last four years. There was originally a
15 1958 decision which became a 2012
16 modification; now it's Plan 2014. So it's
17 sort of changed over time. And assuming that
18 it doesn't change any further, we will give
19 it a very hard look when it comes to us. And
20 if indeed it goes forward from the federal
21 government's perspective, we would look to
22 ensure that there are no losers on this and
23 that there are only winners as far as erosion
24 concerns are concerned.

1 SENATOR O'MARA: Okay. Thank you.

2 And just to wrap up on some of the
3 forestry issues here, you know, we have a lot
4 of forestry land that's state controlled, but
5 it's my understanding that about 75 percent
6 of New York's forests are privately owned.
7 How is the carbon mitigation and adaptation
8 accounting for assisting these forests, the
9 privately owned ones as well as the state
10 ones? Given the critical role that forests
11 play in carbon mitigation and the importance
12 of them in the whole cycle, what if anything
13 is being devoted in the EPF currently that's
14 detailed? Or do you see a role of the EPF
15 playing in this to assist the maintenance of
16 our forested lands?

17 ACTING COMMISSIONER SEGGOS: Well,
18 Senator, I would agree that our forests, the
19 sequestration of carbon in our forests is
20 going to be a major component of how the
21 state responds to climate change over the
22 long term. Part of that's going to mean we
23 need to have healthy forests. So healthy
24 forests are in some ways managed; sometimes

1 they're protected.

2 We have -- on the management side,
3 we've been doing a better job of managing our
4 forests and cutting stands that are -- in a
5 sustainable way.

6 On the acquisition side -- not private
7 property, but on the public acquisition
8 side -- we're setting aside more forests for
9 the long term to serve as those sinks, those
10 carbon sinks.

11 We need to do a better job in helping
12 private land owners in managing their forests
13 as well. There's a place for it. We've
14 certainly talked about it. We need to find a
15 way forward for that, and we need to do so in
16 a way that helps communities at the same
17 time. And taxpayers.

18 SENATOR O'MARA: Finally, and I'm out
19 of time, on the environmental justice grants,
20 could we expect to see some more detail in
21 the 30-day amendments on exactly how that's
22 going to be spent? And I would like some
23 more detail on what exactly your thought
24 process is on the citizen testing component

1 of the air-quality monitoring and how that
2 would work. Do we expect more detail on
3 these coming with the 30-day amendments?

4 ACTING COMMISSIONER SEGGOS: We can
5 certainly provide more details to you on both
6 those fronts. And I'll have to get back to
7 you whether or not it's going to be within
8 the 30-day amendments or otherwise.

9 SENATOR O'MARA: Thank you.

10 ACTING COMMISSIONER SEGGOS: Thank
11 you.

12 CHAIRWOMAN YOUNG: Thank you, Senator.

13 CHAIRMAN FARRELL: Thank you.

14 Assemblyman Otis.

15 ASSEMBLYMAN OTIS: Hello,
16 Commissioner. Thank you for being here.

17 I want to thank you; the popularity of
18 the water grant program is further reinforced
19 by the fact that you got so many positive
20 comments about it today. And I want to hit a
21 different focus on it, but first compliment
22 you and the Governor and EFC for how
23 successful the rollout was to the program
24 and, though people may not generally be

1 aware, all the effort that went into having
2 that be a successful start-up. And the fact
3 that you added the \$25 million in federal
4 funding, so the real number right now, with
5 the Governor's proposal, is actually \$325
6 million, the plan for what is going to be
7 spent.

8 And so the question is, there is a --
9 well, I want to suggest another metric for
10 looking at the case for more -- the need for
11 more money on an urgent basis for this
12 program, which is communities around the
13 state that are either under a consent decree
14 or other kind of DEC or EPA enforcement
15 action -- some of them may never ripen to a
16 consent decree, but they're enforcement
17 actions nonetheless -- and to see if we can
18 try and together look at that as a way of
19 looking at how urgent the need is and making
20 the case for trying to drive more money to
21 the program.

22 A lot of communities around the state
23 did -- we had, I understand, \$800 million
24 worth of applications for the first \$50

1 million. And many communities did not apply
2 because you have to do a certain amount of
3 the engineering first. So there are going to
4 be new applications in the 2016 round. But
5 what can -- EFC would not necessarily have
6 the full list of municipalities that are
7 under enforcement actions, because if they
8 don't apply, EFC doesn't really know about
9 it. DEC may. But I would suggest, not for
10 an answer today, but as another way of trying
11 to get a number of what and how
12 time-sensitive the need is.

13 I would also add one other thing. One
14 component part of this that is so valuable is
15 the fact that it's a grant and not a loan.
16 And so one of the things that we saw was that
17 communities that had not applied for
18 revolving loan funds before now are making
19 contact with EFC. And so maybe you can talk
20 to some of those issues. And this is a
21 program we need.

22 But again, compliments to everybody
23 for a successful rollout. That doesn't
24 always happen; it did in this case.

1 regular basis.

2 ASSEMBLYMAN OTIS: The larger number I
3 was talking about was not necessarily what
4 they applied for for the grant money, but the
5 dollar value of the projects they need to do
6 those projects.

7 ACTING COMMISSIONER SEGGOS: Okay.

8 ASSEMBLYMAN OTIS: But it's just a
9 great start, and so thank you.

10 ACTING COMMISSIONER SEGGOS: Thank
11 you.

12 ASSEMBLYMAN OTIS: Thank the Governor
13 for his support of an additional hundred
14 million. And I think we want to try to work
15 together for more.

16 ACTING COMMISSIONER SEGGOS: Thank
17 you.

18 ASSEMBLYMAN OTIS: A second question.
19 The Governor is proposing a nice increase for
20 the Municipal Recycling Grant Program. And
21 in the Assembly, we're doing a survey to try
22 and get a handle on what I would call
23 hard-to-recycle items. Some of that is
24 electronic waste, which you commented on

1 previously. But it's almost a doubling of
2 the amount to that grant program.

3 Does DEC have ideas on how to maybe
4 better target that money so that it has an
5 impact on trying to expand what -- in some
6 parts of the state they're not accepting
7 everything that others are. We try to expand
8 what people include and what they're willing
9 to take in for recycling, but they need
10 resources to arm up for that.

11 ACTING COMMISSIONER SEGGOS: Right.
12 Well, the EPF has for many years funded
13 recycling. There's a significant backlog
14 still. I believe that this year the backlog
15 is 60 -- yeah, \$60 million. Thank you,
16 Julie.

17 So last year we had a \$7.5 million
18 line. This year we're going to bump that up
19 to 14. So our goal right now is to begin
20 eliminating some of that significant backlog.
21 It's going to take a few years to happen. At
22 the same time, while we're pushing these
23 grants out, we will be talking -- I mean, our
24 programs do talk regularly statewide about,

1 you know, recycling zero waste, getting to
2 the point where communities can become more
3 sustainable.

4 One of the problems right now,
5 frankly, on recycling is just the
6 commodities markets are not in good shape.
7 So we're going to do what we can to push
8 funding out the door for municipalities to do
9 recycling. We certainly will always look to
10 help foster markets where we can. But the
11 commodities markets, since it's sort of an
12 international issue right now that, you know,
13 peaks and troughs, it makes it difficult when
14 we hit a trough. And that's what we're
15 heading towards.

16 ASSEMBLYMAN OTIS: Thank you on all
17 fronts.

18 CHAIRMAN FARRELL: Thank you,
19 Assemblyman.

20 ASSEMBLYMAN OTIS: Thank you. Thank
21 the Governor.

22 CHAIRMAN FARRELL: Senator?

23 SENATOR KRUEGER: Thank you.

24 Senator Brad Hoylman.

1 SENATOR HOYLMAN: Thank you, Senator
2 Krueger.

3 Nice to see you again. A question for
4 you, not about deer, but about DERA, the
5 Diesel Emissions Reduction Act. You know, it
6 was signed into law 10 years ago to reduce
7 emissions of fine particulate matter from
8 diesel exhaust from heavy-duty vehicles. The
9 goal was to require the state fleet and
10 contractors to be entirely retrofitted with
11 filters by 2010. We've moved that goalpost
12 five times. Extensions in the last four
13 budgets have resulted in that.

14 It's of concern to me because in my
15 district on the west side of Manhattan we
16 have a tremendous amount of construction
17 occurring. We have the Hudson Yards, a
18 completely new city, virtually; we have plans
19 for the new Port Authority Bus Terminal; the
20 Governor's exciting announcement on Moynihan
21 Station and the renovation of Penn Station;
22 the Gateway Tunnel project; and everything
23 else that comes with a robust real estate
24 market.

1 So I'm concerned about diesel exhaust
2 in that neighborhood. And given your renewed
3 emphasis on environmental justice, I would
4 assume that that ties into the reduction of
5 fine particulate matter, which is linked
6 directly to asthma, particularly in
7 disadvantaged communities.

8 Do you foresee another delay in DERA?
9 I know the Governor hasn't proposed it, and I
10 thank you for that. What would be your
11 position headed into this budget position?

12 ACTING COMMISSIONER SEGGOS: Well, I
13 would rather not speculate on what might be
14 coming on that.

15 What I can tell you on DERA is that
16 the state has made significant strides. For
17 the agencies that are reporting compliance
18 with DERA, while not a hundred percent, are
19 at a fairly impressive 82 percent right now.

20 Partly it's since the law has passed,
21 time has passed, and there's been wear and
22 tear on old machines. And there's turnover
23 now, and the turnover thankfully favors
24 cleaner vehicles.

1 So, you know, DERA is obviously an
2 important law, but our compliance now, and
3 the market having shifted over the years, has
4 made it, you know, perhaps less of an urgent
5 matter because we will continue to turn our
6 fleets over over time.

7 SENATOR HOYLMAN: Do we have an
8 accounting of that? Do you know what
9 percentage of the state fleet is compliant?

10 ACTING COMMISSIONER SEGGOS: I can get
11 you the accounting. I know that the number,
12 the high number, is 82 percent as a total.
13 But I can get you the accounting on how the
14 whole state breaks out.

15 SENATOR HOYLMAN: Thank you.

16 And in the program book it states that
17 the administration will work with the
18 Legislature to adopt the Child-Safe Products
19 Act. You know that's been an issue of
20 concern among a number of my colleagues,
21 including me. And the problem with toxins
22 and toys is obviously something that needs to
23 be addressed.

24 Can you explain what you mean by

1 working with the Legislature and what you
2 foresee?

3 ACTING COMMISSIONER SEGGOS: Well, I
4 think the Governor recognizes that toxic toys
5 as an issue needs to be addressed.

6 We last year worked very closely with
7 both the Senate and the Assembly on different
8 bills, tried to find common ground on that,
9 and will do so again this year. There may
10 well be a role for DEC, there may be a role
11 for other agencies as well. Given that it's
12 a gubernatorial priority, we will again
13 invest our efforts to see if we can get it
14 across the finish line.

15 SENATOR HOYLMAN: Could it be a
16 program bill?

17 ACTING COMMISSIONER SEGGOS: I think
18 at this point, I mean, given that there are
19 two bills out there, at least, from last
20 year, I'm not sure we'll introduce a program
21 bill on it. And try to work perhaps off
22 what's already existing.

23 SENATOR HOYLMAN: Thank you very much.

24 ACTING COMMISSIONER SEGGOS: Thank

1 you.

2 CHAIRWOMAN YOUNG: Thank you.

3 ASSEMBLYMAN OAKS: Next is Assemblyman
4 Ortiz.

5 ASSEMBLYMAN ORTIZ: Thank you,
6 Mr. Chairman. Good morning, Commissioner.
7 It's still good morning.

8 ACTING COMMISSIONER SEGGOS: Good
9 morning still. You never know around here,
10 though.

11 ASSEMBLYMAN ORTIZ: Yesterday was a
12 long day, so.

13 I represent the areas of Sunset Park
14 and Red Hook in Brooklyn. We have what we
15 call the BQE. The BQE comes from Staten
16 Island all the way down to the Battery
17 Tunnel. Both sides, Manhattan and Staten
18 Island, they enjoy the toll, but I get the
19 emissions that is coming out of all the
20 vehicles. So we get all the asthma rates,
21 the high asthma rates in my community.

22 One of the things that I would like to
23 request from you is if it's doable and
24 possible to ask your agency to do a study to

1 address the issue of emissions and carbon
2 monoxide that is coming out of so many
3 vehicles that use the BQE.

4 As you probably know, most of the time
5 if you put on 1010 WINS at 6 a.m. in the
6 morning, the first thing I do is to check to
7 see whether or not I can take the BQE. And
8 believe me, you cannot take the BQE. You
9 have to go to Fourth Avenue, you have to jump
10 Third Avenue. And as a result of that -- we
11 do have, next to the BQE, we have around
12 seven schools adjacent to the BQE. And, you
13 know, that's creating a very -- a health
14 issue to our community in Sunset Park -- and
15 Sunset Park is an underserved community, it's
16 a minority community -- with adverse impact
17 to Red Hook as well.

18 And the second issue is the
19 brownfields. As you know, Sunset Park,
20 Red Hook, as well as the Gowanus Canal, money
21 has been allocated to begin to remove some of
22 the brownfields, but money has been
23 shortchanged. Is it possible that you can
24 tell us how many brownfield sites have

1 received a certificate of completion at this
2 point?

3 ACTING COMMISSIONER SEGGOS: I don't
4 have those numbers on hand, Assemblyman, but
5 I certainly can get those to you. I know we
6 have a lot of activity down in Brooklyn along
7 the waterfront, and brownfields. Also the
8 Brownfields Opportunity Area Program, which
9 is administered by the Department of State
10 and our State Superfund.

11 The toxic legacy of the New York
12 waterfront certainly presents many
13 challenges. But I can get you the full
14 details, we'll get you a spreadsheet on that,
15 surely.

16 ASSEMBLYMAN ORTIZ: Thank you. And
17 regarding also the funding that is going to
18 groups. You know, it will be kind if the
19 agency will be able to let the members know
20 when that fund is coming available to the
21 groups. Most of the time we are finding that
22 this brownfields allocation funding has been
23 granted through the newspaper, or through a
24 press release.

1 And sometimes the organization calls
2 up on us -- and I'll give you the name of the
3 organization. UPROSE, for example, who does
4 a lot of environmental work. And not only do
5 they do a lot of environmental work, but they
6 include the middle school students and high
7 school students. So they are the pioneers
8 and the visionaries of the environment,
9 trying to educate them to take over.

10 And then we find out that some of the
11 group that we thought had been funded, they
12 are not being funded. And they've been doing
13 a lot of great jobs in our community.

14 So for the future I would recommend
15 that, before a beautiful press release goes
16 out, that the agency will be kind enough to
17 let the members know. You know, we all work
18 together to make sure that we can secure --
19 our chairman works very diligently to make
20 sure that, together with the speaker and the
21 members, that this money be allocated to
22 communities such as the ones that we
23 represent.

24 And the last question I would like to

1 ask you quickly is regarding the -- if you
2 comment, I don't know if you will be able to
3 comment, but to comment on the department
4 position on the use of carbon tax as a means
5 of addressing encouraging renewable energy
6 sources and discouraging the use of
7 nonrenewables like fossil fuels as a means of
8 reducing carbon emissions. And that is an
9 Assembly bill that I have, so.

10 ACTING COMMISSIONER SEGGOS: Okay.

11 Did you say carbon tax?

12 ASSEMBLYMAN ORTIZ: Yeah.

13 ACTING COMMISSIONER SEGGOS: Okay.

14 Well, certainly carbon taxes are used in many
15 jurisdictions in Europe and elsewhere. We're
16 always looking at the best way to control
17 carbon. We explore all the various
18 approaches we have. And I'll let my energy
19 colleagues talk about how to manage carbon
20 most effectively.

21 I mean, our approach has been to try
22 to do this through the marketplace and
23 through mandates. But there's a discussion
24 to be had about the carbon tax, it will

1 happen, it has happened, and we will be part
2 of that discussion.

3 ASSEMBLYMAN ORTIZ: Well, I hope that
4 you can include it. And the last question --
5 that was my last question. But everybody was
6 mentioning about the water system. And I
7 just have a quick question about what you
8 have learned from Flint and what mechanism
9 are you planning to begin to implement to
10 ensure that our water quality continues to be
11 the best of the best in New York State?

12 And thank you.

13 ACTING COMMISSIONER SEGGOS: Well, I
14 tell you, what's happening in Flint is a
15 horror story playing out at a national level
16 in the most unimaginable way. And my heart
17 goes out to the victims of Flint.

18 We've been privy, unfortunately, to
19 seeing government dysfunction leading much of
20 the problem in Flint. I'm happy to report
21 that we don't have government dysfunction
22 here in New York. That certainly starts with
23 the Governor. The Governor has set dramatic
24 expectations for state agencies to work as

1 one. This is one government. At the state
2 level, there's no distinction as far as the
3 public is concerned between a DOH and a DEC
4 or Parks or any other agency. And frankly,
5 there's no distinction between the state
6 agencies and federal agencies and local
7 agencies. We all have to work as one.

8 And we're trying hard to do so. The
9 public's trust in government has to be
10 earned. We're working hard to earn that
11 trust, and we are being as responsive as we
12 can to understand problems across the state,
13 not just with drinking water, but with air
14 quality and many other problems that beset
15 the population.

16 So it's a priority of mine, a priority
17 of mine to be responsive, a priority of mine
18 to think ahead and get ahead of problems.
19 I'm going to do that as acting commissioner
20 as long as I'm acting commissioner. And I
21 know my colleagues in government are going to
22 have the same approach to these problems.

23 ASSEMBLYMAN ORTIZ: Thank you,
24 Commissioner.

1 Thank you, Mr. Chairman.

2 CHAIRMAN FARRELL: Thank you,
3 Assemblyman.

4 Next, Assemblywoman Fahy.

5 ASSEMBLYWOMAN FAHY: Thank you,
6 Mr. Chairman.

7 Welcome. Thank you. I have a couple
8 of questions, but just a few comments. And I
9 want to start with I really commend the
10 Governor, commend you on the work on climate
11 change. It's been incredibly encouraging. I
12 too was at Columbia for the announcement, and
13 look for more.

14 I also appreciate your comments on
15 workforce, because not only is it good for
16 the environment, but I do believe it will
17 truly, truly help our workforce. And the
18 sooner we can train more workers and the more
19 we can train, the better it is as well for --
20 particularly for those less-skilled and
21 more-at-risk youth. These are good jobs that
22 can't be exported. So I look forward to
23 seeing more of the work on the environment
24 and on energy with climate change.

1 EPF funding, the best news that I had
2 had earlier this year. Very encouraging.

3 And I want to just echo --

4 ACTING COMMISSIONER SEGGOS: You too.

5 ASSEMBLYWOMAN FAHY: Yes, thank you.

6 -- the comments on the air monitoring.

7 That's very important, particularly here. As

8 you know, the oil trains are a big issue.

9 And I would like to follow up with you when

10 my time is not so short on the Oil Spill

11 Fund. But the air quality monitoring is of

12 critical importance.

13 Brownfields remediation, I also want

14 to note that, because it's critical to

15 economic development.

16 The water infrastructure, wastewater,

17 I want to echo the comments of many today,

18 particularly of Member Otis. And I too have

19 seen the \$36 billion figure. It's great that

20 the Governor has added to the money that we

21 put in last year, but clearly the demand is

22 out there. And of course because of the

23 horrific news out of Flint, water has gotten

24 renewed attention. And the mayor of Troy was

1 here the other day testifying that some of
2 the pipes in the city there date back to
3 1860 -- and by the way, that was not the one
4 that burst -- 1860. So we know our
5 infrastructure needs a lot of work.

6 Two questions. Staffing; I know we've
7 talked a little bit about that today. It
8 does remain a concern because it comes up on
9 a number of issues. Can you talk a little
10 bit more about how you are addressing the
11 staffing needs and some of the delays that
12 we've heard on a few issues? And
13 particularly can you -- I understand there
14 was a staffing shift to a rehabilitation and
15 improvement group, or a staffing increase of
16 over a hundred staff into rehabilitation and
17 improvement. Can you explain what the shift
18 is?

19 ACTING COMMISSIONER SEGGOS: Okay,
20 certainly. I can start at least with
21 staffing needs.

22 I mean, I approach staffing needs
23 through one primary prism: Are we protecting
24 the environment of New York State? And I

1 have to look at what the indicators are
2 telling me, what the vital signs are telling
3 me -- what's our air look like, what's our
4 water look like. And I'm heartened by the
5 improvements we've made on both those fronts.
6 I mean, it's really due to our collective
7 efforts that water and air are improving.

8 So I can tell you that we're meeting
9 our mission right now, we're doing a lot,
10 we've got incredibly dedicated staff that
11 really move heaven and earth. You should
12 have seen them last weekend with the
13 snowstorm in Long Island -- it wasn't just
14 ECOs and rangers, it was people in Albany and
15 across the state who were pitching in.

16 So we're meeting the mission of
17 protecting New York State's environment and
18 its people. I can transfer you over to Jeff,
19 perhaps who can answer the question on the
20 shift. Do you have an answer on that, Jeff?

21 ASST. COMMISSIONER STEFANKO: Yeah.
22 Basically it's moving staff to capital staff
23 who are performing capital functions to
24 capital funds. It's a technical change.

1 It's not an increase in staff.

2 ASSEMBLYWOMAN FAHY: It's just a
3 technical change, then, not a programmatic
4 shift in terms of --

5 ASST. COMMISSIONER STEFANKO: No,
6 they're continuing the same functions they've
7 been doing.

8 ASSEMBLYWOMAN FAHY: Same functions.
9 Okay. All right. It was one that came up.

10 Second and last question, the
11 pipelines. Again, you heard questions on a
12 number of pipelines. The one that most
13 impacts the 109th District here is the
14 Northeast Pipeline, or the Kinder Morgan.

15 There are a number of concerns,
16 although we're also impacted by the Thruway
17 pipeline proposed there. Can you just talk a
18 little bit about -- it is of concern. We've
19 written about this. I know when time isn't
20 this short, we'll follow up. But health and
21 safety, how you plan to prioritize what some
22 of the review process is for for reviewing
23 this. And I say that as somebody who is very
24 seriously concerned.

1 ACTING COMMISSIONER SEGGOS:

2 Understood. The Northeast Energy direct
3 proposed pipeline, you know, that -- it's a
4 FERC pipeline, but it came to us in
5 application. We sent the application back
6 because it was incomplete, and that's
7 certainly an application process that is
8 going to -- it will play out over time.

9 On the Pilgrim Pipeline -- that's the
10 Pilgrim Pipeline you asked about -- this is
11 the proposed pipeline on the Thruway
12 Authority corridor running north-south. We
13 have requested and been given -- or proposed,
14 at least, DEC and Thruway Authority joint
15 review, SEQR status, lead agency status on
16 this.

17 The SEQR process will play out on it.
18 We will have both agencies working in -- we
19 propose to have both agencies working in
20 concert to ensure that the public's safety is
21 protected, to ensure the environment is
22 protected, as we do on every SEQR review.

23 ASSEMBLYWOMAN FAHY: Thank you,
24 Commissioner. And again, that will be of

1 paramount importance to us.

2 ACTING COMMISSIONER SEGGOS: Thank
3 you.

4 ASSEMBLYWOMAN FAHY: Thank you.
5 Thank you, Mr. Chairman.

6 CHAIRMAN FARRELL: Thank you.
7 Assemblywoman Woerner.

8 ASSEMBLYWOMAN WOERNER: Thank you,
9 Mr. Chairman. Thank you.

10 I want to reflect on staffing levels
11 and enforcement. And I make note of the fact
12 that your staffing levels have dropped
13 significantly over, say, the last 15 years.
14 And reflecting on two things, your comments
15 about this being one government and to
16 everybody in the world, it's not separate
17 agencies, it's one government. And also on
18 the Governor's initiative to encourage
19 municipalities to have shared services.

20 And I'm wondering if you have given
21 some thought with your peers to consolidating
22 in-field regulatory reviews. So, for
23 example, farms are regulated by DEC, DOL, DOH
24 and Ag and Markets. And it certainly would

1 streamline things for the farmer -- and I
2 imagine it would streamline resources for
3 state -- if a field inspector from any given
4 agency could serve the purpose of collecting
5 data and reporting for all agencies that
6 regulate that particular business.

7 Could you comment on that?

8 ACTING COMMISSIONER SEGGOS: Well, I
9 will say, Assemblywoman, that my good friends
10 Pat Hooker and Commissioner Ball, we talk
11 quite a bit about how to streamline
12 inspections. There is quite a bit of
13 overlap. The idea of sharing each other's
14 services is something that the Governor has
15 always encouraged of us to think, you know,
16 outside the box and think, you know,
17 creatively about how to get the job done.
18 And we are willing to do that across the
19 board.

20 And we actually have a number of Lean
21 projects underway at DEC, 17 total, that can
22 help us explore some of those. So certainly
23 on permitting and inspections, that's going
24 to be one of my focuses, is in just making us

1 more nimble.

2 ASSEMBLYWOMAN WOERNER: Fantastic. I
3 applaud you for that and encourage you and
4 certainly would look forward to hearing more
5 about that.

6 ACTING COMMISSIONER SEGGOS: Thank
7 you.

8 ASSEMBLYWOMAN WOERNER: Also thinking
9 about technology as a way to automate the
10 collection of data, and particularly thinking
11 about things like runoff and rainwater counts
12 and that sort of thing, I think technology
13 can be our friend here in helping to
14 streamline the inspection and enforcement
15 process.

16 ACTING COMMISSIONER SEGGOS: Agreed.
17 Thank you.

18 ASSEMBLYWOMAN WOERNER: Thank you.

19 CHAIRMAN FARRELL: Are you finished?

20 ASSEMBLYWOMAN WOERNER: Yes.

21 CHAIRMAN FARRELL: Yes, thank you.

22 Assemblywoman Hooper.

23 ASSEMBLYWOMAN HOOPER: Thank you,
24 Mr. Chairman.

1 Thank you, Commissioner.

2 ACTING COMMISSIONER SEGGOS:

3 Assemblywoman.

4 ASSEMBLYWOMAN HOOPER: I will be
5 brief. I represent a community in Freeport,
6 Long Island, wherein is located a state
7 armory that has been vacated. It is located
8 in a community about 36 inches from a
9 residential area where families have lived
10 there for several years, and also located on
11 a sensitive nature preserve where endangered
12 species flourish. To place a public works
13 department and a waste transfer station in
14 this area would require maintenance of large
15 equipment, cleaning, and the runoff of
16 contaminated waste into this very sensitive
17 area.

18 Strangely, the only element that
19 proposes placing this site in this community,
20 no one of this element resides in that
21 community. And the community is peopled
22 100 percent by minorities.

23 My question to you and my request to
24 you is, how would you protect and address

1 this potential destruction of such a pristine
2 and vulnerable environmentally challenged
3 site, especially when FEMA has already
4 provided \$17 million to mitigate the former
5 DPW site, which was compromised by Storm
6 Sandy?

7 ACTING COMMISSIONER SEGGOS: Well,
8 Assemblywoman, thank you for bringing this to
9 my attention. I'm not aware of this site.
10 I'd be happy, with my regional team and my
11 exec team, to discuss it with you. From a
12 solid waste/wastewater perspective,
13 environmental justice concerns, we have the
14 team ready to better understand the concerns
15 that are being presented.

16 So let's schedule something, if we
17 can. And if you'd get in touch with me
18 through Julie, I'd love to do that.

19 ASSEMBLYWOMAN HOOPER: Thank you
20 kindly. We shall definitely reach out to you
21 because we don't want to lose any more
22 pristine, sensitive natural preserves. Thank
23 you so very much.

24 ACTING COMMISSIONER SEGGOS: Thank

1 you.

2 CHAIRMAN FARRELL: Thank you.

3 Assemblyman Kaminsky.

4 ASSEMBLYMAN KAMINSKY: It's almost
5 good afternoon, Commissioner.

6 I'd like to talk to you about the
7 Bay Park outfall pipe.

8 ACTING COMMISSIONER SEGGOS: Sure.

9 ASSEMBLYMAN KAMINSKY: Last year I had
10 a similar exchange with your predecessor, and
11 there was, you know, some back and forth
12 about trying to get federal resources for it.
13 And here we are a year later, and I'd like to
14 know if we're any closer to achieving the
15 necessary funding and the wherewithal to have
16 an outfall pipe and what the general plan is,
17 as you see it, to get from start to finish to
18 make that very important project a reality.

19 ACTING COMMISSIONER SEGGOS:
20 Assemblyman, I can echo what may have been
21 said last year: We remain committed to
22 getting the Bay Park outfall pipe
23 constructed. I think we're closer than ever
24 at this point. We have \$150 million of state

1 commitments on the table, in addition to
2 \$41 million of EFC financing lined up. We're
3 negotiating a consent order with the county
4 at this point which will establish their
5 obligations to comply with water quality
6 standards and to comply with the
7 reconstruction of their plant and this pipe.

8 We have turned over every rug, looked
9 under every rug for money. We have
10 \$5 million in this year's budget to help with
11 the construction of the pipe. And I can say
12 that we're very close to it at this point.

13 ASSEMBLYMAN KAMINSKY: What is the
14 county's position, as you see it, vis-a-vis
15 the consent order? How have they approached
16 it?

17 ACTING COMMISSIONER SEGGOS: Well, I
18 know the county wants to get this done also.
19 And to their credit, they have committed to
20 install interim nitrogen removal at the plant
21 this year, they've made that public. And the
22 two projects that they're proposed will go a
23 long way to reducing nitrogen that's produced
24 by the plant.

1 So we're at the table. I can't
2 characterize, you know, the tenor of the
3 discussions other than to say that we have a
4 very good dialog going on and I know that
5 they want to get to where we want to get
6 also.

7 ASSEMBLYMAN KAMINSKY: Has there been
8 any consideration of sending some Suffolk
9 sewage to Nassau plants that have the
10 capacity and using New York money that's
11 supposed to go for Suffolk sewage to then be
12 used toward the project? Is that an idea
13 that's been considered?

14 ACTING COMMISSIONER SEGGOS: County
15 Executive Mangano actually mentioned that to
16 me a few days ago when I saw him down on
17 Long Island. We're certainly always willing
18 to entertain any creative solutions like
19 that. I mean, that would be a discussion
20 that the two county executives need to have
21 together and figure out if there's a path
22 forward there. And we'd like to be
23 supportive, if we can.

24 ASSEMBLYMAN KAMINSKY: Okay. And can

1 you answer why no surplus money, state
2 surplus money has been dedicated toward the
3 outfall pipe? What thinking or discussion
4 might have gone into that.

5 ACTING COMMISSIONER SEGGOS: Well, I
6 can say that the EPF increase this year, \$123
7 million worth, is funded through the state
8 surplus that we have. So we've, as I
9 mentioned, programmed \$5 million of that to
10 go towards the outfall pipe.

11 ASSEMBLYMAN KAMINSKY: Right. I guess
12 this is an appropriate pun, but that's kind
13 of like spit in the ocean in a \$500 million
14 project.

15 In other words, if this thing is going
16 to happen, who do you see having to step up,
17 in the absence of, I guess, the state wanting
18 to say, This is going to be our project,
19 which it looks like is what we're looking at.

20 ACTING COMMISSIONER SEGGOS: Well,
21 bear in mind we have almost a billion dollars
22 of state and federal money that we've
23 directed to the plant to make sure that it
24 both had been rebuilt after Sandy and, now

1 that we've committed, to make sure the
2 Bay Park outfall actually happens.

3 The additional \$41 million of EFC
4 financing and the \$5 million this year that
5 we're going to award through settlement funds
6 in the EPF demonstrates a substantial
7 commitment from the state to make sure it
8 happens. We're going to find a way to get
9 there. The county's going to have to step up
10 and help find the balance.

11 ASSEMBLYMAN KAMINSKY: Okay. And you
12 agree that this is a vital project?

13 ACTING COMMISSIONER SEGGOS: I would
14 agree that this is the vital project on
15 Long Island for water.

16 ASSEMBLYMAN KAMINSKY: I appreciate
17 that.

18 And lastly, where I live down in the
19 barrier island of Long Beach Island, the
20 Army Corps project that you will oversee or
21 do oversee is of critical importance. We
22 realized just before the storm the other day
23 that we're not really in much of a different
24 position than we were the day after Sandy

1 happened. And I just want to get your take
2 as to whether that is still on track and is
3 still something that you think will come to
4 fruition on target.

5 ACTING COMMISSIONER SEGGOS: Well, the
6 good news is that we finally reached the
7 agreement with the Army Corps this year -- in
8 fact, just a few weeks ago. And I expect
9 that we will be putting out to bid the work
10 that needs to be done, and the construction
11 will start this year.

12 ASSEMBLYMAN KAMINSKY: That's great.

13 ACTING COMMISSIONER SEGGOS: If not
14 earlier.

15 ASSEMBLYMAN KAMINSKY: Okay, I look
16 forward to working with you on that, and I've
17 asked your agency to put on a presentation
18 for the people in the barrier island who I
19 think after Sandy have reconciled themselves
20 to the fact that the nature of our beach must
21 change. But obviously the more information
22 they can get would be the better.

23 So I would really welcome that, and
24 thank you for your cooperation on this really

1 vital project.

2 ACTING COMMISSIONER SEGGOS: Thank
3 you. I look forward to working with you on
4 this.

5 ASSEMBLYMAN KAMINSKY: Thanks.

6 ACTING COMMISSIONER SEGGOS: Thanks.

7 CHAIRMAN FARRELL: Thank you.

8 Assemblyman Abinanti.

9 ASSEMBLYMAN ABINANTI: Thank you,
10 Mr. Chairman. Welcome. Thank you for
11 joining us today.

12 ACTING COMMISSIONER SEGGOS: Thank
13 you. Thank you.

14 ASSEMBLYMAN ABINANTI: I have a couple
15 of topics that have been touched on but I'd
16 like to pursue a little bit further.

17 One of them is DERA. I know that
18 Senator Hoylman has discussed it with you,
19 and your response was that most of the state
20 vehicles are now at a point where they would
21 meet the standard. But my understanding is
22 that this law would also impose certain
23 obligations on private contractors who do
24 business with the state; correct?

1 ACTING COMMISSIONER SEGGOS: That's
2 right.

3 ASSEMBLYMAN ABINANTI: So that's a
4 piece that we're missing right now. Do we
5 know what percentage of the contractors who
6 do business with the state meet the DERA
7 requirements?

8 ACTING COMMISSIONER SEGGOS: I think
9 it's considerably lower. And I can get you
10 the exact numbers, but I believe it's
11 considerably lower.

12 ASSEMBLYMAN ABINANTI: I think that's
13 an important piece because the logic of this
14 is that once you get contractors to upgrade
15 their equipment to deal with the state,
16 they're not going to take that upgrade off
17 when they're doing private work.

18 ACTING COMMISSIONER SEGGOS:
19 Understood.

20 ASSEMBLYMAN ABINANTI: So we're kind
21 of raising the bar for the entire industry.

22 ACTING COMMISSIONER SEGGOS: Right.

23 ASSEMBLYMAN ABINANTI: And I know that
24 downstate, Westchester County, we did it. I

1 think New York City's done it. And I'm not
2 sure, but I think both Nassau and Suffolk
3 have done it. So they've upgraded all of
4 their own equipment and also have required
5 those who do business with them to upgrade
6 the equipment. But downstate, we can't do it
7 alone. I mean, air pollution travels
8 everywhere, and so we really need everybody
9 to jump in on this.

10 And I think the wisdom of those who
11 passed this law long before I got here is
12 becoming more evident every day. So I
13 compliment your department's concern about
14 climate change and polluted air, but I do
15 hope that we could work together this year to
16 make sure that what should have happened in
17 2010 actually happens this year.

18 ACTING COMMISSIONER SEGGOS: Okay,
19 understood. Thank you.

20 ASSEMBLYMAN ABINANTI: The second
21 issue is a little bit more local, but it is a
22 statewide problem, and that is stormwater
23 flooding. I know throughout the entire state
24 I hear from my colleagues that their

1 communities are underwater after a storm. In
2 Westchester County we have some very
3 significant problems. I just want to talk
4 about my district, which is symbolic of
5 what's going on throughout all of
6 Westchester.

7 We have the Sawmill River, and we've
8 talked about it for years. I had meetings
9 with the Army Corps of Engineers when I was a
10 county legislator six years ago, and they
11 said they could put up money but have no
12 partners. Is there any way that we can get
13 some money into this budget to partner with
14 the Army Corps of Engineers to do the work we
15 need to do on the Sawmill River Parkway and
16 on the Hutchinson River Parkway and the Bronx
17 River Parkway and all of the other roads -- I
18 say parkways, but basically the rivers are
19 flowing onto the parkways and creating havoc.

20 And from a monetary point of view, DOT
21 is spending a lot of money raising the
22 Sawmill River Parkway every time the Sawmill
23 River floods. And so we're wasting money on
24 a temporary solution that two years later we

1 have to redo. If we could just put the money
2 into fixing the river in the first place, we
3 might be saving money and saving a lot of
4 grief and havoc to a lot of homeowners and
5 businesses.

6 ACTING COMMISSIONER SEGGOS:
7 Assemblyman, I can feel your pain. I've been
8 stuck on the Sawmill many times.

9 We do have money in the budget this
10 year, as we do every year, to deal with
11 priority watershed issues. The WQIP line --
12 that's Water Quality Improvement Program
13 line -- of the EPF, it's a competitive
14 program. It's \$10 million this year. And we
15 would certainly encourage folks in your
16 district to apply for funding to help control
17 flooding issues on the Sawmill. I mean, it
18 strikes me that that would be a more than
19 eligible type of grant that could be made.

20 ASSEMBLYMAN ABINANTI: I appreciate
21 that. It just sounds like such a small
22 amount of money for what is really a
23 statewide problem. Is there any way that we
24 could talk about taking a little bit more

1 money from the settlements in a one-time fund
2 dedicated to dealing with stormwater
3 management and flooding?

4 I know in Westchester County, for
5 example, we passed a law that requires the
6 county to survey all of the watersheds and
7 identify those places where the money should
8 be spent, it would be best spent. And that
9 kind of a plan might work statewide. And
10 then if we could put some money into it, we
11 might be able to solve some of these
12 problems.

13 ACTING COMMISSIONER SEGGOS: Well, I
14 can certainly take your request back and we
15 can work strategically with you to figure out
16 what parts of the EPF might be able to help,
17 frankly. I mean, there is the climate
18 account as well that there may be some
19 appropriate investments that could be made
20 out of that to help reduce the impacts from
21 flooding and also just increase the
22 vegetative space.

23 ASSEMBLYMAN ABINANTI: Thank you.

24 And I just have a piece of legislation

1 in the non-budget that I'd like to call your
2 attention to. We've been trying to limit
3 idling throughout the state by motor vehicles
4 and maybe even diesel engines, which really
5 contributes heavily to the air pollution
6 problem. And I would hope that somewhere
7 along the way we could talk and maybe get
8 your support for it.

9 It works in Westchester; people love
10 it.

11 ACTING COMMISSIONER SEGGOS: You more
12 than have my support for it. In fact, you
13 know, our ECOs typically once or twice a
14 year, around the state, will set up idling
15 campaigns, will go to hot spots where you see
16 trucks idling on a regular basis, or perhaps
17 being noncompliant trucks coming through
18 regions, period.

19 So we have in mind a few spots this
20 year. I'd be happy to work with you on any
21 intel you can provide us.

22 ASSEMBLYMAN ABINANTI: Thank you.

23 ACTING COMMISSIONER SEGGOS: Thank
24 you.

1 CHAIRMAN FARRELL: Thank you very
2 much.

3 And to close, now, Assemblyman
4 Englebright.

5 ASSEMBLYMAN ENGLEBRIGHT: You have
6 done very well for your inaugural before us.

7 ACTING COMMISSIONER SEGGOS: Still
8 time to -- time left, right?

9 ASSEMBLYMAN ENGLEBRIGHT: I have a
10 brief question regarding the Part 360 Long
11 Island mulch facilities issue. The Governor,
12 when he issued his veto message last year,
13 indicated the department would be releasing
14 new Part 360 regulations by February 28th,
15 and that justified the veto because you were
16 going to do this instead.

17 So are those regulations, which relate
18 to solid waste issues, still on track to be
19 released on February 28th? And within that
20 context, does the budget include any Part 360
21 implementation monies?

22 ACTING COMMISSIONER SEGGOS: The
23 answer is yes, my staff is sleepless and
24 getting the 360 regs done. We'll have those

1 out by the 28th.

2 ASSEMBLYMAN ENGLEBRIGHT: And are
3 there any implementation monies in the
4 budget?

5 ACTING COMMISSIONER SEGGOS: There are
6 no implementation monies in the budget for
7 Part 360 regs.

8 But I would remind you that the regs
9 are going to go out for public comment when
10 we release them. I'm not sure we've put a
11 timeline on the comment period, but, you
12 know, at least 90 days, I would think. And
13 then that's got to go through the rulemaking
14 process throughout the course of the year.

15 We're going to get it done this year.
16 We can think creatively about how aspects of
17 the Part 360 regs may need funding and
18 certainly come to you next year, think about
19 how, you know, how we can work together to
20 make sure that account is funded.

21 ASSEMBLYMAN ENGLEBRIGHT: We
22 appreciate your testimony this morning and
23 your offer to all of us, one issue at a time,
24 to work through these issues together on

1 behalf of the people of the state.

2 ACTING COMMISSIONER SEGGOS: Thank
3 you.

4 ASSEMBLYMAN ENGLEBRIGHT: Thank you
5 for your presentation, Commissioner.

6 Thank you, Mr. Chairman.

7 CHAIRMAN FARRELL: Thank you.

8 CHAIRWOMAN YOUNG: Thank you.

9 And thank you, Acting Commissioner
10 Seggos. We appreciated your time today.

11 ACTING COMMISSIONER SEGGOS: Thank
12 you, Chairwoman.

13 CHAIRWOMAN YOUNG: And now you can
14 leave.

15 ACTING COMMISSIONER SEGGOS: Okay,
16 wonderful. Thank you. Good luck.

17 (Laughter.)

18 CHAIRMAN FARRELL: Thank you very
19 much.

20 ACTING COMMISSIONER SEGGOS: Thank
21 you.

22 CHAIRWOMAN YOUNG: Thank you.

23 Our next presenter will be Rose
24 Harvey, commissioner of the Office of Parks,

1 Recreation and Historic Preservation.

2 Welcome, Commissioner Harvey. How are
3 you?

4 COMMISSIONER HARVEY: Very well.

5 CHAIRWOMAN YOUNG: So glad to have you
6 here today. So you're free to give us your
7 testimony.

8 COMMISSIONER HARVEY: Thank you very
9 much.

10 Good morning. And I have, to my left,
11 Andy Beers, who's our exec dep of Parks,
12 Recreation and Historic Preservation.

13 Good morning, Chairwoman Young,
14 Chairman Farrell, and distinguished members
15 of the Tourism and Parks Committees and the
16 Legislature. And thank you for inviting me
17 to discuss Governor Cuomo's Executive Budget.

18 As commissioner of Parks, Recreation
19 and Historic Preservation, I'm charged with
20 overseeing New York's outstanding system of
21 180 parks and 35 historic sites. New Yorkers
22 take great pride in their parks, and thanks
23 to Governor Cuomo's leadership, we've done
24 much more to connect more people to parks,

1 revitalize facilities, keep parks and
2 historic sites open and welcoming, and
3 provide outstanding recreational and
4 interpretive experiences for residents and
5 tourists alike.

6 The 2016-2017 Executive Budget
7 maintains level funding for park operations,
8 provides robust capital funding to continue
9 the modernization and revitalization of our
10 facilities and infrastructure, and last but
11 not least, dramatically increases the
12 Environmental Protection Fund to help enhance
13 our stewardship of the state's natural and
14 cultural resources.

15 The park system again this year has
16 been very busy and very successful. We had
17 historic high attendance at our parks, our
18 beaches, our campgrounds. Letchworth and
19 Watkins Glen State Parks were ranked the
20 first and third best state parks in America
21 by readers of USA Today. Our facilities last
22 year and this year will host many more major
23 events, concerts, festivals and athletic
24 competitions, to provide a deeper and better

1 experience for our visitors and, in turn,
2 provided an economic boost to the local
3 economies. A few examples: The Smorgasburg
4 Market at East River State Park in Brooklyn,
5 the Memorial Day Air Show, the now-reinstated
6 Fourth of July fireworks and Holiday Light
7 Show at Jones Beach, celebrations to come of
8 the 50th anniversary of Saratoga Performing
9 Arts Center, the first marathon over Walkway
10 Over the Hudson. This year, Bethpage State
11 Park in Farmingdale is scheduled to host the
12 Barclays PGA Tour, followed by the PGA
13 Championship in 2019 and the Ryder Cup in
14 2024. These events bring hundreds of
15 thousands of visitors and worldwide
16 television coverage.

17 As part of Governor Cuomo's New York
18 Parks 2020 plan to invest \$900 million in
19 State Parks by 2020, the Executive Budget
20 continues to make significant capital
21 investments in our parks and historic sites
22 that will serve their communities and anchor
23 our tourism economy. This year, using funds
24 allocated in fiscal year 2015 and earlier, we

1 will begin construction to modernize and
2 create the Cave of the Winds museum/
3 interpretive/ticket center at Niagara Falls
4 State Park, we'll break ground on a new
5 marketplace at Jones Beach State Park, and
6 we're going to complete the major rehab of
7 the historic West Bathhouse. We'll open a
8 state-of-the-art nature center at Letchworth
9 State Park. We're hosting visitors now to
10 the just-opened Seneca Art and Cultural
11 Center at Ganondagan State Historic Site.
12 And we're welcoming campers to Schodack
13 Island State Park in the Hudson Valley, where
14 we've built the system's first new
15 full-service campground in decades.

16 Of course, we continue to fix and
17 modernize the infrastructure throughout all
18 our parks on which these basic and new
19 services rely. In fact, since the Governor
20 launched Parks 2020, we have advanced more
21 than 230 separate projects within 133 parks
22 and historic sites to enhance, restore and
23 repair our public facilities. From the
24 opening of the new Buffalo Harbor State Park

1 to the transformation of Roberto Clemente
2 State Park in the Bronx, our parks depend on
3 this infrastructure.

4 This year's Executive Budget provides
5 another \$90 million in capital funding for
6 State Parks improvements, which will leverage
7 a broad range of additional public and
8 private funding to match it and allow us to
9 finish what we started last year and begin
10 new and critically important projects across
11 the state, including the complete redo of the
12 Watkins Glen entrance, the Thacher Visitor
13 Center, the much-improved Green Lakes
14 campground, new cabins at Sampson, and then
15 fixing and modernizing the numerous sewer,
16 water and electric systems that need to be
17 updated.

18 Once complete in 2020, we will have
19 made transformative changes at over 30 of our
20 flagship locations and those parks that serve
21 communities of need, and we will touch almost
22 every other park.

23 As you know, the Governor has proposed
24 to nearly double the Environmental Protection

1 Fund. As a result, all of the EPF funding
2 for programs traditionally administered by
3 State Parks will increase, including State
4 Lands Stewardship funding, which is crucial
5 to our staff's work to protect and provide
6 access to the natural and cultural resources
7 that our parks shelter.

8 The EPF budget continues two new
9 programs established last year: The Park and
10 Trail Partnership Program, which, with the
11 assistance of Parks and Trails New York,
12 provides competitive grants to our friends
13 groups that support our parks and our
14 historic sites; and the Excelsior
15 Conservation Corps program, a hands-on job
16 training program that will enhance the
17 natural resources and recreational
18 opportunities in our parks.

19 The Governor has also introduced a new
20 investment that will provide funding to
21 expand environmental education and support
22 the new Connect Kids initiative, which will
23 provide transportation grants to schools to
24 bring children in underserved areas to our

1 state parks and lands.

2 Our agency also administers one of the
3 strongest historic preservation programs in
4 the nation. Last year, the State Historic
5 Preservation Office, SHPO, advanced nearly a
6 hundred listings to the State and National
7 Registers of Historic Places. State and
8 federal historic rehabilitation tax credits
9 spurred more than \$550 million in commercial
10 redevelopment projects statewide, with many
11 more of those located in upstate communities
12 than in previous years. Applications for the
13 state historic tax credit for homeowners also
14 reached a new high, with over 270 projects in
15 the pipeline for rehabilitation.

16 2016 is the 50th anniversary of the
17 National Historic Preservation Act of 1966,
18 which established a historic preservation
19 policy for the nation. New York will join in
20 nationwide efforts to recognize this event.

21 Thank you again for all your
22 commitment to our magnificent state parks,
23 all your support for our agency, and all of
24 your partnership through thick and thin. We

1 appreciate it.

2 CHAIRWOMAN YOUNG: Thank you very
3 much.

4 Senator Betty Little has a question.

5 SENATOR LITTLE: Thank you,
6 Commissioner. I appreciate you being here.

7 And I am sure that the number of
8 visitors to our state parks, the increase in
9 the number of visitors, can be attributed to
10 the Governor's program of putting more money
11 into our state parks and making the
12 improvements, and to you as commissioner for
13 implementing all these improvements. Our
14 parks have truly had great renovation, great
15 additions, and really good upkeep in the last
16 several years.

17 And of course I continue to hope and
18 wish that the campgrounds within the
19 Adirondack Park, no offense to DEC, but I
20 would prefer they were under Parks,
21 Recreation and Historic Preservation.

22 Nevertheless, the only thing I saw in
23 the budget that I thought was a concern --
24 and I know it would be a concern to our local

1 governments -- is the provisions in the
2 Navigation Law changing the match for
3 enforcement of the navigation law from
4 50 percent to 25 percent. As you know,
5 there's a lot of boaters on all of our lakes,
6 and our counties and towns that provide this
7 are really strapped and are under a tax cap
8 which is not even 2 percent for this year.

9 So I would ask that that be changed
10 and even go up to 75 percent, which I think
11 it was at one time. Is there any possibility
12 that could happen?

13 COMMISSIONER HARVEY: I think that it
14 is in the budget. And we work in close
15 partnership with the municipalities, and we
16 provide thousands and thousands of hours of
17 training. We also are continuing to buy
18 boats for local municipalities for patrol.
19 And as the reimbursements are for voluntary
20 patrols, it is also spread over 52 different
21 municipalities. So I think that we're just
22 going to have to work to, you know, try to
23 make it work. And it's going to be the
24 municipalities' decision as to how they do

1 that.

2 SENATOR LITTLE: Well, hopefully we
3 can do something about that as well.

4 I really commend you on your app, and
5 I also commend you for getting the boater
6 safety training course online. I think those
7 are two huge improvements, and I appreciate
8 that.

9 I'd also like to point out that we did
10 pass a commission on the women's suffrage
11 movement, and 2017 will be the year we
12 commemorate New York State allowing women the
13 right to vote. So we're looking to Parks,
14 Recreation and Historic Preservation to help
15 us in promoting those things.

16 COMMISSIONER HARVEY: We're one of the
17 many partners --

18 SENATOR LITTLE: Yes.

19 COMMISSIONER HARVEY: -- and we look
20 forward to working with you.

21 SENATOR LITTLE: All right. Thank you
22 very much.

23 COMMISSIONER HARVEY: Thank you.

24 CHAIRWOMAN YOUNG: Thank you.

1 CHAIRMAN FARRELL: Thank you. We've
2 been joined by Assemblyman Titone.

3 And next is Assemblywoman Russell.

4 ASSEMBLYWOMAN RUSSELL: Thank you.
5 Welcome, Commissioner. I have a couple of
6 questions.

7 The first is, you know, I applaud the
8 efforts we've made over the last several
9 years in terms of increasing capital funding
10 for our parks infrastructure. But I do know
11 that there's a decrease in funding this year.
12 I'm just wondering, is that because we've
13 cleared a lot of backlog? Or, you know, what
14 would be the cause for that as we are still
15 trying to get to that goal in 2020 of
16 revitalizing our parks?

17 COMMISSIONER HARVEY: So you speak of
18 the 110 to 90 million.

19 The plan -- New York Parks 2020 always
20 anticipated \$90 million a year for seven
21 years, with three years before and going
22 forward these four years. And the funding
23 was a -- the 110 was a one-time increase last
24 year to address some critical infrastructure

1 issues. But it's always anticipated that
2 it's \$90 million a year.

3 ASSEMBLYWOMAN RUSSELL: Okay. I have
4 also received some feedback from my community
5 about the institution of a surprise fee at
6 some of my state parks. And I'm just
7 wondering, you know, is this a conscious
8 decision to create a two-tiered system in our
9 state parks of one that's affordable and one
10 that's a little less affordable? I really
11 was caught off guard by that new development.

12 Also because it wasn't widely
13 publicized and was kind of a shock to folks
14 that make their reservations early and had
15 budgeted for their time at a state park and
16 then found it unaffordable and had to, you
17 know, try to make other arrangements.

18 COMMISSIONER HARVEY: The way our
19 camping fees work is that we have a basic fee
20 which has not changed. And then we add on
21 amenities, and always have, you know, for the
22 history of camping based on, you know, water,
23 degree of electricity, you know, whether it's
24 prime, flagship, and so forth and so on.

1 And so there's been no increase in
2 fees, it's just been -- and regularly we
3 adjust those, particularly as we, you know,
4 increase electricity or improve campsites and
5 so forth and so on. So it's the camper's
6 choice as to, you know, what campsite they
7 pick and go for.

8 ASSEMBLYWOMAN RUSSELL: But from what
9 I understand, this particular issue was
10 apples to apples; it's just that maybe for
11 some reason the park became -- got a new
12 designation. But the public really isn't
13 made aware of it, and certainly the
14 Legislature isn't.

15 And so, you know, I find this to be
16 particularly problematic and disturbing
17 that -- are we paying for these upgrades out
18 of the General Fund, or are we paying these
19 off of the back of our visitors after the
20 fact? I'm really not comfortable with this
21 bait-and-switch type of administration to
22 capital improvements. If we're paying for
23 them out of the General Fund, I don't expect
24 then on the back end to, you know, charge

1 more and make it unaffordable for long-time
2 park-goers who we rely on for their
3 year-to-year business to ensure that we have
4 significant vacancy rates to keep the system
5 strong.

6 So I really feel like rug has been
7 pulled out from underneath certain people.
8 And I will follow up with your office to get
9 further justification for all of a sudden,
10 you know, change from year to year when there
11 was really no noticeable difference at that
12 particular park.

13 COMMISSIONER HARVEY: And I appreciate
14 talking to you. And it is what we've been
15 doing for a long, long time, but I appreciate
16 your input, and we'll look at how we do it.

17 ASSEMBLYWOMAN RUSSELL: I want to turn
18 now to the portion of the budget that deals
19 with the Navigation Law and essentially
20 defunding local agencies for providing what
21 ironically is called voluntary enforcement of
22 the Navigation Law.

23 As you are very well familiar with the
24 St. Lawrence River Valley in your experience

1 there, I'm not sure that you could consider
2 voluntary enforcement of the Navigation Law
3 in the St. Lawrence River Valley to be
4 voluntary. There are, you know, tons and
5 tons and tons of cargo that go through, huge
6 amounts of recreational tourism, in a very
7 tight area. And so having orderly boating
8 and adherence to laws in that area is
9 something of utmost importance.

10 The St. Lawrence Seaway projects that
11 2,000 jobs are supported based off of that
12 waterway in my district. And to think that
13 it's voluntary to ensure that kind of -- you
14 know, sometimes it's not a two-line highway,
15 you have to go in one direction when you get
16 to the locks. That, you know, this
17 essentially has to be provided, it will be an
18 unfunded mandate on the localities. And
19 given the economic importance and the
20 environmental significance of this area, I
21 think that maybe perhaps we could have a
22 little bit of a different approach to these
23 very significant areas.

24 And I haven't even touched on the

1 dynamic between Canadian law enforcement and
2 New York law enforcement, whether it's state
3 or local, and the value that local law
4 enforcement officials bring when the
5 state-level folks that are assigned to our
6 area can have no idea about the specific
7 geography of a river that you have to have
8 specialized pilots in order to navigate for
9 large shipping, you know, really needs, I
10 think, to be looked at.

11 And, you know, I just will note that
12 last year, a, quote, unquote, accident almost
13 derailed the Governor's Bass Master
14 Tournament because it would have shut down
15 shipping. And so I know that your office and
16 the Governor's office is aware of this and I
17 certainly in the future would not like to see
18 this referred to as kind of a voluntary
19 obligation to ensure that one of the most
20 strategic waterways in the nation and the
21 world is not going to be adequately patrolled
22 and enforced to keep safety and commerce
23 moving.

24 Also, my time is up, but I would like

1 to thank Senator Little for bringing up the
2 100th anniversary celebration of women's
3 suffrage and would hope that the department
4 could play a more leading, aggressive,
5 prominent role in ensuring that we celebrate
6 it as its due. Thank you.

7 COMMISSIONER HARVEY: Thank you.

8 CHAIRWOMAN YOUNG: Thank you.

9 And, Commissioner -- first I want to
10 note that we've been joined by Senator Patty
11 Ritchie, who will speak in a minute, but I
12 had a couple of questions.

13 First of all, sincerely,
14 congratulations on the designation of
15 Letchworth State Park by USA Today as the
16 number-one park in the entire country. And
17 as you know, I represent about half of the
18 park, so --

19 COMMISSIONER HARVEY: So thank you.

20 CHAIRWOMAN YOUNG: -- it was thrilling
21 for me to be able to see that accomplishment.
22 And I fully agree with the readers that it is
23 the number-one park -- although I shouldn't
24 tell my other parks that, because --

1 (Laughter.)

2 CHAIRWOMAN YOUNG: -- I think you also
3 know that I represent about seven other
4 parks: Midway Park in Chautauqua County,
5 Long Point Park, Lake Erie Park. We've got
6 Allegany State Park on the border, we've got
7 the Stony Brook Park, we've got the Greenway
8 Trail, Genesee Greenway. So as you know, I
9 have a strong interest in the park system.

10 I was interested to hear your response
11 regarding the reduction in the Governor's
12 budget proposal of \$20 million from the
13 capital funds, taking it back to
14 \$92.5 million. And the question I have is --
15 and we face this year after year, in that
16 there's kind of a broad overview of capital
17 but there is no detail, however. And so it's
18 challenging for us, I believe. As
19 legislators we want to make sure that we know
20 how we're allocating money.

21 Is there any possibility that we could
22 get a list of the capital projects that
23 you're looking at this coming year?

24 COMMISSIONER HARVEY: Absolutely.

1 CHAIRWOMAN YOUNG: That would be
2 great.

3 COMMISSIONER HARVEY: Yes.

4 CHAIRWOMAN YOUNG: Thank you.

5 That's basically all I had.

6 Any other Assemblymembers?

7 ASSEMBLYMAN OAKS: Didi Barrett.

8 ASSEMBLYWOMAN BARRETT: Well, thank
9 you for being here, and thank you for -- I've
10 enjoyed working with you on lots of projects,
11 and it's just great, all your vision and your
12 leadership, both of you, on so many of these
13 issues.

14 I do want to echo the women's suffrage
15 point that's been made. Is there any money
16 in the budget for working on that this year?
17 Because I think this is obviously something
18 that, you know, we don't just jump into in
19 2017.

20 COMMISSIONER HARVEY: So not at this
21 point. But we'll work on that.

22 ASSEMBLYWOMAN BARRETT: We'll work on
23 that, okay. Good.

24 Also want to echo the comments about

1 the navigation. And our municipalities are
2 pretty strapped, and it's -- for a savings of
3 \$900,000, I think you're going to anger an
4 awful lot of municipalities. So maybe you
5 can rethink that.

6 And I want to thank you for the
7 transportation in Connect Kids. I mean, I
8 think the transportation issue is a huge
9 obstacle for many of our parks to get kids
10 from school districts, because there's no
11 funding for the school districts anymore. I
12 would love to see that expanded in other ways
13 so it's not just kids but in, you know, some
14 of our urban communities -- like, for
15 example, in my district, getting people from
16 Hudson to some of our parks. I mean, there's
17 no bus system, there's no -- you know, unless
18 you have a car, the entire community is
19 really disconnected from parks that are --
20 Olana or Lake Taconic or parks that are right
21 nearby but are inaccessible because of that.

22 I just really want to ask you,
23 though -- and this is an issue I know we've
24 talked about, but is there another option

1 around the private/public partnerships? How
2 can we do a better job of getting the
3 investments, particularly in our historic
4 sites, besides these 40-year leases? I mean,
5 those don't seem to be such appealing options
6 for a lot of potential developers because,
7 you know, they're still only 40 years,
8 they're investing a huge amount of money.

9 We have these great sites that are
10 deteriorating. You know, communities are
11 frustrated because, you know, they're
12 increasingly eyesores. They're great
13 resources and potential resources for the
14 communities.

15 Is there some -- you know, in all of
16 your knowledge and observation of what's
17 worked and not worked, are there some other
18 ways that we could be approaching this?

19 COMMISSIONER HARVEY: I think the --
20 albeit not perfect, but right now we only
21 have 20-year authority. I do believe that
22 40-year leases on those projects where, as
23 you recall before Governor Cuomo, for four
24 years we didn't even have a capital budget.

1 to see these revitalized and be part of the
2 community and the economy. So I would
3 certainly welcome any thoughts that you have
4 on that.

5 COMMISSIONER HARVEY: And yours too.

6 ASSEMBLYWOMAN BARRETT: Thank you.

7 Thanks very much.

8 COMMISSIONER HARVEY: That would be
9 great.

10 CHAIRWOMAN YOUNG: Thank you. Our
11 next speaker is Senator Patty Ritchie.

12 SENATOR RITCHIE: Commissioner, I just
13 wanted to take a moment and thank you for all
14 your hard work. I represent the Lake Ontario
15 shore and also the St. Lawrence River, and
16 parks are extremely important to my district.
17 And whether the improvements are big or
18 small, they're certainly being noticed.

19 Tomorrow we're going to have a
20 ribbon-cutting on the cross-country ski trail
21 that's just outside of Morristown. It's
22 something that may seem little, but it's a
23 big deal for our area.

24 COMMISSIONER HARVEY: It's big, yeah.

1 SENATOR RITCHIE: So I just want to
2 take a minute and commend you on your
3 responsiveness. Every time I've sent a
4 letter in or called your office to try to
5 have something done, you've done your best to
6 address it and we've gotten, I think, a lot
7 of those issues settled. So I just want to
8 take a minute and say thank you.

9 COMMISSIONER HARVEY: And thank you
10 and all of you, because you are our ears and
11 eyes on the ground, and we really also
12 appreciate all the support. And I appreciate
13 all the dialog, all the ideas, and all the
14 resolutions.

15 SENATOR RITCHIE: Thank you.

16 CHAIRWOMAN YOUNG: Thank you.

17 Assembly?

18 CHAIRMAN FARRELL: Assemblyman
19 Englebright.

20 ASSEMBLYMAN ENGLEBRIGHT: Thank you
21 for your testimony this morning,
22 Commissioner. It's good to see you.

23 I have several questions. Let me
24 start with the Heritage Area program. That's

1 a part of the legal responsibilities of your
2 department, and it's understandable how
3 during the big economic downturn of a few
4 years ago, that program was not as high on
5 the priority list in a triage situation that
6 those years presented.

7 We're not in triage now. The Governor
8 has dramatically expanded and invested into
9 the I Love NY program and encouraged tourism.
10 I'm just wondering if we can perhaps have a
11 follow-up meeting, because I'm still
12 involved, as you are, with this program. If
13 we might be able to have a follow-up meeting
14 to explore ways to perhaps build a new nexus
15 with the I Love NY and tourism initiatives
16 and integrate this concept into it.

17 COMMISSIONER HARVEY: And we'd love to
18 have a meeting, love to have all your ideas
19 and thoughts and help.

20 And our approach, not even just a
21 triage, has been to weave these Heritage
22 Areas kind of into the social, cultural,
23 economic fabric of the communities of which
24 they represent and create. And the more

1 they're woven in locally, the more success we
2 will have. And what we've been doing, and
3 actually proactively as a program -- not
4 because of lack of resources -- is we've been
5 meeting with them and encouraging them to
6 apply for local grants. And I just looked at
7 the numbers, and, you know, they've -- over
8 the last three years it's \$8.5 million. So
9 that's fairly substantial, more than they've
10 been getting ever before.

11 And then they're being woven in, by
12 virtue of being part of certain communities,
13 into the I Love NY, but we could weave them
14 in even more. And that's real advertising in
15 terms of it's millions of dollars.

16 So how we can -- I think it's better
17 having them outside of the agency and more
18 then making sure we channel all the
19 resources, you know, to them that could be
20 available and educate them and help them in
21 all of that.

22 ASSEMBLYMAN ENGLEBRIGHT: Well, they
23 represent a dramatic potential. I was just
24 in Massachusetts yesterday looking at the

1 Heritage Corridor -- it's mostly federal.

2 COMMISSIONER HARVEY: And federal,
3 too, yeah.

4 ASSEMBLYMAN ENGLEBRIGHT: -- that are
5 threaded throughout that state. It's clear
6 that our model is the federal model. I just
7 hate to think that we can't make more of this
8 potential in our own state, and I'd love to
9 have a chance to work with you to explore
10 that.

11 COMMISSIONER HARVEY: That would be
12 great. I would love to work with you.

13 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

14 Nature Centers. Again, during the
15 economic downturn, it wasn't really possible
16 to think about creating new Nature Centers.
17 We don't have a whole lot of them; we have a
18 few in the parks -- Bear Mountain used to
19 have one. I'm not sure it's still there.

20 But you mentioned prominently that
21 there's a new state-of-the-art Nature Center
22 that's going to be at Letchworth. I think
23 that's terrific. I'm just wondering if you
24 could expand upon that just a little bit. Is

1 this something that each of the regions would
2 have one Nature Center, perhaps, that might
3 be able to go and offer programs at the
4 different parks? What is the model? Is it a
5 not-for-profit partner? Is it State Parks
6 personnel? How is it administered?

7 COMMISSIONER HARVEY: So we've
8 actually -- we've gone back and done an
9 inventory of all our Nature Centers, and
10 actually we have over -- I think it's, you
11 know, low twenties. And some smaller than
12 others. And we're looking at those in terms
13 of, you know, revitalizing them and making
14 them also available if we do, you know, some
15 of the transportation programs, particularly
16 for youth from -- urban youth.

17 And we also have looked at building,
18 you know, new and larger Nature Centers. And
19 you've got Letchworth, Grafton's coming
20 online, you're going to have one in New York
21 City, we're going to upgrade the one at Jones
22 Beach. So we're looking all across the
23 system. We're going to fix and revitalize
24 the ones that are there, and then we've

1 looked at our nature parks and areas, and
2 then you're going to see some new, you know,
3 visitor nature centers coming online.

4 ASSEMBLYMAN ENGLEBRIGHT: I'd like to
5 learn more about it and, again, would welcome
6 a chance to meet with you and talk with you
7 about that.

8 Final question, the Zoos, Botanical
9 Gardens and Aquariums program, how does that
10 stand currently, the ZBGA program?

11 COMMISSIONER HARVEY: The ZBGA?

12 ASSEMBLYMAN ENGLEBRIGHT: Yes.

13 COMMISSIONER HARVEY: It received a
14 modest bump in the EPF, and it's --
15 everything's going forward and there are no
16 changes and we look forward to continuing to
17 give them grants and be partners with them.

18 ASSEMBLYMAN ENGLEBRIGHT: Thank you.
19 My time is about up. I just want to also
20 mention Assemblywoman Barrett's concern
21 regarding adaptive reuse of historic sites
22 is -- she is not alone. There are a number
23 of us that share in that concern. I'd love
24 to have a chance to follow up with that as

1 well.

2 COMMISSIONER HARVEY: That would be
3 great.

4 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

5 COMMISSIONER HARVEY: We're all on the
6 same page.

7 CHAIRWOMAN YOUNG: Thank you.

8 Our next speaker is Senator Tom
9 O'Mara.

10 SENATOR O'MARA: Thank you.

11 Commissioner, good afternoon.

12 I just want to follow up again on the
13 Assemblywoman's comments on the leasing,
14 these public/private partnerships. And you
15 and I worked on that a lot, particularly at
16 the end of session last year, and the clock
17 ran out on us and the Assemblywoman as well.

18 Where do we -- is there anything in
19 the budget to address those issues of
20 longer-term leases available for private
21 infrastructure development?

22 COMMISSIONER HARVEY: There isn't
23 anything in the budget. It would be either,
24 you know, if you all introduced bills and

1 then it's, you know, an RFP which would go
2 out.

3 But I believe that we would get more
4 partnerships if we did have 40 years. It's
5 not perfect, but it's better than what we
6 have now, which is only 20 years. And
7 it's -- many of these historic sites are at a
8 level of deterioration that are going to
9 require a very large investment of dollars.

10 So -- and if you get a 40-year, you
11 don't even have to go to 40 years. But you
12 could at least go to 29 years, which makes
13 you eligible for the tax credits. So now
14 investors aren't even eligible for the
15 historic preservation tax credits. So it
16 would be --

17 SENATOR O'MARA: Well, I will be
18 working on that again, in particular the
19 project in my district on Seneca Lake with
20 Sampson State Park. And the deterioration of
21 that marina there requires such an investment
22 that it just really can't feasibly be
23 recouped with user fees over that short a
24 period. So I look forward to working with

1 you and your office on that.

2 Would your preference be to do these
3 individually or -- I know we had a package of
4 bills last year, and that kind of tied things
5 up with a number of parks in there together.
6 What are your thoughts on that?

7 COMMISSIONER HARVEY: We have -- we've
8 done a whole inventory, and so we have a lot
9 of parks that could benefit from it. And it
10 would be in your hands to decide, but we can
11 certainly share with you just our thoughts of
12 where there are both market opportunities,
13 real need, which would restore, renovate and
14 bring them into a functional use.

15 SENATOR O'MARA: Would it be
16 preferable to the department to have more of
17 a blanket authorization to go to that length
18 when you deem it appropriate at the
19 department? Or we come to you with a piece
20 of legislation for every individual instance
21 that you're thinking that's necessary?

22 COMMISSIONER HARVEY: I'm going to
23 leave that to your wisdom, because it just --
24 it depends.

1 But what's preferable to our
2 department is that we have an opportunity for
3 these kind of partnerships. And I think the
4 40-year lease would give that.

5 SENATOR O'MARA: That's all I have.

6 And thank you for your stewardship of
7 our parks, of which our number-three
8 nationally rated park, Watkins Glen, is
9 within my district. It's gorgeous. And
10 Letchworth being just outside of it, that's
11 quite a recognition this year for our State
12 Parks system. Thank you.

13 COMMISSIONER HARVEY: Thank you.

14 CHAIRWOMAN YOUNG: Thank you, Senator.

15 CHAIRMAN FARRELL: Assemblyman Otis.

16 ASSEMBLYMAN OTIS: Thank you,

17 Mr. Chairman.

18 Commissioner, thank you for your
19 comments. We have one of those successful
20 not-for-profit public partnerships, and it
21 has gone very well. And I certainly think
22 that even if the Legislature were to still
23 want to approve these on a case-by-case
24 basis, one way to move the ball on this is to

1 at least provide a format, a boilerplate that
2 you can then show to prospective groups on
3 these properties. And so I think the
4 Legislature needs to collaborate with you on
5 what that boilerplate would be.

6 But that would probably ease the
7 marketing of these opportunities to
8 not-for-profits or for-profit kinds of
9 entities. But we have a good one on the
10 Sound Shore.

11 My question is about -- you know, it's
12 been such a great investment the last five
13 years in terms of capital projects for state
14 parks. Do you manage the planning, design,
15 construction out of Albany or out of the
16 regions? I mean, it's a big increased
17 workload to manage \$90 million a year. So
18 just briefly, some picture on how the
19 department is organizing themselves for that.

20 COMMISSIONER HARVEY: So we basically
21 work with our regions and we get all of their
22 thoughts for their needs. And as you know,
23 before this program even started, we had, you
24 know, a \$1.1 billion backlog, which is higher

1 now, you know, with time. Every year it goes
2 higher.

3 And then they gave us what all the
4 needs are and, you know, a big piece of it is
5 just basic infrastructure, because you can't
6 do anything new until you fix the basic
7 infrastructure. And then we work out of
8 Albany and look at it, and then we work with
9 consultants and contractors for design. And
10 if it's, you know, a big change, then we
11 definitely have public outreach. If it's,
12 you know, basic infrastructure, then we go
13 forward.

14 And as with everything with the state,
15 it's a long process, so, you know, you start
16 in Year 1 and it's going to be Year 3 that
17 it's going to get done. So we really have a
18 pipeline now that's in place. And then some
19 years we've got to aggregate money before we
20 can go forward. But it's a very rigorous,
21 from-the-ground-up process. And then with
22 design, if it's brand-new and different, then
23 there's also public outreach.

24 ASSEMBLYMAN OTIS: Well, thank you.

1 Thank you for your great work on all these
2 issues, and everyone at State Parks.

3 COMMISSIONER HARVEY: Thank you.
4 Thank you for your partnership.

5 CHAIRWOMAN YOUNG: Thank you very
6 much.

7 Next is Senator Liz Krueger.

8 SENATOR KRUEGER: Hi. I'm surrounded
9 by Senators who have enormous amounts of
10 parkland in their districts and apparently
11 compete over the best parks in the country,
12 so wonderful.

13 I am from very densely people
14 populated New York City, where if we find 14
15 trees together, we put a bench next to them
16 and say it's a new park. And we're very
17 sensitive about our desperate need for green
18 space.

19 So in your testimony you talk about
20 some of the models you've been using,
21 including Smorgasburg in East River Park in
22 Brooklyn. I know what Smorgasburgs are;
23 there's a number of them, and they're
24 delightful. They're basically go and eat

1 outdoor food by creative famous or
2 not-so-famous chefs.

3 My concern is, for state parks in
4 urban areas, in New York City parks we have
5 some fairly strict rules about not letting
6 commercial ventures encroach on our very
7 limited urban park space. And I'm curious,
8 does the state have some kind of parallel
9 process? Because again, I love to go to
10 these kinds of places and enjoy outdoor
11 eating, but I worry that for economic revenue
12 purposes we might find ourselves in some
13 places -- probably the urban small parks --
14 taking park space away for active green space
15 and turning it into commercial activity.

16 So are there rules you follow?

17 COMMISSIONER HARVEY: There are no
18 formulaic rules. But, you know, that's
19 Williamsburg and that's a small park --

20 SENATOR KRUEGER: A very densely
21 populated community.

22 COMMISSIONER HARVEY: Very densely
23 populated, but actually not all that well
24 used. And there was plenty of public

1 involvement in it. And, you know, we met
2 with the community; they wanted it. And it's
3 also a park that is -- it has some asphalt on
4 it that's off to the side that's not part of
5 the green space. So it was kind of greatly
6 complementary.

7 But, you know, we worked with the
8 community. And their hours are set and, you
9 know, the community knew it, the friends
10 group knew it, and local representatives knew
11 it. So you don't want to be formulaic,
12 but -- I get that completely. And, you know,
13 we always touch base, you know, with the
14 community on that.

15 SENATOR KRUEGER: I might just
16 suggest, take a look at New York City's
17 policies for its parks --

18 COMMISSIONER HARVEY: I will.

19 SENATOR KRUEGER: -- and think about
20 that in the context of other -- we don't have
21 that much state parkland in New York City,
22 obviously, so I don't know how many
23 replicatable situations there would be. But
24 I -- it's not a problem, I guess it's just a

1 hesitation that we don't want to go down that
2 road without thinking about it.

3 COMMISSIONER HARVEY: Yes, and one
4 also -- here, it was not at all driven by
5 economics. It was actually to bring more
6 people to the park, which has been great.

7 But I will check, because it's
8 something we should always think about.

9 SENATOR KRUEGER: Thank you.

10 COMMISSIONER HARVEY: Thank you.

11 CHAIRWOMAN YOUNG: Thank you, Senator.

12 CHAIRMAN FARRELL: Assemblyman Titone.

13 ASSEMBLYMAN TITONE: Thank you,
14 Chairman.

15 Thank you, Commissioner. Great seeing
16 you again today.

17 Just very briefly, you know, we have
18 Clay Pit Pond on Staten Island, which is a
19 wonderful state park there. But we did have
20 an incident where one of our local elected
21 officials wanted to put a bridle path, and
22 State Parks actually thought that that was a
23 great idea, and they started to make the
24 plans with the former Assemblyman, now a City

1 Councilmember. Lo and behold, DEC comes in
2 and says, Well, wait, we can't do that,
3 because there are some protected plants --
4 and rightfully so, they said this.

5 This has become a very contentious
6 issue now, particularly since the Staten
7 Island Museum, whose mission it is to protect
8 much of the native species on Staten Island,
9 spearheaded that with DEC. It's caused a
10 really strained relationship now with certain
11 City Councilmembers, the Staten Island
12 Museum, DEC, and State Parks.

13 And I think my point is, Commissioner,
14 when we talk about projects similar to this
15 throughout the state, that there be --
16 clearly there was a disconnect between State
17 Parks and DEC before going to the
18 Councilmember and saying, This sounds like a
19 great idea.

20 So I would just -- when we have these
21 situations, that the two agencies speak to
22 each other first and then say yes or no, so
23 as to avoid a situation like this from ever
24 happening again.

1 COMMISSIONER HARVEY: One of the
2 Governor's biggest priorities is no silos,
3 one government, one state. And it has worked
4 very well. It sounds like it didn't work in
5 this case, and we will make sure to do it.
6 And we'll look into that situation.

7 ASSEMBLYMAN TITONE: I appreciate
8 that. Yeah, because -- and now it's people
9 like me, Senator Savino and others, are
10 trying to repair hurt feelings and things of
11 that nature. So it's just not, you know,
12 earthshaking, but it is something that I
13 think would make government work better for
14 us all.

15 COMMISSIONER HARVEY: And DEC and
16 Parks, we overlap, we have a great
17 relationship, and we're working on a ton of
18 joint projects. And I will -- Basil and I
19 will get right together, and we'll get back
20 to you.

21 ASSEMBLYMAN TITONE: I appreciate
22 that. And thank you again for all your hard
23 work.

24 CHAIRWOMAN YOUNG: Thank you. Any

1 more Senators?

2 CHAIRMAN FARRELL: To close. How are
3 you?

4 COMMISSIONER HARVEY: Good. Good.

5 CHAIRMAN FARRELL: Formaldehyde,
6 what's happening with that? I shouldn't put
7 it that way. What's happening on that? I
8 know you're overlooking; it's not our problem
9 directly. But what's going on?

10 COMMISSIONER HARVEY: So we've been
11 working with DEP. DEP has actually been
12 great. We've got monitors all over the park.
13 It was a one-time spike, and all the monitors
14 are showing no additional spike. And we're
15 meeting with the community, and then -- and
16 we're digging in to find --

17 CHAIRMAN FARRELL: You had a meeting,
18 or you're going to have a meeting?

19 COMMISSIONER HARVEY: Oh, no, tons of
20 meetings. And actually DEP did many of those
21 community meetings. And we haven't heard --
22 and you may have, but we haven't heard
23 anything at all. They were very satisfied
24 with how we were going to monitor and what we

1 were going to do, and then also look into the
2 long-term solution.

3 CHAIRMAN FARRELL: For the record,
4 we're talking about Riverbank Park.

5 COMMISSIONER HARVEY: I'm sorry.
6 Yeah.

7 CHAIRMAN FARRELL: No, I didn't state
8 it.

9 Oh, all right, thank you very much.
10 You've done a lot of good there. In the last
11 year --

12 COMMISSIONER HARVEY: So have you.

13 CHAIRMAN FARRELL: -- you did quite a
14 job. But, you know, we're never -- not
15 having enough; we'll find other things we
16 need.

17 COMMISSIONER HARVEY: Oh, I know. And
18 we have a great agenda for this year.

19 CHAIRMAN FARRELL: But thank you very
20 much for the things you've done.

21 CHAIRWOMAN YOUNG: Thank you,
22 Commissioner Harvey. We really appreciate
23 your presence today.

24 COMMISSIONER HARVEY: Thank you.

1 Thank you very much.

2 CHAIRWOMAN YOUNG: Thank you.

3 Our next speaker is Richard Ball,
4 commissioner of the Department of Agriculture
5 and Markets.

6 Welcome, Commissioner. It's great to
7 see you.

8 COMMISSIONER BALL: Good afternoon.
9 It's great to see you.

10 CHAIRWOMAN YOUNG: Usually when we
11 talk you're traveling somewhere in the state,
12 as am I, so it's good to see you in person.

13 COMMISSIONER BALL: It's a big state.

14 CHAIRWOMAN YOUNG: So we look forward
15 to your testimony.

16 COMMISSIONER BALL: Thank you so much.

17 Good afternoon, Chairwoman Young,
18 Chairman Farrell, Senator Ritchie,
19 Assemblyman Magee, members of the Ag
20 Committees, and elected officials. I am
21 pleased to offer my testimony on the
22 2016-2017 Executive Budget for the Department
23 of Agriculture and Markets.

24 As the commissioner of the department

1 and as a farmer, I am heartened to say that,
2 due to the Governor's leadership and strong
3 partnerships with all of you, we have
4 expanded New York agriculture.

5 With nearly 36,000 farms across the
6 state, agriculture is a major driver of
7 upstate New York's economy. Agriculture has
8 been identified in all of the upstate
9 Regional Economic Development Councils, and
10 on Long Island, as a priority for economic
11 growth. Since 2011, the REDCs have awarded
12 over \$275 million to agribusinesses across
13 the state. Our beer, wine, cider, and
14 spirits producers have grown more than
15 150 percent in the past five years, thanks to
16 the state's efforts to cut red tape and
17 invest in New York's thriving beverage
18 manufacturers.

19 As a result of the Agricultural Land
20 Assessment Cap, farmers across the state paid
21 \$11 million less in agricultural property
22 taxes in 2014, and now enjoy a more
23 predictable property tax climate. This helps
24 to increase productivity and profitability on

1 farms across the state. In addition, the
2 historic commitment to farmland protection
3 last year, the increased promotion of
4 New York's producers through the Taste NY
5 initiative, and our ongoing work to connect
6 upstate producers to the downstate
7 marketplace, have helped boost our
8 agricultural community.

9 The 2016-2017 Executive Budget
10 recommends \$153.2 million for the department,
11 which allows us to maintain our agency's
12 regulatory functions and to implement several
13 key programs to further grow the agricultural
14 industry. The Governor proposes \$6 million
15 to promote and implement the New York State
16 Certified High-Quality Foods initiative.
17 This exciting new program will help consumers
18 identify New York agricultural producers that
19 are certified for their safe handling of food
20 and for their environmental farm management
21 practices.

22 New York Certified provides an
23 opportunity for New York's producers to take
24 advantage of the growing demand for safe,

1 healthy, and local food. This initiative
2 will also address the mislabeling of food
3 products through enforcement of existing
4 laws, promulgation of new regulations that
5 define certain problematic labeling terms,
6 and increased product sampling and testing.

7 The Governor is also proposing a
8 historic investment in the Environmental
9 Protection Fund -- \$300 million, which more
10 than doubles the fund level since 2011. This
11 bold proposal has been met with great
12 enthusiasm from the agricultural community.
13 It includes funding increases to several
14 significant programs for agriculture, such as
15 farmland protection, the state's Soil and
16 Water Conservation Districts programs, and
17 for invasive species prevention.

18 The EPF allocation also includes a
19 proposed \$2.5 million in funding for the
20 Climate Change Mitigation and Adaptation
21 program. This will allow the department to
22 build on last year's pilot program, which was
23 created to help mitigate the environmental
24 impact of agriculture-related activities and

1 increase the resiliency of farms throughout
2 New York State in the face of a changing
3 climate.

4 To further promote our homemade and
5 homegrown products, the Governor has set a
6 goal of doubling Taste NY sales. The Taste
7 NY initiative has already been hugely
8 successful since its launch in 2013. The
9 Executive Budget includes \$1.1 million to
10 expand Taste NY, with four additional stores,
11 new concession partnerships at sports and
12 entertainment locations, and new locations
13 within the New York State Park system.

14 The department's Farm to School
15 Program awarded funding for the first time
16 last year to school districts and education
17 partners to put more healthy and locally
18 grown foods on school menus, and to
19 strengthen connections between farms and
20 schools. The Governor proposes an additional
21 \$350,000 this year to expand the program and
22 to increase the capacity of additional
23 schools across the state to purchase from
24 local farms.

1 In addition, in this new year we will
2 see a greater focus on anti-hunger issues in
3 the state, with the establishment of the
4 New York State Council on Hunger and Food
5 Policy. As commissioner, I will be proud to
6 chair the council, whose role will be to
7 advise the state on policies and programs to
8 improve access to healthy, locally grown
9 food.

10 The Governor has proposed a host of
11 initiatives in this year's Executive Budget
12 proposal that will have a significant effect
13 on New York's agricultural industry by
14 reducing overall business costs.
15 Approximately 1.1 million small businesses,
16 including farms, will benefit from the
17 Governor's proposed \$300 million small
18 business tax cut. The elimination of Thruway
19 tolls for farmers using E-ZPass is estimated
20 to save the agricultural sector \$5 million
21 annually. In addition, expanding a tax cut
22 for breweries to include cideries, wineries,
23 and distilleries would provide \$2 million in
24 savings, allowing our beverage producers to

1 reinvest in and grow their operations.

2 This is tremendous news for our
3 farmers and producers. I'm confident all of
4 the proposals laid out today will leverage
5 the good work of the industry for an even
6 stronger agricultural economy. I'd be happy
7 to answer any questions that you have at this
8 time.

9 CHAIRWOMAN YOUNG: Thank you,
10 Commissioner.

11 I'd like to call on the chair of the
12 Senate Agriculture Committee, Senator Patty
13 Ritchie.

14 SENATOR RITCHIE: Good afternoon,
15 Commissioner.

16 COMMISSIONER BALL: Senator.

17 SENATOR RITCHIE: I'd like to just
18 start off by saying I appreciate the time you
19 spent with me in my office earlier this week
20 to talk about the budget, it is because of
21 that that I'll keep my questions fairly
22 short.

23 Much of the Aid to Localities has been
24 cut out of this budget this year, and I know

1 the Senate believes that those programs are
2 extremely important to the farmers and
3 continuing to grow their business. In the
4 past, the Executive has been supportive of
5 making sure those programs are contained in
6 the final budget. Could you tell me your
7 feelings on these programs and whether you
8 believe that the Executive will be supportive
9 in the end?

10 COMMISSIONER BALL: I think we have,
11 at the core here, an excellent budget to help
12 carry out our core mission at the department.
13 It's been very exciting to be a part of so
14 many good things that are happening in
15 agriculture right now. And I think as you
16 and I discussed, and I think we completely
17 agree, there's a number of items on the local
18 assistance budget that are critical to
19 agriculture. And I certainly look forward
20 working with you and seeing how we can do an
21 even better job on those items in this budget
22 process.

23 SENATOR RITCHIE: As far as the market
24 orders that are proposed to be transferred to

1 ESD, and also Pro-Dairy being transferred to
2 the EPF fund, I have a couple of concerns
3 there.

4 First of all, on the market orders, I
5 have never heard a complaint from the
6 industry on market orders, so I'm fearful of
7 allowing that to happen, given the fact that
8 we have no complaints and that we want it to
9 continue to move as easily as possible. So
10 that's a concern.

11 And second, given the fact there are a
12 number of competing interests under the EPF
13 moving Pro-Dairy, which is an important
14 program for agriculture, to complete in that,
15 is that also concerns me.

16 COMMISSIONER BALL: Okay. With
17 regards to the market orders, that is the
18 industry's money, really. You know, that's
19 market-based and the money basically flows
20 through our department. We chair advisory
21 committees and oversee what they do with the
22 money and pay attention to that. I think
23 this is largely a great synergy and a great
24 cooperative effort between us and our

1 partners at Empire State Development.
2 They've got great fiscal and great marketing
3 capacity there.

4 And we're still going to stay involved
5 with the market orders, we're going to
6 monitor them. The growers will still talk
7 with us. But it shifts some of the burden of
8 that regulatory part onto Empire State
9 Development where they have the capacity to
10 do it.

11 We have a pretty good history of
12 working with Empire State Development. We do
13 more things with them every year. They've
14 been partners with us on tourism and
15 agri-tourism, Taste NY, and our branding
16 program going forward, New York Certified.
17 So I think it's a good synergy for us,
18 frankly. I don't think our growers will
19 notice a difference in how their market
20 orders perform.

21 With regards to the EPF, you know, we
22 saw the opportunity and the Governor made a
23 big commitment to the Environmental
24 Protection Fund. And I think looking at

1 things that are environmentally focused in
2 our budget frankly gives them a solid line
3 over there at the EPF, and I think it's a
4 good fit.

5 SENATOR RITCHIE: And I would like to
6 ask a question about Cornell, which is our
7 land grant university. You know, I believe
8 Cornell is very important to the state and
9 helps us compete, is responsible for
10 cutting-edge research. And, you know, in the
11 past years we haven't really kept up with the
12 demand. I know research is critically
13 important. The vet school is full. I'm just
14 wondering your feelings on whether we are
15 putting enough resources to help prop up
16 Cornell or if that's something we should
17 definitely be looking at.

18 COMMISSIONER BALL: You know, we're so
19 fortunate in New York State, when I think
20 about the resources we have in our state, in
21 our land, in our grower community, in our
22 access to water. But I think also in our
23 access to, you know, one of the best land
24 grant schools in the United States and

1 clearly a leader in food safety. We need
2 more from Cornell as we go forward, not less.

3 And I think that these are discussions
4 that we have with the dean, and I think
5 Cornell is beginning to feel like a second
6 home to me. We have great conversations with
7 them about how we accomplish this. Certainly
8 we need to do a lot more work with Cornell.

9 You know, we're talking an awful lot
10 about growing our marketplace in New York.
11 That takes more than just putting more things
12 on the shelves. It takes growing the parking
13 lot, which is our marketing, and growing our
14 back room and our warehousing, but it's going
15 to need more research, more applied research
16 to help us stay in front of our consumers.

17 So I agree with you, look forward to
18 working with you on that very much.

19 SENATOR RITCHIE: Just recently the
20 Governor has invested a lot of money in the
21 state fairgrounds. We have so much need in
22 local fairgrounds across the state and have
23 had no capital funds there. That's something
24 that is I think a concern for many of us.

1 And, you know, once again, I'd like to hear
2 your feelings on whether you think our local
3 fairs are important and if we need capital
4 funding to help make sure that they can stay
5 viable.

6 COMMISSIONER BALL: Sure. Our State
7 Fair and our local fairs are both such
8 important points of contact today between
9 agriculture and the public. Farmers
10 represent about 1 percent of the population
11 right now. That means 99 percent is off the
12 farm. So here's a great point of contact
13 between those two communities. And that's so
14 important that we take care of that
15 opportunity and make it a positive
16 experience.

17 So we're hearing from the county
18 fairs, we talk with them quite often. As you
19 know, I get to go to quite a lot of county
20 fairs and get to talk to a lot of folks.
21 Many of you have escorted me around your
22 county fairs. I appreciate that. And I
23 would agree that they could use an uplift,
24 they could use a little help there, and I'd

1 be happy to speak with you about that and
2 hear your thoughts about that, very much so.

3 SENATOR RITCHIE: And last but not
4 least, Farm Bureau came out earlier this week
5 saying that it's going to cost farmers half a
6 billion dollars with the minimum wage
7 increase. Especially now with milk prices
8 being low, we're trying to grow our
9 number-one industry and we don't want to do
10 anything that's going to set them back.

11 So could you tell me how you think our
12 farmers are going to deal with the minimum
13 wage increase?

14 COMMISSIONER BALL: I got the same
15 email yesterday also from Farm Bureau. And
16 as you know, I'm pretty close with Farm
17 Bureau, pay a lot of attention to their
18 thoughts.

19 Let me just say the Governor has
20 stated, and I would agree, that a reasonable
21 minimum wage can help lift the standard of
22 living for all workers. Recognize that the
23 proposal currently is an installment plan for
24 this, that in upstate it would be different

1 from downstate, and that by 2021 we're
2 looking at full implementation.

3 I think for us at the department,
4 while a change is being contemplated here, my
5 focus is going to remain on ways that we can
6 cut costs for farmers, ways that we can
7 improve the viability of farms in New York
8 State. As you know, on a business statement,
9 income and expense sheet, there are two
10 sides. There's a lot of lines, and there's
11 two sides. And so if we can eliminate tolls
12 on the Thruway, if we can cut property taxes,
13 if we can look at our tax assessments, if we
14 can make life easier for our farmers, if we
15 can open more markets in the city, if we can
16 open up more profitable markets for our
17 farmers, then we're going to work in that
18 direction.

19 I would add that as we go forward,
20 recognizing that we need more workers in
21 agriculture, not less, that we need more
22 skilled workers in our new plants and our new
23 industries, that we're going to need a
24 particular focus on our rural youth. And I

1 think this is something that's a little bit
2 passionate for me, because I was a rural
3 youth at one time looking for a job on a
4 farm. And I think we're having some very
5 exciting conversations with our Department of
6 Labor about how we do that. The Governor put
7 in place an Urban Youth Program which has
8 been pretty successful, and I would like to
9 see our conversations about a rural youth
10 program take hold. And again, great
11 conversations going on with the Department of
12 Labor about that, about apprenticeships, and
13 about training that can carry us forward.

14 I'm hearing from farmers and I'm
15 hearing from Farm Bureau and really we're
16 hearing on all sides of the issue about how
17 this will affect upstate New York, and we
18 continue to monitor that and look at how the
19 potential impacts will fall out. But we
20 certainly want to hear your thoughts on that
21 as well.

22 SENATOR RITCHIE: I'd just like to
23 close by saying that you are keenly aware of
24 the issue that we're having with the aging

1 farmer. It's been one of the Senate's
2 priorities to try to encourage young farmers
3 into looking at agriculture as a field. And
4 I know with this minimum wage proposal I've
5 received numerous calls from farmers saying
6 they don't know how they're going to meet
7 their bottom line if \$15 goes into effect.

8 And so I would just ask that you
9 seriously look at the effect that's going to
10 have and that we try to stay the course and
11 protect our farms and be really aware, keenly
12 aware of issues that may actually keep farms
13 from growing and have the adverse effect.

14 COMMISSIONER BALL: Thank you.

15 Absolutely.

16 SENATOR RITCHIE: Thank you.

17 SENATOR KRUEGER: Thank you.

18 Assembly?

19 CHAIRWOMAN YOUNG: Thank you.

20 CHAIRMAN FARRELL: Assemblyman Magee,
21 chairman of Agriculture.

22 ASSEMBLYMAN MAGEE: Thank you,

23 Mr. Chairman.

24 And thank you, Commissioner, for

1 coming and talking with us today. And I know
2 you've been many places in the state. I
3 happened to be with you several times, and
4 it's always very productive.

5 I do have a question, though. What
6 are the department's priorities in
7 agricultural education, marketing and
8 research?

9 COMMISSIONER BALL: Well, with regards
10 to education, we're having, as I mentioned,
11 those conversations with our Department of
12 Labor about training and apprenticeships. I
13 think that certainly when we get our young
14 people to Cornell, when we get our young
15 people to any of our land grant schools, we
16 do a great job, we do a really great job of
17 getting them prepared to enter the world of
18 agriculture today.

19 But I see a need to get more young
20 people in the pipeline heading that way and
21 understanding that agriculture can be an
22 opportunity and a viable way to make a living
23 here in New York State.

24 I had occasion a few years ago in

1 Schoharie, in my town -- Schoharie Central
2 School's about a mile and a half from our
3 farm, and I walked in there to be part of a
4 committee that was working on school
5 nutrition. And I looked around at the menu
6 in the cafeteria, and there was not one thing
7 on the menu that came from the Schoharie
8 Valley, which is arguably a pretty special
9 vegetable-growing region area in the State of
10 New York and known throughout the Northeast.

11 But what bothered me more than that
12 was that those young people were going to
13 grow up, they were going to get educated,
14 they were going to graduate from that school
15 and they would leave the county and not know
16 what kind of opportunity they had right in
17 our own county if they didn't know what I did
18 a mile and a half up the road, if they didn't
19 know what my neighboring farm did four miles
20 down the road or 10 miles down the road.

21 So I think we need to do a better job
22 with our young people in high school, better
23 ag education, and open up that possibility
24 thinking there that agriculture is a good way

1 to make a living in New York State for that
2 next generation.

3 With regards to research, I would say
4 that, as I mentioned with Senator Ritchie,
5 Cornell and our land grant system, all our ag
6 and tech schools around the state, do such a
7 great job that we need to make sure that
8 remains viable as well. And, you know, the
9 applied research that we need on the farms to
10 stay competitive with the country and the
11 world today is going to be so critical.

12 As far as marketing, I'm pretty
13 excited about what we're doing in marketing,
14 you know, between Taste NY and between this
15 new New York Certified program, I think we've
16 got a great opportunity to take our growers
17 and connect them with the biggest marketplace
18 in the country and gain some great success
19 there. I think climate change gives us an
20 opportunity to take back some of the market
21 share that has belonged to the western part
22 of the United States. So I think we're in a
23 good place in New York State in that regard.

24 ASSEMBLYMAN MAGEE: In the Governor's

1 proposed budget there was a significant
2 reduction in the Farm Viability Institute.
3 Do you have any idea on what effect that
4 might have, if any?

5 COMMISSIONER BALL: The Farm Viability
6 Institute got some of its funding moved out
7 of where it is. But I think the Farm
8 Viability Institute is probably one of the
9 things I'm most proud about at the
10 department, frankly, our role there. That's,
11 as you understand it, started with the farm
12 bill as a block grant, and they set
13 themselves up. It's a group of farmers who
14 are specialized in each one of their
15 commodities who serve as reviewers, and
16 funding goes there, requests go there, to do
17 research on agricultural issues. And farmers
18 themselves decide what's important to them,
19 what's relevant to them.

20 This past year we were able to take
21 some of our specialty block grant money from
22 the farm bill and give that to the Farm
23 Viability Institute to actually carry out the
24 research. What better group to figure out

1 what research was needed, necessary and
2 relevant than them? So I'm a big fan of the
3 Farm Viability Institute.

4 ASSEMBLYMAN MAGEE: Good. What is the
5 state of the Agriculture Producers Security
6 program? Are there dealer defaults, and will
7 there be money to cover them if there are?

8 COMMISSIONER BALL: As you know,
9 that's a security fund for our dairy
10 producers. It's in great shape, it's
11 healthy, and it's ready. We monitor every
12 day what's going on with that fund and -- I'm
13 sorry? We monitor what's going on with that
14 fund on a daily basis and look at their
15 cooperatives, make sure our dairy farmers are
16 being paid. In the event of a default, we
17 have the insurance there to make them whole
18 again.

19 If an issue comes up with a producer
20 or with a cooperative or with a processor, we
21 stay on top of that and get updated on that
22 daily.

23 ASSEMBLYMAN MAGEE: Thank you,
24 Commissioner.

1 COMMISSIONER BALL: Thank you,
2 Assemblyman.

3 CHAIRWOMAN YOUNG: Thank you very
4 much.

5 Our next speaker is Senator Diane
6 Savino.

7 SENATOR SAVINO: Actually, Senator
8 Young, Senator Ritchie asked the question
9 that I wanted to ask of Commissioner Ball, so
10 I no longer need to ask him.

11 But welcome to the committee. Nice to
12 see you again, Richard.

13 COMMISSIONER BALL: Good to see you
14 again, Senator.

15 CHAIRWOMAN YOUNG: Okay, very good.
16 Then I think I'll let Senator Krueger go
17 ahead.

18 SENATOR KRUEGER: Thank you. Nice to
19 see you, Richard. Thank you.

20 COMMISSIONER BALL: Good to see you.

21 SENATOR KRUEGER: We have only five
22 minutes, so I'm going to try to be quick.

23 Your testimony talks about the REDCs
24 have awarded over 275 million to

1 agribusinesses across the state. Not right
2 now, but can you provide me a list of those
3 grants and if there's any data yet on the
4 effectiveness of their being used?

5 COMMISSIONER BALL: Sure.

6 SENATOR KRUEGER: Thank you.

7 About, I think, six months ago now you
8 and I had a conversation about the concerns
9 about the dying pollinators in New York
10 State, the bee issues, the monarch
11 butterflies, and you informed me that there
12 was a task force that I believe you were a
13 cochair of that was just about to have its
14 first meeting.

15 COMMISSIONER BALL: You remembered.

16 SENATOR KRUEGER: Can you tell me
17 where we all are, now that the task force has
18 been operating?

19 COMMISSIONER BALL: Yes. Thank you.

20 Thank you for remembering that.

21 Yes, the Governor charged myself and
22 the commissioner at DEC to cochair a
23 pollinator task force, and we did so. We
24 held three pretty significant meetings at the

1 department and we took in reams of paper, of
2 comments by email, from their constituents
3 from the people that were there. We brought
4 in the beekeeper community, we brought in our
5 honey producers, we brought in our farmers,
6 we brought in Audubon Society and Nature
7 conservancy and, oh, my gosh, Cornell. We
8 brought in just about everybody we could
9 think of that had a stake in pollinator
10 health, including our own agencies -- Parks
11 and DOT were also there -- because we own, in
12 the state, quite a bit of land when you
13 consider what the Thruway has, what DEC has
14 in forests, and what Parks has.

15 And we looked at the range of issues
16 that are affecting pollinators. As you know,
17 this is a nationwide concern. Pollinators do
18 an awful lot of work in New York to pollinate
19 our crops. And it's also a viable business
20 on its own, just producing honey in New York
21 State. We have an apiculture advisory
22 committee to the commissioner that exists,
23 and they were also there.

24 So we sat down and we listened to the

1 wide range of issues that everyone felt were
2 affecting pollinators, and it went on quite a
3 lot, it was pretty extensive. At the end of
4 the day, we had produced a pollinator plan
5 for New York State which consists of best
6 management practices for our beekeepers, for
7 our landowners, for farmers, for our
8 pesticide applicators, and for state
9 government in its management of land.

10 There's probably six or eight issues
11 that are very big in pollinator health.
12 Cornell was there, and obviously we're going
13 to need some more research on the subject.
14 But basically -- and we see this as a dynamic
15 plan. It's been worked over. It's currently
16 sitting on my desk, needs to be approved
17 by the cochairs and then out to the
18 committees. But what we have done is put
19 together good management practices for all
20 those stakeholders and things we can do
21 quickly to improve pollinators.

22 For example, in our state lands, you
23 know, one of the issues with pollinators is
24 forage quality, the lack of good forage

1 quality for our bees to keep them healthy.
2 And so we are looking at ways we can manage
3 forage in our state lands -- along the
4 Thruway, in our parks, on farms. We have CRP
5 lands, we have buffer strips. Even in
6 New York City we have parks where pollinators
7 frequently are migratory; how they can find
8 refuge on their way from wherever they are,
9 coming across the urban areas, and continue
10 on to where we need them.

11 SENATOR KRUEGER: Can your office get
12 us copies of the report? Or it's not signed
13 off on yet.

14 COMMISSIONER BALL: No, we'll
15 absolutely do that. Absolutely do that.

16 SENATOR KRUEGER: I'd appreciate that.
17 I'm only cutting you off because I see one
18 minute left for me, and I have too many
19 questions.

20 So last year the state put \$25 million
21 in to protect the continuation of farmland in
22 the mid-Hudson Valley. And then there was
23 also some older money in Ag & Markets that
24 was also released to protect and keep land in

1 farming in New York State. Have we moved
2 that money out?

3 COMMISSIONER BALL: Yes, we've taken
4 applications now in the Hudson Valley for
5 that money, and some good news to report on
6 that front. That Hudson Valley money was
7 specific to that region. We did have a
8 statewide program going on already.

9 And I have to brag just a little bit,
10 but last year we had two plans in Saratoga
11 County that we were able to get the work
12 done, start to finish, in a very short period
13 of time that traditionally took four years
14 from the time of beginning to the time of
15 end, when a check actually changed hands.
16 Those two farms in Saratoga this past year
17 were done in six months. I think that was a
18 little overachievement, probably, but we're
19 certainly looking to cutting the time down at
20 least in half.

21 SENATOR KRUEGER: And I know the
22 clock's at zero, so don't answer. I'll just
23 ask the question, you can follow up.

24 Have we been able to expand the amount

1 of New York State produce going into our
2 school schools through your Farm to School
3 Program?

4 COMMISSIONER BALL: Yes.

5 SENATOR KRUEGER: Okay. We'll follow
6 up on that one.

7 COMMISSIONER BALL: Yes, please do.
8 Please do.

9 SENATOR KRUEGER: Thank you.

10 CHAIRWOMAN YOUNG: Thank you, Senator
11 Krueger. Thank you, Commissioner.

12 CHAIRMAN FARRELL: Assemblywoman
13 Russell.

14 ASSEMBLYMAN RUSSELL: Thank you,
15 Mr. Chair.

16 And welcome, Commissioner. It's great
17 to see you again.

18 COMMISSIONER BALL: Great to see you.
19 Thank you.

20 ASSEMBLYMAN RUSSELL: I really enjoyed
21 your testimony. And as the chair of the
22 Assembly's task force on Food, Farm and
23 Nutrition, you and I have had several
24 discussions about moving a number of these

1 initiatives ahead.

2 Before I focus on one particular
3 issue, I'd first of all just like to start
4 off by saying that the relief from Thruway
5 tolls for farmers that was put in the
6 budget -- that's really not maybe a part of
7 your testimony, it's in another block -- it
8 certainly helps agriculture. And I was very
9 happy to see that we're still trying to make
10 progress in that area, as I live a pretty far
11 distance away from major markets, and so
12 transportation costs are always a concern for
13 my farmers, and the Thruway tolls are a
14 component of that.

15 I was also happy that you touched on
16 the need to look at the farming industry, you
17 know, maybe specifically when we talk about
18 the minimum wage increase. Many of us are
19 concerned about the impact of the minimum
20 wage increase on specific sectors in our
21 communities such as the not-for-profit
22 community, and I would hold our farming
23 community up in the same regard as the level
24 of concern that I have in implementing the

1 increase in minimum wage -- which I
2 wholeheartedly support. But your remarks
3 that, you know, maybe we should look at ways
4 that we can ensure that they are able to
5 support that type of wage are encouraging.
6 Looking at the tax structure that our farmers
7 have, they're essentially supporting our
8 school districts in many parts of the state.
9 And also perhaps some energy cost programs,
10 things like that that may be able to impact
11 the bottom line of our farmers so that they
12 can attract the workforce that they need, not
13 just for now but for tomorrow.

14 But in addition to that, I'd like to
15 delve into a couple of areas that I think
16 intersect that have to do with education and
17 marketing and also manufacturing, value-added
18 processing in our ag industry. And I thought
19 maybe I would start off by asking if the
20 criteria for the Farm to School grants that
21 were awarded in the current year's budget
22 that we're in, would the criteria change? It
23 was my understanding that those grants were
24 for staff members to really kind of get

1 schooled up, so to speak, on how to integrate
2 more local products into their schools, and
3 also equipment upgrades. Is that what we
4 envision for this pot of money?

5 And also some clarifications. I see
6 in my briefing material that it's a proposal
7 for \$250,000 and your testimony I think said
8 \$350,000.

9 COMMISSIONER BALL: Right. On the
10 last point first, we're going to take
11 \$100,000 out of our specialty block grant
12 money at the federal level to boost that up a
13 little bit more.

14 Yeah, I think initially we were
15 thinking how can we make Farm to School work
16 better in school districts. We have some
17 just glaring examples of great, great things
18 that have happened around the state, and
19 they've largely been successful because a
20 group of school districts got together and
21 figured out how to buy together and buy
22 quantities together, and then farmers were
23 able to respond by shipping larger
24 quantities, more significant quantities, more

1 efficient quantities, to a distribution point
2 where they were then relegated where they
3 needed to be.

4 So initially we envisioned that as a
5 great way to help particularly upstate school
6 districts that were rural in nature to better
7 take advantage of Farm to School. That was
8 our vision. We had the grants fully
9 subscribed this year. And we are going to
10 look at a slightly different criteria as we
11 go forward. There are needs in the kitchen,
12 there are skills that need to be taught in
13 the kitchen again in our schools, and we have
14 some just awesome proposals that -- I think
15 we had almost \$2 million in requests that
16 were so awesome that it caused us to look
17 back at how we can write the grant proposals
18 in a way that will fit more school districts.

19 ASSEMBLYMAN RUSSELL: Well, \$2 million
20 in requests obviously shows the desire of our
21 school districts to participate in Farm to
22 School programs. But the largest feedback I
23 hear is that they really still don't have the
24 buying power. The state's reimbursement rate

1 for the school lunch program has sat at
2 6 cents per meal for over 40 years. And I'm
3 sure you're familiar with the drive for
4 25 cents that many of us are working on, from
5 the agriculture sector to the schools to the
6 economic development folks of trying to
7 provide the funding actually for the school
8 districts to be able to afford to buy food
9 that's produced in New York State -- and that
10 hopefully will be New York State Certified as
11 that program rolls out. And frankly, the
12 Certified program is likely to help farmers
13 be able to scale up if we were able to
14 provide funding to our school districts to be
15 able to afford the food that's produced right
16 in their own back yard.

17 COMMISSIONER BALL: Yeah.

18 ASSEMBLYMAN RUSSELL: And so, you
19 know, I think that as we're building upon
20 these programs, I'd really like us to, you
21 know, think about a program that builds on
22 the New York City program of New York
23 Thursdays. You know, I'm from the upstate
24 perspective, and I think we should eat local

1 every day. And so, you know, providing that
2 ability for our schools to actually afford to
3 buy the products and to stimulate the economy
4 as a result. I mean, if you're only buying
5 New York products, it's going to a New York
6 business that then has the ability to
7 reinvest. And with a relatively -- you know,
8 as we're talking about markets, our school
9 districts should be seen as a market. Not
10 just a place where we need to educate our
11 children about agriculture, but as a market,
12 and to get them hooked on the taste of our
13 fresh New York products at the school level
14 and then as they grow to adulthood.

15 And I know my time is up, but I wanted
16 to circle back that, you know, you're doing
17 this education component and you're providing
18 this support to agriculture and, you know,
19 we're looking at schoolchildren as a market
20 and our schools as a market -- this is really
21 an economic investment that we would be
22 looking at, because it would have such a
23 transformational impact that I know that the
24 Governor has been supporting throughout the

1 ag sector in New York State. That, you know,
2 I have one business alone that's got a \$20
3 million project in the queue that would only
4 be able to impact a very small amount of the
5 1.7 million lunches that are served in this
6 state. So the economic opportunity is I
7 think probably the place we put this, but in
8 cooperation with all your programs.

9 Thank you.

10 CHAIRMAN FARRELL: Thank you.

11 COMMISSIONER BALL: Thank you.

12 CHAIRMAN FARRELL: Senator?

13 CHAIRWOMAN YOUNG: Thank you. I'd
14 like to go next.

15 And, Commissioner, you and I have
16 known each other a long time. You know, we
17 worked together when I was chair of the
18 Senate Agriculture Committee. You know I
19 grew up on a farm, you know how important
20 agriculture is not only to my Senate district
21 but the entire economy of New York State
22 because of what we're able to produce and
23 grow and create jobs and prosperity through
24 agriculture and all things that we do.

1 I wanted to associate myself with some
2 of the remarks by Senator Ritchie, who is our
3 Ag chair. Senator Ritchie brought up
4 concerns about the market order
5 administration. And I appreciated your
6 response very well. I know you have worked
7 well with Empire State Development. As you
8 also rightly pointed out, that producers have
9 part of their gross profits fund this
10 research and marketing that goes on.

11 And so there's a little bit of
12 trepidation I think not only within the
13 Legislature but also within the agricultural
14 community about what this would mean because
15 of the traditional role that Ag & Markets has
16 had on these issues. And I would just ask
17 that we have further conversations about this
18 particular proposal, number one.

19 COMMISSIONER BALL: Absolutely. For
20 sure.

21 CHAIRWOMAN YOUNG: Thank you.

22 The second thing is the Certified
23 High-Quality Initiative. And I know the
24 Governor spoke of those initiatives during

1 the State of the State and his budget
2 address, and he had a series of actions that
3 he'd like to conduct. And you did address a
4 portion of it because you did say that the
5 increased farmer training would be covered by
6 a \$4 million allocation through the
7 Environmental Protection Fund.

8 But there are a series of other
9 actions that the Governor has proposed, such
10 as developing a good agricultural practices
11 certified seal to signal proper environmental
12 practices, develop an ad campaign to promote
13 the seal, develop enforcement mechanisms for
14 the program, increase monitoring,
15 inspections, testing capacity of the state,
16 we'll work with the Regional Economic
17 Development Councils to invest in food hubs,
18 we'll invest in farmers opting to convert to
19 organic grain production.

20 And Division of Budget has stated that
21 there's no additional funding for these
22 undertakings, which is why it's not included
23 in the State Budget. However, when you go
24 through this list, it suggests that there

1 will be expenditures that will be necessary
2 in order to implement such a program.

3 So my question is, what resources will
4 be used then if there's nothing included in
5 the State Budget in order to implement the
6 Governor's proposal?

7 COMMISSIONER BALL: Sure. Thank you.
8 Great question.

9 As you identify, there's basically
10 five tenets to this program, and you ticked
11 them off very well. There is some money; we
12 have about \$6 million to move this project
13 forward. And you mentioned the \$4 million in
14 the EPF. This is aimed at environmental
15 management plans for our farms.

16 Basically what this brand will mean
17 when people see this brand is that the farm
18 employed good agricultural practices. That's
19 a USDA-certified thing. That means the farm
20 has trained its workers in hygiene, that
21 their water has been tested, that there's a
22 cold chain from the field to the consumer.
23 Good agricultural practices is a bona fide,
24 audited, accredited item, and training for

1 that is what we already do at the department.

2 And the aim component, the second
3 component of getting this seal, which is
4 voluntary, is that there's a nutrient
5 management plan on the farm, an environmental
6 plan. And this is where, you know, the
7 training comes into our farms that don't have
8 it. We currently ask this of our dairy
9 farmers, of course, already. So now we're
10 looking at adding our fruit and vegetable
11 industries to this.

12 CHAIRWOMAN YOUNG: So you're saying
13 there's funding through USDA to accomplish
14 this?

15 COMMISSIONER BALL: No, through the
16 EPF.

17 CHAIRWOMAN YOUNG: Through the EPF.
18 So 4 million --

19 COMMISSIONER BALL: And nutrient
20 management planning.

21 CHAIRWOMAN YOUNG: Okay. And that
22 \$4 million will cover all of these
23 activities?

24 COMMISSIONER BALL: A lot of it. The

1 gap training, there is funding from USDA to
2 help us do that.

3 Now, there is \$2 million in there for
4 branding and marketing, which Empire State
5 Development -- again, our partners there --
6 will be helping us to market this idea and
7 this brand.

8 The monitoring and the increased
9 monitoring, we're currently -- our partners
10 at Department of Health, who have a real
11 interest in nutrition, obviously, and the
12 health of our food, we already overlap in
13 this jurisdiction here of food safety. And
14 we are going to, in an MOU with them, which
15 we've prepared jointly, do testing and
16 monitoring of what's in the marketplace,
17 what's on the label, is it really what it
18 says it is on the label for our consumers.

19 So I think with our existing
20 capacities and merging them together, the
21 synergies of monitoring and labeling, we'll
22 be able to achieve that.

23 CHAIRWOMAN YOUNG: Thank you.

24 I want to congratulate you on the

1 expansion of the Taste NY program. I've said
2 for years that New York State should market
3 itself as the food state because of what we
4 offer through agriculture and we have
5 everything, as you know. You know, it's
6 dairy and yogurt and wine and grapes and all
7 kinds of fruits and vegetables and craft
8 breweries and now distilleries. And you
9 couple that with the fact that we have some
10 of the best restaurants and chefs in the
11 entire world, and when you put that all
12 together, I think it provides a remarkable
13 opportunity to rebrand the state, you know,
14 tie it together with tourism, and really
15 promote it.

16 So you're well on your way to doing
17 that. And I would ask that we even look at
18 that further and see what else we can do,
19 because we've got it all in New York State.
20 We're very, very fortunate, as you know.

21 COMMISSIONER BALL: Yeah.

22 CHAIRWOMAN YOUNG: And let's continue
23 to bring that prosperity not just to
24 agriculture but, you know, to all of our

1 communities through tourism, our small
2 businesses and so on. So thank you.

3 COMMISSIONER BALL: Oh, absolutely.
4 Thank you. We'd welcome that.

5 CHAIRMAN FARRELL: Thank you.

6 Didi Barrett.

7 ASSEMBLYWOMAN BARRETT: Good
8 afternoon. It's not evening yet.

9 Thank you for being here and thank you
10 for your leadership and thank you for all the
11 work you've done to connect upstate and
12 downstate and include the Hudson Valley,
13 which is kind of in the middle of the state,
14 in that process. And also especially,
15 obviously, last year for the \$20 million for
16 the Hudson Valley's farmland protection.
17 We're very excited that that is underway.

18 I just wanted to -- I heard what you
19 said about the two Saratoga projects. But I
20 know there's been concern about the length of
21 time it's taken, and obviously a lot of these
22 farms have been waiting way longer than they
23 should to be able to access this process.

24 Have you added staff, or is there a

1 timetable that you're hoping to be able to
2 turn these things around in that, you know,
3 that we can go back and reassure people that
4 there's adequate staff, there's a game plan
5 here, it's not going to be like the bad old
6 days?

7 COMMISSIONER BALL: It's not the bad
8 old days, no. We have a Governor who's made
9 a commitment consistently to do that.

10 And part of the challenge earlier was
11 that, you know, there was some money and then
12 we went for years when there was no more
13 money. And so we weren't used to doing this.

14 We have a great staff. And last year
15 we brought in all the stakeholders, all the
16 land trusts, and we said, okay, how does it
17 work on your end, what kind of things do you
18 need from us, and we kind of had a Lean
19 process together. And I think between
20 simplifying some of the forms, some of the
21 timing of it, it was a big help.

22 The reason why the recent awards have
23 been able to happen quicker is I think
24 because we were better prepared at the

1 department through our efficiencies. But I
2 think the land trusts were also better
3 prepared: What do we need, and they knew
4 what we needed, and they had it.

5 And I think the third very important
6 part of that was that our farmers were ready.
7 If it takes four years, so many things can
8 happen in a farm in less than a year. And
9 timing is so important there. You know, life
10 decisions get made.

11 And so I think the farmers were ready,
12 you know, the land trust was ready, we were
13 ready. And you know, hopefully as we get
14 into a regular routine --

15 ASSEMBLYWOMAN BARRETT: Do you have a
16 time frame that you think that, you know, the
17 process should take now at this point?

18 COMMISSIONER BALL: Well, we were
19 excited about six months. And my staff right
20 now is wiggling in their chairs because they
21 think that's too dramatic a target. But
22 certainly, you know, four years is too long.
23 We want to get it done within two years,
24 certainly.

1 ASSEMBLYWOMAN BARRETT: Two years, is
2 that --

3 COMMISSIONER BALL: They're telling me
4 to be more cautious.

5 ASSEMBLYWOMAN BARRETT: All right,
6 thank you.

7 I also was interested that my
8 colleagues were asking about minimum wage,
9 because obviously hearing about that in
10 relation to farmers -- and I appreciate your
11 thoughtful approach. I don't know if you're
12 at all exploring some longer extended program
13 for farmers where, you know, it might take
14 longer depending on the size of their farm or
15 some of those kinds of things.

16 But I also wanted to get your thoughts
17 on how the \$15 minimum wage -- and, you know,
18 I support it and obviously everybody needs to
19 have a living wage here -- but how that would
20 work with the federal programs, which are
21 kind of already structured and, you know, a
22 lot of our farmers are working with those
23 programs and, you know, it's kind of an
24 apples and oranges thing.

1 COMMISSIONER BALL: Yeah, really with
2 regards to the federal programs, whatever New
3 York State does, we already exceed the
4 federal programs with regards to that.

5 I think that, you know, the discussion
6 about minimum wage will involve all of you in
7 our process as we go forward.

8 ASSEMBLYWOMAN BARRETT: Okay. And I
9 especially want to thank the Governor and you
10 for your input on the Thruway tolls.
11 Obviously this was a bill I carried and
12 passed for three years, and I'm very happy to
13 see it in the budget and hope we'll be able
14 to get it through.

15 COMMISSIONER BALL: Thanks so much.

16 ASSEMBLYWOMAN BARRETT: Thank you.

17 CHAIRWOMAN YOUNG: Thank you.

18 Next we have Senator O'Mara.

19 SENATOR O'MARA: Thank you.

20 Good afternoon, Commissioner, and
21 thank you for your efforts and your getting
22 around the state personally, visiting many
23 areas. I know you're on the road a lot, and
24 we certainly appreciate seeing you around and

1 seeing you in the Southern Tier and the
2 Finger Lakes region.

3 I want to thank you and the department
4 and the Governor for their outstanding work
5 on the craft beverage industry in recent
6 years. And it's all, I think, a credit to
7 cutting the red tape, as you said in your
8 opening statements, to reducing regulations.
9 Streamlining application processes and
10 combining different types of applications and
11 permits together have certainly shown great
12 gains in the industry.

13 And I only bring that up as a point
14 and a message, maybe not so much to you, but
15 to the Governor: See the success we've had
16 in regulation and red-tape cutting in this
17 industry. Let's try that in some other
18 industries and see how productive we can be
19 in the state, because this has certainly
20 shown great gains in that regard.

21 With regards to the Thruway tolls
22 elimination for farmers and agricultural
23 products, there's been raised complaints,
24 concerns by farmers of the weight limit

1 restrictions on vehicles and that many of the
2 vehicles that they operate getting goods to
3 market, and particularly some of the larger
4 ones that are taking goods down to farmers
5 markets in New York City, their vehicles are
6 going to be excluded from this by weight
7 limits. Are you getting that input as well?

8 COMMISSIONER BALL: I've heard some
9 comments to that effect. Let's talk about
10 that.

11 SENATOR O'MARA: Do the Thruway toll
12 exemptions for ag products -- will that
13 include forestry products, do you know?

14 COMMISSIONER BALL: Yes.

15 SENATOR O'MARA: They will.

16 COMMISSIONER BALL: I believe so.

17 SENATOR O'MARA: Because there
18 certainly, I think, will be weight
19 restriction concerns with that type of
20 transportation as well.

21 COMMISSIONER BALL: Sure. Yeah.

22 SENATOR O'MARA: Now, with regards to
23 the minimum wage -- and I certainly
24 understand that this one is way above your

1 pay grade. Would you advocate for an
2 exemption for --

3 COMMISSIONER BALL: Was that a pun?
4 Was that a pun?

5 (Laughter.)

6 SENATOR O'MARA: Not really.

7 (Laughter.)

8 SENATOR O'MARA: I'm not funny. They
9 can vouch for that.

10 ASSEMBLYWOMAN BARRETT: Not
11 intentionally.

12 SENATOR O'MARA: Would you advocate
13 for a carve-out for agriculture and farms
14 from this \$15 minimum wage proposal?

15 COMMISSIONER BALL: I think that would
16 have its whole set of challenges because
17 farms obviously compete in rural communities
18 for young people and people of all ages to
19 work. I can see that being problematic.

20 SENATOR O'MARA: Now, there's many
21 programs that have been greatly reduced for
22 agricultural research, marketing in the
23 budget. And I believe in your earlier
24 comments to some of the questioners you said

1 you're a fan of the Farm Viability Institute,
2 that's a good program.

3 COMMISSIONER BALL: Absolutely.

4 SENATOR O'MARA: Then why is it being
5 cut by 75 percent in your budget, from
6 \$1.5 million to \$400,000?

7 COMMISSIONER BALL: Some of that money
8 was moved to the EPF line, I believe.

9 But I think this is where we need to
10 get into the discussions with you guys on the
11 legislative adds and local assistance money
12 to highlight the importance there. The
13 Governor has given us at Ag and Markets a
14 budget for us to do our core mission. And I
15 don't mean to hedge on this, but this is what
16 the budget process allows us to do, then, to
17 get into that and talk about what's necessary
18 and what's nice.

19 SENATOR O'MARA: Well, it seems to be
20 an annual recurring process that the Governor
21 eliminates these things and we put them back
22 in. But there's a myriad of programs that
23 the Governor has completely eliminated from
24 this budget that supports a variety of

1 research and marketing for the berry growers,
2 the Christmas tree farmers, the corn and
3 soybean growers, the honeybee research, maple
4 research, the Farm Viability Institute, Grown
5 on Long Island, Harvest NY, hops and barley
6 program, Maple Producers Association, apple
7 growers, apple research, onion research, turf
8 grass, the Wine and Grape Foundation being
9 cut by a third, wood products development
10 being eliminated completely.

11 And particularly concerning to me,
12 with all the efforts in the craft beverage
13 industry that I've applauded you for at the
14 outset here, why reductions to the Wine and
15 Grape Foundation and to the hops and barley
16 program, which seem critical to that and the
17 continued efforts to increase production in
18 these areas? Particularly with hops and
19 barley for the microbreweries and for the
20 distillers that are popping up. They
21 already -- they're still encountering great
22 shortages of supply to get New York-grown
23 product, to get even better incentives for
24 their products.

1 So I think it's important that these
2 types of programs be continued to help
3 support these industries in a variety of
4 ways. And we've talked about pollinators,
5 yet we're eliminating funding for honeybee
6 research, which is critical to that.

7 So, I mean, there's a variety of
8 programs. And your justifications for those
9 being cut out?

10 COMMISSIONER BALL: Well, let's have
11 those discussions. I think, you know,
12 clearly a number of things did get funded.
13 There's been an investment in a number of
14 areas, and you articulated them. Certainly
15 in Geneva, you know, into the wine lab there,
16 into cider research there, into hops research
17 there. But I think we need to get, in this
18 process, more of you involved and talk about
19 what is really important and what exactly is
20 the need, where is it, and how we do quantify
21 that.

22 So let's have those conversations, and
23 let's get into the weeds on those things.

24 SENATOR O'MARA: I'd love to. Thank

1 you very much, Commissioner.

2 COMMISSIONER BALL: Thank you,
3 Senator.

4 CHAIRMAN FARRELL: Thank you.
5 Assemblywoman Woerner.

6 ASSEMBLYWOMAN WOERNER: Thank you,
7 Mr. Chairman.

8 Thank you, Commissioner, for your
9 remarks.

10 A number of my colleagues have raised
11 one of the questions that I had, which is
12 funding for the Farm Viability Institute as
13 well as funding for hops programs. I think
14 both of those speak to kind of the strategic
15 point that you were making earlier about the
16 goal is to make our farms more viable, more
17 profitable, and to expand the market for
18 New York-based products. So I would just
19 encourage further investment in those.

20 I want to talk about two -- three
21 other things, actually. One is you point out
22 that we really need to focus on rural youth
23 and how do we encourage our youth to get into
24 farming. And certainly the FFA program and

1 the Ag in Schools program help in that
2 regard, and yet those programs as well are
3 cut in this budget.

4 So can you speak to kind of the role
5 that you see for FFA programs and Ag in
6 Schools as we go forward?

7 COMMISSIONER BALL: Sure. I think
8 that's a critical need, and I think we've
9 identified it and talked about it. And
10 that's another one of those in-the-weeds
11 discussions that we need to have, like where
12 is the need and how is the need quantified.

13 It's been a joy for me to spend time
14 on the stage with an awful lot of FFA blue
15 jackets -- great speakers, articulate and
16 trained in understanding and recognizing
17 responsibility. They're great assets. Those
18 are our future leaders as we go forward. And
19 again, we do a good job, when we get them to
20 our land grant schools, of getting them
21 prepared for modern agriculture. But, you
22 know, letting them find that choice, you
23 know, letting mom and dad recognize that that
24 is a viable way for their young people to

1 proceed is going to be very critical.

2 So the FFAs, the 4-Hs, the BOCES
3 around the state need to consider this. We
4 need more ag teachers.

5 ASSEMBLYWOMAN WOERNER: Thank you.
6 And I look forward to talking with you
7 further about how we can do that.

8 My other point relates to the climate
9 change and mitigation initiative that's in
10 the budget. There are two opportunities here
11 for us, I think. One is controlled
12 environment agriculture and using that as a
13 technology to expand the growing season in
14 New York so that we can take advantage of the
15 opportunity that the western part of the
16 country's climate problems presents for us.

17 And then the second piece of this is
18 anaerobic digesters and encouraging the
19 installation and use of anaerobic digesters
20 as a base power production, distributed
21 generation capability. And, you know, as we
22 all know, the methane produced by farms is
23 pretty substantial as an environmental
24 impact, and anaerobic digesters is a

1 mechanism for reducing that and having the
2 added benefit of supporting the distributed
3 power generation strategy that the Governor
4 has been pushing.

5 So I'm wondering if you can reflect on
6 that for a few minutes.

7 COMMISSIONER BALL: Well, yeah, I
8 completely agree with you. And we could be
9 part of the mutual admiration society here
10 because we both believe that technology is
11 the way that agriculture can grow here, and
12 we have good technology in our state, in our
13 universities. And we need to look at farms
14 as energy -- you know, not just as places
15 where we feed ourselves from, but as energy
16 producers. Solar panels and methane
17 digesters are certainly a critical part of
18 that. So as we go forward, we need to look
19 at a farm in a different way.

20 I think the technology aspect,
21 controlled environment, et cetera -- you
22 know, we had occasion, we were in New York
23 City talking with a very large food buyer who
24 kind of said, "Well, we'd like to do more

1 New York stuff, but we'd like to get some of
2 these vegetables more than three months out
3 of the year, four months out of the year."

4 And here's a case where we can connect
5 the dots in a great way, because if our
6 producers upstate know that they have a
7 customer there who's reliable and the price
8 is reasonable and that is looking for a
9 year-round supply or a five-month or an
10 eight-month supply instead of a two-month
11 supply or a three-month supply, we'll invest
12 in the technology to make that happen. We
13 can grow, in a controlled environment,
14 tomatoes and peppers and lettuce and things
15 like that.

16 But we need to have that customer. It
17 starts with the customer first. And we have
18 this big marketplace, and we need to build
19 those relationships.

20 ASSEMBLYWOMAN WOERNER: So in the
21 funding for the environmental change funds,
22 are there programs to encourage investments
23 in the development and the adoption of these
24 technologies?

1 COMMISSIONER BALL: The climate change
2 funds, yes, I think they would fall in that
3 realm. Largely we're looking at, you know,
4 flood plain mitigation, we're looking at
5 water and land management that can make
6 farming possible even in the face of extreme
7 weather conditions.

8 In the Schoharie Valley we saw an
9 enormous event in 2011, and we've seen events
10 in the Mohawk Valley and in Buffalo and in
11 the North Country. What can we do to invest
12 in the infrastructure in those areas? In
13 many cases it would be covering the manure
14 storage or having a better nutrient
15 management plan that would accommodate the
16 kind of weather we're seeing.

17 I think in our REDCs, which have all
18 committed upstate to agriculture as part of
19 their core mission and core funding they need
20 to do, that we have great opportunities for
21 controlled environment there.

22 ASSEMBLYWOMAN WOERNER: Great. Thank
23 you very much.

24 COMMISSIONER BALL: Thank you.

1 CHAIRWOMAN YOUNG: Thank you.

2 Senator Little.

3 SENATOR LITTLE: Thank you.

4 And thank you, Commissioner, for being
5 here today. But more importantly, thank you
6 for the work you have done for farmers in
7 New York State. Great job, and truly
8 appreciated.

9 COMMISSIONER BALL: Thank you.

10 SENATOR LITTLE: Just a couple of
11 things I'd like to mention. I'd be remiss if
12 I didn't talk about the minimum wage and its
13 effect on the farms, particularly apple
14 orchards, which I have a number of them in my
15 district. They bring in workers many times
16 from Jamaica and other places for five weeks,
17 six weeks, and they have to pay them an
18 adverse minimum wage, which is -- I think
19 last year it was \$13 an hour or something
20 like that. And so that's based upon a
21 minimum wage and the wages of the other
22 employees and -- it's complicated. I don't
23 understand the whole thing. But I know that
24 it's several dollars above what the minimum

1 wage is, and this would be a real hardship
2 for those people.

3 They also have to pay unemployment
4 insurance on these workers that they bring in
5 for the five or six weeks. And I've had a
6 bill that would exempt them from that,
7 because these workers would never be eligible
8 to collect unemployment. So that's another
9 expense that they have.

10 I'd just ask you to consider that in
11 the discussion about minimum wage.

12 COMMISSIONER BALL: Absolutely, thank
13 you. Yup.

14 SENATOR LITTLE: And the second thing
15 is on the climate change you have \$23 million
16 for adaptive infrastructure. And I would ask
17 if there's any place in there that you could
18 look at our forests and what our forestlands
19 do for climate change, for climate
20 mitigation, and certainly for addressing
21 changes in storm mitigation.

22 But many of our people own tracts of
23 forestland. We're working on a 480-b
24 program, something new. But if there's some

1 way we could help those people and include
2 them, see what the role of forests is in
3 climate change.

4 COMMISSIONER BALL: Okay. I will
5 definitely have our folks look into that. I
6 think largely that would rest in DEC's world,
7 but we're good friends with the commissioner
8 over there.

9 SENATOR LITTLE: It just looked like a
10 good chunk of money that they might be able
11 to be considered in. So thank you very much.

12 COMMISSIONER BALL: Thank you,
13 Senator.

14 CHAIRWOMAN YOUNG: Thank you.
15 Any other Assemblymembers?

16 CHAIRMAN FARRELL: Yes. Assemblyman
17 Lopez.

18 ASSEMBLYMAN LOPEZ: Thank you,
19 Chairman.

20 Welcome, Commissioner.

21 COMMISSIONER BALL: Good to see you,
22 Assemblyman.

23 ASSEMBLYMAN LOPEZ: Good to see you.

24 I'm going to run through a list quick.

1 Just quickly touching on the New York State
2 Fairs, I know we've spoken about the fairs
3 before. So besides infrastructure -- water,
4 sewer lines, structures -- again, just a
5 reminder that the issue of premiums continues
6 to be a concern in terms of getting people to
7 exhibits. So more of an annual allocation --
8 if we're going to have the true sharing and
9 education, we need to have the farmers there
10 and they need to be able to afford to stay
11 there. So for veterinary fees and other
12 costs.

13 COMMISSIONER BALL: Yeah. Thank you.

14 ASSEMBLYMAN LOPEZ: And if there's an
15 ability to put some sort of interpretive --
16 encourage our fairs to put more interpretive
17 elements in, kind of like an Ag in the
18 Classroom kiosk, other informative -- some
19 way of helping underwrite or support that, I
20 thought that would be helpful for our
21 visitors who know nothing about agriculture
22 but like seeing the animals and petting them,
23 et cetera.

24 A quick changeover to the EPF

1 allocation. I concur with my colleague next
2 to me in regard to the biomass, solar, wind,
3 hydro, energy conservation component. We
4 know that our farms often have two requests,
5 higher price for their product and lower
6 input costs. And energy is always going to
7 be there. I'd like to see a chicken in every
8 pot, so to speak. It would be nice to see
9 every farm that's engaged in productive
10 agriculture have a way to underwrite their
11 costs and reduce their costs on farm energy
12 production.

13 Skipping over to the Farm to School
14 piece, I understand -- and again,
15 Assemblywoman Russell spoke about the cost
16 offset. I believe there's also an issue with
17 storage or marketing orders that might have
18 something involving OGS -- I'm a little rusty
19 on this, but there may be an issue of access
20 or supply as well, some sort of contractual
21 issues with OGS, if you're not -- maybe
22 you're up to speed on, I'm sure you are, with
23 RoAnn.

24 I do want to hit the issue of milk

1 pricing. It's my understanding that we're at
2 what, 17 or so, price per hundred -- I'm not
3 sure where we are right now -- which I
4 understand is around break-even point.

5 I remain concerned about variability
6 in milk pricing. And I'm just wondering what
7 are we doing, what can we be doing to
8 stabilize that industry. It's still a
9 significant if not the majority of our
10 New York production, agricultural production.
11 Any thoughts on that?

12 COMMISSIONER BALL: Yeah. Well,
13 dairy, as you know, has been riding a
14 roller coaster most of our lifetimes, anyway.
15 We participated in a number of summits on
16 dairy crises over the years, mostly having to
17 do with price. You know, this past year the
18 challenge has been more of a supply and
19 demand issue, which is kind of unique, where
20 we had -- coming off a record year of pricing
21 and a record year of volume. And
22 unfortunately the rest of the world had a
23 record world as well. We saw our export
24 market drop by about 3 percent -- not because

1 of New York but because our dollar is strong
2 in the United States because the EU had a big
3 year in dairy, because New Zealand had a big
4 year in dairy, because the Chinese bought
5 less. And so we had a supply and demand
6 issue, which drove price down.

7 I think that, long term, I'm
8 encouraged. For the most part, supply and
9 demand has kind of righted itself. There are
10 still challenges cropping up across the state
11 with challenges with getting milk sold. But
12 by and large now it's a price issue. The
13 price is low, you know, kind of a hangover
14 from all of that.

15 I do think that our prognosis is
16 excellent in the state, because we continue
17 to make a lot of yogurt, we continue to make
18 a lot of cheese, we continue to make a lot of
19 powder, to continue to move a lot of fluid
20 milk. Fluid milk has kind of leveled off,
21 may be even retreating a little bit, but the
22 others are doing quite well.

23 And my reason for optimism is that in
24 the last two years we added 63 processing

1 plants in the state. They're excited about
2 growing, they're investing in growing in
3 New York State. And today we have 30 plants
4 in our queue at the department to be
5 inspected and looked at. So I think we can
6 look to that as there's still market
7 available for our milk.

8 And secondly, I think our co-ops have
9 gotten involved with thinking about how much
10 milk do we need in the state. As you know,
11 some of our best friends are dairy farmers.
12 But when they have a great year, they add on
13 capacity. And we added on capacity at a time
14 when there was less market for it, and that's
15 problematic in all industries. And our
16 co-ops are getting into that, looking at not
17 regulating that but influencing that.

18 So I think the prognosis long term for
19 dairy is excellent in the state. We're in
20 the right region, we've got the right
21 geography, our cheese tastes better than
22 cheese made in other states, and I think the
23 confidence from our co-ops and processors is
24 high.

1 ASSEMBLYMAN LOPEZ: I see I'm out of
2 time, Commissioner. And again, my only
3 concern is the issue of, besides the
4 investment in processing, is it translating
5 so that our farmers are making investments on
6 their farms. And that's the piece I'm most
7 concerned about, is it translating to on-farm
8 investment. So I'll leave it with you.

9 We'll come back; I think I know how to
10 reach you. Thank you.

11 COMMISSIONER BALL: Okay. Thank you.

12 CHAIRWOMAN YOUNG: Thank you,
13 Assemblyman.

14 Assemblyman Titone. I think he left,
15 okay. So he was on the list?

16 CHAIRMAN FARRELL: Never mind.

17 CHAIRWOMAN YOUNG: Never mind. It was
18 about deer, anyway, and I think we've covered
19 that.

20 Anyone else on the Senate side?

21 CHAIRMAN FARRELL: No, that's it.

22 CHAIRWOMAN YOUNG: Okay, then.

23 Commissioner Ball, thank you so much for
24 being with us today.

1 COMMISSIONER BALL: Appreciate it very
2 much.

3 CHAIRWOMAN YOUNG: We think you do an
4 excellent job and look forward to working
5 with you in the future. So thank you.

6 COMMISSIONER BALL: My pleasure.
7 Thank you.

8 CHAIRWOMAN YOUNG: Our next speakers
9 will come up together, and that's Audrey
10 Zibelman, chair of the Department of Public
11 Service, and John Rhodes, president and CEO
12 of the New York State Energy Research and
13 Development Authority, NYSERDA.

14 Sincere welcome to Chairwoman Zibelman
15 and President Rhodes. Thank you so much for
16 being here today.

17 Before we begin, I'd like to point out
18 that the chair of the Senate Energy Committee
19 was able to join us today -- that's Senator
20 Griffo -- and the reason being that there was
21 a close personal friend of the family who
22 passed away suddenly. But he gives his
23 regards. And I think we have some questions
24 that will be asked on his behalf.

1 So again, welcome. We're very glad to
2 have you here. And I would ask that
3 Chairwoman Zibelman begin. Thank you.

4 PSC CHAIR ZIBELMAN: Good morning,
5 Chair -- or good afternoon, actually, Chair
6 Young and Chair Farrell and other members of
7 the Assembly and the Senate who are there.

8 First of all, my condolences. Please
9 express them to Senator Griffo, and when I
10 get to see him, I will tell him myself.

11 My name is, as you said, Audrey
12 Zibelman, and I'm the CEO of the Department
13 of Public Service and the chair of the Public
14 Service Commission. The department ensures
15 affordable and reliable access to electric,
16 gas, steam, telecommunications, and water
17 services for consumers. Our responsibilities
18 include advising the PSC on all decisions it
19 must make such as rate determinations,
20 utility financing, consumer protection,
21 safety and reliability of utility services,
22 siting permits, and mergers and acquisitions.

23 Among our top priorities this year
24 will be moving forward the Governor's

1 Reforming the Energy Vision, or REV,
2 initiative, including the Clean Energy
3 Standard to meet 50 percent of our
4 electricity needs from renewable resources by
5 2030. As part of the Clean Energy Standard,
6 the PSC will develop a new support mechanism
7 for our licensed, but financially distressed,
8 upstate nuclear fleet to meet our climate
9 goals and address the economic impact of
10 prematurely retiring plants.

11 Over the last year, we've taken steps
12 to advance REV that together will contribute
13 toward meeting the Clean Energy Standard.
14 Last week, the PSC adopted a benefit/cost
15 analysis framework for REV, which is a tool
16 that utilities and the agency will use to
17 determine when utility investments in
18 alternative energy solutions are more
19 beneficial than traditional investments.
20 That really is the essence of REV -- using
21 demand reduction and clean-energy solutions
22 as a core strategy to meeting energy needs.

23 Traditional approaches have resulted
24 in an inefficient system and simply are no

1 longer sustainable. REV will result in more
2 customer choices, a cleaner and more
3 resilient grid, and a more cost-effective
4 means to achieve our overall objectives to
5 ensure reliability and address climate
6 change.

7 Key actions on REV that have been
8 taken include: Demonstration projects
9 statewide that will provide insight on how
10 businesses and innovators can work with
11 utilities to unlock private investment in
12 clean energy and deliver new products and
13 services to customers; low-income programs to
14 keep energy costs affordable; and a Community
15 Renewables initiative to give multiple
16 utility customers the opportunity to develop
17 shared renewable energy projects resulting in
18 healthier and stronger communities.

19 This month the PSC also approved the
20 10-year Clean Energy Fund to be administered
21 by NYSERDA. Funded by existing surcharges on
22 utility bills, our order reduces annual
23 collections from ratepayers by \$91 million in
24 2016, compared to 2015 levels, with further

1 reductions over the 10-year period totaling
2 \$1.5 billion. In addition to substantial
3 environmental benefits, the fund is expected
4 to result in \$39 billion in customer bill
5 savings, for a \$5 billion investment.

6 The PSC will monitor NYSERDA's
7 implementation of the fund, require
8 transparency and regular reporting, and
9 amending, when necessary, to maximize value.

10 REV principles will be folded into
11 utility rate cases to ensure public policy
12 goals are met and rates are minimized. In
13 2015, the commission considered five major
14 electric and gas rate cases in which
15 utilities sought rate increases of more than
16 \$419 million. After staff's review, the
17 commission approved rate increases of only
18 \$38 million. In the year ahead, staff will
19 be responsible for conducting up to 13 rate
20 cases.

21 In the coming year we will continue
22 our expanded oversight of Long Island utility
23 operations under the LIPA Reform Act. In
24 2015, our review of the three-year rate

1 proposal for PSEG resulted in a reduction of
2 \$154 million from what was requested. Over
3 the next year, we will be reviewing updates
4 to the rate plan, capital budgets,
5 performance metrics -- including customer
6 service -- and other aspects of the utility's
7 operations.

8 We will also focus on gas safety,
9 among our most important responsibilities.
10 We've strengthened our gas safety regulations
11 and compliance review of the major gas
12 utilities.

13 Our consumer advocate has prioritized
14 resolving utility complaints and reviewing
15 compliance with consumer protection rules and
16 regulations. Last year, the consumer
17 advocate's staff answered more than 65,000
18 calls, and increased the answer rate and the
19 speed of answering calls. By close
20 monitoring of trends in complaints, the
21 consumer advocate was able to commence
22 several investigations into retail electric
23 providers, resulting in millions of dollars
24 in consumer refunds.

1 For the year ahead, we will be
2 reviewing several proposed transmission and
3 generation projects. For example, it is
4 expected that the winning developer of the
5 Energy Highway initiative will seek final
6 permits for transmission upgrades valued at
7 \$1.2 billion.

8 In the telecommunications sector, we
9 will continue our review of the
10 telecommunications industry. The
11 examination, which will include technical
12 conferences next month, includes an analysis
13 of telecommunications technologies, consumer
14 trends, and regulatory approaches. We will
15 also be acting on the proposed merger of
16 Cablevision and Altice.

17 With respect to the Executive Budget,
18 several changes in Public Service Law have
19 been proposed to increase the efficiency of
20 our rate proceedings and to reduce costs for
21 municipal utility corporations. These
22 include increasing the maximum time frame for
23 review of rate cases to 15 months, rather
24 than the current 11 months, and exempting

1 municipal gas and electric corporations from
2 the evidentiary hearings associated with rate
3 reviews.

4 Thank you very much, and I look
5 forward to your questions.

6 CHAIRWOMAN YOUNG: Thank you,
7 Chairwoman.

8 I know that Senator Ritchie has a
9 question.

10 SENATOR RITCHIE: Thank you,
11 Chairwoman.

12 I'm sure that you are keenly aware of
13 the situation in my district with FitzPatrick
14 and the fact that the impending closure of
15 FitzPatrick will cost the community 615 jobs.
16 Those 615 jobs, the number alone is going to
17 be a huge, devastating blow to the community.
18 But those jobs are \$100,000 jobs which are
19 few and far between in my district.

20 Along with that, they pay
21 \$12.5 million in property taxes to Mexico
22 School -- which is 49 percent of their
23 budget -- and also another \$4.8 million in
24 county and town taxes. So with the impending

1 closure, it's going to be a huge, devastating
2 hit to the community.

3 I certainly appreciate the fact that
4 the Governor has put forward his clean energy
5 standard, something that looks to help the
6 nuclear plants not only, in my district,
7 FitzPatrick. You know, that's something
8 that's a grave concern that we're trying to
9 turn around, but we also have Nine Mile I and
10 II, and we also have an issue pending with
11 Ginna that's just outside my district.

12 So my question is, given the timeline
13 that we have and how critical the situation
14 is, how quickly do you plan to move on this,
15 and when do you believe the companies will be
16 able to see a real return, possibly to change
17 the direction that FitzPatrick is going?

18 PSC CHAIR ZIBELMAN: Thank you,
19 Senator Ritchie. And certainly I share your
20 concern. And as you're aware, the Governor
21 also shares your concern about the premature
22 closure of the FitzPatrick unit.

23 Last week, as I mentioned, the staff
24 issued the White Paper in terms of the

1 proposal of how we would address the
2 financial struggles of the nuclear fleet in
3 the upstate region. We will be acting on
4 that. We've already started the process, the
5 review process, and would expect commission
6 action in June of this year, and that allows
7 us to go through our normal regulatory
8 process.

9 Given the fact that the plant is not
10 anticipated in closure until next December,
11 this will give FitzPatrick sufficient time to
12 review what was going on and make
13 preparations, I believe, to stay open.

14 SENATOR RITCHIE: During my
15 conversations with the company, their
16 concerns were that they're afraid that this
17 will be drawn out far too long. They're not
18 sure it will actually go into place.

19 So I guess my question would be, do
20 you see yourself submitting a proposal to be
21 included in the 30-day amendments to the
22 Governor's budget?

23 PSC CHAIR ZIBELMAN: Well, this is not
24 something that we would require a budget

1 amendment for.

2 However, if the company is concerned
3 about the process -- and we've talked to them
4 about them -- I would request that they
5 really file a petition with us and talk about
6 what their concerns are and what some
7 potential solutions might be available to
8 address their concerns, since -- you know,
9 certainly for us, this is -- a nuclear plant
10 cannot shut down temporarily, it's on or off.
11 And so we would hate to think about what
12 could be just a month or two-month issue as
13 something to be addressed. Is that something
14 that would be a long-term problem or what you
15 can have as a short-term solution? And I
16 would request that they come in and talk to
17 us about what their concerns are and how we
18 might address them.

19 SENATOR RITCHIE: Well, given the fact
20 that Ginna is not in my district, but the
21 company that owns that nuclear facility also
22 owns two other facilities in my district, and
23 they're going to be in the same type of
24 situation, what is the soonest that you

1 foresee these standards being in effect so
2 that companies who are making their decisions
3 will know that these credits are forthcoming?

4 PSC CHAIR ZIBELMAN: As requested by
5 the Governor in his letter to me of December
6 2nd, we're putting this on really an
7 expedited time frame, and we expect to have
8 resolution by June. Which will be sufficient
9 for Ginna as well as the Nine Mile I and Nine
10 Mile II units, and I think also sufficient
11 for FitzPatrick to be able to react.

12 SENATOR RITCHIE: And just one last
13 question. Would it not be prudent or would
14 it not show these companies that definitely
15 something is going into effect if they were
16 included in the 30-day amendments and then in
17 the final proposal?

18 PSC CHAIR ZIBELMAN: Again, this is --
19 this Clean Energy Standard is a regulatory
20 process. Even if they weren't in the
21 amendments, I believe we would have to act.
22 And the six months I believe is really a fast
23 time for them to be able to have the
24 certainty they need.

1 And again, if FitzPatrick -- if
2 Entergy has concerns, we would certainly
3 invite them to come in and let us know what
4 their concerns are, and we could start
5 addressing them.

6 SENATOR RITCHIE: Thank you.

7 CHAIRWOMAN YOUNG: Thank you, Senator
8 Ritchie.

9 CHAIRMAN FARRELL: Thank you.
10 Assemblyman Oaks.

11 ASSEMBLYMAN OAKS: Hi, Chair. Thank
12 you so much for being here.

13 I want to continue on the process that
14 we've just been. I represent the area where
15 the Ginna plant is, along with Senator
16 Nozzolio, and just west of the area of
17 FitzPatrick. So a nuclear certainly is of
18 significant concern.

19 I do appreciate the fact that -- I
20 know the Governor had put out to say by June
21 to have the rules -- in fact I do sense the
22 expediting or giving signals to the industry.
23 Certainly that by including it in the Clean
24 Energy goals, certainly the appearance and

1 the focus is showing that there is a -- we
2 will have some changes coming down the path.

3 But I do share Senator Ritchie's
4 concerns on the timelines so that they have
5 clear signals and understanding of what the
6 changes are going to be.

7 I guess I would just ask a couple of
8 other questions to Senator Ritchie's
9 comments. Do you see now nuclear having a
10 role in benefiting from the \$5 billion Clean
11 Energy Fund? Is that some of what might, you
12 know, have access to now being a part of the
13 Clean Energy Plan?

14 PSC CHAIR ZIBELMAN: Thank you,
15 Assemblyman Oaks. No, I do not. The Clean
16 Energy Fund is really focused on energy
17 efficiency and renewable energy. But the
18 Clean Energy Standard, which is really going
19 to provide nuclear owners essentially a
20 supplemental payment mechanism so that they
21 cover their cost of operating the units, is
22 really in itself a very unique approach. And
23 New York is really leading the nation in
24 thinking about how do we address nuclear in

1 this area where we're concerned about climate
2 change. Nuclear does provide zero-emission
3 energy, but because of low energy prices,
4 these plants have now become uneconomic in
5 the upstate region.

6 Having this approach where they can
7 have the certitude that they will be able to
8 meet their costs going forward is really the
9 focus of the Clean Energy Standard. And as
10 you saw in I believe in some of Exelon's
11 response, they also believe that this could
12 be a good result for them.

13 ASSEMBLYMAN OAKS: I do know in the
14 Governor's letter that he did in December to
15 the PSC, talking about how he was viewing
16 nuclear and upstate nuclear, he talked about
17 if we should lose it, it would really set us
18 back. And I know I've seen some figures that
19 would suggest if Ginna and/or FitzPatrick go
20 off, that a decade of renewables, where we've
21 come, the effectiveness of that would be lost
22 and in essence put us back in -- obviously
23 we're making greater progress today than we
24 were a decade ago, but when you think of

1 where we've come from, to lose either of
2 those in clean energy would certainly hurt
3 significantly.

4 One last question. Do you see nuclear
5 as being a part of the clean energy economy,
6 as we discuss it?

7 PSC CHAIR ZIBELMAN: Assemblyman Oaks,
8 thank you for the question.

9 I think as we see it, nuclear is an
10 important part of the fuel diversity that we
11 think is an important part of the energy
12 economy in New York. It certainly is a
13 zero-emission resource. And when it's safe
14 and in its license period, it provides
15 important energy, baseload energy, for the
16 region. And one of the things that we are
17 concerned with at the Public Service
18 Commission is having fuel diversity. We
19 have, in New York, a good mix of resources
20 with hydro as well as with solar and wind and
21 nuclear, and we want to maintain a good mix
22 of resources that are both clean and allow us
23 to manage price volatility.

24 So nuclear gets into this mix, which

1 is why we believe it's important that we have
2 a rational and reasonable transition to the
3 end of the license plans of these units.

4 ASSEMBLYMAN OAKS: Thank you very
5 much.

6 CHAIRWOMAN YOUNG: Thank you.

7 I'd like to go next. So, Chairwoman,
8 thank you so much, again, for being here
9 today. And I certainly appreciate all the
10 attention you have given to repowering the
11 energy plant in Dunkirk. You know how
12 crucial that is to that community, not only
13 from the jobs standpoint -- and
14 unfortunately, it's mothballed right now, and
15 we know why, and I'm not going to go into all
16 the dynamics -- but, at the same time, the
17 tax base for the community, the opportunity
18 for economic growth in the future.

19 And you've heard just two of my
20 colleagues so far talk about the major
21 problem that we see in this state with our
22 power generators across the state, all the
23 way from Long Island up to Western New York,
24 whether it's Dunkirk, whether it's Huntley,

1 Somerset. But there are so many plants that
2 are in trouble right now, which raises a lot
3 of concerns on a lot of levels.

4 Obviously, number one is that the
5 Governor has spoken so eloquently about
6 regrowing the economy in New York State; he
7 has a strong focus on manufacturing,
8 manufacturing jobs. And what that means, in
9 Western New York but across the entire state,
10 is that we cannot lose our ability to
11 generate power. If we lose these baseload
12 plants, I think that that dooms us in the
13 future so that we have less opportunity to
14 grow those manufacturing jobs and bring that
15 prosperity and opportunity to the people of
16 New York State.

17 So, you know, there seems to be, on
18 some levels, this focus on restructuring
19 things so that our plants may be going out of
20 business, whether it's FitzPatrick -- and we
21 know the dynamics there -- but as we lose
22 these plants and there's more of a focus on
23 transmission and possible transmission from
24 other states, I have concerns about that for

1 many reasons.

2 It just came to my attention this
3 morning, I got an email, and Indeck, which is
4 a small plant, as you know, in Olean, hasn't
5 run since January 4th, it's my understanding.
6 And that pretty much coincides with a major
7 transmission project that was just completed
8 by National Grid that actually ties into
9 Pennsylvania. And as you know, we've had
10 discussions about concerns about the fact
11 that we could be importing power, and
12 oftentimes -- well, I know for a fact other
13 states surrounding us do not have the same
14 standards that we have in New York as far as
15 power generation.

16 So one of the questions that I had,
17 does the PSC, New York State, the ISO, do
18 they track levels and sources of imported
19 power? And is this information available to
20 the Legislature and the public?

21 PSC CHAIR ZIBELMAN: Senator Young,
22 thank you for the question. And also thank
23 you for your leadership with respect to
24 Dunkirk and the work we're doing there.

1 Yes, the New York ISO does monitor
2 imports and exports of energy as part of its
3 regular business. Because in order to keep
4 the grid reliable, we need to know what's
5 being imported and what's being exported. So
6 that information is there, and I'm sure I can
7 check with my colleagues at the New York ISO
8 and we can make that available to you in
9 plain English form.

10 CHAIRWOMAN YOUNG: Right, and that
11 would be helpful. I know it changes, I
12 believe from day to day, just based on power
13 flows and needs and that sort of thing. But,
14 you know, my concern is, for example,
15 Pennsylvania still has some of the dirtiest
16 coal plants operating in the country, and we
17 have a different playing field for New York
18 power generators versus power generators from
19 other states.

20 And as you know, there's no policy of
21 imposing -- assessing charges, you know, RGGI
22 charges on production of greenhouse gases on
23 power imported from other states, but we have
24 imposed those on our own industries. And I

1 think this creates an unequal -- it's not a
2 level playing field, which obviously brings
3 up some concerns.

4 I wanted to ask about is the Governor
5 committed to providing comparable incentives
6 for renewable sources, or are some renewable
7 sources given more weight than others in
8 helping us reach a clean energy future? So,
9 you know, obviously that's a laudable goal,
10 to move forward with the clean energy, but I
11 was wondering, are some more profitable than
12 others in the Governor's mind?

13 PSC CHAIR ZIBELMAN: Senator Young,
14 thank you for the question.

15 The way the staff is proposing, in the
16 Clean Energy Standard, there were will be
17 essentially two types of price payments for
18 renewables. For new renewables there will be
19 one price payment to attract new renewables
20 in the mix, and then there will be a second
21 price payment for existing renewables because
22 we won't want to lose them and have them
23 export their energy into another state.

24 We also recognize, however, that there

1 are going to be certain types of renewables
2 that we want to get developed in this state,
3 and that the renewable payment that we have
4 through the Clean Energy Standard may not be
5 sufficient. In that instance, it is our
6 expectation that we would support these types
7 of renewables with other programs
8 administered by NYSERDA. A good example of
9 that today is the NY-Sun program, where we
10 call it a sort of a form of a co-incentive,
11 where we're explicitly supporting solar
12 development.

13 And the expectation would be, as we
14 move forward, if there are particular types
15 of technologies that we want to see developed
16 in the state and the Clean Energy Standard
17 payment is insufficient, that is where we
18 would expect Green Bank and NYSERDA, through
19 its programs, to help that.

20 CHAIRWOMAN YOUNG: Thank you for that.

21 How much is New York incentivizing
22 renewable sources at present, and what is the
23 projection for the next five years?

24 PSC CHAIR ZIBELMAN: Well, as I

1 mentioned, we've just put in the \$5 billion
2 Clean Energy Fund. And if I can, I would ask
3 that John Rhodes actually supplement that
4 question, because these are details that I
5 know he's aware of.

6 PRESIDENT RHODES: Would you like me
7 to speak now or hold it for my moment?

8 CHAIRWOMAN YOUNG: You know what,
9 actually I can come back.

10 PRESIDENT RHODES: As you wish.

11 CHAIRWOMAN YOUNG: Why don't we do
12 that. I'll come back to you. Thank you so
13 much.

14 So, you know, just back to the
15 transmission thing, though. You know, one of
16 the concerns I said is the ability to attract
17 jobs and investment in the state. And we see
18 all these plants that are actually
19 jeopardized around the state right now.

20 Would the Executive support a
21 substantial increase to the Power Facility
22 Disruption Mitigation Fund that was supported
23 by \$19 million last year, given the major and
24 revolutionary changes that the Governor is

1 pushing for through REV and similar programs?
2 And is a change in the statute necessary to
3 clarify what counts as a qualifying facility
4 and community? Because I'm not sure if
5 that's clear right now.

6 PSC CHAIR ZIBELMAN: Senator Young, we
7 are certainly working right now on the
8 guidelines for the fund that was put in place
9 last year, and I really can't speak to
10 whether or not the Governor would consider an
11 increase of that fund. Certainly we thought
12 it is sufficient, but it is something we can
13 come back to you on.

14 CHAIRWOMAN YOUNG: Well, thank you for
15 that.

16 So I guess, you know, again, I know
17 you're working diligently on all the issues
18 that are arising with the power generators
19 across the state, and I thank you for that.
20 But just if we could always keep in mind the
21 fact that there are jobs involved, there are
22 communities involved. It is devastating to
23 these communities to lose these power plants,
24 so we just -- I want to thank you for all

1 that you've done for NRG, sincerely. We've
2 made great progress. We still have to get it
3 all the way. But, you know, I appreciate
4 your responses.

5 CHAIRMAN FARRELL: Thank you.

6 Assemblywoman Russell.

7 ASSEMBLYMAN RUSSELL: Thank you,
8 Mr. Chairman.

9 And thank you, Chairwoman Zibelman --
10 did I say that right? -- for being here
11 today.

12 I wanted to just start off a little
13 bit with your comments on broadband. You
14 know, I think that there might have been a
15 missed opportunity in the merger discussions
16 and agreement with Time Warner Cable and
17 Charter, that more wasn't done to ensure that
18 areas that don't have broadband coverage, you
19 know, would essentially get coverage under
20 the terms of the negotiated agreement.

21 And as you are looking forward to
22 review of another merger, it appears, you
23 know, there's a finite amount of resources to
24 address kind of the coverage area of Time

1 Warner Cable, which is upstate. And so it
2 would be nice if the missed opportunity
3 wasn't missed in the downstate area,
4 particularly because there's also more of a
5 density, you know, in favor of service
6 coverage in the more urban areas covered by
7 Cablevision, that we are able to preserve
8 that precious amount of state funding to
9 extend broadband throughout underserved
10 upstate communities. So that would be much
11 appreciated.

12 Under the 10-year Clean Energy Fund, I
13 was wondering if you could tell me, are we
14 treating generators and legacy generators the
15 same as potentially new generation projects?
16 I'm particularly wondering about existing
17 hydro facilities. I have a lot of hydro in
18 my district.

19 PSC CHAIR ZIBELMAN: Thank you,
20 Assemblywoman Russell.

21 Under the Clean -- it's really the
22 Clean Energy Standard that would apply here.
23 And that's okay; we're full of acronyms and
24 names. But under the Clean Energy Standard,

1 what the staff has proposed is that there
2 will be, with respect to renewable energy,
3 two tiers of payments, one with respect to
4 new renewables and the second with existing.

5 And then what will happen is that all
6 retailers in the state will have to acquire a
7 certain amount of new -- pay for a certain
8 amount of new renewables and existing
9 renewables through this what we call
10 Renewable Energy Credit Program. And so
11 consequently this will -- one of the things
12 that our concern is is that as we're hitting
13 a 50 percent mandate, we want certainly to
14 preserve the existing renewables to stay in
15 the state rather than exporting their energy
16 to other states.

17 ASSEMBLYMAN RUSSELL: Okay, thank you.

18 I'd also like to talk a little bit
19 about the Executive's -- he proposes
20 legislation to adjust the process to review
21 and approve municipally owned gas and
22 electric utility service rate cases.

23 Can you please describe what changes
24 are proposed and why they are necessary? And

1 would the changes result in a savings to the
2 Public Service Commission?

3 PSC CHAIR ZIBELMAN: Thank you. And
4 thank you for the question. Yes, it will.

5 The proposal is that we exempt these
6 small municipal utilities from the
7 evidentiary portion of hearings and allow for
8 more expedited review. The rate case process
9 is obviously a complicated process. We have
10 experienced staff. We often find that with
11 these municipal utilities we settle. And
12 anything we can do to expedite that process
13 really helps the municipals and ends up
14 helping customers, because it takes costs out
15 of the process of setting rates.

16 ASSEMBLYMAN RUSSELL: Yeah, I figured
17 the cost savings would probably be more on
18 these small, couple-of-hundred-customer
19 utilities versus the Public Service
20 Commission's workload, because it probably
21 represents a very small portion of your rate
22 cases.

23 PSC CHAIR ZIBELMAN: It will help with
24 our cases. You know, we continue to look,

1 like the other agencies, to find Lean ways to
2 do business, to not do things that we find
3 are no longer in the interest of consumers,
4 and this is one that we identified as could
5 be helpful for the municipals as well as
6 helpful for staff.

7 ASSEMBLYMAN RUSSELL: The evidentiary
8 hearing requirement would be eliminated for
9 some municipal utility rate cases; correct?

10 PSC CHAIR ZIBELMAN: That's correct.

11 ASSEMBLYMAN RUSSELL: And why does the
12 commission believe that would be useful?
13 You've kind of answered it in your previous
14 testimony, but --

15 PSC CHAIR ZIBELMAN: I think it's
16 useful because many of these cases end up not
17 going to hearing, they get settled. And it
18 will allow us to expedite the review and
19 really get to a point where we can set
20 rates -- municipals, unlike, for example,
21 investor-owned utilities, do not have
22 shareholders. And really it's just a
23 question of setting the right cost level, and
24 there's not this kind of concern that folks

1 have in terms of whether or not there's
2 unfair profit-making going on.

3 ASSEMBLYMAN RUSSELL: Will there still
4 be a process, though, for these exempt --

5 PSC CHAIR ZIBELMAN: There will still
6 be a -- yes, I'm sorry.

7 ASSEMBLYMAN RUSSELL: Go ahead.

8 PSC CHAIR ZIBELMAN: There will still
9 be a process. We'll still have it -- it will
10 still be a transparent process. The
11 constituents will be aware of it. It really
12 just eliminates the evidentiary portion of
13 the case, the trial.

14 ASSEMBLYMAN RUSSELL: And just in full
15 disclosure, I was raised in a muni and I live
16 in a neighboring muni, in case anybody wants
17 to know if I have a conflict. Thank you.

18 PSC CHAIR ZIBELMAN: Sure.

19 CHAIRWOMAN YOUNG: Thank you.

20 Senator Betty Little.

21 SENATOR LITTLE: Thank you very much,
22 Chairman Zibelman, for being here.

23 And I'd like to direct my questions to
24 the Governor's proposal to reach 30 percent

1 in renewable energy.

2 I have a lot of wind, and I have a lot
3 of solar in my district, and they do get a
4 lot of subsidies. But the one thing I have
5 that I think is one of the cleanest
6 renewables is hydro. And many of my hydro
7 plants are small -- although I have some
8 larger ones as well -- and I actually have
9 20 small hydro plants in my district.

10 But they have a really tough time.
11 Right now they're getting 1.5 cents for their
12 electricity, and it's costing them 3 cents to
13 produce it. So they have to depend upon a
14 day-ahead market rate. And like biomass,
15 they also have to get into a maintenance tier
16 to try to get their pricing.

17 What can we do to help these?

18 PSC CHAIR ZIBELMAN: Thank you,
19 Senator Little. And I'm well aware of the
20 issue that's confronting the hydro plants.
21 Quite frankly, this entire discussion around
22 generation centers on the fact that we have
23 historic low natural gas prices in the
24 region, and that is driving the historically

1 low energy prices. And so many plants are
2 suffering from the fact that there's simply
3 not enough revenues in the market for them to
4 maintain.

5 So one of the things that, again, we
6 look to do with the Clean Energy Standard is
7 to have a supplemental payment stream for
8 existing renewables, including existing
9 hydro, recognizing that with the mandate, we
10 certainly don't want those plants to retire
11 and then have to replace those kilowatts or
12 megawatts with new renewables that will be
13 more expensive.

14 So we want to have two tiers of
15 payments, but we want to make sure that
16 certainly we're not asking consumers to pay
17 more than necessary, but that we're giving
18 these resources sufficient funds so that they
19 can continue to operate in the state. And
20 the concern would be is if they're
21 insufficient, then there would be an
22 incentive, well, then let's sell our output
23 into Massachusetts or Connecticut or
24 Vermont -- and that doesn't help us either.

1 So that's why we crafted, in the Clean
2 Energy Standard, these two tiers of payments
3 for existing and new.

4 SENATOR LITTLE: That's true, some of
5 our wind is going to Vermont already in the
6 North Country because the transmission lines
7 really aren't -- the grid is not big enough
8 to bring a lot of it down.

9 But you would hate to see these hydro
10 plants just fall into disrepair and sit
11 there. People have a lot of money invested
12 in them.

13 PSC CHAIR ZIBELMAN: Yes. Yeah.

14 SENATOR LITTLE: So is there a better
15 way for them to get funded and to bid on
16 their -- other than going with the day-ahead
17 market and maintenance tiers and that?

18 PSC CHAIR ZIBELMAN: Well, what we
19 hope is that the Clean Energy Standard, which
20 will provide them a supplemental payment
21 stream, will replace the maintenance tier.
22 And so the combination of what they make in
23 the energy market and the supplemental
24 payment made through the Clean Energy

1 Standard will be sufficient for them to
2 maintain operations.

3 SENATOR LITTLE: And they could apply
4 for that.

5 PSC CHAIR ZIBELMAN: They would apply,
6 they would bid -- what will happen is NYSEDA
7 will administer an auction process, and they
8 will bid in what they will need in order to
9 be able to sustain operations in the state.
10 And that will help us set the level of the
11 supplement.

12 SENATOR LITTLE: Okay. Well, thank
13 you very much. But it is a big concern. And
14 that certainly, you know, one thing we have
15 in the North Country is a lot of mountains
16 and a lot of water. So this is important.
17 Thank you.

18 PSC CHAIR ZIBELMAN: Thank you.

19 CHAIRMAN FARRELL: Assemblyman Lopez.

20 ASSEMBLYMAN LOPEZ: Thank you,
21 Chairman. And Chairwoman.

22 I just want to clarify, and maybe you
23 could help me get up to speed. I know your
24 agency has been directly involved with the

1 Energy Highway rollout, and one of the issues
2 has been the issue of trying to move the
3 potential investors to stay within existing
4 utility rights-of-way. And I'm just curious,
5 in terms of your mission statement, is there
6 any learning curve or anything for future
7 expansion of the grid, and lines in
8 particular? Is there an effort to try to
9 stay within rights-of-way? Is there any
10 change in regulatory policy through PSC?

11 PSC CHAIR ZIBELMAN: Yes, so one of
12 the -- the long-standing policy of the PSC
13 through the article-siting process, we always
14 look at minimizing environmental impact,
15 including land impact of transmission.

16 However, the importance of thinking
17 about how we minimize land impact was
18 certainly emphasized by Governor Cuomo two
19 years ago when he asked us to develop rules
20 to fast-track, if you will, transmission that
21 stays within existing right-of-way. The AC
22 transmission line, which I think we recently
23 moved forward to the New York ISO for
24 consideration, has -- we've been able to,

1 through the process, identify a way to get a
2 significant amount of transmission built and
3 staying within existing right-of-way. Which
4 will also help the upstate plants, because
5 now they can sell into the more expensive
6 market downstate.

7 ASSEMBLYMAN LOPEZ: Thank you.

8 Secondly, in 2014 New York State
9 consumers experienced a horrendous spike in
10 energy prices. And we understand the cause
11 and effect, but as I researched this with
12 utility spokespersons and others, there
13 seemed to be no real safeguard in place to
14 prevent this from happening again.

15 I'm just curious, what has PSC done
16 since that time to protect against future
17 price spikes?

18 PSC CHAIR ZIBELMAN: Thank you for the
19 question. We've done a number of different
20 things.

21 First of all, we've worked with the
22 New York ISO to redouble the requirements
23 that when generators are reliant on natural
24 gas, that they have reliability of backup.

1 And so that's particularly true in the city,
2 where we have oil backup.

3 The other piece, though, that the
4 commission has done is that we've looked at
5 the hedging policies that utilities use, in
6 which case we're asking utilities to really
7 buy a significant portion in a longer period
8 so that they're not subject to these price
9 spikes which happen in extreme weather
10 events.

11 And we've also promoted fixed pricing
12 on the part of competitive retailers so that
13 customers have the opportunity to have a
14 fixed price for energy. As well as the other
15 pieces I think are going to be, again, very
16 important, is the building of transmission,
17 because the larger we can make the pool of
18 resources, it helps with diversity. And then
19 working with the ISO to make sure that we're
20 looking at the reliability requirements and
21 plants are meeting their reliability
22 requirements.

23 ASSEMBLYMAN LOPEZ: Last question. In
24 regard to the REV initiative, has that

1 initiative contemplated -- and I asked this
2 of the En Con commissioner -- has the REV
3 initiative contemplated energy storage as a
4 consideration, particularly for renewables?

5 PSC CHAIR ZIBELMAN: Yes, it has. So
6 energy storage, to me, is a very important
7 part of the future of energy. As we think
8 about more solar, more wind, having storage
9 as a mechanism to help balance resources is
10 important. And we actually today have
11 several of these demonstrations I mentioned
12 are using storage, and utilities are
13 increasingly thinking about how they can
14 think about battery storage as well as other
15 forms of thermal storage as a resource to
16 support reliability.

17 ASSEMBLYMAN LOPEZ: In that regard, we
18 have the New York Power Authority pump
19 storage project in my district,
20 Blenheim-Gilboa. Is NYPA being engaged as
21 part of this initiative? Or where are they
22 in the mix?

23 PSC CHAIR ZIBELMAN: Yes, NYPA is --
24 as part of the energy portfolio, we work very

1 closely with them. As part of the Clean
2 Energy Standard, we are expecting that NYPA
3 and LIPA will meet, you know, their share of
4 the requirements. And we know, you know,
5 that NYPA is very involved in various forms
6 of looking at advanced resources, whether
7 it's through K-Solar -- but they are also
8 working with storage.

9 ASSEMBLYMAN LOPEZ: Thank you so much.
10 Thank you, Chairman.

11 CHAIRMAN FARRELL: Thank you.

12 CHAIRWOMAN YOUNG: Thank you.

13 Next -- Senator Little, you're all
14 set, right? Senator Krueger.

15 SENATOR KRUEGER: Good afternoon.

16 PSC CHAIR ZIBELMAN: Good afternoon.

17 SENATOR KRUEGER: I told you 10 a.m.
18 was a little too optimistic when you said
19 that's when you were scheduled to be here.

20 (Laughter.)

21 SENATOR KRUEGER: So there's so many
22 questions, and I'm going to try to shorthand
23 them.

24 People have asked a number of

1 questions about the Clean Energy Fund and the
2 changes in renewable portfolio and system
3 benefit charges. Can you sort of just simply
4 explain to us what changes when we go from
5 the current system to the Clean Energy Fund
6 system?

7 PSC CHAIR ZIBELMAN: Certainly.

8 SENATOR KRUEGER: Or is that really a
9 better question for you (to President
10 Rhodes), and I'll wait?

11 PSC CHAIR ZIBELMAN: I think that's a
12 better question for Mr. Rhodes.

13 SENATOR KRUEGER: Good. We'll leave
14 you alone for a minute and I'll come back to
15 him.

16 There's been a number of questions
17 raised about transmission expansion. And,
18 you know, it probably would be very good for
19 Betty Little's district, but others have
20 voiced concerns. My understanding is the
21 stronger our transmission system, the more
22 opportunities we have to bring lower-cost
23 energy throughout the State of New York,
24 which actually should, as we're moving to a

1 cleaner, more sustainable model, should also
2 allow us to lower costs. Because as someone
3 just explained to me, it's always windy
4 somewhere, it's always sunny somewhere.

5 So can you talk a little bit about why
6 actually expanding transmission options as we
7 move into our clean energy universe is
8 actually a win/win for communities in
9 New York State?

10 PSC CHAIR ZIBELMAN: Certainly,
11 Senator Krueger. And thank you.

12 So when you think about the power
13 grid, it's really -- you have to think about
14 production, transportation, and then
15 consumption. But what's happening under REV
16 is a recognition that we need to really think
17 about the grid sort of as a whole. And as we
18 think about transmission, it does become
19 really the highway. And for New York, a lot
20 of the production -- and I was thinking about
21 this as you were speaking to the commissioner
22 from Agriculture -- is in the north and to
23 the west, although the consumption is
24 downstate. So having transmission really

1 helps get the goods to market. And it makes
2 it really more cost-effective for everyone.

3 One of the things that was our concern
4 when we looked at both the AC transmission
5 and now looking at transmission in the
6 western portion of the state, there are many
7 hours of the year that we can't get our
8 resources, such as NYPA hydro. It's behind a
9 bottleneck, and we want to open up that
10 bottleneck so that we can export that power
11 into the downstate region. That would be the
12 same for Dunkirk and other units. Having
13 transmission gives these resources a bigger,
14 better market. And that's one of the reasons
15 we think transmission can be important.

16 SENATOR KRUEGER: And I thought I
17 heard your answer before, but just to
18 clarify. So the Governor's goal by 2030,
19 that doesn't include nuclear in the goal, the
20 nuclear is being treated separately?

21 PSC CHAIR ZIBELMAN: That's correct.
22 The 50 by '30 goal refers to renewables only.
23 The nuclear is in addition to that.

24 SENATOR KRUEGER: And going back to

1 the Clean Energy Standard, do the
2 requirements of the Clean Energy Standard
3 apply to the New York Power Authority and
4 LIPA as well as other utilities?

5 PSC CHAIR ZIBELMAN: The commission
6 doesn't oversee NYPA and LIPA. But the way
7 we've calculated the standard, we are
8 assuming that NYPA and LIPA will also meet
9 the standard. And they have been good
10 stewards of the environment as well as in
11 terms of energy efficiency, and I fully
12 expect that to happen.

13 SENATOR KRUEGER: Would it make sense
14 to include them in a "required in the
15 standard"? I mean, you're saying that
16 they're good stewards on this, but would we
17 need to change some kind of statute to ensure
18 that they were included within the same
19 standard?

20 PSC CHAIR ZIBELMAN: From the
21 statutory basis, yes. We don't have
22 authority today. But again, in terms of --
23 the expectation is that they've always
24 committed and they've actually been good

1 leaders in both of these areas.

2 SENATOR KRUEGER: And you talked in
3 your testimony about various plans to help
4 low-income consumers and protect around
5 overzealous utility rates. We had had a
6 conversation maybe a year ago now about
7 concerns with ESCOs, and you were working on
8 a plan of some sort to better regulate and
9 control what they're doing. Has that moved
10 forward?

11 PSC CHAIR ZIBELMAN: Yes, it has moved
12 forward. We've made several changes with
13 respect to ESCOs, and we have a proceeding
14 pending in front of us now to look at
15 different regulatory changes with regard to
16 ESCOs.

17 In addition, as I mentioned, we've
18 increased the focus on the consumer advocate
19 to look at ESCOs and to make sure that we're
20 weeding out the bad actors.

21 SENATOR KRUEGER: My time is up.

22 Thank you.

23 PSC CHAIR ZIBELMAN: Thank you.

24 CHAIRWOMAN YOUNG: Thank you, Senator.

1 CHAIRMAN FARRELL: Thank you.

2 Assemblywoman Woerner.

3 ASSEMBLYWOMAN WOERNER: Thank you,
4 Mr. Chairman. Thank you, Commissioner.

5 I have two questions. The first is
6 advanced manufacturing businesses. And I
7 represent Saratoga and Washington County.
8 We're happy to be home to Global Foundries
9 and hoping, at the Luther Forest Technology
10 Campus, we will attract more high-technology
11 semiconductor businesses. And of course in
12 the Utica area we've got the Marcy plant now.

13 This is a strategic direction from an
14 economic development perspective to attract
15 these businesses. They are, however
16 significant -- they depend on having
17 significant quantities and very high quality
18 power available to them to be interested in
19 settling in New York. They also need a
20 substantial amount of natural gas to
21 function. In the Capital District region and
22 extending out into Utica, we actually have a
23 power deficit sufficient that it will
24 probably be a block on attracting those

1 additional businesses.

2 So my question to you is, given that
3 our current model says that we don't build
4 new capacity until there is a ratepayer, but
5 a ratepayer -- i.e., a business -- isn't
6 likely to come here unless we have this
7 sufficient capacity, is there any thought
8 given in how the processes work and how these
9 projects are funded to ensure that we -- that
10 the availability of power and natural gas in
11 sufficient quantity and quality doesn't
12 become the roadblock to our strategic
13 economic development goals?

14 PSC CHAIR ZIBELMAN: Thank you,
15 Assemblywoman Woerner.

16 So in terms of that, we work very
17 closely with Economic Development when we are
18 aware that a customer wants to site in the
19 state. And then if there's an issue in terms
20 of interconnection, we will work very closely
21 with the utilities. Utilities often will
22 also have economic development grants that
23 they will give. And so we try to make
24 certain that power, whether it's electric or

1 energy, I would say, should never be an
2 issue.

3 And so if in fact there are situations
4 that you're aware of where it may be a matter
5 of concern, please reach out to us, because
6 that's something that -- I absolutely agree
7 with you -- should never be an impediment to
8 someone locating in this state.

9 ASSEMBLYWOMAN WOERNER: You know, the
10 challenge of course is that the regulatory
11 process for building capacity generation or
12 transmission is about a 10-year process -- so
13 imagine a very sort of slow flywheel -- where
14 the economic development process tends to be
15 a pretty fast gear.

16 And so the challenge I think is to
17 figure out how to sync these things up in a
18 way that we are building capacity in advance
19 of having a specific need, so we're not
20 waiting until somebody has said "I want to
21 come here." Because you can't say: "Oh,
22 gosh, it's great that you want to site here,
23 but we need 10 years to get you the power
24 that you need."

1 PSC CHAIR ZIBELMAN: So one of the
2 things that we have instituted under REV is a
3 program we call distribution system planning.
4 And what we're doing is requiring the
5 utilities to really put together their
6 capital plans and what they envision will be
7 the requirements for their system and to make
8 that very visible and transparent.

9 I think that by having those plans in
10 place it will also allow commentary about
11 where people believe there may be further
12 economic development and where the utilities
13 may not be aware of what future needs might
14 be.

15 The difficulty would be is sort of if
16 you did a build and they will come, then
17 you're putting cost onto other ratepayers
18 that may not be necessary. So we need to
19 have a better process.

20 We've also instituted a statewide
21 energy planning process; we're looking at
22 statewide needs. But I'm hopeful that this
23 distribution planning process could shed
24 better light on what utilities are thinking

1 the growth is, and that may allow communities
2 to better say, Well, we think there may be
3 more growth or we're attracting more growth
4 here, and we can look at that.

5 The other aspect of REV which I think
6 is relevant here is the increasing use of
7 distributed energy resources. As you know,
8 one of the issues is often about
9 transportation. But with REV, we're
10 beginning to recognize that distributed
11 generation itself can be reliable not just
12 for power quality, which becomes a very
13 important issue for these businesses, but
14 also to make sure as we're building out the
15 grid. And if we have the right economic
16 signals and we value these resources
17 appropriately, then we won't be as --
18 companies may not be as reliant on the
19 buildout.

20 So I think it's the combination of
21 much better and much more transparent
22 information, and the opportunity to use
23 distributed generation better, can help to
24 begin to solve this issue.

1 ASSEMBLYWOMAN WOERNER: One more quick
2 question.

3 Anaerobic digesters. The technology
4 has now matured, our producers have perfected
5 their practice such that now these digesters
6 are actually very reliable base power
7 producers. And yet the producers are still
8 paying a demand charge under the current net
9 metering standard. Is there any
10 consideration being given to exempting
11 anaerobic digesters from the demand charges?

12 PSC CHAIR ZIBELMAN: One of the things
13 that the commission is doing under REV is
14 really relooking as to how we price out the
15 value of distributed generation on the grid.
16 Because pricing historically has always been
17 based on the thought that demand was not
18 going to be able to be a producer. Now we
19 need to really rethink that.

20 And so we have a proceeding going on
21 right now where we're taking a look at how we
22 price out the value of distributed
23 generation, and included in that is a
24 consideration as to are the standby charges

1 appropriate, given what we're trying to do
2 relative to the use of distributed generation
3 as a primary resource.

4 ASSEMBLYWOMAN WOERNER: Great. I'm
5 glad to hear that. Thank you very much for
6 your time.

7 CHAIRWOMAN YOUNG: Thank you.

8 Senator O'Mara.

9 SENATOR O'MARA: Thank you.
10 Thank you, Chairwoman, for being here
11 with us today.

12 I'm having a little trouble getting my
13 arms around the Clean Energy Fund and how
14 we're spending \$5 billion -- it's over a
15 10-year period; is that correct?

16 PSC CHAIR ZIBELMAN: Correct.

17 SENATOR O'MARA: So is that
18 \$500 million a year for 10 years?

19 PSC CHAIR ZIBELMAN: Correct.

20 SENATOR O'MARA: And where is the
21 source of that money each year?

22 PSC CHAIR ZIBELMAN: The source is
23 through ratepayer collections.

24 SENATOR O'MARA: So the ratepayers

1 will be paying \$500 million --

2 PSC CHAIR ZIBELMAN: Correct.

3 SENATOR O'MARA: -- extra on their
4 bills each year.

5 PSC CHAIR ZIBELMAN: Well, it's not
6 really extra. I think we have to think about
7 it in the context that every year ratepayers
8 in New York pay on the order of \$20 billion
9 for energy.

10 One of the things that we have
11 found -- and the commission has been looking
12 at energy efficiency for a long time -- is
13 that investment in energy efficiency is
14 actually a way for ratepayers to save money,
15 because what you're really doing is investing
16 in demand savings. And anything we can do in
17 terms of conservation avoids the need of
18 having to build more power plants,
19 transmission and distribution.

20 So as we identify in our order, by
21 investing \$5 billion in helping consumers
22 save energy we're going to realize, with that
23 NYSERDA is going to be doing, a potential of
24 \$39 billion in bill savings.

1 So rather than an additional amount,
2 it's actually a way of saving having to
3 otherwise increase the amount of money we
4 spend on generation, transmission and
5 distribution.

6 SENATOR O'MARA: What is happening
7 with the charges such as the RPS, SBC, EEPS,
8 and 18-a? Are they continuing on the
9 customer's bill as well?

10 PSC CHAIR ZIBELMAN: Well, if I can
11 take them in sequence.

12 So one of the things we've done with
13 the Clean Energy Fund is it actually reduces
14 the charges that today are in the system
15 benefit charges and for the RPS. So as I
16 mentioned in my opening statement,
17 immediately we're looking at a \$91 million
18 savings in 2016, and over the five-year
19 period of \$1.5 billion --

20 PRESIDENT RHODES: Ten year.

21 PSC CHAIR ZIBELMAN: -- 10-year
22 period, thank you, it will be \$1.5 billion.
23 So those charges are going down.

24 With respect to the energy efficiency

1 charges, those are continuing. These are
2 utility programs. But we've also capped
3 those. And that we're expecting again, with
4 REV, that we'll begin to think about how
5 energy efficiency and these types of
6 distributed energy resources really can
7 become highly valuable for customers and be
8 really part of a business and take them away
9 from mandated charges but really become the
10 way people both consume and use energy.

11 So the whole idea behind REV is to
12 really animate third-party capital and take
13 down these charges over time.

14 SENATOR O'MARA: What figure did you
15 say is currently collected annually in these
16 fees?

17 PSC CHAIR ZIBELMAN: The current
18 collection is --

19 PRESIDENT RHODES: The current
20 collection in -- sorry. In the year 2015,
21 current enough, the collections were
22 approximately \$925 million in total, of which
23 \$250 million were administered and spent by
24 utilities and of which \$675 million were

1 administered through NYSERDA in the portfolio
2 of acronyms that you just rattled through --
3 TMDC, EEPS, RPS and the like. That 675, as
4 Chair Zibelman mentioned, is immediately
5 going down in the year 2016 by \$91 million,
6 to around 585. And meanwhile, the utility
7 layer of that stack is also beginning to go
8 down.

9 SENATOR O'MARA: But isn't that
10 \$91 million of savings going to be replaced
11 with a new fee for the Clean Energy Fund on
12 the customer's bill?

13 PRESIDENT RHODES: No, sir. The
14 \$5 billion over 10 years is made up of
15 10 years of fees. And the first year of fees
16 is already lower than last year's fee by 91,
17 and it continues to go down from there.

18 SENATOR O'MARA: Okay. And those are
19 directly on the customer's bill that they
20 get, this fee that's line-itemed on their
21 energy bills they get and businesses get as
22 well.

23 With -- I lost my train of thought
24 now. My time is up, but I'll take another

1 five minutes.

2 PRESIDENT RHODES: I'm around.

3 SENATOR O'MARA: Yeah, I know you will
4 be.

5 SENATOR KRUEGER: Assembly?

6 CHAIRMAN FARRELL: Mr. Otis.
7 Assemblyman Otis.

8 ASSEMBLYMAN OTIS: Thank you,
9 Mr. Chair.

10 I just wanted to touch base on the
11 broadband issue. And I know the Governor has
12 a big initiative and a big RFP that's out to
13 deal with expanding broadband.

14 One issue that I hear from residents
15 about is concern about accessibility to the
16 Lifeline low-income broadband program,
17 whether it be -- so that's sort of different
18 than the big program; it's people that
19 already are in areas that have broadband, but
20 they can't afford it.

21 Issues being what's the price point,
22 and also how wide is the eligibility. Some
23 view the eligibility where this is offered,
24 here and around the country, as sometimes

1 very narrow. But for especially
2 schoolchildren who need that to, you know,
3 compete and grow, educationally it's
4 important.

5 And so I'm just curious as to whether
6 in the merger situation, or more broadly as
7 Public Service Commission policy, where we're
8 going on that and can we improve the world
9 for low-income families and seniors related
10 to that.

11 PSC CHAIR ZIBELMAN: Thank you,
12 Assemblyman Otis.

13 So yes, we can improve. So the issue
14 of the digital divide is a major -- is a real
15 concern of the commission as we become
16 increasingly dependent on broadband.

17 In the Time Warner merger, there is
18 actually a commitment to offer a low-cost,
19 relatively high speed broadband service for
20 low-income customers. And it's expanded --
21 it's the first time we've had this in this
22 state, and eligible will be school-aged
23 children in families eligible for school
24 lunch, and Social Security recipients of --

1 older than 65 seniors. So that I think will
2 be very helpful.

3 We're also looking at this issue in
4 association with our own telecommunications
5 study as to how we start to bridge the
6 divide. Because, you know, clearly, as
7 there's been a convergence on technology,
8 access to broadband at an affordable rate,
9 but, more importantly, education around the
10 value of broadband becomes an important
11 matter.

12 We work very closely with the
13 broadband office to take a look at how we can
14 do that. And then we're also aware that the
15 FCC is looking at expanding Lifeline for
16 broadband, which is really a very welcomed
17 addition and something that we will be
18 working on.

19 ASSEMBLYMAN OTIS: Thank you very
20 much.

21 CHAIRWOMAN YOUNG: Thank you.
22 Senator Hoylman.

23 SENATOR HOYLMAN: Thank you, Madam
24 Chair. And good afternoon.

1 requiring them to show about a 35 percent
2 reduction in complaints around customer
3 service. Because that's something we hear
4 about a lot, is that people are complaining
5 about cable service.

6 The other thing that we've done is
7 required them to maintain the 14.99
8 entry-level broadband cable service that
9 Time Warner has today. That's the everyday
10 low price for customers who are already on
11 it, and we're grandfathering them for three
12 years, and then for new customers for at
13 least two years. You know, we certainly
14 didn't want to lose that service.

15 They also have agreed to offer a
16 stand-alone broadband at a single price
17 statewide. That's very important, because
18 what we often see is that downstate, where
19 there's a lot of competition, you'll have
20 very different prices than upstate. By
21 having a statewide price, we'll have the
22 advantage of competition, which should also
23 help customers, and that's a very good
24 stand-alone speed.

1 Then of course the other major issue
2 for us is access, and that's where we have
3 the commitment that they will build out
4 within their footprint at 100 megabits by
5 2018 and 300 megabits by 2019. That is
6 extremely significant from the state's
7 perspective because, as Assemblywoman Russell
8 stated, we don't want to have haves and
9 have-nots in terms of broadband speed
10 throughout the state.

11 So the combination of what we've
12 gotten from Time Warner plus the work of the
13 broadband office and the RFP they're letting
14 makes us believe that we're going to have,
15 statewide, people having broadband speeds of
16 at least a 100 megabytes {sic} in the next
17 several years, which is huge.

18 SENATOR HOYLMAN: That's terrific.
19 Are you aware that Time-Warner Cable has
20 really fallen behind its competitors in terms
21 of providing access to the blind and visually
22 impaired? They don't generally provide
23 television guides and documents written in
24 Braille, they don't have font-size options

1 for on-screen menus, they don't have talking
2 menus or talking guides for the visually
3 impaired.

4 PSC CHAIR ZIBELMAN: I am aware of
5 that. As a matter of fact, our consumer
6 advocate is visually impaired, and he's
7 brought that to my attention.

8 One of the things that we're doing
9 through our telecommunications study is
10 really looking at service quality and service
11 issues, and that is a matter of concern as we
12 move forward.

13 SENATOR HOYLMAN: Thank you very much.

14 PSC CHAIR ZIBELMAN: Mm-hmm.

15 CHAIRMAN FARRELL: Thank you.

16 Assemblyman Kavanagh.

17 ASSEMBLYMAN KAVANAGH: Thank you,
18 Mr. Chairman.

19 So several of my questions have been
20 answered. I'm blessed in my district with
21 not one but three senators who represent my
22 constituents, and a couple of them are here.
23 And particularly Senator Hoylman just covered
24 some of our concerns regarding cable service.

1 I actually just want to follow up a
2 little bit on that. In 2014, the Legislature
3 passed and the Governor signed legislation
4 that expressly indicated that public-interest
5 factors should be considered in the review of
6 mergers of cable companies. And I'm just
7 wondering, first, does the legislation
8 itself -- I mean, we've talked a little bit
9 about various issues that are in the public
10 interest.

11 Does that standard affect the way you
12 have reviewed mergers and are viewing the
13 upcoming merger that's before you now, and is
14 that -- given that that bill sunsets, is that
15 something that we ought to be continuing
16 legislatively?

17 PSC CHAIR ZIBELMAN: Well, certainly
18 it has helped our review. I mean, in terms
19 of -- the standard previously was really a
20 no-harm standard. Now the burden is on the
21 company to show net public benefit. And as a
22 result of that standard, it's why the
23 commission took a look at the Time
24 Warner-Charter merger, to make sure that it's

1 not simply just even, or what it was, but
2 actually that you could show true public
3 benefit. And I think it's a very important
4 standard.

5 In terms of whether or not it would be
6 helpful in the future, that's something I
7 would have to get back to you on, because I'm
8 not quite sure how many more of these we
9 would have.

10 ASSEMBLYMAN KAVANAGH: Because we'll
11 all end up with one giant cable company,
12 right?

13 And, you know, as I think you can
14 tell, there's a lot of concern among
15 legislators about -- although we're all, I
16 think, just beginning to look at what's the
17 Altice situation. But a lot of concern on
18 that.

19 I also just wanted -- we've had a lot
20 of coverage of the energy issues. I think I
21 may have an additional question for President
22 Rhodes on that. But just acknowledge that,
23 you know, the administration is doing a lot
24 to get -- to impose standards and move

1 towards some very -- a lot of these targets
2 that the Governor has announced in the last
3 few months are very ambitious, and I think
4 suitably so, given the climate change
5 challenges.

6 I also want to -- as one of the people
7 that pushed for a thorough review of the
8 telecommunications industry, I just want
9 acknowledge in your testimony you mentioned
10 these technical conferences which are coming
11 up I guess right after the legislative break.
12 And I just wonder, at this point you haven't
13 indicated who will be participating in those.
14 Can you talk about just what the scope of
15 those will be and how you expect them to
16 inform your decision-making going forward?

17 PSC CHAIR ZIBELMAN: Certainly. We
18 have several -- the way we use technical
19 conferences is that we invite industry
20 experts in to talk about topical issues. And
21 we have sent out the solicitation and have
22 asked experts in the industry, academics,
23 et cetera, policy experts to really nominate,
24 and then we look to put together panels that

1 represent diverse interests around subject
2 matters.

3 The broad areas of things that are of
4 most concern to the commissioners, one is the
5 question of technological convergence. And
6 that's really what we're talking about in
7 terms of these mergers. Since we began
8 looking at telecommunications, broadband has
9 become the primary vehicle of voice, data and
10 content communications. And the question is,
11 how do you, with FCC and state policies, how
12 do we move forward and modernize our
13 telecommunications regulation in light of
14 this technological convergence. Not unlike
15 what we're seeing in electric, things have
16 changed; what do we need to do to make sure
17 that these changes are to the benefit of
18 consumers.

19 We are also looking at the issues of
20 standards of service. That became a major
21 issue for us. We hear this from consumers.
22 We've talked about people don't like their
23 cable providers, they're concerned, they
24 don't feel like they're getting adequate

1 service. What should we doing as a state to
2 make sure that consumer needs are being met?

3 Different than electric, we do not
4 price regulate anymore in telecommunications,
5 but we do look at competition. We want to
6 make sure the markets are competitive, and we
7 worry about service quality and adequacy of
8 service. And of course we're always worried
9 about the needs of low-income, and make sure
10 that those are being addressed.

11 So it's those subject matters we'll be
12 delving into, we'll be seeking advice, and
13 then we would have additional processes after
14 that to determine how to use that information
15 to start crafting the steps forward.

16 ASSEMBLYMAN KAVANAGH: And the
17 reliability and quality of the legacy copper
18 network is also part of that review; is that
19 correct?

20 PSC CHAIR ZIBELMAN: Certainly. One
21 of the issues that is clearly a matter that
22 has gotten quite a bit of attention is
23 whether or not the copper network is being
24 sufficiently maintained or whether the FIOS,

1 the fiber network, is replacing it at a pace
2 that is appropriate. So that certainly is a
3 matter of concern to the commission and is
4 one of the specific questions that we've
5 asked people to address in the technical
6 conference.

7 ASSEMBLYMAN KAVANAGH: Okay, thank
8 you.

9 CHAIRMAN FARRELL: Thank you.

10 PSC CHAIR ZIBELMAN: Thank you.

11 CHAIRWOMAN YOUNG: Senator O'Mara.

12 SENATOR O'MARA: Sorry. Can we just
13 go back quickly to the RPS, the SBC and the
14 EEPS. My understanding, those were all set
15 to expire at the end of February this year.
16 So those are not expiring, they're being --
17 or they're expiring and they're being
18 replaced with the Clean Energy Fund additions
19 to the utility bill.

20 PSC CHAIR ZIBELMAN: Yes. Yes. I
21 mean, the commission has long looked at
22 energy efficiency and clean energy as really
23 very much a valuable resource. As you know,
24 our job as the economic regulator is to make

1 sure that energy services are reliable,
2 low-cost, resilient and secure. One of the
3 things that is absolutely clear is that --
4 with technological changes is that we can
5 both make certain that we are meeting the
6 economic needs of consumers and the
7 environmental needs of the state in a way
8 that's both economically and environmentally
9 sustainable.

10 So what we see as the Clean Energy
11 Fund is an ability to invest in energy
12 efficiency and clean energy that produces
13 significant net benefits that we couldn't
14 otherwise achieve, and that therefore helps
15 us reduce rates and bills going forward
16 rather than increase them.

17 SENATOR O'MARA: Now, it's my
18 understanding that NYPA and LIPA customers
19 are going to be treated differently than the
20 customers of other utilities in the state as
21 far as the costs itemized on their utility
22 bills. Can you explain how those are being
23 handled and why they're being handled
24 differently?

1 PSC CHAIR ZIBELMAN: Well, again, NYPA
2 and LIPA are not subject to the regulation of
3 the Public Service Commission. LIPA actually
4 manages, has its own programs around energy
5 efficiency and clean energy, and so they
6 include those in their charges.

7 In terms of NYPA, they have obviously
8 a great deal of hydro and also have a great
9 deal of commitments to renewable energy. And
10 I think NYPA would be happy to come in and
11 talk to you about what they're doing in that
12 regard. I will commit them to that.

13 SENATOR O'MARA: Okay. I would
14 appreciate that, because this is very
15 complex.

16 Of all this, of the Clean Energy Fund
17 and of REV, what is the Legislature's role in
18 the decision-making? It seems that it's all
19 in your hands at the Public Service
20 Commission.

21 PSC CHAIR ZIBELMAN: Well, the role of
22 the Public Service Commission, again, is to
23 set utility rates. And in making that
24 determination, it's important for us to take

1 a look at what is the best use of ratepayer
2 funds. So consistent with that view, what
3 we're looking at is how do we make sure, as
4 technology has evolved, when we take a look
5 at energy efficiency, reduced cost of
6 distributed generation and clean generation,
7 that we're taking advantage of that so we're
8 meeting both our environmental and our
9 economic needs.

10 So to us, this has been a long part of
11 our regulatory objective of really making
12 sure that utility rates are set at a level
13 that is essentially reasonably priced while
14 providing reliable, clean and cost effective
15 and resilient services.

16 SENATOR O'MARA: From the \$5 billion
17 being invested over 10 years, you're
18 anticipating a \$39 billion customer bill
19 savings. What if any cost-benefit analysis
20 has the PSC gone through in reaching that
21 conclusion? And is that analysis available
22 to us to review?

23 PSC CHAIR ZIBELMAN: NYSERDA, of
24 course, proposed the \$5 billion and in their

1 petition identified how they are going to
2 achieve the \$39 billion in savings. I'm
3 certain that my colleague Mr. Rhodes will be
4 able to talk to you in detail about how they
5 put together their analysis. The commission
6 reviewed it.

7 But most importantly, what the
8 commission has said in the Clean Energy Fund
9 is that what we want NYSERDA to do moving
10 forward is, for each of these types of
11 programs, develop essentially what is an
12 investment plan, identify exactly how they're
13 going to achieve the savings, how they're
14 going to be measured, what the programs are
15 going to be, and then we will monitor them.
16 Because our role as a regulatory agency is to
17 make sure that NYSERDA, just like utilities,
18 are accountable for the targets that they set
19 out, and that we oversee that to make sure
20 they're achieved and, if they're not being
21 achieved, that the program is changed to make
22 sure we do achieve them.

23 SENATOR O'MARA: So then, I guess in a
24 nutshell, the cost-benefit analysis that's

1 been done and reviewed by the PSC was done by
2 NYSERDA, PSC has reviewed it and accepted it
3 at this point?

4 PSC CHAIR ZIBELMAN: NYSERDA proposed
5 it, the staff at the PSC reviewed it, they
6 found that the analysis was reasonable.

7 We certainly know from our own history
8 with energy efficiency that investments in
9 energy efficiency have produced significant
10 value for consumers and that as we go forward
11 with the changes that NYSERDA is proposing to
12 make -- which were changes that the
13 commission asked them to do -- we believe and
14 we're very confident that we will not only
15 meet them but exceed them. That's our
16 expectation.

17 And I think that these programs, as
18 John Rhodes will tell you, are really a
19 substantial and valuable change for the
20 state.

21 SENATOR O'MARA: And finally -- my
22 time is out again, but I'm going to get one
23 last question in.

24 With regards to your comments on the

1 cost of natural gas being at all-time lows,
2 what is in the plans, whether it's through
3 REV or the Clean Energy Fund, of utilizing
4 cleaner natural gas in the future of power
5 generation in New York State?

6 PSC CHAIR ZIBELMAN: Well, as you're
7 aware, several years ago the Legislature
8 passed a statute that required the
9 commission, when we looked at coal plants,
10 that we support repowering and that we
11 consider not only the system benefits but
12 also local economic benefits, because of its
13 importance to the state. And that is exactly
14 the statute that we looked at when Dunkirk
15 proposed repowering to us.

16 So that is something that the
17 Legislature has already done. And with the
18 Governor's proposal that we eliminate coal,
19 we also are encouraging the remaining coal
20 plants to take a look at repowering, take
21 advantage of these low natural gas prices.

22 SENATOR O'MARA: Thank you.

23 CHAIRWOMAN YOUNG: Do you have any
24 more questions? Because you are doing double

1 duty for Senator Griffo also.

2 SENATOR O'MARA: For Mr. Griffo today.

3 CHAIRWOMAN YOUNG: If you had one more
4 question, right.

5 SENATOR O'MARA: Well, I've got more
6 than one, but --

7 CHAIRWOMAN YOUNG: Okay.

8 SENATOR O'MARA: I mean, I do
9 recognize the goals of getting to cleaner,
10 clean energy. I think that in our
11 foreseeable future, natural gas will play a
12 role in that. And we shouldn't be ignoring
13 what is now a lower-cost energy than anything
14 else, to replace that with higher-cost
15 energy, be it renewable or otherwise.

16 Nuclear should be a strong part of
17 that as well, based on the lack of emissions
18 in that process. But I think a balanced and
19 diversified portfolio of energy supplies is
20 going to be much more secure for us going
21 forward in New York than putting all of our
22 eggs into one basket.

23 Thank you.

24 PSC CHAIR ZIBELMAN: Thank you.

1 CHAIRWOMAN YOUNG: Thank you, Senator.

2 CHAIRMAN FARRELL: Assemblyman
3 Abinanti.

4 CHAIRWOMAN YOUNG: Before that, I
5 would like to note that Senator Kathy
6 Marchione has joined us. Thank you.

7 ASSEMBLYMAN ABINANTI: Thank you,
8 Mr. Chairman. Thank you both for giving
9 somewhat clear explanations of very complex
10 subjects.

11 I'd like to -- maybe I should just
12 start with President Rhodes. Where do you
13 get your monies from? What's the funding
14 source?

15 PRESIDENT RHODES: So as Chair
16 Zibelman explained, a significant and major
17 funding source for us is our ratepayer
18 collections, and so --

19 ASSEMBLYMAN ABINANTI: Is that what we
20 call the systems energy charge?

21 PRESIDENT RHODES: So that's the
22 systems benefit charge, that's the Energy
23 Efficiency Portfolio Standard, that's the
24 Renewable Portfolio Standard, that's the

1 technology and market development charge.

2 ASSEMBLYMAN ABINANTI: Now, are those
3 all going to disappear and be now called
4 something else? Or are you going to call
5 them the same thing?

6 PRESIDENT RHODES: They will be
7 succeeded by a unitary single collection in
8 the Clean Energy Fund.

9 ASSEMBLYMAN ABINANTI: Okay. So for
10 those of us who are not as steeped in this as
11 you are, let me see if I can understand this.

12 So we're basically going to be
13 reducing the amount of money that's collected
14 on the bill and the amount of money that goes
15 to you to do the things that you've been
16 doing?

17 PRESIDENT RHODES: Correct.

18 ASSEMBLYMAN ABINANTI: Now, how much
19 money have you set aside, for example, in the
20 past, year by year, for the -- you were
21 talking about the solar, for a residential
22 solar program. How much money was set aside
23 for that in 2015, 2014?

24 PRESIDENT RHODES: I'm sorry, I don't

1 understand the "set aside" aspect of that.

2 ASSEMBLYMAN ABINANTI: Well, my
3 understanding is you have a limit on how much
4 you'll give out. So residential customers
5 will apply for solar benefits, tax benefits,
6 et cetera, but there's only a certain amount
7 for that year, and when you hit that limit,
8 you stop, you tell them to come back next
9 year.

10 PRESIDENT RHODES: Right. So --

11 ASSEMBLYMAN ABINANTI: So how much did
12 you set aside for 2014-2015?

13 PRESIDENT RHODES: Let me get back to
14 you with the details on that.

15 I will just note that the example you
16 asked about, which was solar, actually works
17 in a different way than you're assuming.

18 ASSEMBLYMAN ABINANTI: Okay. Well,
19 what I'm concerned about is that while we are
20 reducing ratepayer charges, we're also
21 reducing revenue to the State of New York to
22 do all of these great things that you're
23 talking about.

24 And so I am concerned that while it's

1 off-budget, NYSERDA will not have the money
2 necessary -- because we don't get a chance to
3 ask you the questions and supervise -- I am
4 concerned that you won't have the monies
5 available to do all of these great things. I
6 mean, you're talking about a Green Bank,
7 you're talking about the Governor's programs,
8 but we're going to be taking a billion and a
9 half dollars out -- and maybe more, because
10 I'm not quite understanding all of the
11 details here. You're moving RGGI funds in to
12 substitute for monies that you would have had
13 from ratepayers, et cetera. It's very
14 complex. I see all the shells going around.

15 But in the end, it looks like we're
16 going to have less money to spend on
17 environmentally sound programs. Is that
18 true?

19 PRESIDENT RHODES: We're going to get
20 more done with the less money.

21 ASSEMBLYMAN ABINANTI: Well, we're
22 going to have less money.

23 PRESIDENT RHODES: And we're going to
24 do a better job of achieving those energy

1 goals and those environmental goals.

2 ASSEMBLYMAN ABINANTI: But why can't
3 we do it better and keep the amount the same?

4 PSC CHAIR ZIBELMAN: So the other
5 aspect of what we're doing, because this is
6 all part of a plan to really think about how
7 you integrate in clean energy into the mix.
8 So it no longer just simply has to be a
9 government subsidy, because we can't really
10 afford to get everything we want done just
11 through ratepayers, it's to really think
12 about how you create markets.

13 So for example, one of the areas that
14 we're looking at in the Renewable Energy
15 Vision change is making sure that when we
16 have customers who are able to use
17 distributed resources like solar, like
18 batteries, and they can take their
19 consumption off of the grid at the times we
20 want it to go off -- because prices are
21 high -- they get paid for it.

22 ASSEMBLYMAN ABINANTI: Right. But
23 aren't we better off -- if I may, because I'm
24 running out of time -- aren't we better off

1 using grant programs which we can track,
2 rather than lowering it at the front end
3 where everybody gets the benefit, including
4 those who are not helping in the ultimate
5 goal?

6 PSC CHAIR ZIBELMAN: What we're seeing
7 in the market is there are many, many
8 customers who want to do these things
9 voluntarily. You know, people want clean
10 energy. What we need to do is really reward
11 them for that. And so part of the pieces of
12 what we're looking at is the grid used to be
13 built around this idea of the only thing we
14 want is big power plants. Now, we're saying
15 no, we want both of those.

16 ASSEMBLYMAN ABINANTI: No, no, I
17 understand what you're saying. But I'm just
18 suggesting that I would prefer to see the
19 approach that you use the grant programs,
20 just like the Governor is trying to entice
21 companies from out of state by targeted grant
22 programs, rather than giving this benefit to
23 all consumers, all ratepayers, some of whom
24 may actually be working contrary to your

1 ultimate environmental goals.

2 So that's the only thing I would put
3 on the table and suggest that maybe you
4 reconsider reducing these rates. Keep the
5 rates at the level they're at and keep doing
6 the programs you're doing and add more, once
7 you become even more sufficient.

8 The other thing that I'm concerned
9 about -- and I see that I'm out of time -- is
10 that I'm understanding that these monies in
11 the past used to be held by you, but a lot of
12 these monies in the Clean Energy Fund are now
13 going to be held by somebody else. Are
14 utilities going to be holding these monies?

15 PSC CHAIR ZIBELMAN: One of the things
16 that -- do you want me to --

17 PRESIDENT RHODES: We can either
18 answer, yeah.

19 PSC CHAIR ZIBELMAN: One of the things
20 the commission did is rather than having
21 NYSERDA just hold those monies, is that the
22 utilities will continue to collect those
23 monies and put them in an interest-bearing
24 account, with the interest being returned to

1 ratepayers, and then NYSERDA accesses the
2 monies when in fact they need them. We felt
3 that was a much more efficient use, and it
4 gave the ratepayers the value of having the
5 interest-bearing accounts.

6 ASSEMBLYMAN ABINANTI: What was wrong
7 with you guys holding the money like you did
8 before?

9 CHAIRWOMAN YOUNG: Thank you. Thank
10 you.

11 CHAIRMAN FARRELL: Thank you.

12 CHAIRWOMAN YOUNG: Senator Marchione.

13 SENATOR MARCHIONE: Thank you.

14 I have a couple of questions. The
15 first is on solar energy. I know a lot of
16 people who have had their home reviewed to
17 see whether or not they could put solar
18 panels on their roofs to offset their bills.

19 My question is, why are they only
20 allowed to offset their own bills? If this
21 is renewable energy and this is good for the
22 environment, why are they not allowed to put
23 solar energy that's excess capacity and be
24 able to help our environment even more? It

1 seems very counterproductive to me to allow
2 residents to do this but only allow them to
3 offset their own bill.

4 PRESIDENT RHODES: So I can answer
5 more broadly, if I may.

6 The commission I believe in May passed
7 essentially a shared solar ruling, which
8 permits customers to take advantage of solar
9 even if they don't themselves have a roof
10 that is suitable for solar. So this is a way
11 of a customer receiving the benefits of
12 solar, including the bill-offsetting
13 benefits, mainly including the
14 bill-offsetting benefits, from a solar
15 installation that could be somewhere
16 else, possibly on someone else's roof but
17 possibly on a field somewhere else.

18 It provides the benefit that you are
19 addressing. It also, very meaningfully,
20 addresses the reality that the proportion of
21 suitable-for-solar roofs in the state is
22 somewhere in the 20 to 25 percent range, so
23 that 70 to 75 percent of roofs are not
24 suitable because they are the wrong shape,

1 the wrong angle, the wrong condition, they're
2 tree-shaded, the buildings are occupied by
3 renters. And this is a really forceful
4 decision by the Governor and by the
5 commission back in May that addresses that
6 issue.

7 SENATOR MARCHIONE: So what you said,
8 let me repeat so I make sure I've understood.
9 The ruling was changed this summer that if I
10 had a suitable roof that could give me 200
11 percent of what I pay, then that is now
12 acceptable.

13 PSC CHAIR ZIBELMAN: We have -- if I
14 could add to what Mr. Rhodes stated. To the
15 extent that a customer puts on photovoltaic
16 on their roof and they have excess energy,
17 there is a compensation scheme from the
18 utilities for if they're actually net
19 exporting. But there are issues in terms
20 of -- the concept of net metering is really a
21 reduction against your total load. So if you
22 size it that it's more in your exporting,
23 that creates a different set of issues for
24 the grid.

1 And so I would have to really, you
2 know, understand what the specifics of the
3 case are.

4 The other issue that we're dealing
5 with or the other opportunity we're looking
6 at is how do you create, you know, community
7 solar type programs. And if you have a
8 customer who really has property that allows
9 for more of an export, how they can really
10 benefit their neighbors and think about it as
11 a community program rather than an individual
12 program.

13 SENATOR MARCHIONE: And I think that's
14 where we should be going.

15 You know, I had my own roof reviewed;
16 I can't have solar. I have too many trees on
17 my lot. But my neighbor down the street
18 could supply himself and myself and get the
19 benefit for that, and currently that's not
20 happening. And I think if we really, truly
21 care about renewable energy, that needs to
22 happen.

23 PSC CHAIR ZIBELMAN: Yes.

24 SENATOR MARCHIONE: Secondly, on

1 broadband. I have many areas within my
2 district, I'm in the 43rd District, that have
3 great need to have broadband. Other parts of
4 my district have real need for cell towers
5 for safety. Sometimes you can't hear the
6 ambulance calls. I mean, they get dropped.

7 Is the broadband money placed in there
8 also going to be used for cell towers?

9 PSC CHAIR ZIBELMAN: It's not my
10 understanding that it is going to be used for
11 cell towers, but let me get back to you on
12 that.

13 SENATOR MARCHIONE: Please do, because
14 it's very important. As it was going
15 through, I kept promoting that the health and
16 safety of our residents needs to be both, not
17 in all areas but in some of our areas. And
18 not being able to hear an ambulance call is
19 critical. So if not, please let me know
20 that, so I can start advocating again.

21 PSC CHAIR ZIBELMAN: Okay.

22 CHAIRWOMAN YOUNG: Thank you, Senator.

23 At this time, because President Rhodes
24 hasn't had the opportunity to give his

1 remarks, we would like to do that. I know
2 there's a lot of, you know, cross-
3 relationships between the agency and the
4 Public Service Commission. So at this point
5 I'd like to have you give your testimony, and
6 then if the members have any other follow-up,
7 we could go there.

8 PRESIDENT RHODES: Thank you very
9 much.

10 So good afternoon, Chair Young,
11 Chair Farrell, members of the committees. I
12 join in Audrey's thoughts on behalf of
13 Senator Griffo, and I thank you for the
14 opportunity to testify before you today. I
15 am John Rhodes, and I serve as president and
16 CEO of the New York State Energy Research and
17 Development Authority, NYSERDA.

18 Chair Zibelman in her statement laid
19 out Governor Cuomo's key energy initiatives,
20 including Reforming the Energy Vision and the
21 Clean Energy Standard. I will pick up with a
22 discussion of NYSERDA's 10-year, \$5 billion
23 Clean Energy Fund. The Clean Energy Fund
24 will support these initiatives. It will

1 support the nation-leading Clean Energy
2 Standard by accelerating the adoption of
3 energy efficiency to reduce the demand for
4 electricity while increasing renewable energy
5 to meet that demand.

6 It will support REV with a focus on
7 four primary outcomes: reducing greenhouse
8 gas emissions, mobilizing private-sector
9 capital, achieving energy savings, and
10 achieving customer energy bill savings.

11 The Clean Energy Fund consists of four
12 portfolios: market development, innovation
13 and research, NY-Sun and NY Green Bank.

14 Market development is focused on
15 reducing costs and accelerating the uptake of
16 energy-saving energy efficiency and
17 cost-effective behind-the-meter solutions,
18 such as storage, while increasing private
19 investment levels. Market development also
20 specifically supports programs that provide
21 benefit to low-to-moderate income households,
22 including a commitment of at least
23 \$230 million over the first three years of
24 the Clean Energy Fund.

1 The innovation and research portfolio
2 drives clean business growth across five key
3 areas -- smart grid technology, renewables,
4 high performance buildings, transportation,
5 and clean-tech startups -- to meet the
6 increasing demand for clean energy and to
7 bring new economic development to New York
8 State.

9 NY-Sun, the Governor's \$1 billion
10 commitment to solar, creates a
11 self-sustaining solar power market in
12 New York, reducing and ultimately eliminating
13 incentives as the industry builds to scale.
14 NY-Sun is an example of REV in action.

15 Under Governor Cuomo, solar deployed
16 in New York has grown 300 percent through
17 2014. More than 7,200 New Yorkers worked in
18 the solar industry in 2014, an increase of
19 more than 2,000 jobs from 2013. Our
20 strategies are working.

21 NY Green Bank, the largest green bank
22 in the nation, works to leverage
23 private-sector capital into clean energy. To
24 date, NY Green Bank has received over

1 \$1 billion in investment proposals and has an
2 active pipeline of roughly -- and I need to
3 correct this -- \$400 million. In 2015, NY
4 Green Bank closed \$54 million in commitments
5 in four high-impact, first-of-their-kind
6 deals. These deals leveraged private-sector
7 capital at a rate of up to 5 to 1, and we
8 anticipate ultimate leverage as high as 8 to
9 1.

10 The Clean Energy Fund portfolio is
11 needed to achieve better greenhouse gas,
12 energy, and bill savings by doing more with
13 less. I recall Chair Zibelman's points --
14 \$91 million in ratepayer collections
15 reductions in 2016; a total of \$1.5 billion
16 in ratepayer reductions by 2025; \$39 billion
17 in lifetime bill savings; and \$29 billion in
18 private capital leveraged over the lifetime
19 of the Clean Energy Fund.

20 NYSERDA continues to streamline
21 operations to become easier to work with.
22 Applications for residential solar, our
23 single highest-volume program, are now
24 approved within three days, down from

1 28 days. We've cut the cycle time for other
2 processes by 50 percent up to two-thirds. An
3 application by a homeowner to receive a free
4 audit can now be completed online, and by a
5 typical homeowner in less than five minutes.

6 Now to the Executive Budget. For
7 nearly four decades, NYSERDA has protected
8 New York State interests at the West Valley
9 Demonstration Project in Cattaraugus County.
10 The 2016 Executive Budget recommends
11 \$13.5 million for ongoing nuclear waste
12 cleanup work at West Valley, an increase of
13 about \$900,000 over last year's budget. Our
14 costs at West Valley are largely dictated by
15 a federal match requirement, and this amount
16 reflects the funding level necessary to match
17 the federal appropriation during the 2016
18 federal fiscal year.

19 The 2016 Executive budget provides
20 \$19.7 million in funding for NYSERDA to
21 continue energy research and development and
22 statewide energy planning and analysis
23 activities. As a public benefit corporation,
24 NYSERDA understands the importance of full

1 disclosure of its investments made on behalf
2 of the public and for transparency and
3 oversight. NYSERDA has built a robust
4 reporting regime that reflects existing
5 legislative, administrative, and regulatory
6 requirements, including fiscal-year-end
7 annual financial statements, annual budget
8 and financial plan, Green Jobs-Green NY
9 annual report, quarterly program progress
10 reports, and significant reporting to the
11 Authorities Budget Office.

12 NYSERDA works on periodic audits with
13 the State Comptroller's office, and the
14 findings from these audits are made public
15 and provide valuable insight toward improving
16 our procedures and internal controls.

17 Further, the new semi-annual reports
18 that were included as part of last year's
19 budget provide for more frequent and detailed
20 reporting, with regional breakdowns by county
21 and utility service territory, for
22 solicitations, for awards, for expenditures,
23 and for commitments.

24 A clean, affordable, reliable energy

1 system is essential to the health of New York
2 State's economy and to our environment. We
3 have the global talent, the natural
4 resources, the global financial markets and a
5 history of innovation all based here. And
6 under Governor Cuomo, we are putting those
7 resources to work today.

8 This concludes my opening remarks. I
9 would be happy to continue to take questions
10 that you may have.

11 CHAIRWOMAN YOUNG: Thank you.

12 Any questions from Senators?

13 CHAIRMAN FARRELL: Yes.

14 CHAIRWOMAN YOUNG: Oh, wait, no, it is
15 your turn.

16 CHAIRMAN FARRELL: Assemblywoman
17 Lifton.

18 ASSEMBLYWOMAN LIFTON: Thank you,
19 Mr. Chair.

20 Hello, Ms. Zibelman -- is that
21 correct?

22 PSC CHAIR ZIBELMAN: Zibelman or
23 Zeebelman. I respond to just about anything.

24 ASSEMBLYWOMAN LIFTON: I'm a former

1 English teacher; I always want to try to get
2 the pronunciation right.

3 Ms. Zibelman, welcome. And to
4 Mr. Rhodes.

5 I'm thrilled to hear the discussion
6 about energy efficiency reducing demand, the
7 importance of our environmental goals. As
8 you know, I've called for the closure of the
9 coal plants and not repowering with natural
10 gas.

11 You know, New Yorkers beat back
12 fracking, you know, for a number of reasons,
13 many, many reasons, but certainly with
14 concerns about the methane, the fugitive
15 methane. That's a tremendous contributor to
16 climate change, as we now know, and the
17 numbers on that just keep getting more
18 powerful. And of course Paris has said we
19 really have to get even more conservative
20 than we were in our original estimates. 1.5
21 is maybe all we can risk in terms of rising
22 global temperatures. And we're at what, 0.8
23 now? Getting close to 1. So the crisis is
24 upon us.

1 As you talk about using the NYSERDA
2 money, I'm not sure -- you looked at the
3 plan, NYSERDA did the plan, you've got four
4 different portfolios on the use of the Clean
5 Energy Fund. I think the experts say the
6 best thing we could do is just energy
7 efficiency, period. Let's get the demand
8 down, let's retrofit all the homes and
9 businesses, and we get the biggest bang for
10 our buck that way. When we spend a million
11 dollars or a billion dollars, if we were
12 going to try to reduce greenhouse gases as
13 quickly as possible and clean up the carbon,
14 the best thing to do is decreasing demand,
15 energy conservation.

16 Am I right about that?

17 PRESIDENT RHODES: I bow to no person
18 in my admiration for energy efficiency. It
19 really is a fantastic resource.

20 ASSEMBLYWOMAN LIFTON: So as we have
21 these various portfolios, is it weighted in
22 any way to say -- you know, people say solar
23 is that last thing that people ought to do in
24 their homes, they ought to do the

1 retrofitting, they ought to -- you know, all
2 the other things come later in terms of being
3 efficient with money. You talked about --
4 Ms. Zibelman said maximizing value, right,
5 for the dollar. So if we're going to
6 maximize value, we want to reduce the most
7 with the least expenditure; right?

8 PRESIDENT RHODES: Right.

9 ASSEMBLYWOMAN LIFTON: So are we going
10 to weight this in terms of saying let's get
11 houses, let's get businesses retrofitted and
12 bring down demand, bring down use of energy?

13 PRESIDENT RHODES: So I'm going to
14 simplify a bit and just talk about, you know,
15 how we're spending the \$5 billion.

16 Just over half of it is going to the
17 portfolio we call market development, which
18 is very much about energy efficiency and
19 about, you know, some related technologies
20 like storage and other sources of on-site
21 energy generation.

22 The Green Bank is what we call
23 technology agnostic, but in point of fact,
24 just as a matter of fact, the monies in the

1 Green Bank flow to investments that are
2 especially investable. And at the moment,
3 and I expect this to continue, energy
4 efficiency dominates the investments that
5 we're making and the pipeline that we are
6 seeing.

7 Research and innovation is --

8 ASSEMBLYWOMAN LIFTON: Can I interrupt
9 you, because our time -- I've got one minute
10 left.

11 PRESIDENT RHODES: Yeah.

12 ASSEMBLYWOMAN LIFTON: I'm talking
13 about insulating homes, I'm talking about
14 weatherization. Decreasing demand by getting
15 everyone properly weatherized. How many
16 homes out there have no insulation in them?

17 PRESIDENT RHODES: Right. So that is
18 the priority of the market development
19 initiative. It's not just our work; the
20 utilities are doing similar work, and there
21 are other programs around the state that are
22 doing that. It is an extremely important
23 objective.

24 ASSEMBLYWOMAN LIFTON: Then shouldn't

1 we be really front-loading all of that,
2 putting -- you know, saying for the next two
3 or three years, we're going to get that first
4 job done?

5 PRESIDENT RHODES: It has the biggest
6 emphasis in what we're doing.

7 ASSEMBLYWOMAN LIFTON: Thank you.

8 One more question. When we're doing
9 the cost-benefit analysis for REV -- you said
10 you wanted to look at when utility
11 investments and alternative energies are more
12 cost beneficial than traditional investments.
13 When you're making those cost-benefit
14 analyses, are you looking at the full cost of
15 natural gas, the externalized cost of carbon?
16 And where are we on that? I know when I
17 asked the question at the roundtable, I was
18 told that we're not going to use the federal
19 standard which the scientists are telling us
20 is outdated, we need to look at the latest
21 research -- from Dr. Howarth at Cornell, for
22 instance, about the powerful 105 times in a
23 20-year window, the power of methane.

24 Are we taking those externalized costs

1 and putting those into the cost-benefit
2 analysis?

3 PSC CHAIR ZIBELMAN: Yes. In the
4 cost-benefit analysis that the commission
5 approved last week, we are requiring the
6 utilities to use the EPA number for
7 environmental externality when they do their
8 analysis. So we are including that in the
9 cost-benefit analysis.

10 The commission also noted, however,
11 when the Clean Energy Standard comes in and
12 we actually see what the environmental
13 costs are in New York, we will likely want to
14 substitute that number as a more accurate
15 number of environmental value because -- so
16 yes. Because the purpose of the benefit-cost
17 analysis is to really look at the total value
18 of a resource. So it includes the
19 environmental costs, it includes avoided
20 generation, avoided transmission, avoided
21 distribution, et cetera.

22 ASSEMBLYWOMAN LIFTON: So you're using
23 the EPA number --

24 PSC CHAIR ZIBELMAN: We are.

1 ASSEMBLYWOMAN LIFTON: -- that the
2 scientists are saying is outdated?

3 PSC CHAIR ZIBELMAN: It's not
4 outdated, it's the EPA number that the --
5 it's the number that EPA uses.

6 We felt -- we did -- in our evaluation
7 and the comments we received, we thought that
8 was the best number because that's the number
9 the EPA uses and continues to evaluate.

10 ASSEMBLYWOMAN LIFTON: I'm concerned
11 about that, from everything I've heard.

12 Can I get more information? I'd love
13 to see some of your thinking on this in
14 writing. I'd appreciate that.

15 PSC CHAIR ZIBELMAN: Yes. Be happy to
16 do so.

17 ASSEMBLYWOMAN LIFTON: Thank you very
18 much.

19 CHAIRWOMAN YOUNG: Thank you.

20 Senator Little.

21 SENATOR LITTLE: Thank you.

22 President Rhodes, I wanted to ask a
23 few things, if I could, in regard to charging
24 stations. I am part of a Quebec-New York

1 Corridor group and have met with groups from
2 Quebec, Montreal particularly, that area, and
3 they have a lot more electric cars -- at
4 least they claim they do -- than we do in
5 New York State. But they do travel down the
6 Northway, and the Northway runs right through
7 my district.

8 So my goal has been to try to see if
9 we could find more charging stations,
10 implementation of them, and incentives for
11 other people to put them in. I did find an
12 app, it's called Plug Share. And if you pull
13 it up, it will tell you, you know, where you
14 are, there's a map. And I know that there
15 are Price Choppers that have them, and some
16 hotels -- oh, I'm sorry. I thought I had it
17 on.

18 PRESIDENT RHODES: I could hear you.

19 SENATOR LITTLE: Could you hear me
20 anyway?

21 PRESIDENT RHODES: I could hear.

22 SENATOR LITTLE: Some hotels have
23 them, some different places have been able to
24 put them in.

1 The Governor's State of the State
2 mentions a \$9 million expenditure for
3 electric vehicle charging stations. I'd like
4 to know if you could tell me if NYSERDA is
5 paying for those, if they're going to be
6 grant programs, if there's going to be a
7 match, and if we're going put them on public
8 highways.

9 We have two rest areas just south of
10 Exit 30 that I was hoping to have them on.
11 There's nothing to do there other than to
12 read the tourism brochures and they could
13 stay warm. But they would require the faster
14 and more expensive charging stations. And I
15 know the bigger charging stations have a big
16 demand charge on them.

17 So I did find one motel, by the way,
18 in Lake Placid that has two Tesla charging
19 stations at them, but nobody knows they're
20 there, you know, unless you get on this app.

21 So my question is, what will be the
22 program, how will people be able to access
23 this \$9 million? And where are we going to
24 put them? And how are we going to signage,

1 It's a cost share. And we try to be as clear
2 as possible and as straightforward and easy
3 to work with as possible in explaining how it
4 is that one would go about and get the cost
5 share. Typically, you know, it's the hosts
6 that drive it, so it's the Wegmans or the
7 Starbucks or the Price Chopper that goes and
8 makes it happen.

9 I mentioned that we have the majority
10 of the objective of 3,000. Our partner for
11 the rest of it is NYPA, the New York Power
12 Authority. You know, to the extent that we
13 put them on highway rest areas and the like,
14 that tends to be more where NYPA is working.
15 But we don't want to point fingers at each
16 other, we're eager to kind of get the
17 charging stations where they're needed most.

18 And so I'm happy to talk to you about
19 that and especially to hear advice from you
20 or from people who are speaking to you about
21 how to create better awareness of where those
22 are. Because the whole point of a charging
23 station is to reduce the need -- the
24 phenomenon they call range anxiety, right?

1 SENATOR LITTLE: I almost think we
2 need to develop the sign, just a small sign
3 that goes on the exits so that people know if
4 they get off, the --

5 PRESIDENT RHODES: I have noted that
6 suggestion.

7 SENATOR LITTLE: And then of this
8 \$9 million, how much will NYSERDA have to
9 dispense in this coming budget?

10 PRESIDENT RHODES: I'll have to get
11 back to you on the specific number.

12 SENATOR LITTLE: Well, I'd like to
13 have a meeting and maybe --

14 PRESIDENT RHODES: Yeah. In any case,
15 yeah.

16 SENATOR LITTLE: -- we can sit down
17 and come up with a program.

18 But very, very important for the
19 Canadian travel. You know, I mean with the
20 dollar, it hasn't been as big as it usually
21 is, but nevertheless they still come down on
22 business, come down on tourism events and
23 all. And they do have electric cars that I
24 understand only go 80 miles before a charge,

1 so.

2 PRESIDENT RHODES: We'll work with you
3 on this.

4 SENATOR LITTLE: Okay. Thank you.

5 SENATOR KRUEGER: Assembly?

6 CHAIRMAN FARRELL: Assemblyman
7 Englebright.

8 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
9 Mr. Chairman.

10 Thank you both for your testimony.

11 PSC CHAIR ZIBELMAN: Thank you.

12 ASSEMBLYMAN ENGLEBRIGHT: We heard
13 just a few moments ago an impassioned -- and
14 I respect the point of view, by the way,
15 impassioned argument for a balance in fuels
16 in the state. And while I respect the
17 economic argument, let me just add a
18 different perspective.

19 We had a hearing sequence that focused
20 on climate change. And among the things that
21 we learned was there were huge costs that
22 have already been encumbered with storms,
23 damage to infrastructure, erosion due to
24 climate change, which is being driven by

1 carbon-based fuels.

2 And so just -- you know, with
3 34 inches of snow from a coastal storm
4 empowered by an overheated Atlantic Ocean,
5 think about the costs when you wonder,
6 perhaps, whether or not the Governor is
7 moving in the right direction and how
8 enthusiastic your agency should be in
9 supporting the direction that he has decided
10 to go in.

11 I would argue that he's going in the
12 right direction and that we should get to
13 those threshold targets as soon as possible.

14 That being said, one of the things
15 that became clear from the hearings is that
16 one of the most dangerous fuels is natural
17 gas. We heard testimony from people with
18 Ph.D.s behind their names indicating that
19 leaks from both poorly closed wells and from
20 gas systems already in place could account
21 for as much as 40 percent of the greenhouse
22 gas impact, because natural gas is 100 times
23 more powerful as a greenhouse gas than CO2.

24 Within that context, Audrey Zibelman

1 has provided us with a statement that says
2 that your focus on natural gas safety has led
3 to strengthening efforts. I was greatly
4 encouraged to hear you say that and wonder if
5 safety includes the safety of our atmosphere,
6 the safety of our residents so they don't
7 drown in their apartments when we get
8 superstorms, the safety of our infrastructure
9 and our tax base, as well as the safety so
10 that they don't blow up. I'm encouraged; I
11 wonder if you could elaborate on it.

12 PSC CHAIR ZIBELMAN: Certainly. So
13 one of the areas of concern of the commission
14 is safety, but it also -- one of the safety
15 concerns is old infrastructure, where we have
16 bare steel pipe that is leak-prone. And it's
17 the leak-prone pipe that we're worried --
18 that is also the problem when it comes to
19 methane leakage.

20 So one of the things that the
21 commission has done is that we've actually
22 accelerated the replacement of leak-prone
23 pipe so that all the utilities will have
24 programs in place to go from where it was,

1 which was 60 or 70 years down to 20 to 30
2 years. So we have an effort going on with
3 all of the utilities to make sure that we're
4 doing everything we can to replace that pipe
5 with plastic fusion pipe, really, that will
6 not have the same type of methane leakage.

7 ASSEMBLYMAN ENGLEBRIGHT: Thank you
8 very much.

9 Thank you, Mr. Chairman.

10 CHAIRWOMAN YOUNG: Thank you.

11 Senator O'Mara.

12 SENATOR O'MARA: Thank you.

13 Thank you, President Rhodes for your
14 testimony and for being here.

15 Could you outline for us what the
16 differences are and what the plans are for
17 incentives for solar between large-scale and
18 residential or business-mounted systems, and
19 where you see that progressing in the future?
20 Because I've heard concerns about plans to
21 cut back on the incentives for solar systems,
22 particularly in residential environments.

23 PRESIDENT RHODES: So the existing
24 incentive program, NY-Sun, is focused on

1 behind-the-meter deployment of solar. So
2 that is on someone's property, on the other
3 side of the meter. They can still be quite
4 large, I believe up to 2 megawatt, which is
5 10 acres. But they are not utility-scale
6 solar, and I'll get back to that in a moment.

7 The solar incentives, as NY-Sun was
8 initiated under Governor Cuomo, laid out a
9 program to provide incentives by size and by
10 section of the state, and those incentives
11 would step down over time as the market grew
12 and as the industry made economic gains and,
13 as a result, costs reduced.

14 So in fact it is an explicit part of
15 the design and an incentive and a mechanism
16 that is absolutely behind the success that
17 solar has had in New York, that the
18 incentives step down as volume targets are
19 reached.

20 And so this is not -- this is part of
21 the design, and the step-downs are very
22 clearly laid out to market participants. And
23 this is an approach that has been embraced by
24 the industry as a way of providing both

1 long-term certainty and a compelling market
2 for them to set up shop here and to really
3 grow their business.

4 And so the declining incentives are in
5 fact -- the logic -- we expected to get the
6 kind of growth that we've gotten,
7 300 percent. And that kind of growth is the
8 outcome of those incentives.

9 Large-scale solar is different. It
10 has to reach a much tougher economic
11 objective. We actually are hopeful, as we
12 look at the technology trends, that large
13 solar will be part of the Clean Energy
14 Standard as those costs improve.

15 SENATOR O'MARA: You mentioned NY-Sun.
16 And I believe it's been close to or exactly a
17 billion dollars from the Clean Energy Fund;
18 out of that \$5 billion, 1 billion of it is
19 going to NY-Sun. Is that accurate or close?

20 PRESIDENT RHODES: It's more or less
21 accurate. The \$5 billion includes -- some of
22 the NY-Sun funding is already in the past, so
23 what's in the \$5 billion is a little bit less
24 than the \$1 billion. But it's close enough.

1 SENATOR O'MARA: Now, it seems from
2 my review and information I've received, that
3 that NY-Sun program has primarily benefited
4 the Hudson Valley and Long Island regions.
5 What efforts are you taking to get that more
6 geographically spread out through the state?

7 PRESIDENT RHODES: So one of the
8 design elements -- I explained that NY-Sun is
9 designed to have -- by geography. And in
10 fact the incentives now and projected are
11 higher upstate than they are downstate. So
12 that is point one that addresses that.

13 Point two is that one of the barriers
14 to fast expansion of solar is what's called
15 the interconnection issue, that once you have
16 a project you can connect it up to the grid.

17 Under Chair Zibelman we are convening,
18 with the utilities, with developers in order
19 to remove that as a set of bottlenecks, and
20 we are actively considering other mechanisms
21 that can make sure that NY-Sun achieves its
22 goals across the state.

23 As you note, the early wins have been
24 downstate. We are confident that's a matter

1 of timing, not of ultimate success. But
2 we're trusting but verifying. We're working
3 really hard to think about ways to increase
4 success upstate.

5 SENATOR O'MARA: If I could continue
6 just for a minute.

7 CHAIRWOMAN YOUNG: Sure.

8 SENATOR O'MARA: The next question
9 relative to the renewables is storage
10 technology. And what is your outlook on the
11 advancement, the development? In other
12 words, it was mentioned by the chairwoman
13 about demonstration projects going in place.

14 But that seems to be one of the
15 barriers, certainly, that we have with
16 renewables, is the storage capacity for when
17 the wind's not blowing or the sun's not
18 shining and how we maintain consistency of
19 power demand.

20 So where do you see storage technology
21 at today? And what part of the Clean Energy
22 Fund is going to be focused on that?

23 PRESIDENT RHODES: So storage is a big
24 family of technologies. Some of it is ready

1 for prime time. And the chemistries,
2 effective, that are ready for prime time are
3 an explicit focus -- I think I mentioned it
4 in passing -- of the market development
5 portfolio. So we actively seek to provide
6 incentives and technical assistance and
7 quality assurance and proven practices and
8 data that says you should go here.

9 Support for storage, that's ready for
10 prime time. We also know for a fact that
11 there are storage chemistries that are on
12 their way, and those are an explicit focus of
13 our work in the innovation and research
14 portfolio.

15 And I'll turn in a second to Chair
16 Zibelman, who can talk about the things that
17 REV is doing to make solar -- to recognize
18 more value for solar -- for storage. But
19 specifically with respect to the bundling of
20 solar and storage -- which is just a natural
21 combination, for cost and for resilience
22 reasons -- that is something that we are
23 actively developing programs around.

24 SENATOR O'MARA: And what entity is

1 going to be in the storage business? Is that
2 going to be the utilities? Is that going to
3 be private entities or the actual generators
4 themselves with the solar array or the wind?

5 PRESIDENT RHODES: Yes. Yes.

6 PSC CHAIR ZIBELMAN: Yes, yes, and
7 yes. Yes.

8 So I think that the opportunities for
9 storage under REV are tremendous. We have --
10 in the commission's order, one of the areas
11 that we identified for utility investment is
12 in really large-scale storage, such as
13 batteries, that could help integrate wind and
14 solar better, because -- to address the
15 intermittency issue.

16 We also fully expect that as we change
17 the market and we start valuing the ability
18 of resources to respond quickly so they get
19 revenue streams, people will start investing
20 in storage themselves.

21 I had the opportunity to visit really
22 an independent real estate developer in
23 New York City who is investing a great
24 deal -- they're putting battery storages in

1 their parking lots, internal parking lots,
2 and using it to reduce the demand on their
3 system so they can reduce their energy
4 bill -- and getting paid by Con Ed.

5 And so this is a very substantial
6 opportunity. We think that New York can be a
7 leader in this area because of the way we are
8 approaching it. And we're both, I would say,
9 very bullish on storage.

10 SENATOR O'MARA: Thank you.

11 Is there anyone else to go? I have
12 another set.

13 CHAIRMAN FARRELL: Assemblyman
14 Englebright.

15 ASSEMBLYMAN ENGLEBRIGHT: I'll pass.

16 CHAIRWOMAN YOUNG: Senator Krueger to
17 close.

18 SENATOR KRUEGER: Thank you. Oh, no,
19 Tom might have more. Don't get too excited;
20 it may not be to close.

21 Thank you for spending so much time
22 with us today.

23 Maybe you answered; we sort of took
24 both of your testimony out of order, and so

1 I, in turn, have gotten a little confused in
2 my thinking. And I believe this is a NYSERDA
3 question. So in the Clean Energy Fund-
4 envisioned model, there's something called a
5 pay-as-you-go funding model, where utilities
6 collect funds and give them to NYSERDA as
7 needed. I don't really understand how that
8 works. And what happens if somebody along
9 the way says, No, you don't have to give them
10 to NYSERDA anymore? What happens to your
11 funding then?

12 PRESIDENT RHODES: Well, this is
13 probably a shared question.

14 SENATOR KRUEGER: Good. Fine.

15 PRESIDENT RHODES: But the -- in point
16 of fact, what happens now is the collections
17 are collected by the utilities. And what
18 happens now is that the utilities provide the
19 money to NYSERDA on kind of a calendar basis.
20 You're supposed to get \$100 this year, here's
21 the quarter, here come 25 dollars. In that
22 mode.

23 The switch is rather than being kind
24 of automatic pilot, the transfers to NYSERDA

1 are based on the needs. In part, that is a
2 kind of a trust-but-verify aspect of the
3 Public Service Commission and its oversight
4 of NYSERDA. It's very clear that 10 years is
5 a long time, \$5 billion is a significant
6 amount of money. We're extremely confident
7 that it will succeed and that we'll produce
8 the benefits that are promised. But just the
9 duty of oversight requires that things ought
10 to be milestone, and this is a very
11 reasonable mechanism, to have milestones with
12 teeth.

13 SENATOR KRUEGER: So if I can
14 understand, you make the request, or whoever
15 is sitting in your seat at that moment in
16 history, and Audrey says -- or whoever is
17 sitting in her seat at that moment in
18 history -- says to the utilities: "Okay,
19 you've collected it, now hand it over"? Is
20 that how it works?

21 PSC CHAIR ZIBELMAN: In the Clean
22 Energy Fund, it's really a schedule that when
23 NYSERDA needs the funds, they will request it
24 from the utilities, and the utilities will be

1 required to submit it. So the utilities are
2 essentially collecting the funds on behalf of
3 NYSERDA and holding them in an
4 interest-bearing account.

5 To your other question, the utilities
6 are under an order from the commission. So
7 this isn't something that the utilities could
8 simply say, No, I'm not doing it this year.
9 They are required to comply under the order.
10 And there's a target or an amount, when
11 NYSERDA says now it's time, that they will be
12 required to pay it.

13 So it's a way of basically, in a way,
14 just holding the monies in escrow for NYSERDA
15 so they're interest-bearing and so we could
16 use that value to benefit ratepayers better.

17 SENATOR KRUEGER: And viewing it as an
18 escrow-type model, who gets the interest?

19 PSC CHAIR ZIBELMAN: Ratepayers.

20 SENATOR KRUEGER: The ratepayers get
21 it. Okay, thank you.

22 Betty Little actually took my electric
23 car question, although her question was
24 upstate and coming across from Canada on the

1 Northway. I'm convinced that the downstate
2 area is ideal for expansion of electric cars,
3 because actually at the southern end of the
4 state the commute for people is usually far,
5 far less mileage-wise. And so when you look
6 at the maximum capability of electric cars,
7 you know, it might be hard to go through
8 upstate New York on one power-up.

9 It's not hard at all to go around
10 Staten Island or to go around Nassau or
11 Suffolk or even, although we try to
12 discourage everybody from using cars in the
13 five boroughs, getting around the other
14 boroughs with a car that has an 80-mile
15 maximum. People will tell you that could be
16 weeks' worth.

17 So what can the state do to encourage,
18 through public access of the electric
19 refilling -- they're not refilling stations.
20 Power stations, thank you.

21 PRESIDENT RHODES: Charging stations,
22 yeah.

23 SENATOR KRUEGER: What can we do to
24 really push the envelope there? Because I

1 think other parts of the world have moved
2 ahead much faster than we have. And I have
3 to say, I just see it as a win/win
4 environmentally for us, and a good new
5 economic model of cars for us to be
6 supporting.

7 PRESIDENT RHODES: So we agree. Our
8 view, we're studying the issue, but the
9 conclusions are fairly clear that the state
10 is primed for a much more active role to
11 develop the electric vehicle, the
12 zero-emitting vehicle market. That includes
13 both ways to animate more purchase of
14 electric vehicles and ways to get more
15 charging stations out there in order to fuel
16 the vehicles once they're out there.

17 You are right, an important part of
18 the -- an important attribute of electric
19 vehicles -- some of the important attributes
20 of electric vehicles mean that it is what
21 they call an urban mode. It belongs in
22 cities.

23 And the final observation is that
24 utilities recognize this, and they in fact

1 are clearly thinking strategically and
2 importantly in talking to -- well, to the
3 commission, mainly, about ways in which they
4 can be an important instrument for this.

5 SENATOR KRUEGER: Do you have anything
6 to add, since he handed it to you, so to
7 speak?

8 PSC CHAIR ZIBELMAN: Well, I think, as
9 John said, the conversion of electric
10 vehicles is a bit of a chicken-and-egg issue,
11 right? The issue is the infrastructure is
12 not there. And so one of the things I know
13 that downstate utilities are considering is
14 that they can support the development of the
15 infrastructure. And as a friend of mine
16 recently said, that's why God invented
17 utilities, to help with these types of
18 things.

19 And so that's something that we're
20 actively looking at with them.

21 SENATOR KRUEGER: And do you think
22 they get that, and they are exploring that?

23 PSC CHAIR ZIBELMAN: For utilities,
24 this is a way to build infrastructure, and

1 still effectively takes about \$38 million --
2 I think the number last year was \$41
3 million -- takes \$38 million and transfers it
4 to the State General Fund to cover some new
5 energy -- sorry, new training programs at
6 SUNY and then also some tax credits.

7 Can you just talk a little bit about
8 each of those components and, in particular,
9 why is it, given the tremendous challenges
10 we've just been discussing today, why is it
11 appropriate to use those RGGI funds to cover
12 tax credits that in many cases predate RGGI
13 itself?

14 PRESIDENT RHODES: So I believe the
15 math that you're referring to is \$23 million
16 for carbon-abating tax credits and
17 \$15 million to what I believe is called a
18 Green Intellectual Capital Development Fund
19 at SUNY.

20 So the former, as you note, is the
21 same as last year, the same purpose as last
22 year. And as last year, it's very clear and
23 a very easy to reach determination by us that
24 this is absolutely an appropriate and

1 carbon-abating use of RGGI funds, which is
2 their absolute intended purpose,

3 And the \$15 million is really an
4 important green jobs initiative. And we know
5 that having a pipeline of skilled talent
6 getting into the clean energy economy is
7 needed. I mean, we know the job -- we know
8 the openings are just surging, and we need
9 skilled, trained labor to fill them. And
10 it's a constraint on -- our research tells us
11 that workforce is in fact a constraint on the
12 acceleration of clean energy, and this is
13 just -- this is a way to meet a priority
14 need.

15 ASSEMBLYMAN KAVANAGH: That program is
16 being done through SUNY. Are those funds
17 available for CUNY as well?

18 PRESIDENT RHODES: Yes.

19 ASSEMBLYMAN KAVANAGH: They are, good.

20 In terms of the tax credits, it is
21 correct, though, that those tax credits
22 predated -- I mean, some of them have been on
23 the books for a very long time. I guess when
24 RGGI was put in place, there was not sort of

1 a maintenance-of-effort provision. But we
2 are covering tax credits that were being
3 funded by the general revenues of the state
4 for many years even before RGGI, although
5 RGGI has obviously been around for a long
6 time.

7 Is that your understanding?

8 PRESIDENT RHODES: Yeah, I believe
9 that's the record.

10 From our point of view, we have really
11 two duties. One is to come to a view on is
12 this an appropriate use of RGGI, and that
13 answer is clearly a yes. And the other view
14 is do we in fact have the resources that we
15 need to deliver on the Governor's goals in
16 terms of clean energy and energy efficiency
17 and the like. And even though, as you note,
18 the goals are stretching, the answer is yes.

19 ASSEMBLYMAN KAVANAGH: Am I correct
20 that NYSERDA adopted a budget for 2016-2017,
21 an authority budget that does not reflect
22 this \$38 million being switched for these
23 purposes?

24 PRESIDENT RHODES: I don't believe

1 you're correct.

2 ASSEMBLYMAN KAVANAGH: Okay. I'd like
3 to -- if you could just --

4 PRESIDENT RHODES: The reason I paused
5 is that there's -- we have a different
6 process, as we go through, to handle
7 different parts of the funds. And the RGGI
8 spends are most -- from a governor's point of
9 view, happen in an operating plan that's
10 going to come out halfway through this year.

11 ASSEMBLYMAN KAVANAGH: But there was a
12 budget -- RGGI --

13 PRESIDENT RHODES: We were counting on
14 this, taking these activities on.

15 ASSEMBLYMAN KAVANAGH: You were
16 counting on the \$38 million being removed?

17 PRESIDENT RHODES: We think of it as
18 being invested.

19 ASSEMBLYMAN KAVANAGH: Forgive me, I'm
20 not trying to catch you up, I'm not trying to
21 get you on semantics. But you're counting on
22 this transfer -- I mean, it technically is a
23 transfer, and you're counting on this
24 transfer for these purposes which you think

1 are appropriate.

2 PRESIDENT RHODES: Correct. Correct.

3 ASSEMBLYMAN KAVANAGH: Okay. Thank
4 you very much.

5 CHAIRWOMAN YOUNG: Thank you. I'd
6 like to thank both of you for coming in and
7 for being so patient and responsive. We
8 appreciate your answers very, very much. And
9 so thank you once again; we look forward to
10 continuing to work with you. So thank you.

11 PSC CHAIR ZIBELMAN: Thank you very
12 much.

13 PRESIDENT RHODES: Thank you.

14 CHAIRWOMAN YOUNG: Okay. Now, here we
15 go. Our first group is the New York Farm
16 Bureau, and they will be represented by Kelly
17 Young, deputy director of public policy.

18 And just so people can get in the
19 queue -- and just a reminder, everyone will
20 have 5 minutes to testify or give your
21 presentation. It may be better -- but it's
22 however you choose to handle it -- that you
23 may not read your testimony word for word.
24 As you know, it's being submitted for the

1 record. But at the same time, you know,
2 maybe cover the most pertinent highlights.

3 And I do want to note that after the
4 Farm Bureau, the American Farmland Trust will
5 be up.

6 So welcome, Deputy Director Young.

7 MS. YOUNG: Thank you. Thanks for
8 having us today. We're very happy to be able
9 to speak with you this afternoon.

10 My name is Kelly Young. The Farm
11 Bureau represents all different types of
12 farms in New York State, more than 22,000
13 farm family members, every type of production
14 method, every type of commodity you can
15 imagine, and all farm sizes.

16 In the Governor's Executive Budget we
17 were very pleased to see that he funded the
18 critical plant and food safety programs,
19 animal health programs that we really depend
20 on as the foundation of our agricultural
21 system and our food system in this state. We
22 were concerned, however, with some of the
23 items that you've already mentioned and
24 discussed, so I won't go into detail -- the

1 critical research and marketing and promotion
2 programs that are vital to our program.

3 One brief example is Christmas trees.
4 So using money from the budget, the Christmas
5 tree growers were able to get New York trees
6 into New York City this year through the
7 Green Markets and a partnership with GrowNYC.
8 Now, why shouldn't we have New York State
9 Christmas trees in New York State homes
10 instead of from North Carolina and Canada?
11 So great use of our fund.

12 Maple's doing the same thing. All of
13 the commodities that are given a very small
14 amount of money, they're making a lot of hay
15 with that, with those funds.

16 The research is critical. We have a
17 lot of emerging pests, diseases. We need to
18 develop new value-added products, new methods
19 of production. We need to deal with changing
20 weather patterns. So all of those funds and
21 research help all of our producers, all of
22 their commodities meet those challenges as
23 challenges that they face.

24 There are two new programs that we're

1 looking for funding in the budget for.
2 \$1.5 million for agricultural education
3 programs. Our young people are not only
4 going into jobs in production agriculture,
5 but there's great new opportunities for STEM
6 education to get into really high-tech
7 careers in agriculture. So we're looking to
8 funnel this through our secondary education.

9 FFA is a great example of worthwhile
10 programs that are helping prepare our
11 students for the ag colleges and the other
12 colleges in this state where they will be
13 valuable parts of agriculture in the future.
14 Not just our next generation of farmers, but
15 the next generation of people who are going
16 to help us solve our agricultural challenges.

17 This second new item we're looking for
18 was also mentioned earlier: \$5 million for
19 county fair infrastructure funding. We
20 invested into our flagship New York State
21 Fairgrounds \$50 million last year in the
22 state budget. We're looking for \$5 million
23 for our local fairs. This is where a lot of
24 folks make their first contact with

1 agriculture, rural life. It's a great
2 opportunity for our farmers to touch base
3 with their consumers so they understand what
4 we're really doing on farms.

5 We're not looking for anything fancy.
6 We've got sewer systems, water systems,
7 bathroom facilities, handicapped
8 accessibility that we need to address at
9 these local county fairgrounds. So we hope
10 you'll be able to help us with that.

11 We were very pleased to see the
12 Governor's significant expansion of the
13 Environmental Protection Fund up to
14 \$300 million. We're very supportive of that.
15 We hope that you guys will also be
16 supportive.

17 Programs like the Agricultural
18 Nonpoint Source Pollution Program and the
19 funding for the Soil and Water Conservation
20 Districts were increased. We're very
21 supportive of that -- it's critical money for
22 those programs so that our livestock farmers
23 in particular, who are going to have to up
24 their environmental stewardship practices to

1 meet compliance with the new CAFO permit that
2 is coming into effect midyear -- you need
3 these programs to really assist them in the
4 state partnership.

5 The Farmland Protection Program, which
6 there'll be more about later, the Invasive
7 Species, Agricultural Waste Management
8 programs -- those and the EPF are also very
9 important to us. While we think the EPF is
10 the highlight of the Governor's budget, we
11 have some concerns.

12 He mentioned the marketing orders
13 moving from the Department of Ag and Markets
14 into Empire State Development. These are
15 promotion, research, and development programs
16 for our commodities in this state voted on by
17 the producers of those commodities when they
18 were developed. While we think ESD has done
19 a wonderful job in promoting our food and
20 beverage industry in recent years, and we
21 look forward to continuing this kind of
22 success, the Department of Ag and Markets
23 really has the type of expertise to deal with
24 things like research on cabbage production

1 and educating about dairy nutrition. So we
2 feel like the department really has the
3 background to help our producers do the best
4 with those funds that are their funds, that
5 they access on their own money.

6 We also have extreme concerns about
7 the Governor's proposal for a \$15 minimum
8 wage. Even phasing it in to 2021 in upstate
9 New York, this is a very difficult proposal
10 for our producers. It really is not
11 compatible with farming in New York State.
12 Even though our farmers support and want to
13 help every member of New York State excel and
14 do well -- they help their employees, they
15 want their employees to do well -- but this
16 doesn't work in our food system in this
17 state.

18 This not only represents a 67 percent
19 increase, but it's \$5 an hour more than the
20 highest minimum wage in any other state,
21 which is \$10 in California. The cost, which
22 was mentioned before, we've estimated at half
23 a billion dollars for our farmers. And we're
24 already paying \$12.39 an hour, on average,

1 across the state for our workers. So our
2 fear, our farmers' fear, is they are no longer
3 going to be able to hire young workers,
4 inexperienced workers so that they can move
5 up the pay scale, because they're just not
6 going to be able to afford to do that.

7 Quite frankly, this proposal is going
8 to put farms out of business. And we believe
9 the solution is really to set the minimum
10 wage at the federal level.

11 Thank you.

12 CHAIRWOMAN YOUNG: Thank you very
13 much.

14 CHAIRMAN FARRELL: Thank you.

15 CHAIRWOMAN YOUNG: Any questions?
16 Yes, Senator Savino.

17 SENATOR SAVINO: Thank you, Senator
18 Young.

19 I want to talk to you on the minimum
20 wage because in your testimony, in your
21 written testimony, you talk about the average
22 minimum wage for farm workers right now in
23 New York State is \$12.39 an hour. That's
24 fully \$5.14 more than Pennsylvania, which you

1 they work, so you -- you know, we're talking
2 the same language.

3 Farmers don't have the ability to
4 raise their prices, in most cases. So they
5 still have to compete with those farmers in
6 Pennsylvania who are coming into New York
7 State with half -- if we got to \$15 -- half
8 the labor costs.

9 And our input costs are already
10 higher. Property taxes, our energy costs, et
11 cetera, are already higher for our farmers.
12 We have farmers in parts of Western New York
13 who have told us that the price to grow their
14 crop is equal to the price that their friends
15 across the border, not too far in Michigan,
16 can grow that crop and ship it to Hunts Point
17 in New York City. And so they can compete on
18 the same level of price and not even get it
19 to that market.

20 We have the largest market here in
21 New York State. Commissioner Ball talked
22 very eloquently about how New York has to be
23 New York's own consumer, and it's becoming
24 more and more difficult when our input costs

1 are so disparate to other states we have to
2 compete with.

3 SENATOR SAVINO: Kelly, I totally
4 understand. That's why I was very happy to
5 see that it is obvious that Commissioner Ball
6 has had a direct effect on the agricultural
7 business just by being the commissioner.

8 Some of the very things that we talked
9 about when we went on those tours were the
10 difficulty of getting goods to market down to
11 Hunts Point, the largest food redistribution
12 center in the country. And most of the
13 farmers that were coming through there are
14 coming from Pennsylvania, from New Jersey,
15 because it's too expensive.

16 But when you look at the budget and
17 you see the commitment that the Governor has
18 put into it, last year and this year, into
19 the agricultural business to make things
20 easier for you, and you're already paying
21 almost \$12.50 an hour -- I'm just confused as
22 to why you think another \$2 is so detrimental
23 to an industry over the next six years.

24 MS. YOUNG: Our farmers are doing the

1 numbers. They're calculating where am I now,
2 how much more can my margin absorb, and they
3 don't have any more left.

4 So some of the changes that we've made
5 have definitely been helpful. We're getting
6 more food into the hands of New Yorkers, we
7 have made great strides with getting foods
8 into schools, but we have a long way to go.
9 We have a long way to go -- New York State
10 even has challenges. New York State's not
11 entirely buying all New York food. So -- and
12 it's a price thing. It's a cost thing. Our
13 guys just can't compete, and this makes that
14 gap even wider for them to sustain.

15 SENATOR SAVINO: I just think -- I
16 think your concern is -- I'm not diminishing
17 it, but I think it's not as dire as you
18 predict because you're already paying well
19 above the federal minimum wage. And even
20 well above the state's minimum wage, which is
21 higher than the federal minimum wage.

22 And by the time that you get to
23 2021 -- let's assume we don't have any change
24 in the minimum wage -- the likelihood is

1 you're going to be paying these same workers
2 slightly more six years from today than you
3 would today. I doubt that wages would be
4 stagnant for the next six years.

5 So I'm just suggesting that perhaps
6 it's not as dire as you think, and we might
7 have some room for discussion. Thank you.

8 CHAIRWOMAN YOUNG: Thank you very
9 much.

10 Thank you for pointing out to Senator
11 Savino that farmers do not control their own
12 destinies as far as what they're paid for the
13 products that they produce and that they're
14 at the mercy of the market and they're told
15 what they can get paid, and the fact that we
16 are competing with other states.

17 And so I know that -- I certainly
18 appreciate Senator Savino's concerns. At the
19 same time, I have concerns about losing
20 farms.

21 Can you tell us how many farms we've
22 lost already in New York State over the past
23 couple of years? And so people are having a
24 very difficult time, and I know because I

1 cycles, but it becomes more and more
2 difficult for them to recover from difficult
3 years. Last year was a difficult year, this
4 will be a difficult year, and we don't see a
5 lot on the horizon that's positive for dairy
6 right now. It will rebound, but it's very
7 challenging. So dairy farms, we are hearing,
8 are going out of business. They are not
9 coming back to continue to produce milk.

10 And that trend unfortunately -- this
11 will exacerbate -- our vegetable and fruit
12 producers are telling us that this is really
13 a crisis-level proposal for them.

14 We have a producer in the eastern part
15 of the state who said, You know, I'm doing
16 pretty good, I've got a net margin of
17 \$150,000 last year. That looks like it's
18 great. Just if I go from \$9 to \$15 in a
19 couple of years, that \$150,000 margin will
20 decrease not a couple thousand dollars, it's
21 a \$138,000 labor increase for domestic
22 workers. Plus his H-2A workers, his visa
23 workers who are coming in to pick apples, he
24 will be negative. And he's a

1 seventh-generation farmer who will not be
2 able to make ends meet. He told us he will
3 have to sell his farm unless -- we cannot
4 change our prices to producers because we
5 cannot, as you said, sustain the competition
6 with our neighboring states and with other
7 countries.

8 We have a lot of products coming into
9 our grocery stores, into Hunts Point, that
10 are from other countries, and we cannot
11 produce food for what they are producing it
12 for. So this is -- our farms, we are going
13 to lose farms. There will be some
14 consolidation, we will lose the diversity of
15 production.

16 New York State is wonderful because we
17 have such diverse crops in this state. But
18 many of them are very labor-intensive. Our
19 fruits and vegetables, which make us very
20 special, our specialty crops, will be
21 sacrificed in this.

22 CHAIRWOMAN YOUNG: Thank you for that.

23 Senator O'Mara.

24 SENATOR O'MARA: Just to follow up on

1 the workforce and labor issues and the
2 minimum wage question that may shed some
3 light on why the average minimum wage is
4 \$12.39.

5 The H-2A visa workers that you
6 mentioned, what is the current federal
7 required wage to pay them? I believe it's
8 \$11.75 an hour. Because of the shortage in
9 the workforce, the federal government
10 requires the immigrant farmworkers to get
11 paid that higher wage.

12 The difficulty in finding U.S. citizen
13 workers to do that work -- you're already
14 paying an artificially inflated wage because
15 you have to go to the extremes of having to
16 bring in immigrant workers. That drives up
17 your labor costs at an artificially set wage
18 by the federal government.

19 CHAIRWOMAN YOUNG: Thank you.

20 Anybody else? Thank you for
21 testifying.

22 MS. YOUNG: Thank you.

23 CHAIRWOMAN YOUNG: We appreciate it.

24 Next we have Laura Ten Eyck from the

1 American Farmland Trust.

2 And after that, we have the
3 International Brotherhood of Electrical
4 Workers Utility Labor Council of New York
5 State, so if you could be ready.

6 Ms. Ten Eyck?

7 MS. TEN EYCK: Hi.

8 CHAIRWOMAN YOUNG: Welcome.

9 MS. TEN EYCK: Thank you for having
10 me.

11 I work for American Farmland Trust,
12 which is a national nonprofit organization
13 that works to protect our farmland from real
14 estate development as well as to keep the
15 land accessible to farmers so that the land
16 can remain in agricultural production.

17 And we would like to express our
18 support for the \$300 million proposed for the
19 Environmental Protection Fund. This is the
20 kind of bold action needed to protect our
21 air, land, and water -- and the natural
22 resources we rely on for our very survival --
23 as well as to combat climate change.

24 I'm here to talk specifically about

1 the Farmland Protection Program, which is
2 part of the Environmental Protection Fund.
3 Funding from the Farmland Protection Program
4 is primarily used in the form of Farmland
5 Protection Implementation Grants to purchase
6 the development rights on farmland,
7 permanently conserving it forever to continue
8 to be available for food production.

9 I want to take a minute to talk about
10 why we have to worry about farmland
11 protection. As we were just discussing, for
12 financial reasons farmers are struggling,
13 often -- and even when they're successful,
14 they certainly can't compete with the real
15 estate developers to buy and sell land.
16 Prices can get well beyond their range. Our
17 state's 7 million acres of farmland, it
18 sounds like a lot, but it's a finite number
19 and it's irreplaceable.

20 We have here in New York State paved
21 over the equivalent of three farms a week
22 every week for the past 30 years in New York.
23 We have housing developments, shopping malls,
24 and other forms of real estate development.

1 With the rather dramatic recovery of our real
2 estate market that we're currently
3 experiencing, this trend is continuing.

4 And 2016 is an important year. It's
5 the 20th anniversary of farmland conservation
6 funding in New York State. American Farmland
7 Trust has produced a report called "Cultivate
8 New York: An Agenda to Protect Farmland and
9 Grow Food and the Economy" to commemorate
10 this anniversary. The report celebrates our
11 accomplishments, provides history of the
12 program, as well as a roadmap forward for the
13 next decade. An executive summary is
14 attached to the testimony.

15 We have been having a dramatic
16 resurgence in our commitment to protect
17 farmland in this state. Last year farmland
18 conservation received a record level of
19 funding of \$35 million. Twenty million
20 dollars of this was dedicated to the
21 Hudson Valley from settlement funds, and the
22 request for proposals for that funding went
23 out in October. The \$15 million that was
24 appropriated from the EPF for statewide

1 farmland conservation, the RFP for that has
2 not yet gone out but we do expect it to go
3 out before the end of this fiscal year.
4 We've been told that it will likely be out in
5 March.

6 This year the Governor has proposed
7 \$20 million from the EPF for the Farmland
8 Protection Program, and we support this
9 proposal. It's a \$5 million increase over
10 the previous year, and we feel that it is an
11 appropriate amount of money given the
12 capacity of the department to disburse the
13 funds for what is a fairly complicated
14 process.

15 This increased support for farmland
16 conservation is particularly important right
17 now because we do have a situation on our
18 hands. Everyone is aware of the trend of
19 aging farmer. I believe the average age of
20 the farmer in New York State is 57. Thirty
21 percent of the state's farmers are age 65
22 years and older. They own and operate
23 2 million acres-plus of land -- that's about
24 a third of the farmland in the state.

1 A special sort of the ag census data
2 that was conducted by American Farmland Trust
3 revealed that 92 percent of these farmers
4 have no identified successor. Another
5 30 percent of the state's farmers are aged 55
6 to 64. They own another 2 million-plus acres
7 of land. Whether or not they have identified
8 successors at this stage is unknown.

9 This means that over half of our
10 state's farmland is going to change hands in
11 the next 10 years. And that data is four
12 years old -- and as the trend indicates, the
13 situation has probably gotten even more
14 serious.

15 One of the biggest challenges for farm
16 families is transferring their farms from one
17 generation to the next. There's many
18 pitfalls along the way, and this is often
19 where the land is lost to the real estate
20 market. On the other side, we have a
21 resurgence of interest among beginning
22 farmers in agriculture, and the biggest
23 challenge that they face is access to
24 affordable farmland.

1 The Farmland Protection Program plays
2 an important role here. By providing funds
3 to purchase the development rights on land,
4 we can give money to the older farmers to
5 facilitate their retirement while making the
6 land affordable for the new generation of
7 farmers who can buy it at its agricultural
8 value rather than its real estate development
9 value.

10 Two weeks ago we launched our report,
11 released it here with a press conference here
12 in the Legislative Office Building, and we
13 shared some stories about how the Farmland
14 Protection Program has worked in this way.
15 I'll just share them quickly with you.

16 The first one is a dairy farm where
17 they used to farm in Guilderland where
18 currently Crossgates Mall sits. They were
19 forced out by development. They moved to
20 Washington County. All three sons decided
21 they wanted to come back to the farm. So how
22 did they manage this? Well, they sold the
23 development rights to their farm in exchange
24 for state funding, used that to purchase more

1 land, expand their farm -- so it is now
2 supporting four families as opposed to one.

3 And I see I'm out of time, so I'll
4 skip the second story even though it's a good
5 one.

6 CHAIRWOMAN YOUNG: Okay. Well, thank
7 you so much.

8 MS. TEN EYCK: Okay.

9 CHAIRWOMAN YOUNG: And I know
10 that's -- that was a press conference and the
11 information is out there, and we truly
12 appreciate the testimony that you submitted
13 today in writing.

14 Also, I looked at your report, it
15 looks great. So thank you for being here.

16 MS. TEN EYCK: Sure. Thank you very
17 much.

18 CHAIRWOMAN YOUNG: Next I'd like to
19 call up Dan Machold, IBEW Local 97, Eastern
20 Division business representative. And after
21 IBEW we have the Nature Conservancy.

22 I'd like to remind everyone that in
23 the interests of time, we are asking for
24 five-minute presentations by the different

1 groups. Obviously, if legislators have
2 questions, we will follow up. But we would
3 like to have you not necessarily read your
4 testimony -- if you want to, if it's under
5 five minutes, that's fine. But if you want
6 to just maybe hit the highlights, that's also
7 fine.

8 So thank you, and welcome.

9 MR. MACHOLD: Yes, thank you.

10 As you introduced, my name's Dan
11 Machold. I'm with IBEW Local 97. We
12 represent 4,000 utility employees in New York
13 State's electric, natural gas, transmission,
14 distribution and power generation industry.
15 We sincerely appreciate the opportunity to
16 present today and would like to thank the
17 chairs for presiding over an issue that's
18 taking increasing impact on our members and
19 the communities in which we live and work.

20 The state is engaged in an
21 unprecedented effort to reduce emissions
22 associated with climate change, and those
23 efforts are squarely focused on the energy
24 sector rather than transportation and other

1 sectors that emit equal or greater amounts of
2 carbon emissions. As this effort moves
3 forward, it is critical that the playing
4 field be as level as possible to prevent
5 harmful impacts to our state's economy and
6 energy independence.

7 Our own fossil generators are now
8 either mothballed or in the midst of
9 retirement, impacting the livelihood of
10 146 members in Western New York. The need
11 for power is essential in virtually every
12 aspect of our daily lives, from commerce to
13 home life, and it is well documented that
14 energy independence is imperative for
15 New York State's security and economy.

16 This fact, along with an alarming
17 spike in efforts to import power from other
18 states and countries to satisfy New York's
19 power needs, raises the concerns that brought
20 us here today.

21 First, it is our understanding that
22 the emissions counted in New York only track
23 data from power generators located in
24 New York. This must be corrected and

1 emissions from imports must be counted in the
2 New York statistics.

3 As an example, one of our employers
4 lost their reliability services agreement in
5 southwestern New York State the moment that a
6 major new substation became energized at the
7 Pennsylvania border. Evidence supports the
8 fact that imports from Pennsylvania through
9 this new substation enabled the retirement of
10 this generation property.

11 Importing power while exporting
12 New York jobs and deteriorating New York's
13 energy independence is bad economic policy.
14 Worse yet, and for the purposes of this
15 hearing, Pennsylvania has over 70 coal-fired
16 power plants, from the most recent
17 statistics. That makes up nearly 40 percent
18 of the power portfolio coming into New York
19 from Pennsylvania, while New York is in the
20 midst of proactively closing their few
21 remaining coal-fired generators.

22 As well, New York generators are also
23 required to pay into RGGI, driving up costs
24 and ability to compete, while Pennsylvania

1 opts out of the RGGI program. New Jersey as
2 well, where New York has raised imports in
3 recent years such as the costly HTP cable
4 import project from New Jersey into New York
5 that has tens of millions of dollars in
6 annual losses borne by the New York Power
7 Authority.

8 While limiting interstate commerce
9 through imports is likely insurmountable, the
10 playing field must be leveled regarding
11 emissions reported from imports if New York
12 is sincere about carbon reduction. On the
13 surface, when a coal-fired New York power
14 plant retires, it appears that New York can
15 claim victory for reducing emissions, but
16 when imports are responsible for dramatically
17 higher emissions, these must be accounted for
18 and included in New York's emissions profile.
19 This is the least that is owed to our members
20 who have lost their jobs and will now be
21 unable to pay their mortgages and support
22 their families and communities, and who are
23 told by environmentalists that this is a
24 necessary sacrifice.

1 Equally disturbing are increasing
2 foreign imports from Ontario and Quebec,
3 where New York generators are required to
4 compete with government-owned and subsidized
5 entities such as Ontario-Hydro and Hydro-
6 Quebec. In addition to further threatening
7 New York's jobs and community tax revenues,
8 this increasing practice is contrary to
9 Congress' Energy Independence and Security
10 Act of 2007, prefaced as "An Act to Move the
11 United States toward Greater Energy
12 Independence and Security."

13 Finally, as New York is aggressively
14 moving ahead with emission reduction efforts
15 and development of carbon-free power
16 generation, with regards to accomplishing
17 these objectives without eviscerating
18 power-generation employment and community tax
19 revenues, we will equally and aggressively
20 support requiring emissions from imports be
21 counted in New York statistics. If electric
22 imports run the New York State air
23 conditioners and factory motors, associated
24 emissions must be transparent, reported,

1 recorded, and made public.

2 Current cases at the New York State
3 Department of Public Service are now
4 calculating a price for carbon to be provided
5 to zero carbon energy sources. This value
6 must be equally applied without prejudice to
7 all zero-carbon power generation but
8 particularly zero-carbon nuclear facilities
9 currently distressed due to low natural gas
10 prices and delayed New York transmission
11 projects. Nuclear generation assets are
12 imperative to New York's carbon reduction
13 efforts, and equal treatment for carbon
14 reduction benefits must be delivered or the
15 competitive New York energy markets will be
16 imploded.

17 In addition, New York utilities must
18 be allowed to own and operate large-scale
19 renewable projects if they are cost-effective
20 and in the best interest of ratepayers.
21 Members of the IBEW have listened to
22 environmental groups' claims that our lost
23 fossil jobs will be replaced by green energy
24 jobs. This simply has not occurred, and the

1 growing body count of lost New York power
2 generation employment must be balanced
3 through new employment opportunities that can
4 be provided through cost-effective utility
5 ownership of large-scale renewable projects.

6 Thank you for your time and attention
7 to these critical issues.

8 CHAIRWOMAN YOUNG: Thank you so much
9 for that testimony.

10 I believe that it is excellent, it's
11 right on target, it's raising important
12 issues that we are dealing with, and I want
13 to thank you especially because we have
14 worked together to save the energy plant in
15 Dunkirk and we've got a lot of important work
16 to do going forward.

17 You may have heard me remark earlier
18 to the Public Service Commission that we need
19 to make sure that we keep our baseload plants
20 operating in New York State. It is critical
21 to the future of the state if we are ever
22 going to be energy independent, control our
23 own destinies, and have manufacturing jobs
24 actually stay and grow in New York State.

1 So I want to thank you for all that
2 you've done, and these are critical issues.
3 I believe we should count emissions from
4 power that is being generated in other states
5 and imported here. And so thank you for
6 raising these.

7 Any questions?

8 SENATOR KRUEGER: I have one question.

9 CHAIRWOMAN YOUNG: Senator Krueger.

10 SENATOR KRUEGER: On your very last
11 point recommending that utilities be allowed
12 to own large-scale renewable projects. Is
13 there some law that says they can't now?

14 MR. MACHOLD: They were required to
15 divest in the 90s.

16 SENATOR KRUEGER: So that would
17 require a change in the New York State
18 statutes through the Legislature?

19 MR. MACHOLD: That would be my
20 understanding, yes.

21 SENATOR KRUEGER: Thank you for
22 clarifying.

23 CHAIRWOMAN YOUNG: Thank you very
24 much.

1 MR. MACHOLD: Thank you.

2 CHAIRWOMAN YOUNG: Our next speaker is
3 Jessica Ottney Mahar, from The Nature
4 Conservancy. And following her will be
5 Audubon New York.

6 Welcome.

7 MS. MAHAR: Hi. Thank you for hanging
8 in there.

9 CHAIRWOMAN YOUNG: Thank you for
10 hanging in there.

11 MS. OTTNEY MAHAR: I'm Jessica Ottney
12 Mahar, and I'm the policy director for
13 The Nature Conservancy in New York. And on
14 behalf of our 85,000 members in New York
15 State, we are appreciative of the opportunity
16 to be heard today.

17 We wanted to start by thanking all of
18 you, in particular our two chairmen, Senator
19 O'Mara and Assemblyman Englebright, as our
20 champions for environmental funding. We were
21 extraordinarily grateful for the work that
22 you and Governor Cuomo did last year to
23 increase the EPF by \$15 million, and to
24 create the \$200 million Water Infrastructure

1 Improvement Act. That was a tremendous
2 victory, and we thank you for your
3 leadership.

4 Normally I come here and I thank you
5 for your leadership and I talk about how the
6 Executive proposal is a good first step, and
7 then I ask you to go further. And this year,
8 fortunately, I'm in a different position.
9 This year Governor Cuomo has made a historic
10 proposal. He's proposed increasing the EPF
11 to a level that we have all been advocating
12 for a long time. He's proposed to increase
13 the EPF to \$300 million, which is a goal that
14 we have shared with the Legislature since you
15 all nearly unanimously passed legislation to
16 do that in 2007. We were a little sidelined
17 from our goal because of an economic crisis,
18 but we're now back and we're very excited.

19 And so I'm here to urge you as
20 strongly as possible to please do everything
21 in your power to ensure that that
22 \$300 million EPF is included in the enacted
23 budget this year.

24 I wanted to talk a little bit about

1 the EPF and why it's so important for
2 New York. I think you guys know that the
3 best because you serve districts that it's
4 touching down in. But it's a partnership
5 program that impacts the whole state, and
6 it's an opportunity for the state to work
7 with organizations like my own, the Nature
8 Conservancy, as well as municipalities like
9 the ones in your communities. And it works
10 on issues that create jobs, that build
11 resilience for people for the future, and
12 that really provide leverage in communities
13 across the state.

14 This year the Governor's proposing a
15 few new programs, a Climate Mitigation and
16 Resilience Program -- we're looking forward
17 to learning more about what those funds will
18 go towards. There are a lot of programs
19 within the EPF that build resilience already,
20 but we believe that having a program with the
21 express purpose of increasing resilience and
22 combating climate change is smart.

23 There is a new environmental justice
24 program that's been proposed. The Nature

1 Conservancy has recently launched a cities
2 program, as we careen towards a world with 9
3 billion people. Our cities are going to be
4 places that demand more natural resources and
5 that demand more nature and where people will
6 need nature. And so we're also looking
7 forward to learning more about what's
8 envisioned for that program and determining
9 how we may be able to support the state in
10 implementing that.

11 I just wanted to quickly point out --
12 I put some statistics in my testimony about
13 the public support for the EPF. We did a
14 poll with some partners over the summer, at
15 the very end of summer, and the results we
16 found were absolutely tremendous. We poll
17 every few years in New York State, and these
18 were the best numbers I have ever seen. We
19 had 73 percent of New York voters supporting
20 a \$300 million EPF, and this cut across
21 geographic lines, it cut across demographic
22 lines, it cut across political lines. So it
23 was very representative of everyone in the
24 Legislature -- all regions, all political

1 parties, genders, race -- and so I'm very
2 comfortable saying that all of your
3 constituents are with me in supporting this
4 EPF proposal.

5 The other proposal I wanted to talk
6 about today was the Governor's proposal to
7 increase the Water Infrastructure Improvement
8 Act. He's proposing to add another
9 \$100 million to that program. We think this
10 is tremendously important funding. Two weeks
11 ago you might have seen the news that a
12 33-inch water main in the City of Troy just
13 up the river here blew, and it flooded a huge
14 part of the city -- basements, whole sections
15 of the community, it cut off potable water to
16 three different towns. My town, Colonie,
17 New York, last winter had over 100 water main
18 breaks, just in my town.

19 And so some of this water
20 infrastructure in our communities is in the
21 ground, it was put there when Lincoln was
22 president. We need to fix this. So the
23 increase the Governor has proposed for that
24 is great. If you can go further, that's also

1 great.

2 In addition to these pieces, I would
3 like to say there's an Article 7 to increase
4 the state's share for the Local Waterfront
5 Revitalization Program. We strongly support
6 that. There's a proposal that's been out
7 there for a while that would deploy that
8 program in a lot of other communities across
9 the state, and I think that's important. It
10 would also fund more work on resilience
11 planning.

12 And we also support the capital
13 proposals for spending on state parks and the
14 New York State DEC.

15 CHAIRWOMAN YOUNG: Thank you. Thank
16 you for that.

17 Assemblyman Englebright.

18 ASSEMBLYMAN ENGLEBRIGHT: I just
19 wanted to say thank you to The Nature
20 Conservancy for the role your organization
21 played in helping to gather advocates
22 together from not only within your own
23 organization, but across the spectrum, over
24 this last year.

1 I think a large part of why we're
2 feeling so good about this budget is because
3 of your hard work. So I just wanted to say
4 thank you.

5 MS. OTTNEY MAHAR: Thank you.

6 CHAIRWOMAN YOUNG: Thank you, and
7 thank you for all the great work that you do.

8 MS. OTTNEY MAHAR: Thank you. Thank
9 you very much.

10 SENATOR KRUEGER: Thank you.

11 CHAIRWOMAN YOUNG: Thank you.

12 Our next speaker is Erin Crotty,
13 executive director of Audubon New York. And
14 after Executive Director Crotty, we'll have
15 Citizens Campaign for the Environment.

16 MS. CROTTY: Hi.

17 CHAIRWOMAN YOUNG: Hi. Great to see
18 you again.

19 MS. CROTTY: Good evening. It's nice
20 to see you too.

21 Thanks so much for having me. I'll
22 hopefully not take the whole five minutes.

23 I want to thank you for your
24 leadership. I also want to remind you that

1 Audubon's mission is to protect birds in
2 their habitat. And we do that by connecting
3 our vast network along the migratory flyways
4 of the Americas, and New York State is
5 certainly a critical component of that.

6 As Jess said, the Governor's budget
7 proposal is truly a historic investment in
8 safeguarding our environment and natural
9 resources and providing economic opportunity
10 for us all. Audubon is very supportive of
11 the \$300 million proposed appropriation for
12 the Environmental Protection Fund. We were
13 part of the coalition that was led very ably
14 by the Nature Conservancy and are eager to
15 work with you on that.

16 We would like to see actually the
17 appropriation for the Voluntary Private
18 Landowner Incentive Program to be increased
19 to \$2 million. This is the program that
20 offers grants on a competitive basis to
21 landowners to do habitat conservation plans
22 on their property.

23 The majority of wildlife habitat in
24 New York is still owned by private people.

1 It's hard to believe that in some realms, but
2 the majority of our wildlife habitat is still
3 owned by private owners. So we work, Audubon
4 works directly with private landowners
5 throughout New York on developing management
6 plans for grasslands and shrublands and
7 forests, and we know firsthand that this
8 funding is a catalyst for them to actually
9 take action to improve habitat.

10 And we think at Audubon that the state
11 is in a pivotal position right now for
12 leadership on this issue because the federal
13 government unfortunately has cut funding in
14 this particular area in the latest omnibus
15 bill, and my testimony speaks to that. We
16 know that these dollars put people to work,
17 but it also improves the habitat in New York
18 for birds and other wildlife, which is great
19 for people and birds.

20 We also -- on another private
21 landowner incentive -- we would like the
22 Legislature to consider Forest Tax Law 480-a.
23 You heard it talked about a couple of times
24 today. We're very supportive of that. We're

1 very supportive as well of the \$90 million
2 for the Parks 2020 initiative, and we're
3 really proud of our partnership with
4 State Parks called Audubon in the Parks.

5 We're supportive of the \$40 million
6 for DEC in their capital and very hopeful
7 that some of the funding will be directed to
8 connecting bird watchers and other outdoor
9 enthusiasts with untapped state-owned lands.

10 And we're also truly grateful for your
11 leadership last year and your foresight in
12 enacting the Water Infrastructure Improvement
13 Act and your commitment of \$200 million over
14 three fiscal years. We're supportive of the
15 additional \$100 million in the Governor's
16 proposed budget, but given the tremendous
17 need for wastewater -- \$36 billion -- and
18 drinking water, \$38 billion in infrastructure
19 improvement projects, we know that this
20 municipal grant program is often a catalyst
21 for these projects to move forward. So we're
22 looking forward to working with you and our
23 partners on hopefully increasing this
24 appropriation further through the budget

1 process.

2 Jess mentioned the Troy example. I
3 know Mayor Madden was here; Troy is my
4 hometown. My paternal grandmother was a
5 Lansing, the original family that founded
6 Lansingburgh, and I think that the pipe was
7 probably installed when Lansing founded
8 Lansingburgh.

9 It is a really poignant example of the
10 need and the exponential costs that are
11 associated with aging, what happens when
12 aging infrastructure fails. It really is a
13 prevention tool and a wonderful one at that.

14 And finally I want to thank
15 Assemblyman Englebright for raising Plum
16 Island and the importance of Plum Island.
17 Plum Island is an important bird area, it's
18 globally significant for migratory species.
19 We're working with our partners and we're
20 certainly working at the federal level as
21 well to try to get the island protected for
22 birds and wildlife.

23 So thank you very much. On behalf of
24 Audubon and our vast network, thank you very

1 much.

2 SENATOR KRUEGER: Thank you.

3 MS. CROTTY: Thank you.

4 CHAIRWOMAN YOUNG: Thank you. We
5 really appreciate you being here, especially
6 as a former commissioner.

7 MS. CROTTY: Sure.

8 CHAIRWOMAN YOUNG: So thank you very
9 much.

10 MS. CROTTY: Great.

11 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

12 CHAIRWOMAN YOUNG: Our next speaker is
13 Brian Smith, associate executive director,
14 Citizens Campaign for the Environment.

15 And following Brian Smith, we will
16 have Environmental Advocates of New York.

17 Welcome.

18 MR. SMITH: Thank you. Thank you for
19 having me.

20 Again, my name is Brian Smith. I'm
21 the associate executive director at Citizens
22 Campaign for the Environment, or CCE. I'm
23 here today on behalf of our 80,000 members.

24 And I want to start off by joining

1 this broad choir of my environmental
2 colleagues, legislators who have all praised
3 the Governor's proposal to fund the EPF at
4 \$300 million. Obviously the need is there --
5 it was mentioned earlier the need was there
6 back in 2007 -- but given the financial
7 situation of the state, we couldn't get
8 there. But we know the need and the benefits
9 of making these investments are there to
10 justify a \$300 million EPF, so we strongly
11 support that.

12 And we do support numerous categories
13 within the Environmental Protection Fund, but
14 I do want to highlight a few that are
15 particularly important from our perspective.
16 Within the Water Quality Improvement line,
17 there's some very important programs that
18 will help address the most pressing issues,
19 water quality issues we're facing on
20 Long Island in particular, the funding to
21 help fund the construction of the Bay Park
22 sewage ocean outfall pipe, to help bring the
23 western bays back to life, as well as Suffolk
24 County, working to reduce nitrogen pollution

1 and upgrade sewer systems and septic systems
2 that are really degrading the ecosystem and
3 threatening public health.

4 Also, the Ocean and Great Lakes line
5 which is proposed by the Governor will be
6 funded at \$15 million. You know, we're lucky
7 to be the only state that has both
8 Great Lakes and ocean coastline, but we also
9 have a massive responsibility to protect and
10 restore them. This more than doubling of
11 this category puts it more in line where we
12 feel it needs to be to address the many
13 issues and needs we have with our ocean and
14 Great Lakes resources.

15 And it's not that we're spending this
16 money blindly, either. We have a Great Lakes
17 Action Agenda which is guiding a lot of the
18 funding in the Great Lakes, and we're
19 finishing the New York Ocean Action Plan to
20 guide those efforts as well.

21 I do want to touch on another issue
22 outside the EPF. We do see an opportunity in
23 the budget to address an emerging
24 contaminant, that being pharmaceutical drugs.

1 It turns out that the old habit by the public
2 and healthcare facilities of flushing drugs
3 is a hard one to break. We're seeing that
4 these drugs are going down the drain, they're
5 not treated by the sewage treatment
6 facilities, and we're finding trace amounts
7 of these drugs all throughout our waters
8 throughout the state.

9 Whereas with other emerging
10 contaminants, we look at microbeads and
11 things like that where we can ban them, we
12 can't ban pharmaceutical drugs. You know,
13 society loves those way too much. What we
14 can do is we can provide options for safe
15 pharmaceutical disposal and prevent this
16 problem from happening.

17 There's two important programs, one
18 being a DEC program that started in New York
19 City, expanded to Monroe County and then to
20 Long Island, which goes to healthcare
21 facilities and picks up the stock piles of
22 unused, expired drugs and takes them away for
23 safe disposal. A very important program
24 working very well in those regions, but the

1 need is all across the state. So we're
2 urging the Legislature to look at expanding
3 this program to \$1.35 million so the entire
4 state can be covered.

5 What really compounds the need now too
6 is that the EPA actually proposed regulations
7 that's going to ban healthcare facilities
8 from flushing their drugs. So now that
9 they're going to be told by the federal
10 government they can't flush, we need to give
11 them resources to be responsible with the
12 waste.

13 In addition to the DEC program,
14 there's another programs for a statewide
15 take-back program that actually went through
16 DOH last year that was more focused on
17 residential take-back programs. It's putting
18 dropboxes at police precincts, retail
19 pharmacies. It's held over 30 individual
20 take-back days. We've collected thousands of
21 pounds -- the Department of Health did this
22 program -- and we want to see that continue
23 so the public has more access to the safe
24 disposal. Not just for environmental

1 concerns, but of course this takes it out of
2 their cabinets so they're not being abused,
3 as we see happen so often.

4 Also I want to echo what I've heard
5 from many others, that we really appreciate
6 the Legislature's work on the \$200 million
7 for clean water infrastructure last year and
8 the proposed \$100 million increase this year.
9 It's going to go a long way in the state
10 stepping up and helping address this problem,
11 because of course local governments can't
12 handle it alone. The federal government
13 investments are going down -- in fact, you
14 know, this last omnibus budget that was
15 passed, we saw nearly a 50 percent decrease
16 from where we're at in 2010.

17 So we welcome these increases, but we
18 want to -- you know, the needs are massive,
19 everybody's said it: \$70-plus billion.
20 Anything we can do in the budget to increase
21 that number would be welcome.

22 Lastly, even if we're going to address
23 our sewage infrastructure as aggressively as
24 we possible can, it's going to take a long

1 time to fix this and we're going to be
2 dealing with sewage overflows for quite some
3 time.

4 The Legislature passed the Sewage
5 Pollution Right to Know Act back in 2012 to
6 give the public timely information about
7 sewage overflows so we're not taking our kids
8 out fishing or swimming or playing in waters
9 that are contaminated. Lately, the DEC
10 deserves a lot of credit in implementing this
11 law. You actually can get alerts on your
12 phone, emails and texts, letting you know
13 when sewage overflow -- where they occur,
14 sewage overflows. So they deserve a lot of
15 credit.

16 But we still have a lot of work to do
17 to help a number of the communities,
18 particular communities with combined sewer
19 systems that don't have the monitoring and
20 the modelling to actually detect this and
21 report it. And those are actually the
22 largest source of sewage overflows across the
23 state.

24 So there was reappropriations to help

1 eight to 10 communities implement the
2 monitoring and modelling needed to report
3 these overflows. We're advocating for an
4 additional \$500,000 to let more
5 communities -- because there's upwards of 75
6 of these CSO communities that need this
7 technology to be able to report this and
8 protect the residents in their communities.

9 CHAIRWOMAN YOUNG: Thank you.
10 Excellent input. We really appreciate it.

11 MR. SMITH: Thank you.

12 CHAIRWOMAN YOUNG: Our next speaker is
13 Peter Iwanowicz, executive director,
14 Environmental Advocates of New York.

15 And following Peter we'll have the
16 New York League of Conservation Voters.

17 Welcome.

18 MR. IWANOWICZ: Good evening. Thank
19 you. Thank you for the opportunity to
20 testify, and thank you for the diligence you
21 put into all the budget hearings.

22 Governor Cuomo's 2016-2017 Executive
23 Budget proposal includes some positive policy
24 proposals that would help to protect

1 New York's environment and public health.
2 Chief among these, obviously, is the
3 tremendous increase to the Environmental
4 Protection Fund at \$300 million. We wholly
5 support that and urge you to enact that into
6 law.

7 We're particularly pleased to see the
8 efforts for climate change, supporting
9 climate-smart communities, as well as the
10 million dollars that was sort of set aside
11 for the Centers for Environmental Health.
12 That's a new aspect to the EPF this year, and
13 I think it's tremendous that that has found
14 its way into the Governor's proposal.

15 I think we share some concerns that
16 were expressed several, several hours ago
17 this morning about outyears funding for the
18 Environmental Protection Fund. This year it
19 is one-shot revenue from the settlement
20 proceeds, and the Governor's going to have to
21 figure out how to do that in Years 3, 4, and
22 5 of the fiscal year budget or 2, 3, 4, and 5
23 of the fiscal year budget.

24 We're very supportive of, obviously,

1 additional funds to go in to help communities
2 fix their pipes. The program you all created
3 last year, after the Governor did not have it
4 as an original proposal, is tremendous. You
5 should be credited for that, for bringing,
6 together with the Governor, huge resources.
7 We're happy he's adding more. It seems like
8 there's a lot of enthusiasm to do even more.
9 So let's try to do that together.

10 I'd like to say I was happy about the
11 state's commitment on the Diesel Emissions
12 Reduction Act, but after listening to the
13 testimony of Acting Commissioner Seggos, I'm
14 less sure about that commitment, even though
15 the Governor is now proposing a delay in his
16 original budget proposal.

17 Senator Young, you were an original
18 cosponsor of that bill with Senator Winner.
19 I know, Senator Krueger, you voted for it,
20 and Assemblyman Englebright, you did as well.
21 I think it may have predated your tenure,
22 Senator Savino. But thank you for those who
23 supported it. Let's implement that now.
24 It's 10 years old. Let's do it, let's finish

1 it.

2 There are aspects of the Governor's
3 proposal that would take New York actually in
4 the wrong direction by making it harder for
5 New York to achieve its climate and clean
6 energy goals, and here they are in brief. We
7 oppose the raid of RGGI funds, the
8 \$38 million taken from NYSERDA's program and
9 put into the budget. We believe those
10 resources should be used by NYSERDA to
11 further drive down carbon pollution, as
12 they've been doing historically with RGGI,
13 and the General Fund should pay for tax
14 credits, as it's done for many, many years.
15 As has been noted by Assemblyman Kavanagh
16 earlier, some of these tax credits were on
17 the books since the Pataki administration,
18 one of them since 1997. Let's have the
19 General Fund pay for those and use RGGI to do
20 even more.

21 We're not pleased that the agency
22 staffing levels are being held constant this
23 year over last year, at DEC in particular.
24 Their workload is certainly going to go up.

1 The challenges are tremendous -- witness
2 what's happening in real time at Hoosick
3 Falls -- and we think the agency should be
4 increasing staff lines rather than holding
5 them steady.

6 Another piece I want to do -- and we
7 may have found some money for you all. This
8 is where the inconsistency of the Governor's
9 approach in being a national leader on
10 climate comes into play. This year he's
11 pulling out that \$120 million in settlement
12 funds and dedicating it toward the EPF. The
13 Executive is also proposing nearly three
14 times that amount and pulling it aside, not
15 spending it this year but spending in the
16 next three years after this, for
17 incentivizing driving on the Thruway. This
18 is the \$340 million Thruway User Tax Credit
19 Program that will be disbursed in fiscal year
20 2017, 2018 and 2019 into 2020.

21 That's cash. It's on the table now.
22 It could be used for communities to fix their
23 pipes, it could be used to do more things to
24 drive down climate pollution.

1 Let me just sort of wrap up with, you
2 know, a perspective here in the next minute.
3 This is the first budget we have before us
4 after the Governor has made very bold
5 commitments for New York State's climate and
6 clean energy goals. You've heard a lot about
7 them today. It is the biggest challenge
8 facing this and future generations, and I
9 personally agree with the Governor, as he
10 said back in October with Al Gore, "Climate
11 change is a reality." And not to address it
12 is gross negligence by government and
13 irresponsible to the citizens.

14 And I think we have the opportunity
15 today to really sort of wrap ourselves in the
16 mantle of what the Governor said and move
17 New York State forward. Governor Cuomo would
18 like New York to be known as the climate
19 leader. As a New Yorker, as an
20 environmentalist, and as a dad, I would too.
21 We're not there yet -- witness the
22 \$340 million spent on incentivizing driving.

23 If you haven't seen them yet, the
24 goals in the State Energy Plan are big and

1 bold and something that we all should
2 support. But I think, as you heard in
3 earlier testimony today, we don't have a plan
4 nor the prospects of a plan of actually how
5 to get there. And I think we need to work
6 together to put out that plan.

7 So just to sort of wrap up. This is
8 the budget that I think our future climate
9 progress is built upon, this is the
10 foundation for everything else that will go
11 forward. The magnitude of the threat is
12 enormous. The challenges are there, the
13 impacts are being felt, and I think we have
14 the opportunity this year to begin, with this
15 budget, addressing the impacts of climate
16 change.

17 So thank you.

18 CHAIRWOMAN YOUNG: Thank you very
19 much, Executive Director. Appreciate it.
20 Thank you for coming today.

21 Oh, I'm sorry. Senator Krueger does
22 have a question.

23 SENATOR KRUEGER: Thank you.

24 I appreciate your testimony. Of

1 course, one thing I don't think you touched
2 on in the testimony -- but I know in your
3 previous life you worked at DEC. So we have
4 these giant new responsibilities to take on,
5 we have commitments to, as you put it, make
6 us the environmental giant in states. Do
7 they have the staff to do what needs to be
8 done?

9 MR. IWANOWICZ: They have an amazingly
10 talented staff. And as you mentioned, I
11 worked there, I was the acting commissioner
12 for a short brief tenure in my end of time in
13 government. They have wonderful scientists
14 there.

15 But I don't think anybody can say that
16 they've got enough people to do the job in
17 the task before them. I don't buy into this
18 sort of -- the logic that you can do more
19 with less. I think in this instance, when
20 you talk about strong environmental
21 standards, when you talk about public health
22 being placed at risk by not having clean
23 water to drink, the magnitude of the
24 challenge that is before us with climate

1 change and the enormity of the rules to meet
2 what the Governor has set out for a
3 challenge -- you know, the 80 percent
4 challenge that the Governor has laid out as a
5 goal for New York State to reduce greenhouse
6 gases by that number in 34 years, that
7 essentially is the equivalent of 100 percent
8 clean energy in that time. We're off fossil
9 fuels.

10 A lot of that is going to fall on the
11 shoulders of the people at DEC, and they're
12 going to need more resources, more scientists
13 to do that.

14 SENATOR KRUEGER: I agree. I just had
15 to ask you on the record. Thank you.

16 CHAIRWOMAN YOUNG: Yes. Assemblyman
17 Englebright.

18 ASSEMBLYMAN ENGLEBRIGHT: I just have
19 many, many thoughts, but they don't really
20 add too much to what you've already said. So
21 rather than create a longer -- what are we
22 now, a quarter after five -- a longer day, I
23 would just like to say I would welcome a
24 chance to sit down and listen to your more

1 detailed thoughts, if that's possible.

2 And I just want to say thank you for
3 your advocacy. It is heartening and
4 inspirational.

5 MR. IWANOWICZ: Sure. Happy to sit
6 down with anybody at any time to talk about
7 it. I will commend you to the written
8 testimony, which has nice colored charts and
9 some graphs, and sort of goes into a lot of
10 the details in more specificity. But I'm
11 happy to set up an appointment with you,
12 Assemblymember. Thanks.

13 ASSEMBLYMAN ENGLEBRIGHT: Please.

14 CHAIRWOMAN YOUNG: Great.

15 ASSEMBLYMAN ENGLEBRIGHT: Thank you
16 for being here.

17 CHAIRWOMAN YOUNG: Thank you,
18 Mr. Iwanowicz. Thank you so much.

19 Our next speaker is Chris Goeken,
20 director of public policy from the New York
21 League of Conservation Voters.

22 And following Mr. Goeken, we have
23 Parks and Trails New York.

24 Welcome.

1 MR. GOEKEN: Thank you very much, and
2 thank you all for your staying here so late
3 today. I will be very brief. You do have my
4 comments written, but I'll just draw
5 attention to a couple of main points.

6 So first off, my name is Christopher
7 Goeken, I'm the director of public policy
8 with the New York League of Conservation
9 Voters.

10 I want to thank you all for advocating
11 in the past several years for increases to
12 the EPF and also for environmental funding
13 generally. I don't think we would be at the
14 point where we are today talking about this
15 \$300 million EPF if it wasn't for the hard
16 work and advocacy that many of you have done
17 over the past several years. So thank you
18 for that.

19 I'm going to join the chorus, the
20 cheerleaders for the \$300 million EPF.
21 You've been told all day how great it is for
22 the state; I'm not going to repeat that. But
23 what I am going to focus on is one particular
24 line that we are very interested in, having

1 to do with waterfront revitalization and also
2 municipal parks.

3 So these two lines mostly pay for
4 capital improvements so that residents in our
5 towns and cities and villages throughout the
6 state, and also rural areas, can access their
7 waterfronts, can have nice playgrounds for
8 their kids, can have nice playing fields for
9 their kids as well, new hiking trails and
10 whatnot.

11 So both of those lines have been
12 increased. In the case of municipal parks,
13 it goes to \$20 million; in the case of
14 waterfront revitalization, it goes to
15 \$15 million.

16 We also asked and advocated for -- and
17 we're happy to see in the budget -- that half
18 of those funds, actually a little bit more
19 than half, are dedicated to inner-city and
20 underserved communities.

21 And the way that the Department of
22 State and the way that the DEC administer
23 those particular programs is they look at
24 census-tract data and figure out on an

1 economic standpoint what communities are
2 low-income, and they also look to see what
3 their access is to local parks and
4 recreational facilities. So in the past that
5 has meant new parks for communities in rural
6 areas and in urban areas as well, not just in
7 city areas.

8 We're very much in support of that, we
9 hope that gets over the finish line, and
10 we're asking for your help to make sure that
11 does make it into the final enacted budget.

12 The other major point I'll make today
13 is about one of our top priorities in both
14 the budget and beyond, and that's the
15 electrification of the transportation sector.
16 And it's not just electric vehicles, it's
17 also delivery trucks -- FedEx, for example,
18 wants to electrify their entire fleet, which
19 is terrific. They're testing some Nissan
20 fully electric vans right now, and that's
21 going to continue to roll out both here in
22 New York and elsewhere -- they're going to
23 continue that rollout, rather.

24 In the budget there's \$9 million for

1 charging stations, which are an initial -- an
2 essential part of getting the transportation
3 sector electrified. We would like to see
4 that make it over the finish line as well.
5 We would also call for more money for that
6 particular program if you can find it in the
7 budget. But as Commissioner Zibelman has
8 said before, there is the chicken and the egg
9 going on. People don't want to buy electric
10 delivery vans, they don't want to buy
11 electric cars because they don't see the
12 charging stations, and you as policymakers
13 don't want to spend money on the charging
14 stations because you don't think there's
15 enough people driving them.

16 Well, we're urging you to take the
17 first step, to take that leap, because we
18 will be going towards a more electrified
19 transportation system. Consumers have to see
20 and business owners have to see that
21 infrastructure there in order for them to
22 trust that they're not going to get stranded
23 somewhere. So that's \$9 million in the
24 budget proposal.

1 I'm going to leave my comments there,
2 and I thank you very much for your time
3 today.

4 CHAIRWOMAN YOUNG: Thank you very
5 much.

6 And we are thrilled about the
7 \$300 million for the Environmental Protection
8 Fund. And also I appreciate your pointing
9 out the need for waterfront revitalization.
10 That is a critical need, so thank you for
11 that. Thank you for being here today.

12 MR. GOEKEN: Thank you, Senator.

13 CHAIRWOMAN YOUNG: Oh, I'm sorry. We
14 do have Assemblyman Englebright. Chris, come
15 back.

16 ASSEMBLYMAN ENGLEBRIGHT: You don't
17 have to hustle back. I just want to say
18 thank you for your advocacy, for helping to
19 point -- to give us compass points to work
20 toward, most particularly the electrification
21 issues.

22 And I really look forward to the
23 possibility that we can work together to get
24 some electrification on the North Line of the

1 Long Island Railroad this year, because that
2 is also a part -- as we had a chance to
3 discuss the other day, that's a part of this
4 budget in part because of the advocacy of one
5 of your trustees who also serves the
6 Governor.

7 Thank you again.

8 CHAIRWOMAN YOUNG: Thank you,
9 Assemblyman.

10 MR. GOEKEN: I'll add to that, that
11 the third track which you're referring to on
12 Long Island is absolutely one of our
13 priorities for Long Island this year, and we
14 want to see that get over the finish line as
15 well. So thank you.

16 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

17 CHAIRWOMAN YOUNG: Thank you.

18 Our next speaker is Laura DiBetta,
19 director of parks program and government
20 relations for Parks & Trails New York. And
21 following her will be the New York State
22 Conservation Council, Inc.

23 Welcome.

24 MS. DiBETTA: Hi. Good afternoon --

1 I think it still is. Thank you for the
2 opportunity to present testimony today on
3 behalf of Parks & Trails New York. I commend
4 your endurance.

5 SENATOR KRUEGER: Can you pull that
6 closer to you? For some reason I'm not
7 hearing you.

8 MS. DiBETTA: Sure. Yup. I was just
9 commending you on your endurance.

10 My name is Laura DiBetta. Since 1985,
11 Parks & Trails New York has been the leading
12 organization working to promote, protect, and
13 enhance the network of parks and trails
14 across New York State. We have nearly 40,000
15 dedicated park and trail supporters that we
16 represent.

17 To start, I just want to thank you for
18 your strong and steadfast support of our
19 state park system. As you may remember, a
20 few years ago the New York Times called
21 Niagara Falls "shabby" and "underfinanced."
22 Well, I'm happy to report that in November
23 the New York Times highlighted what it called
24 the "turnaround" of the state park system.

1 And that article was noticed by park leaders
2 all across the country, including California,
3 where they called New York's approach to
4 tackling something seemingly so big as
5 "smart," "systematic," and "fearless."

6 So I am just here today to encourage
7 you to keep doing what you're doing and to
8 keep this very exciting forward momentum
9 going.

10 You already heard a lot this morning
11 from Commissioner Harvey about the details of
12 the exciting revitalization of the park
13 system, so I would just add to that that
14 there is broad support for continued state
15 investments. The Governor's Parks 2020 plan
16 is working, and it's paying dividends. State
17 parks provide a five-to-one return on
18 investment and generate \$2 billion in
19 economic activity to the state, providing
20 very essential tourism dollars to communities
21 that are located near where parks and
22 historic sites are located.

23 So continued annual investments are
24 really critical to continuing to address the

1 more than \$1 billion backlog of health,
2 safety, and infrastructure needs that remain
3 unmet at parks in every region of the state.
4 So we encourage the Legislature to support
5 the Governor's proposed budget of \$90 million
6 in capital funding for state parks.

7 Now, with visitation at its highest in
8 a decade and all these wonderful
9 state-of-the-art facilities being built,
10 there is concern about the strain that this
11 places on the agency to keep up with visitor
12 needs and safety and meet their expectations.
13 And at the same time, there's also a
14 tremendous opportunity to engage all these
15 new visitors to our parks, especially kids,
16 who are the future stewards of our
17 environment and of our parks, in the
18 enjoyment and protection of the environment
19 and the celebration of our past.

20 So in order to maximize the
21 transformation that's happening, we encourage
22 the Senate and Assembly to work with the
23 Governor to begin to put the agency's budget
24 on a path towards sustainability.

1 Turning to the EPF, I will echo our
2 strong support for the Governor's proposal.
3 We applaud his commitment to the EPF and
4 think that given the health of the state's
5 economy and the proven benefits of the EPF,
6 that a \$300 million level is appropriate at
7 this time.

8 There are four categories I'd like to
9 bring your attention to in particular. We
10 are very pleased to see increases in three
11 cornerstone categories of the EPF that
12 suffered severe cuts during the financial
13 crisis. That is state land stewardship, open
14 space land conservation, and the municipal
15 parks grants program.

16 We are especially appreciative of the
17 fourth category, which is the Parks & Trails
18 Partnership Program. This was a new program
19 last year. The Governor has proposed a
20 second year of \$500,000 for this program.
21 It's a capacity-building matching grants
22 program for the friends groups that support
23 the state parks system. And it is modelled,
24 this program is modelled after the very

1 successful Conservation Partnership Program
2 which I know many of you are familiar with.

3 Friends groups are very small -- often
4 very small dedicated organizations who
5 accomplish herculean tasks on shoestring
6 budgets. And we think this small investment
7 will propel these organizations to a higher
8 level of effectiveness. So we strongly
9 support, obviously, a second round of
10 funding. We administer the program with
11 State Parks, and although we don't have our
12 awardees yet, we'll announce that in March.

13 I can tell you that demand for the
14 program is strong. Requests are more than
15 double the amount of available funding.

16 In my written testimony -- I encourage
17 you to, of course, read it, it's beautifully
18 written --

19 CHAIRWOMAN YOUNG: We are positive
20 that it is.

21 MS. DiBETTA: -- it includes
22 recommendations for a couple of items that
23 are not in the budget. These are items
24 related to trails and bicycle and pedestrian

1 infrastructure that we really feel should be
2 part of the conversation about our
3 environment, about our contribution to
4 greenhouse gas emissions, and not just
5 related to transportation. So I welcome the
6 opportunity to talk more about those as well.

7 Thank you.

8 CHAIRWOMAN YOUNG: Thank you, Director
9 DiBetta. And I want to thank you for your
10 advocacy for our parks. We love our parks in
11 New York, as you know, and we will be sure to
12 read your beautifully written testimony. So
13 thank you so much.

14 MS. DiBETTA: Thank you.

15 SENATOR KRUEGER: Thank you.

16 CHAIRWOMAN YOUNG: Our next speaker is
17 Charles Parker, president of the New York
18 State Conservation Council, Inc. And
19 following him will be the New York Water
20 Environment Association.

21 Welcome, President Parker.

22 MR. PARKER: Thank you.

23 The New York State Conservation
24 Council also appreciates the added funding to

1 the EPF. My comments will be speaking on the
2 fish/wildlife/marine resources and lands and
3 forests, which is currently being funded at
4 the -- at a -- intact, stable as last year.
5 Which is good.

6 Most funding resources with fish,
7 wildlife, and marine resources are directly
8 related to the sportsmen's contributions to
9 conservation. While there is a significant
10 contribution through our license fees, it is
11 matching funds from the federal program,
12 Wildlife, Fish and Sports Recreation Program,
13 that brings in a significant portion of
14 available revenue for fish, wildlife and
15 marine resources. These funds are based on
16 our license sales.

17 Much of the financial and program
18 commitment to the DEC has come from prior
19 obligations that require future budgetary
20 commitments. We welcome seeing that the
21 continuing projects committed under NY Works
22 3 and NY Works 4 for such improvements as the
23 Young Forest Initiatives, our hatchery
24 program, and DEC infrastructure and staffing,

1 are being funded under the proposed budget.
2 It is nice to see that the State of New York
3 will continue pursuing the goals of good
4 conservation practices that the Governor
5 recognizes.

6 As a sportsman, I hunt, fish and trap.
7 A release from Comptroller Thomas DiNapoli
8 shows that I am not alone. Some items of
9 note in the Comptroller's report -- fishing
10 and hunting bring a stream of cash of over
11 \$5 billion a year to the State of New York.
12 Over 2 million people hunt, fish, and trap,
13 ranking the state third nationwide. In
14 several New York counties, the number of
15 resident licenseholders equals more than
16 one-third of their population.

17 Consumer spending on these sports
18 activities brings more than \$5 billion in
19 2011, the most recent year for which these
20 numbers were available. Nearly \$1.9 billion
21 was spent on trip-related purchases,
22 including transportation, lodging and food.
23 Non-residents generated 20 percent of the
24 revenue collected from license fees in the

1 2012-2013 license year.

2 In addition to benefiting the economy,
3 fishing and hunting supports state wildlife
4 programs. Revenues from the sale of annual
5 licenses to fish, hunt, and trap have
6 contributed an average of \$45.3 million a
7 year to the New York State Conservation Fund
8 in the last five fiscal years. Spending from
9 that fund on state wildlife conservation
10 programs has averaged \$44.3 million over the
11 same time period.

12 The State Division of Budget estimates
13 \$50.2 million in such expenditures in state
14 fiscal year 2015-2016. Federal programs that
15 allocate certain federal hunting, fishing and
16 boating revenues to the state for wildlife
17 programs have provided an average of more
18 than \$24 million a year since 2011.

19 Another thing that's happened recently
20 is the investment practices of the DEC's
21 lifetime license fund has recently changed
22 for the good as a result of our Conservation
23 Fund Advisory Board and the Comptroller's
24 Office. Sportsmen would like to see this

1 looked into further to see if we can get an
2 even greater return.

3 Hunting and fishing is good business
4 as well as sound conservation and
5 environmental practices. Many different
6 groups in New York State present their case
7 of what they feel are sound environmental and
8 conservation practices. The New York State
9 Conservation Council agrees with some of
10 these groups on many issues, but we have
11 other matters on which we do not agree or
12 have different perspectives.

13 In the present budget discussion and
14 upcoming legislation, there are certain
15 topics and perspectives we would like to see
16 addressed. The management of our natural
17 resources requires balance, taking into
18 consideration our forests and lands, our
19 wildlife, and man's interests. Man has a
20 role in the balance since nature left to its
21 own does not yield the best results.

22 Management is science. The experts in
23 New York State are within the Department of
24 Environmental Conservation. While there is

1 nothing absolute and perfect, the DEC should
2 be the primary management tool. This is not
3 saying that DEC does not need the support of
4 the legislative and executive levels of
5 government.

6 There is an issue in the Adirondacks
7 in practice now that the sportsmen have a
8 great concern over. The state is gaining a
9 considerable amount of formerly privately
10 owned lands, but what we are not gaining is
11 real access to these lands or sound
12 management of the wildlife thereon.

13 The definition of access differs
14 depending on who you talk to. Access for a
15 physically fit 20-year-old is not the same as
16 for somebody in their sixties. We do not see
17 man's access as detrimental to a healthy
18 ecosystem.

19 Some lands being purchased in the
20 Adirondacks can be labeled as new growth. If
21 these new-growth lands are not managed for
22 wildlife control, the result will be lands
23 being over-browsed to the point where only
24 the inferior plants of low environmental

1 value will exist. Mature desired species of
2 trees identified with a healthy forest will
3 not grow there. This is not balance.

4 The state's handling of invasive
5 species is gaining increased attention, as
6 well it should. The continued revenue
7 support of our government along with DEC and
8 public involvement will make for a strong
9 coalition to positively address invasive
10 issues.

11 Whether through budgetary or
12 legislative process, the New York State
13 Conservation Council would like to see full
14 inclusion of the crossbow established in the
15 archery season. Crossbows are implements
16 that allow more people, some with lesser
17 physical ability, to go afield hunting.

18 Deer populations -- too many, too
19 few -- is becoming a concern to sportsmen,
20 landowners, and the public. Adequate funding
21 is needed to study these issues.

22 ATV/UTV weight classification has
23 morphed into an ATV/UTV access issue. The
24 topic needs resolution but unfortunately is

1 being stalled as involved parties fail to
2 consider sound alternatives to their points
3 of view.

4 Snowmobile legislation that would not
5 require snowmobilers to pay an added fees for
6 trail systems they do not use continues to go
7 nowhere. We need resolution on these
8 matters.

9 What I've mentioned above are just
10 part of the over 300 pieces of legislation
11 and issues that the council deals with every
12 year. The annual budget hearing process may
13 appear to be repetitive to some. The
14 New York State Conservation Council sees this
15 as an opportunity for like-minded
16 stakeholders within and outside of government
17 to hear each other and work together to
18 achieve responsible and wise use of our
19 environmental program.

20 We greatly appreciate the opportunity
21 to speak today.

22 CHAIRWOMAN YOUNG: Well, certainly we
23 appreciate having you here today. And I want
24 to thank you for the advocacy from your

1 300,000 sportsmen members.

2 And you may have heard earlier, I'm
3 sure you did, that there are legislators from
4 Staten Island, from Long Island, who are
5 concerned about the deer population. I don't
6 know if we can get some of your members to go
7 down there and take care of the problem, but
8 it is a significant problem.

9 MR. PARKER: We have willing
10 participants.

11 CHAIRWOMAN YOUNG: Yes. So -- but
12 thank you, and it sounds like you agree with
13 many things in the budget, which is a great
14 step in the right direction. And we
15 appreciate the fact that you have such a
16 strong impact not only on conservation in
17 New York State but also, as you pointed out,
18 on tourism and our economic health. So thank
19 you so much.

20 MR. PARKER: Thank you.

21 ASSEMBLYMAN OAKS: Thank you, Chuck.

22 MR. PARKER: Thank you very much.

23 CHAIRWOMAN YOUNG: Our next speaker is
24 Patricia Cerro-Reehil, executive director,

1 New York Water Environment Association, and
2 Joe Brillling, executive director of the
3 Washington County Sewer District.

4 And following them we will have the
5 Adirondack Council.

6 MS. CERRO-REEHIL: Thank you,
7 Senator Young, and members of the Senate and
8 Assembly here. We appreciate the opportunity
9 to be before you tonight regarding the
10 significant role that public wastewater
11 infrastructure plays in relation to
12 protection of public health and the
13 environment and its connection to economic
14 development.

15 My name is Patricia Cerro-Reehil. I
16 am the executive director of the New York
17 Water Environment Association. Our members
18 include more than 2,500 professionals who
19 work 24 hours a day, seven days a week,
20 protecting public health and the environment.

21 I have the pleasure today of being
22 here with Joe Brillling, who is a certified
23 wastewater treatment plant operator and
24 executive director of the Washington County

1 Sewer District.

2 We all consume water and create waste.
3 In fact, the average American uses
4 176 gallons of water daily. Every drop of
5 water that enters this building, our homes
6 and our businesses, is treated and discharged
7 back into the water cycle to be reused and
8 recycled. Water is a finite resource and
9 must be protected and managed well.

10 We are encouraged by the Governor's
11 budget proposal to increase monies in the
12 Water Infrastructure Improvement Act of 2015.
13 The total investment of \$300 million in
14 grants over three years will leverage more
15 than \$1.5 billion in local investments in
16 water infrastructure across the state.
17 Although these increases will spur investment
18 in clean water systems, the infrastructure
19 needs are much greater.

20 We read this in the news daily. On
21 January 13, 2016, EPA released its Clean
22 Watersheds Survey, the first national update
23 in four years on the need for wastewater
24 infrastructure investments, and the results

1 are sobering. New York State has the
2 nation's largest need for investments, at
3 \$31.4 billion. The report states that we
4 need to invest in secondary wastewater
5 treatment and new conveyance systems and
6 their repairs, in small community wastewater
7 treatment plants, and we need to reduce
8 combined sewer overflows and pollution from
9 stormwater.

10 Again, New York has the largest need
11 for investments across the nation. The first
12 round of New York State water grants,
13 established by the Governor and Legislature
14 as part of the Water Infrastructure
15 Improvement Act of 2015, has been an
16 unprecedented success, and we are very
17 grateful. Fifty million dollars in grant
18 funding was awarded to 45 projects across the
19 state, leveraging more than \$440 million in
20 infrastructure improvements.

21 The present Clean Water State
22 Revolving Fund Intended Use Plan has
23 \$10.1 billion in listed projects, with only
24 estimated funds available of \$1.27 billion.

1 It must be clearly understood that the
2 \$10.1 billion is only for those projects
3 where a municipality submitted an application
4 through the EFC process.

5 Although dated, according to a 2008
6 analysis by the New York State DEC,
7 30 percent of wastewater collection systems
8 in the state are beyond their expected useful
9 life. And the investment needed to maintain
10 current service levels over the next 20
11 years: \$36.2 billion.

12 This year I'm very proud that a broad
13 coalition of organizations representing
14 environmental, municipal, utility, business,
15 and recreational interests -- many who have
16 been before me and who are following after
17 us -- have requested \$800 million in funding
18 for water infrastructure to build on the
19 success of the New York State Water Grants
20 established by the Water Infrastructure
21 Improvement Act of 2015.

22 There are over 600 wastewater
23 utilities in New York State servicing more
24 than 15 million people. Each plant has a

1 permit, with the responsibility of a
2 certified chief operator to make sure the
3 plant is in compliance. There are over 2,600
4 operators in New York State. These clean
5 water utilities provide a critical, often
6 overlooked service to our residents,
7 businesses, and visitors.

8 For those of you who have visited your
9 local wastewater utility -- I'm sure you all
10 have -- you understand this is your
11 community's largest capital investment and
12 these plants are complex utilities that
13 include mechanical, chemical, and biological
14 processes. Depending on the size of the
15 plant, and the community it serves, a
16 wastewater operations specialist today has a
17 wide range of expertise to perform their
18 everyday job. In fact, we call them our
19 silent heroes.

20 According to the U.S. Treasury,
21 infrastructure investments create good-paying
22 construction and manufacturing jobs and are
23 overwhelmingly supported by the public. It
24 is estimated that \$1 billion in investment in

1 water and wastewater infrastructure can
2 create 26,000 jobs.

3 The complexity of wastewater
4 infrastructure improvements requires the
5 combined efforts of planners, engineers,
6 equipment manufacturers, distributors,
7 contractors, and operators throughout the
8 supply chain. Seventy percent of the
9 nation's engineering firms and 90 percent of
10 general and heavy construction firms are
11 small businesses -- and as we know, small
12 business is the backbone of our American
13 economy.

14 Some relevant history here. In the
15 mid-'60s, Governor Rockefeller decided to
16 develop a program to clean up the polluted
17 waters of the state. He titled it the Pure
18 Waters Program, and the construction grants
19 program followed. The people of the State of
20 New York in the '60s approved a \$1 billion
21 bond issue in favor of clean water. One of
22 the important elements of that program was
23 massive construction grants to
24 municipalities. It was a program that became

1 a precursor to the federal Clean Water Act
2 and served as a national model.

3 New York can be in the lead again. It
4 is time for a new New York State Pure Waters
5 Program. And the New York Water Environment
6 Association did develop a white paper on
7 this.

8 Abundant clean water is essential to
9 public health, environmental quality, and our
10 economy. Too often we take for granted these
11 resources and the invisible systems that
12 bring it to us. We cannot afford to ignore
13 these challenges and need to work together to
14 make the health and safety of our water a
15 priority.

16 CHAIRWOMAN YOUNG: Thank you.

17 I think Senator Krueger had a comment
18 or question.

19 SENATOR KRUEGER: Thank you.

20 So it was many, many hours ago that we
21 were speaking with the acting commissioner of
22 DEC, Basil Seggos, and a number of us brought
23 up the question of given what's recently
24 happened in Hoosick Falls, the national if

1 not international attention to the Flint,
2 Michigan, crisis.

3 What more do we need to do to try to
4 (a) avoid these problems before they happen,
5 and should we be doing something more than we
6 are now to allow our citizens to be able to
7 review and check the water that's coming out
8 of their taps?

9 MS. CERRO-REEHIL: Thank you for the
10 question. I'll start, and then I'll transfer
11 it to Joe.

12 SENATOR KRUEGER: Okay, thank you.

13 MS. CERRO-REEHIL: So I think public
14 education is critically important. Water is
15 undervalued, and people generally don't even
16 know what they pay for their water and sewer
17 bills. So we have to have a great public
18 education campaign.

19 And, as stated, I think we need to
20 bring more money into the system so we can
21 make sure we've got viable systems out there.

22 Joe, anything to add?

23 MR. BRILLING: The only thing I would
24 reinforce is that continuing this trend of

1 investing in the infrastructure -- not just
2 the infrastructure, but the industry itself,
3 the employees, the operators, the municipal
4 people that are in the trenches, for lack of
5 a better word, on a day-to-day,
6 night-to-night basis -- is really important.
7 Along with the public education.

8 It is true that most people don't even
9 realize what they're paying for water or
10 sewer. They just pay the bill. And if rates
11 go up by 5 percent, people panic. Yet we all
12 have internet, we all, you know, think
13 nothing of going out and spending \$2 for a
14 bottle of water. So that's where the public
15 education piece comes in. And I think it's
16 huge.

17 This trend that we're seeing now with
18 the Governor's budgets of the past couple of
19 years is the right way to go. It may fall
20 short, but it's a great first few steps.

21 CHAIRWOMAN YOUNG: Thank you for that.

22 SENATOR KRUEGER: Thank you.

23 CHAIRWOMAN YOUNG: Assemblyman?

24 ASSEMBLYMAN ENGLEBRIGHT: Your

1 testimony is very cogent and very important,
2 so thank you for taking the time to organize
3 your thoughts like this.

4 I was intrigued; you said close to the
5 end of your presentation that you had a white
6 paper that had been prepared --

7 MS. CERRO-REEHIL: I do.

8 ASSEMBLYMAN ENGLEBRIGHT: Could you
9 share that with --

10 MS. CERRO-REEHIL: I would be happy
11 to.

12 ASSEMBLYMAN ENGLEBRIGHT: -- myself
13 and my colleague Mr. O'Mara?

14 MS. CERRO-REEHIL: Yes.

15 ASSEMBLYMAN ENGLEBRIGHT: Senator
16 O'Mara is also a partner in this process.
17 And we worked together last year to help keep
18 the trend line going for additional
19 investment which you do see this year.

20 The key for arriving at a place where
21 we really are able to deal with a \$36 billion
22 nut is to have some federal partners. How
23 are we doing in that regard? Are you talking
24 to anybody?

1 MS. CERRO-REEHIL: We are.

2 ASSEMBLYMAN ENGLEBRIGHT: Are they
3 listening?

4 MS. CERRO-REEHIL: I hope so. We have
5 people going down actually in two weeks, so
6 we are on that -- and actually I'm happy to
7 report that we're working with our advocacy
8 organizations on that campaign, because with
9 one voice we are amplified.

10 ASSEMBLYMAN ENGLEBRIGHT: Yeah. First
11 thing I did when I was elected to office as a
12 county legislator some years ago was go to
13 work on a sewer treatment plant at the
14 State University at Stony Brook which was
15 primitive, and we were successful in getting
16 the cooperation of then-Governor Cuomo -- a
17 different Cuomo, but an equally visionary
18 Cuomo -- and we had an 80 percent federal
19 match.

20 We need that kind of match again to
21 really leverage the state's monies and
22 investment -- you used the right word, it is
23 an investment -- for the health and
24 well-being of our communities. Please carry

1 our message that we have already begun to do
2 what Governor Rockefeller did with his Pure
3 Waters Program with last year's and this
4 year's budget. And let's hope that we can
5 get the feds to catch up with our initiative
6 already underway.

7 MS. CERRO-REEHIL: Thank you. We will
8 do that.

9 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

10 CHAIRWOMAN YOUNG: Thank you very
11 much, and thank you for all of your
12 endeavors.

13 MS. CERRO-REEHIL: We appreciate it.

14 CHAIRWOMAN YOUNG: We really
15 appreciate you, so thank you.

16 SENATOR KRUEGER: Thanks.

17 CHAIRWOMAN YOUNG: Our next speaker is
18 Kevin Chlad, director of government relations
19 for the Adirondack Council. And following
20 him will be the Adirondack Mountain Club.

21 I have one question. Did I butcher
22 your name, or was that right?

23 MR. CHLAD: It was pretty close.

24 CHAIRWOMAN YOUNG: Okay. How do you

1 say it?

2 MR. CHLAD: I can give you a pass on
3 this one. My name is Kevin Chlad.

4 CHAIRWOMAN YOUNG: Chlad. I
5 apologize.

6 MR. CHLAD: Well, that's fine. I'm
7 very accustomed to it. I'm sure you can
8 understand.

9 You have my testimony, so I'll just
10 offer a few brief comments and -- I'll
11 daresay good evening.

12 Chairwoman Young, Chairman Farrell,
13 Chairman Englebright, and honored
14 legislators, my name is Kevin Chlad, and I am
15 the director of government relations for the
16 Adirondack Council. The Adirondack Council
17 is a 501(c)3 nonprofit dedicated to ensuring
18 the ecological integrity and wild character
19 of our Adirondack Park. We do not accept any
20 public funding.

21 We envision an Adirondack Park with
22 clean water and air, healthy and abundant
23 wildlife, and large wilderness areas
24 surrounded by working farms and forests and

1 vibrant communities.

2 It's pretty amazing how times have
3 changed in the Adirondacks. When the
4 Governor announced this year's budget
5 proposals, environmental organizations
6 applauded increased investments in community
7 funding. At the same time, local government
8 officials such as retiring Newcomb Supervisor
9 George Cannon praised the Governor's plan to
10 purchase new Forest Preserve lands. Even the
11 Essex County Board of Supervisors' Ways and
12 Means Committee passed a resolution praising
13 the Governor's plan to fully fund the
14 Environmental Protection Fund.

15 These apparent role reversals are
16 really not so surprising, however, when you
17 delve into the details. There's plenty of
18 good news in the Governor's budget plans for
19 the environment and community advocates.
20 Protecting our Adirondack legacy will require
21 bold, transformational investments in open
22 space, invasive species, climate change,
23 clean energy, tourism, and community
24 infrastructure. Strong funding combined with

1 strong policies and agencies will protect the
2 beauty, charm, and allure of the Adirondacks
3 for generations to come. With your support,
4 this year will be a historic year for the
5 Adirondack Park.

6 We stand with the friends of
7 New York's environment in applauding the
8 Governor's proposal to fund the Environmental
9 Protection Fund at \$300 million. By further
10 enhancing and restoring the EPF, the state
11 will generate economic activity and revenue,
12 protecting clean water and wilderness, and
13 supporting vibrant communities, creating jobs
14 along the way.

15 I want to take a second to thank you
16 all -- thank you -- and the Governor for
17 creating the New York State Water
18 Infrastructure Improvement Act. This fund
19 has transformed the way that we pay for water
20 infrastructure in New York by closing the gap
21 between the cost of water projects and the
22 amount that rural communities can afford.

23 In the Adirondacks, small populations
24 of taxpayers support systems that serve

1 incredible populations of visitors, making
2 this fund crucial for their future viability.
3 The Governor has proposed to increase this
4 fund to \$250 million, which would then be
5 appropriated over this year and next year.

6 We urge you to consider growing this
7 fund further as clean water is the economic
8 driver in our Adirondack Park.

9 Concerning our state agencies, it is
10 unfortunate that the Governor's proposed
11 funding for staff at the Adirondack Park
12 Agency and Department of Environmental
13 Conservation remains flat for the next fiscal
14 year, where building state infrastructure
15 will be important as communities look for
16 support when working to build their futures,
17 and new Forest Preserve acquisitions open new
18 access opportunities to the public for the
19 first time in history.

20 In closing, I'll just state that the
21 Adirondack Park is a national treasure, a
22 globally unique legacy that requires and
23 deserves special attention. We urge the
24 Legislature to work with Governor Cuomo in

1 protecting our Adirondack legacy, as it does
2 belong to us all.

3 Thanks.

4 CHAIRWOMAN YOUNG: Thank you very
5 much. And we appreciate your input.

6 And also I was interested to see your
7 viewpoint on the 480-a program and the
8 biomass in managed forests. So thank you so
9 much.

10 MR. CHLAD: I look forward to working
11 with you on that.

12 CHAIRWOMAN YOUNG: Same here.

13 MR. CHLAD: Thank you.

14 CHAIRWOMAN YOUNG: Thank you.

15 MR. CHLAD: Have a good evening.

16 CHAIRWOMAN YOUNG: Our next speaker is
17 Neil Woodworth, executive director,
18 Adirondack Mountain Club. And following him
19 will be Protect the Adirondacks.

20 Welcome.

21 MR. WOODWORTH: Thank you very much,
22 Chairman Young, Chairman Farrell, members of
23 the Senate and the Assembly. Thank you for
24 hanging in there and being there for us.

1 Like everyone who's testified so far,
2 we are in great support of the \$300 million
3 Environmental Protection Fund. And that was
4 a vision, which several speakers noted, this
5 Legislature had back in 2007. You wanted to
6 take us there then, we're there now, and you
7 will have our full support.

8 Important in that increase is almost
9 \$14 million for purchasing new lands across
10 the state. That increase alone would buy
11 several magnificent wilderness parcels, for
12 example, in the Adirondacks -- the Boreas
13 Ponds tract, or the Follensby Pond Tract --
14 beautiful places in the Catskills.

15 The Adirondack Mountain Club
16 represents the hikers, kayakers, campers and
17 skiers who use New York's 5,300,000 acres of
18 public land and our incomparable system of
19 rivers and streams. This legacy is one of
20 the reasons why so many people travel to
21 New York. It's a huge boost to our tourism
22 economy and one of the great engines for
23 upstate New York.

24 There is one area I'm going to ask you

1 to increase, and that is the money for our
2 fight against aquatic and terrestrial
3 invasive species. This is a much larger
4 problem than most people realize. The
5 increase that we have in this budget is a
6 little over \$4 million, and unfortunately
7 it's just totally inadequate.

8 On the aquatic invasive species front,
9 our lakes across the state have many hundreds
10 of millions of dollars' worth of value in the
11 real property on these lakes, and furnish
12 incredible ecological values to the state.
13 And just things like Eurasian milfoil,
14 hydrilla -- which is like Eurasian milfoil on
15 steroids, frankly, once it gets into a
16 lake -- if there's one thing we've learned
17 about aquatic invasive species it's that
18 prevention is possible; eradication, once an
19 invasive gets into a water body, is almost
20 impossible.

21 So we are now embarking on -- money
22 from last year enabled us to create, in the
23 Adirondacks, 11 inspection and cleaning
24 stations. That's a tremendous beginning, but

1 it needs to be a lot greater. We have
2 figured out a system whereby we could protect
3 clean lakes from infection from dirty lakes,
4 and we have to continue that across the
5 state.

6 But there's an even more sinister
7 threat to New York's forests. One of the
8 most prolific and valuable trees in New York
9 is the hemlock. One in three trees, for
10 example, in the Adirondacks is the hemlock.
11 These magnificent trees provide many benefits
12 for our ecological areas where they are.
13 They cool the streams that they overshadow.
14 They provide bank control. They provide
15 incredible carbon sinks, because they can
16 live 200 or 300 years. But they're faced
17 with an enemy now, the hemlock woolly
18 adelgid, which has devastated Great Smoky
19 National Park. You can see on Google Earth
20 the devastation of the hemlock dieback.

21 This is an enemy that has now crossed
22 into the Catskills and is creating tremendous
23 damage in the Catskills. So far we don't
24 have it in the Adirondacks. But a couple of

1 generations of these incredibly reproducing
2 insects, or aphids, can acquire the ability
3 to withstand cold weather, and so cold
4 weather will not protect the Adirondacks.

5 What will protect the Adirondacks is
6 bio-controls, and we need to put a lot more
7 money into investment in bio-controls -- not
8 just for the hemlock woolly adelgid, but for
9 the Asian long-horned beetle, the emerald ash
10 borer, because these are going to devastate
11 what makes -- New York is 60 percent covered
12 by forest. And with incredibly destructive
13 pests like this, we're going to lose an
14 incredible part of the New York experience
15 and New York's beauty, and the ecological
16 health of the state. And so a \$4.2 million
17 increase is not going to cut it.

18 Thank you very much for listening.

19 CHAIRWOMAN YOUNG: Thank you very
20 much. And we certainly appreciate your
21 comments about invasives.

22 And as you know, I represent the
23 Southern Tier of Western New York, and we
24 have heavily forested areas in my district

1 also under the same sort of threat from these
2 invasive species as are our waterways, so I
3 appreciate that input.

4 Anyone?

5 MR. WOODWORTH: We were chilled when
6 it was found very close to Allegany State
7 Park, the hemlock woolly adelgid.

8 CHAIRWOMAN YOUNG: Right. And as you
9 know, I think that the -- unfortunately, the
10 emerald ash borer entered New York State
11 through my district also. So it's very
12 sobering.

13 I think Senator Krueger had a
14 question.

15 SENATOR KRUEGER: I have to admit my
16 ignorance as a city girl. What is a bio --
17 bio-control agent that you would use?

18 MR. WOODWORTH: A bio-control is
19 something that -- one of the problems with
20 the hemlock woolly adelgid and the other
21 pests is they have no natural enemies. So
22 what we do is we research where -- in this
23 case, the hemlock woolly adelgid comes from
24 Manchuria, North Korea, and the northern

1 forests of Japan.

2 And so we look for a control there.

3 In this case, we have found a beetle that
4 does no harm to any native species, but it
5 needs to be raised and we have -- people have
6 been working on raising them.

7 We don't have, frankly, the federal
8 support that we need. There should be much
9 more federal support than we have right now.

10 But if we -- you -- individual
11 landowners can grow a row of hemlocks, which
12 are free from the state nursery system, and
13 then people can come in and raise the
14 beetles, and then they can harvest these
15 beetles and take them to the areas where we
16 need them to propagate.

17 SENATOR KRUEGER: And you don't have
18 to worry about them becoming the next new
19 invasive species?

20 MR. WOODWORTH: Well, the forest
21 ecologists and scientists, for example at
22 Cornell, are really carefully exploring that.
23 But so far so good.

24 But if we don't employ a bio-control,

1 we will lose the hemlock in New York, there's
2 no question.

3 SENATOR KRUEGER: Thank you very much.

4 MR. WOODWORTH: You're welcome.

5 CHAIRWOMAN YOUNG: Thank you. Thank
6 you for your valuable input.

7 Our next speaker is Peter Bauer,
8 executive director of Protect the
9 Adirondacks. And following him will be
10 Riverkeeper.

11 Thank you for toughing it out.
12 Actually, I think we're doing pretty well,
13 considering we had three commissioners, the
14 head of PSC, and also NYSERDA. But thank
15 you.

16 MR. BAUER: You're welcome. Thank
17 you.

18 I'm very pleased to be here this
19 evening now. And it's been a great day, I've
20 learned a lot from our commissioners and from
21 all of my fellow advocates who are very
22 articulate, much more than me, and from all
23 of your good questions.

24 My name is Peter Bauer, the executive

1 director with Protect the Adirondacks. We
2 are an organization that was formed by two
3 organizations merging. We have a
4 hundred-year legacy of activism in the
5 Adirondack Park, and our organization has
6 been around for that long.

7 We share a lot of the good thoughts of
8 many about the Governor's proposal for the
9 Environmental Protection Fund. A
10 \$300 million fund is certainly a significant
11 boost in -- will help significantly in the
12 Adirondacks with land acquisition, with state
13 land stewardship, with invasive species
14 control. There has certainly been a
15 multigenerational, bipartisan support for the
16 Adirondack Park, and this budget really
17 affirms that.

18 A lot of the issues that people have
19 talked about I address in my written
20 statement; I won't go through those.

21 We are concerned about the
22 \$300 million funding with \$120 million coming
23 from a one-shot. This is from the settlement
24 funds. We think that we need to get the EPF

1 back on track with rational funding. It used
2 to be funded straight from the real estate
3 transfer tax. We think the Legislature needs
4 to look at other options for funding. An
5 excise tax on outdoor recreational equipment;
6 many other states have a surcharge on
7 motorboat registrations to fund aquatic
8 invasive species programs. We think that's
9 something to look at as well. There are a
10 number of different taxes that could be
11 dedicated to an Environmental Protection Fund
12 that we think would stabilize the fund and
13 provide it to grow in the future.

14 Right now, even at \$300 million -- in
15 a \$145 billion budget, that's .002 percent --
16 that's tiny spending, and it really doesn't
17 meet our needs. Previous speakers have
18 talked about a \$10 billion backlog for
19 municipal water and sewage and other
20 infrastructure projects. These are enormous
21 needs that are only going to grow in the
22 future.

23 Just hitting on a couple of the
24 highlights: Land acquisition funding is very

1 important. The aquatic invasive species and
2 invasive species funding is very important.
3 The state land stewardship funding is
4 receiving a significant boost; that is really
5 the forest preserve recreational
6 infrastructure. We have a backlog in the
7 Adirondacks of over \$7 million of
8 infrastructure projects that have been
9 approved but have not been built.

10 Climate change is a major new addition
11 to the Environmental Protection Fund. The
12 resiliency planning funding will help
13 significantly in helping New York to position
14 to meet some of the changes.

15 But just in the Adirondacks, we have
16 over 400 road culverts that have been
17 identified as being too small, given the
18 storms that we're having, given the change in
19 30 percent more rainfall in many parts of the
20 Adirondacks than what we saw 20 years ago.
21 And the way those rainstorms come, we have
22 many more 2-inch storms, many more 3-inch
23 storms. The culverts in our roads -- and
24 that's just one example of the

1 infrastructure -- due to climate change, it
2 is no longer sufficient.

3 So we're very pleased to be able to
4 support the Governor's budget, but there's
5 much more work that needs to be done.

6 Thank you.

7 CHAIRWOMAN YOUNG: Thank you very
8 much.

9 Sorry, Senator Krueger would like to
10 make a statement.

11 SENATOR KRUEGER: I just want to thank
12 you for pointing out that you want more for
13 EPF. I was getting a little nervous that
14 everybody was simply testifying, okay,
15 \$300 million, we're all happy. You're never
16 supposed to be happy. You're the advocacy
17 community --

18 MR. BAUER: No, I mean --

19 SENATOR KRUEGER: So thanks for --

20 MR. BAUER: Three hundred million is
21 not adequate for what we need in this state.
22 A billion dollars wouldn't be adequate for
23 what we need in this state. But we need
24 sustainable funding, year after year, at a

1 much higher level to meet our challenges.

2 Absolutely, Senator.

3 SENATOR KRUEGER: Thank you very much.

4 CHAIRWOMAN YOUNG: Thank you.

5 SENATOR SAVINO: He's the only one
6 that says {inaudible}.

7 (Laughter.)

8 CHAIRWOMAN YOUNG: Very good. Thank
9 you, Senator Savino.

10 Our next speaker is Dan Shapley, water
11 quality program manager for Riverkeeper, Inc.
12 And following him will be Scenic Hudson.

13 MR. SHAPLEY: Hi. Thank you so much
14 for having me here on behalf of Riverkeeper.

15 Riverkeeper turns 50 years old this
16 year, on March 18th. And we've been fighting
17 for 50 years to protect the Hudson River, its
18 watershed, and the drinking water that we all
19 rely on.

20 CHAIRWOMAN YOUNG: I see you have
21 several pages. So could you hit the
22 highlights, maybe, instead of reading the
23 whole thing?

24 MR. SHAPLEY: Okay, I'm not reading

1 it. Don't worry.

2 CHAIRWOMAN YOUNG: Okay.

3 MR. SHAPLEY: I wanted to just evoke
4 the reason behind our advocacy behind the
5 water infrastructure a little bit.

6 The Sewage Pollution Right-to-Know Law
7 that you passed in 2012 documented on average
8 five sewage spills into our waters each week
9 in 2015. Our own data, Riverkeeper's data
10 testing the Hudson River, has found roughly
11 one in four samples that we've taken of the
12 water failed to meet safe swimming standards
13 set by the federal government.

14 We see on farms of some of our largest
15 dairies that lack manure storage -- this is
16 an issue that the Farm Bureau referenced a
17 little bit, I'll just be a little more
18 evocative -- what happens on these large
19 dairies is they don't have storage for their
20 manure, they spread it on the ground in
21 winter. The ground is frozen, and then with
22 the first rains it runs off into streams.
23 Huge pollution events.

24 So we are urging -- I will get to our

1 priorities then. We have been part of this
2 coalition that Patricia spoke eloquently
3 about to ask for \$800 million for the Water
4 Infrastructure Improvement Act, so we would
5 like you to keep that number in mind as you
6 look for ways to increase the welcome funding
7 that we're very pleased that the Governor
8 proposed in this budget.

9 As Patricia indicated, and I'm glad
10 she did, New York State faces the largest
11 need in the nation. And that is a new
12 statistic that just came out a week or so
13 ago. And I didn't hear it mentioned earlier
14 in the day when the DEC commissioner was
15 here, so I'm glad that you are all aware of
16 that now.

17 Two, we are enthusiastic supporters of
18 the \$300 million for the Environmental
19 Protection Fund. However, we are interested
20 particularly in a couple of the lines.

21 The Water Quality Improvement Program
22 line, like the Water Infrastructure
23 Improvement Act, provides critical grant
24 money for communities. Every additional

1 dollar there will get used. The DEC just
2 gave out three years' worth of those grants
3 in December; it was oversubscribed by a ratio
4 of four-to-one. So every dollar will make a
5 difference there.

6 Similarly, the Agricultural Non-Point
7 Pollution line, as I said, will address that
8 large dairy manure-spreading problem.

9 And finally, the Hudson River Estuary
10 Program we believe would be effectively
11 funded at \$6.5 million. This is a wonderful
12 model program for the state, a collaborative,
13 non-regulatory strategy for developing a
14 vision and implementing it for our whole
15 region.

16 Our third priority is the DEC
17 staffing, which you've heard several others
18 mention. I'll just mention quickly that a
19 30 percent reduction in staff since the 1990s
20 has led to huge reductions in enforcement of
21 our clean water laws, resulting in more water
22 pollution. We have a 19 percent increase in
23 facilities that are in significant violation
24 of their permits -- at the same time, a

1 64 percent reduction in the enforcement
2 against those same polluters. So it's time
3 to right that ship and start to put resources
4 back into the DEC.

5 And finally, an element that was not
6 in the Governor's budget that we urge you to
7 consider as part of your role in crafting
8 this budget is financial assurance
9 legislation that would -- right now,
10 New Yorkers are on the hook as taxpayers if
11 there's an oil spill from the increasingly
12 prolific transportation of crude oil and
13 other petroleum products through our state by
14 train, barge, and perhaps pipeline. What
15 this legislation would do is make sure that
16 the companies have the financial ability to
17 handle a spill.

18 If you will, just imagine a spill from
19 a barge at Poughkeepsie where 75,000 people
20 draw their drinking water. Or an explosion
21 from a train right outside our door in the
22 Capital District, or in midtown Kingston near
23 my own home. So please consider this
24 legislation.

1 Thank you for your time, and I'd be
2 happy to answer any questions.

3 CHAIRWOMAN YOUNG: Thank you.

4 Senator Krueger has a question.

5 SENATOR KRUEGER: So it wasn't in your
6 testimony, and we may just need to have a
7 conversation offline. Where is Riverkeeper
8 as far as your optimism or lack of optimism
9 that we're going to finally get GE back in to
10 finish what they have not finished in the
11 Hudson River?

12 MR. SHAPLEY: Well, the Natural
13 Resource Damages line is an important part of
14 that, so we're supportive of the proposed
15 spending there.

16 You know, it's -- I will defer that
17 question a little bit to my colleague Andy
18 from Scenic Hudson, who's going to speak
19 next. I think he could probably -- he's
20 probably more up on the details specifically.
21 It's not my area of expertise at Riverkeeper.

22 So I'm very hopeful, it's an issue
23 I've followed for many years, and I'm hopeful
24 we can get that job done.

1 SENATOR KRUEGER: Thank you.

2 CHAIRWOMAN YOUNG: What a perfect
3 segue.

4 MR. SHAPLEY: Yes.

5 CHAIRWOMAN YOUNG: I want to thank
6 you, Mr. Shapley, for your testimony today.

7 And I would also like to welcome Andy
8 Bicking, director of public policy for
9 Scenic Hudson. And so the tag team is in
10 action. And then following him will be the
11 Open Space Institute.

12 MR. BICKING: Thank you, members of
13 the Legislature, and I'm really pleased to go
14 after my colleague at Riverkeeper and before
15 my colleague Erik Kulleseid of the Open Space
16 Institute.

17 You've heard so much this afternoon
18 and this morning already about the wonderful
19 aspects of the Environmental Protection Fund,
20 the new Water Infrastructure Improvement
21 grants. Scenic Hudson thanks you for your
22 incredible leadership that has helped us get
23 to this remarkable moment today, and we join
24 with many others in calling for support of

1 these elements in the Governor's budget.

2 What I would like to focus on today is
3 to give you a snapshot of how these funds can
4 be mobilized in the Hudson River Valley and
5 how we might expect them to play out. And
6 with this in mind, I offer you a
7 seven-paragraph abbreviation of my testimony
8 which you have before you.

9 Like never before, communities
10 throughout the region are leveraging their
11 natural resources to enhance residents'
12 quality of life and economic prosperity. In
13 Dutchess and Putnam counties, for example,
14 local governments are seeking to connect the
15 City of Beacon with the Village of
16 Cold Spring through the Hudson Fjord Trail,
17 making a high-speed roadway safer for hiking
18 and bicycling while boosting tourism.

19 The City of Poughkeepsie and the Town
20 of Lloyd are capitalizing on their
21 relationships, the Walkway Over the Hudson
22 State Park, by investing in trails and
23 revitalizing their downtown urban cores to
24 create better gateways to this remarkable

1 span that stretches across the Hudson River.

2 These two projects are not standalone
3 efforts. There's strong community support
4 for many similar efforts across the region
5 from ongoing progress in the City of Kingston
6 to establish the Greenline Trail, to the Town
7 of Esopus and Lloyd, to the John Burroughs
8 Black Creek Corridor in Ulster County, and in
9 Catskill to the Hudson Skywalk and Rip Van
10 Winkle Bridge which will link Greene County
11 and Columbia County, and also regionally
12 creating shorelines to be able to withstand
13 severe storms in Rockland, Ulster, and Greene
14 counties as well as enhancing the Westchester
15 RiverWalk to the south.

16 All of these initiatives require the
17 diverse types of funding enabled through the
18 Environmental Protection Fund, including open
19 space preservation.

20 Collaboration is key to the success of
21 many of these initiatives, statewide and in
22 the region. Many nonprofits, private
23 landowners, and communities are partnering to
24 implement strategic plans put together by the

1 Regional Economic Development Council, the
2 Hudson River Estuary Management Program, the
3 Open Space Plan, and the objectives of last
4 year's groundbreaking Hudson Valley
5 Agricultural Enhancement Program, which I'm
6 pleased to say is off to a great start and
7 doing very, very well.

8 The Governor's program will continue
9 to enable many initiatives like I've
10 described to you, both through the EPF and
11 the \$100 million increase in the Water
12 Infrastructure Improvement grants. And I
13 should note, as has been cited before, that
14 these investments build on years of
15 legislative interest and advocacy, so again,
16 thank you so much.

17 Scenic Hudson would like to ask the
18 Legislature specifically to support these
19 elements of the Governor's proposal and, if
20 it is possible to find money elsewhere in the
21 budget, support additional funds for the
22 Water Infrastructure Improvement Grant
23 program.

24 In many cases, the state's commitment

1 will be supported by legacy-level investments
2 locally and made from Washington. Hudson
3 Valley Land Trust, for example, has a strong
4 track record of leveraging farm bill money
5 put forward by the USDA. And most recently,
6 a bipartisan Congress approved record levels
7 of funding for the Land and Water
8 Conservation Fund and Highlands Conservation
9 Act, of which New York can benefit.

10 On the home front, we're very pleased
11 to see funding show up in several capital
12 budgets for Dutchess and Ulster County that
13 can further jettison {sic} these initiatives
14 to success.

15 So in summary, much has been
16 accomplished in the past year. We look
17 forward to accomplishing much in the year
18 ahead with you. The Hudson Valley region is
19 prepared, it has skin in the game, we're
20 ready to take full advantage of these
21 programs, partner with our state agencies,
22 and create a really successful story we can
23 all celebrate.

24 Thank you.

1 CHAIRWOMAN YOUNG: Thank you for those
2 words.

3 Senator Krueger.

4 SENATOR KRUEGER: Just that follow-up
5 question that I asked Riverkeeper and they
6 punted to you.

7 MR. BICKING: Thank you, Senator. And
8 thank you for your advocacy on the PCB
9 campaign in recent months. We really
10 appreciate the leadership that you have
11 provided, as well as incredible support,
12 bipartisan support, from a huge majority of
13 Assembly members. Assemblyman Englebright,
14 we really appreciate your leadership in the
15 last legislative session on that front.

16 The PCB cleanup remains a very
17 complicated initiative. We've got a variety
18 of kind of very complex federal laws that are
19 in place. We have an impending natural
20 resource damage claim on the Hudson River
21 that would reap some benefit for the public,
22 who has suffered because of the presence of
23 PCB pollution that has been caused by the
24 General Electric Company.

1 The current call by Scenic Hudson,
2 Riverkeeper, NRDC, and other advocacy
3 organizations -- including the Sierra Club,
4 who's here with us today -- has been asking
5 the U.S. EPA to speed up its current
6 five-year review of the cleanup. We hope
7 that with the new data on the table, we will
8 be able to kind of conclusively prove that
9 the need for getting additional dredging in
10 the Hudson River is very real and needed.

11 So we are, you know, following that
12 process very, very closely, advocating very
13 strongly to both the Governor's office and
14 federal agencies in Washington. And we're
15 optimistic that with continued legislative
16 support we can be successful in that effort
17 over time.

18 SENATOR KRUEGER: And even though you
19 talked about a five-year federal review, is
20 there some expectation that we actually have
21 to wait out a five-year clock before any
22 action might happen?

23 MR. BICKING: The five-year review is
24 called the five-year review because it

1 happens every five years. So we're coming
2 into another phase when that's necessary.

3 And we have actively communicated to
4 the U.S. EPA and federal trustees about kind
5 of what that needs to look like to ensure
6 successful cleanup.

7 SENATOR KRUEGER: Thank you.

8 MR. BICKING: Thank you.

9 (Discussion off the record.)

10 CHAIRWOMAN YOUNG: Thank you so much.

11 MR. BICKING: Thank you.

12 CHAIRWOMAN YOUNG: Thank you.

13 Our next speaker is Erik Kulleseid,
14 senior vice president of the Open Space
15 Institute. And following him will be the
16 Green Education and Legal Fund.

17 Thank you for being here.

18 MR. KULLESEID: You did a much better
19 job than Senator DeFrancisco, I have to say.
20 Every year he struggled with my name.

21 CHAIRWOMAN YOUNG: I'm glad to hear
22 that.

23 MR. KULLESEID: And you rolled it out.

24 CHAIRWOMAN YOUNG: And I'm going

1 master Mr. Chlad's name next year. So thank
2 you.

3 MR. KULLESEID: And I've gotten used
4 to the -- sort of the graveyard spot. I kind
5 of like this spot on the agenda. It's much
6 more informal and then conversant --
7 conversational, in a way.

8 Thank you, Senator Savino, Senator
9 Krueger, Senator Young, Assemblyman Farrell,
10 Assemblyman Oaks, and Assemblyman
11 Englebright. Thank you for letting me be
12 here today.

13 I am Erik Kulleseid, and I am with the
14 Open Space Institute and its Alliance for
15 New York State Parks program. And I guess
16 that if you had to capture it in a nutshell,
17 we are sort of a member of the private part
18 of the public/private park partnership
19 business -- a lot of p's -- and really
20 working close to areas important to all of
21 you. You all are close to state parks, and
22 they impact your constituents and are worth
23 our supporting.

24 You know, I'm not going to read my

1 testimony. Suffice it to say that we
2 obviously support wholeheartedly the
3 additional \$90 million in capital funding for
4 the State Parks system. We are fully
5 supportive of \$300 million for the
6 Environmental Protection Fund; it allows us
7 to leverage private dollars in both those
8 circumstances to support some of the things
9 we heard about today -- the Letchworth Nature
10 Center, where we are fundraising for exhibits
11 and for an endowment for that new facility.
12 We are always looking for --

13 CHAIRWOMAN YOUNG: Thank you for that,
14 by the way.

15 MR. KULLESEID: It's a pleasure.
16 Actually, you know, someday I want to go to
17 Allegany, because that -- the red house area
18 with the administration building ought to be
19 just some spectacular destination.

20 CHAIRWOMAN YOUNG: It's phenomenal.
21 Let me know when you want to come.

22 MR. KULLESEID: Right, and it's a
23 beautiful building.

24 But, you know, so those are the

1 things -- and, you know, I would say the only
2 thing I think we need to be concerned about
3 is, you know, with a state park system that's
4 increased visitation at 10 percent, going up
5 dramatically, does the state have the
6 resources to manage it effectively. Right?

7 We're making a huge investment in
8 infrastructure, and we should be thinking
9 more about operating and maintaining and
10 making sure these facilities stay beautiful
11 for as long as they should and for the next
12 few generations.

13 And, you know, beyond those little
14 points, I just want to -- you know, this area
15 of parks and environment is a place where
16 New York is really showing that government
17 works, government functions. We hear a lot
18 of criticism of government these days, and we
19 also hear a lot of inability to come together
20 in bipartisanship. And when you look at
21 what's happened in the last five years in
22 New York, it's really phenomenal.

23 I mean, five years ago, or in 2010, if
24 I get a little extension, we were talking

1 about 90 out of 213 state parks closing, and
2 the EPF had collapsed by 47 percent. And
3 look where we are now. You know, through a
4 bipartisan partnership we are restoring the
5 best state park system in the country,
6 putting -- and I listen to my colleagues in
7 other states, and they all bemoan
8 still-closing state parks, no public funding
9 dollars, no general fund dollars.

10 And in New York we tell a different
11 story. We are leading in something that is
12 so fundamental to the quality of life in this
13 state. And I commend the Senate, the
14 Assembly, and the Governor for forging the
15 kind of bipartisan spirit that we need to
16 support our park system.

17 And I call on you -- and I don't think
18 it's a heavy lift, because as one of my
19 predecessors said, you all supported the
20 \$300 million EPF in the past. It's great to
21 see everyone coming together behind it now,
22 and it's a great down payment on the future.

23 Senator Krueger, you're absolutely
24 right: It's not enough, and we need to keep

1 going. But I think -- you know, it's clearly
2 a step in the right direction and, you know,
3 it's exciting to be a New Yorker right now,
4 and I say thank you.

5 CHAIRWOMAN YOUNG: Thank you so much.
6 I don't believe there's any questions, so
7 thank you for -- I'm sorry.

8 Assemblyman.

9 MR. KULLESEID: And former Parks
10 chair. We miss you, Assemblyman Englebright.

11 ASSEMBLYMAN ENGLEBRIGHT: My heart is
12 still in the work that OSI does and that
13 State Parks does, although I've branched out
14 a little bit.

15 I wonder if you could just inform a
16 little bit -- you say you're building an
17 endowment for the Nature Center at
18 Letchworth?

19 MR. KULLESEID: That's correct.

20 ASSEMBLYMAN ENGLEBRIGHT: Who would
21 hold that endowment?

22 MR. KULLESEID: It'll be held by the
23 Natural Heritage Trust --

24 ASSEMBLYMAN ENGLEBRIGHT: Mm hmm.

1 MR. KULLESEID: -- which is the
2 special-purpose entity set up by the state to
3 be able to hold endowments in private
4 dollars.

5 ASSEMBLYMAN ENGLEBRIGHT: Would it
6 have a 501(c)(3) organization?

7 MR. KULLESEID: The Natural Heritage
8 Trust is actually a 501(c)(3), it can accept
9 donations. You can write a check to the
10 Natural Heritage Trust tomorrow, and it's
11 tax-deductible and they are a 501(c)(3).

12 ASSEMBLYMAN ENGLEBRIGHT: So there's
13 no local friends group envisioned that would
14 have its own separate incorporation?

15 MR. KULLESEID: There is a friends
16 group, there's Friends of Letchworth. But I
17 think that they are small and their capacity
18 to manage an endowment of a million dollars
19 or more is limited. So it really makes sense
20 to put that in the NHT.

21 ASSEMBLYMAN ENGLEBRIGHT: Mm-hmm.

22 You also mentioned major restoration
23 projects at three state parks. Minnewaska is
24 of interest to me.

1 MR. KULLESEID: Yes.

2 ASSEMBLYMAN ENGLEBRIGHT: It's a pine
3 barrens park. What is going on there?

4 MR. KULLESEID: Minnewaska? It really
5 is one of -- I consider New York's flagship
6 parks to really be national parks. Right?
7 There really are no national parks in
8 New York to speak of, and it's really our
9 greatest landscapes -- Minnewaska,
10 Allegany -- that are national parks.

11 So Minnewaska, we are already in the
12 process of assisting the state to restore all
13 those incredible carriage roads with their
14 views out over the Hudson Valley and
15 following those lovely escarpments and
16 cliffs. It's a restoration project that we
17 are now in -- we are just finishing up our
18 third carriage road, having invested nearly a
19 million and half dollars, and we're looking
20 at a major, major connection.

21 And then OSI and the state, as you may
22 have seen this fall, have announced that we
23 are partnering to build a visitor's center
24 near Minnewaska. Because if you know

1 Minnewaska, it's the grounds of the old hotel
2 resorts where there's still parking lots,
3 parking and things like that, but there's no
4 visitor amenities to speak of.

5 So that's where we're heading in the
6 next couple of years. It's very exciting.

7 ASSEMBLYMAN ENGLEBRIGHT: It is
8 exciting. Thank you so much for the advocacy
9 and the good work that you do.

10 MR. KULLESEID: It's a pleasure. A
11 total pleasure.

12 ASSEMBLYMAN ENGLEBRIGHT: Thank you
13 for being here today. Thank you.

14 MR. KULLESEID: A total pleasure.

15 CHAIRWOMAN YOUNG: Thank you,
16 Mr. Kulleseid.

17 MR. KULLESEID: But really, Allegany
18 we're going to do.

19 CHAIRWOMAN YOUNG: Let me know. Give
20 me a call, okay?

21 MR. KULLESEID: Okay. Thank you very
22 much.

23 CHAIRWOMAN YOUNG: We'd love to host
24 you. Thank you so much.

1 Our next speaker is Dr. Steve Breyman,
2 associate professor, from the Green Education
3 and Legal Fund. And following him will be,
4 last but not least, the Sierra Club.

5 So is Dr. Breyman still here? Perhaps
6 not. Then I would like to welcome Roger
7 Downs, conservation director from the
8 Sierra Club.

9 MR. DOWNS: If you'll forgive me,
10 I'll --

11 CHAIRWOMAN YOUNG: You must be parched
12 after so many hours.

13 MR. DOWNS: Thank you for staying so
14 late to hear our testimony.

15 My name is Roger Downs, and I'm the
16 conservation director for the Sierra Club
17 Atlantic Chapter. We are a volunteer-led
18 environmental organization of 40,000 members
19 statewide dedicated to protecting New York's
20 air, water, and remaining wild places.

21 The 2016-2017 Executive Budget
22 proposal represents an important convergence
23 of the state's economic recovery with a
24 growing political determination to act on the

1 behalf of our fragile climate and precious
2 natural resources. Governor Cuomo's budget
3 proposal largely demonstrates that good
4 environmental policies can also be great job
5 creators and economic generators.

6 Conversely, as we have seen in Flint,
7 Michigan's tragic drinking water lead
8 contamination scandal and the uncontrollable
9 methane storage breach in Porter Ranch,
10 California, failure of government to properly
11 fund and manage environmental protection can
12 have a dire economic consequence that far
13 surpasses the costs of responsible
14 stewardship.

15 I want to add our voice to the chorus
16 of praise for a \$300 million EPF. This is a
17 historic moment and one that will be
18 well-spent. We know that every dollar that
19 goes into EPF funding yields \$7 in economic
20 activity. I think that's really important,
21 but we also want to add our voices to the
22 concern that in following budget cycles we'd
23 like more of that money to come from the
24 RETT.

1 I can echo also the comments and
2 concerns for DEC staffing. While a lot of
3 the EPF will go to supporting new programs
4 there, if you look over the past 10 years --
5 and we detail that in our comments -- DEC has
6 taken on tremendous new responsibilities and
7 we have concerns that they cannot uphold
8 their basic mandate under the Clean Water
9 Act, Clean Air Act. And we have great
10 concerns there. I think it would be a good
11 conversation for the Legislature to have
12 about increasing those staff numbers.

13 But I think what I'd like to talk
14 about, and it hasn't been talked about much
15 today, is the Governor's announcement at the
16 State of the State budget address, of his
17 intention -- the mandate to cease -- to phase
18 out all coal generation by 2020.

19 The Sierra Club was overjoyed with
20 this announcement. Phasing out New York's
21 four remaining coal plants -- this would be
22 Dunkirk, Huntley, Somerset, and Cayuga --
23 represents a 13 percent decrease in
24 greenhouse gas emissions. Even though coal

1 is 4 percent of the share in the electric
2 sector, it is 13 percent of greenhouse gas
3 emissions -- which will go a long way to the
4 state's goals of 40 percent reduction by 2030
5 of greenhouse gases and 80 percent by 2050.

6 You know, aside from the greenhouse
7 gas reductions, we were also overjoyed by
8 having less mercury in our water, protecting
9 children and the elderly and low-income
10 communities that suffer the disproportionate
11 effects of the air pollution that comes with
12 it -- asthma, heart disease, and everything.

13 But I will say we share no joy with
14 the workers and the communities that will
15 lose their tax base because of these
16 closures. We have great concern for the
17 workers, and we are embracing this notion
18 that the Legislature and the Governor,
19 through innovative means, should be
20 supporting funding for transition plans.

21 I think there is a false narrative out
22 there that this declaration that -- my God,
23 time goes so quickly -- that closing down
24 coal plants was inevitable, like it didn't

1 need a declaration. We've seen the subsidies
2 that have gone to coal plants have largely
3 outweighed what the community benefit is.
4 Hundreds of thousands of dollars in RSSA is
5 going to the coal plants, when the
6 communities desperately need money but it's
7 in the tens of millions.

8 We really feel that having these
9 transition plans is really the best way that
10 we can get around this, because all of this
11 is on the backs of the ratepayers. Hundreds
12 of millions of dollars on the backs of the
13 ratepayers when, if we can find a mechanism
14 to float the tax bases for five years, to
15 provide worker retraining, to get renewable
16 energy development into these districts, that
17 would be the most important thing.

18 So I would ask that the Legislature
19 work with the Governor. Nineteen million
20 dollars at the end of session last year was
21 allocated to a fund to help communities
22 transition from the loss of a fossil fuel
23 plant. I think we can add to that fund.
24 There are certainly out-of-budget funds from

1 NYPA, from Empire State Development Corp. and
2 the Federal Power Initiative, which is a
3 federal program that can provide these
4 communities with money.

5 I think that once we start a mechanism
6 like that, it can be a blueprint, because we
7 have four coal plants, we've already heard
8 tragic stories about the closure of nuke
9 plants and what that will do to the
10 communities. I think this is something very
11 important to get behind.

12 CHAIRWOMAN YOUNG: Well, thank you for
13 your testimony, and I do want to address it.

14 Sierra Club has consistently opposed
15 the repowering of the Dunkirk coal plant into
16 a clean natural-gas plant, and I have to tell
17 you I find that disappointing in so many
18 ways. It is critical to the community's
19 future, it is improving our environment.

20 And what really vexes me is the
21 reality that the Sierra Club, on Monday,
22 December 14, 2015, one state over, in Ohio,
23 issued a press release praising the
24 repowering of a coal plant there into a clean

1 natural-gas plant. So if it's good in Ohio,
2 why is it bad in New York? And why do you
3 take it upon yourselves to contradict policy
4 from state to state? I would think that you
5 would want to be consistent in your policies.
6 I would think you would want to be consistent
7 in having an array of clean power sources in
8 New York.

9 And so I just wanted to point that
10 out, because I believe honestly that it's
11 hypocritical that it's okay in Ohio and other
12 states -- and I can tell you other states,
13 too, where the Sierra Club is saying that
14 it's a great thing to repower into a clean
15 natural-gas plant -- but what's good for
16 other states, however, doesn't seem to be
17 good for New York.

18 MR. DOWNS: Well, I will say in the
19 case of Dunkirk, certainly a small
20 transmission fix, \$7 million, could satisfy
21 reliability, that repowering was unnecessary.
22 And ultimately --

23 CHAIRWOMAN YOUNG: I fully disagree
24 with you on that. And --

1 MR. DOWNS: Well --

2 CHAIRWOMAN YOUNG: -- and, you know --

3 MR. DOWNS: -- we have the Independent
4 System Operator that has weighed in and said
5 that there's no new power that's needed, at
6 least to 2020, that basically this isn't
7 needed. We have the Business Council that's
8 stood with us in opposing repowering because
9 it's just -- it's a huge burden on
10 ratepayers. We know that if Dunkirk
11 repowers, everyone's going to be looking
12 for where do we put this power.

13 CHAIRWOMAN YOUNG: It is -- you know,
14 and I fully disagree with you. There are
15 studies that have been done. There is a need
16 for the power. There is a congestion problem
17 in Western New York. And that this plan that
18 was put forward and approved actually saves
19 ratepayers money.

20 So I think we will agree to disagree
21 on this particular point. But the bottom
22 line is we need to have baseload power plants
23 in New York in order to not only provide the
24 power that we need, but it's to grow and

1 create jobs, manufacturing jobs, keep the
2 jobs at the plants, clean the environment,
3 stabilize the tax base in communities, and
4 make sure that we have a future, and
5 especially in Western New York but across the
6 entire state.

7 So I would ask that you actually
8 reconsider your position on this point,
9 especially since you are in a totally
10 different place in other states, and I find
11 that incomprehensible.

12 So thank you.

13 MR. DOWNS: Senator, may I just very
14 quickly just say that I'd love to work with
15 you on the points that we do agree on, which
16 is supporting the communities that
17 inevitably cannot repower. And I think
18 that's important in getting a transition
19 program together. And I would welcome your
20 support there.

21 Thank you.

22 CHAIRWOMAN YOUNG: Thank you.

23 SENATOR KRUEGER: Thank you very much,
24 Roger.

1 CHAIRMAN FARRELL: Thank you.

2 CHAIRWOMAN YOUNG: I think that this
3 concludes testimony at the joint legislative
4 hearing on the environmental conservation
5 budget. So I want to thank everyone for
6 being here today.

7 Thank you for the troopers in the
8 Legislature who stuck out the entire time; my
9 colleague, Chairman Denny Farrell. So thank
10 you.

11 (Whereupon, the budget hearing
12 concluded at 6:30 p.m.)

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