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Assemblyman 3rd District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

RANKING MINORITY MEMBER
Task Force on Food, Farm and Nutrition Policy

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Aging
Education
Small Business
Tourism, Parks, Arts and Sports Development
Transportation

February 26, 2016

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

In theory, bringing in PSEG-LI – a subsidiary of a company who “believes energy utilities can be among society’s most important allies on the path to a sustainable future¹” – would be music to the ears of the growing chorus of voices calling for an energy self-sufficient Long Island. Unfortunately, in practice those calls have fallen on deaf ears.

On Long Island, PSEG-LI is opposing the construction of Caithness II, a new, clean, highly efficient gas-fired, combined-cycle power plant, as part of a balanced mix of resources, including energy efficiency, distributed energy resources, renewable resources and clean baseload generation. In essence, the company is asserting we should suffice with the current electric fleet – largely made up of antiquated, inefficient, polluting power plants built in the shadow of World War II – and a significant dependence on expensive imports including from the plants PSEG itself owns.

In stark contrast, PSEG, the parent company of PSEG LI, is constructing large, new gas-fired, combined-cycle power plants in New Jersey and Connecticut. PSEG proudly claims that these plants would boost local economies, create jobs, provide needed local property taxes and ensure a more reliable energy grid. In New Jersey, PSEG touts that it “is creating an additional 2,000 jobs a year over three years as it moves ahead with its Energy Strong program to make its systems more resilient against extreme weather,²” while on Long Island, the company has kept our electric system dependent on obsolete and unreliable plants, the largest of which are built on the coastline and unable to handle the increasing threat of 100 year storms.

The hypocrisy is astounding.

In its own words, PSEG believes that by building new plants “it is possible to power the economy, provide good jobs for people and protect the environment at the same time.³” Apparently that sentiment does not apply to Long Island.

In 2013, before PSEG LI took over management of Long Island’s electric system, LIPA selected the Caithness II plant, based in part on its favorable economics, the plant’s high efficiency, and its reduction in overall air emissions, since the plant would displace generation from less efficient generators, and its strong community support.

¹ http://njbmagazine.com/special_sections/profiles-in-success-2015/public-service-enterprise-group/

² Ibid.

Caithness II would greatly reduce our carbon footprint, create 500 good paying union construction jobs, make Long Island more resilient against ever more frequent storms and the growing effects of climate change, and provide needed local property tax revenues.

Caithness II is exactly the type of project PSEG-LI would be promoting if not for one fatal flaw – the company does not stand to make a profit.

The obvious conclusion is that PSEG-LI is protecting PSEG's bottom line. New gas-fired combined-cycle generation built on Long Island, such as the Caithness II plant, will greatly reduce the amount of electricity imported to Long Island. This increased self-sufficiency poses a threat to the market share of PSEG, whose generating facilities in New Jersey and Connecticut sell electricity to Long Island through off-shore transmission cables.

Long Island can no longer afford to have its welfare subverted by corporate self-interest. The Caithness II project is Long Island's best opportunity for a self-sufficient and reliable energy supply that will save ratepayers money and boost the local economy – while improving the environment and public health.

PSEG-LI officials argue that on-island power generation is not needed because Long Island already has too many power plants and we do not need the extra capacity. However, when it comes to Long Island's energy needs, the status quo is simply unacceptable. The status quo will not meet the needs of Long Islanders, who want lower rates, more jobs, cleaner air and water, an improved economy, and an infrastructure that is resilient and secure in the face of superstorms and other extreme weather events. Continuing to rely on old, inefficient and polluting generators won't produce these benefits, and neither will the continued reliance on imported power.

Long Islanders are wising up to this reality, but it will take stronger action to defend Long Island's energy future. I applaud your strong support for a substantial reduction in greenhouse gas emissions, a significant increase in the generation of electricity from renewables, and the need for increased measures to address the severe effects of climate change. I agree that these measures are critical to protecting the health and welfare of New Yorkers. I believe, however, that we are going in the wrong direction on Long Island and need your further help. I urge you to investigate why PSEG is pro-investment in New Jersey and Connecticut, but not on Long Island, and to support the Caithness II plant.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Murray". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Dean Murray
NYS Assemblyman
Third District