

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

3 -----

4 JOINT LEGISLATIVE HEARING

5 In the Matter of the
6 2018-2019 EXECUTIVE BUDGET ON
7 ENVIRONMENTAL CONSERVATION

8 -----

9 Hearing Room B
10 Legislative Office Building
11 Albany, New York

12 February 27, 2018
13 10:06 a.m.

14

15 PRESIDING:

16 Senator Catharine M. Young
17 Chair, Senate Finance Committee

18 Assemblywoman Helene E. Weinstein
19 Chair, Assembly Ways & Means Committee

20 PRESENT:

21 Senator Liz Krueger
22 Senate Finance Committee (RM)

23 Assemblyman Robert Oaks
24 Assembly Ways & Means Committee (RM)

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

28 Assemblyman Steve Englebright
29 Chair, Assembly Committee on
30 Environmental Conservation

31 Senator Patricia A. Ritchie
32 Chair, Senate Committee on Agriculture

33

1 2018-2019 Executive Budget
Environmental Conservation
2 2-27-18

3 PRESENT: (Continued)

4 Assemblyman William Magee
Chair, Assembly Committee on
5 Agriculture

6 Assemblyman Daniel J. O'Donnell
Chair, Assembly Committee on
7 Tourism, Parks, Arts and
Sports Development

8 Assemblyman Michael J. Cusick
9 Chair, Assembly Committee on Energy

10 Senator Diane J. Savino
Vice Chair, Senate Finance Committee

11 Senator Elizabeth O'C. Little

12 Assemblywoman Patricia Fahy

13 Assemblyman Robert Carroll

14 Senator Pamela Helming

15 Senator Brad Hoylman

16 Assemblyman Dan Stec

17 Senator Elaine Phillips

18 Assemblyman Steven Otis

19 Assemblywoman Addie Jenne

20 Assemblywoman Didi Barrett

21 Senator John E. Brooks

22 Assemblywoman Barbara S. Lifton

23 Assemblywoman Deborah J. Glick

24

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3 PRESENT: (Continued)

4 Senator Todd Kaminsky

5 Assemblywoman Carrie Woerner

6 Assemblyman Fred W. Thiele, Jr.

7 Assemblyman Walter T. Mosley

8 Assemblyman Clifford W. Crouch

9 Assemblywoman Crystal D. Peoples-Stokes

10 Assemblyman William Colton

11 Assemblywoman Christine Pellegrino

12 Assemblywoman Jaime R. Williams

13 Assemblyman Ken Blankenbush

14

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1 CHAIRWOMAN YOUNG: I can't believe how
2 quiet it is in here.

3 (Laughter.)

4 CHAIRWOMAN YOUNG: This has never
5 happened in the history of hearings, so I
6 congratulate everybody.

7 (Laughter.)

8 CHAIRWOMAN YOUNG: Good morning. I'm
9 Senator Catharine Young, and I am chair of
10 the Senate Standing Committee on Finance.

11 I'd like to welcome my colleagues,
12 especially Assemblywoman Helene Weinstein,
13 who is chair of the Ways and Means Committee
14 in the Assembly.

15 And I'll start by introducing some of
16 our colleagues who have joined us today. So
17 we have Senator Liz Krueger, who is ranking
18 member of the Finance Committee. We've got
19 Senator Tom O'Mara, chair of the Senate
20 Standing Committee on Environmental
21 Conservation. Senator Todd Kaminsky, ranking
22 member of EnCon. Senator John Brooks,
23 Senator Brad Hoylman, Senator Elaine
24 Phillips, and Senator Pam Helming.

1 Did I miss anyone?

2 Okay, Assembly?

3 CHAIRWOMAN WEINSTEIN: We're joined by
4 Assemblyman Englebright, chair of our EnCon
5 Committee; Assemblyman Cusick, chair of our
6 Energy Committee; Assemblyman O'Donnell,
7 chair of our Tourism Committee; Assemblyman
8 Otis, Assemblywoman Lifton, Assemblyman
9 Mosley, Assemblywoman Woerner, Assemblywoman
10 Barrett, Assemblywoman Glick, Assemblyman
11 Carroll, and Assemblyman Thiele.

12 And our ranker, Bob Oaks.

13 ASSEMBLYMAN OAKS: Yes, we've also
14 been joined by Assemblyman Crouch and
15 Assemblyman Stec.

16 CHAIRWOMAN YOUNG: Thank you.

17 The length of the hearing typically is
18 related to the number of pages of speakers
19 that we have. Today we have a three-pager.
20 So I would remind the speakers to summarize
21 as best as you can. Don't read your
22 testimony. And we also remind the members to
23 stay within the time limits.

24 Pursuant to the State Constitution and

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

12 Following each presentation there will
13 be some time allowed for questions from the
14 chairs of the fiscal committees and other
15 legislators.

16 I'd like to welcome Basil Seggos,
17 commissioner of the Department of
18 Environmental Conservation. And he will be
19 followed by the commissioner of the Office of
20 Parks, Recreation and Historic Preservation,
21 Rose Harvey.

22 So welcome, Commissioner. Glad to
23 have you here today.

24 COMMISSIONER SEGGOS: Great to be here

1 today. Thank you. Good morning, Chairwoman
2 Young, Chairwoman Weinstein --

3 (Interruption from protestors in
4 audience.)

5 CHAIRWOMAN YOUNG: Are you on the
6 speakers list?

7 (Protestors continue.)

8 CHAIRWOMAN YOUNG: Thank you. Please
9 take a seat. I'd like to let people know, we
10 do have a process where people are allowed to
11 speak, but you need to go through the
12 process.

13 (Protestors continue.)

14 CHAIRWOMAN YOUNG: I apologize,
15 Commissioner, for that rude interruption.

16 And we do have a process where
17 speakers and citizens are allowed to speak.
18 That's what today is about. As I said, we
19 have three pages of people who are speaking
20 today. And I would encourage people to
21 follow the process, because it's a disservice
22 to everyone who is here to speak.

23 So Commissioner?

24 COMMISSIONER SEGGOS: Thank you,

1 Chairwoman Young, Chairwoman Weinstein and
2 members of the legislative fiscal and
3 environmental conservation committees. I'm
4 Basil Seggos, commissioner of the DEC. And
5 on behalf of DEC's nearly 3,000 dedicated
6 professionals, thank you for the opportunity
7 to discuss the Governor's environmental
8 priorities for states fiscal year 2018-2019.

9 With me this year are Chief of Staff
10 Julie Tighe and Deputy Commissioner for
11 Administration Jeff Stefanko.

12 The past year has seen a dramatic
13 retreat from environmental protection at the
14 federal level. Washington is leading an
15 attack on the environment and science, and it
16 is jeopardizing the great gains we have made
17 as a nation over the last 40 years. New
18 York, by contrast, has set a high bar in
19 environmental leadership. Protecting our air,
20 water, and natural resources is critical not
21 just for safeguarding human health, but for
22 securing New York's economic future.

23 Thanks to the Legislature, our many
24 partners in advocacy, local government and

1 business, and Governor Cuomo's unwavering
2 commitment to the environment, New York is
3 providing national leadership on some of the
4 most pressing issues of our time.

5 While Washington works to decimate
6 federal funding for the environment, New York
7 is investing billions to expand renewable
8 energy, to strengthen clean water
9 infrastructure, and complete resiliency
10 projects across the state. While Washington
11 denies the existence of climate change and
12 works to scrap the Clean Power Plan, New York
13 cofounded the bipartisan U.S. Climate
14 Alliance and is committed to meeting our
15 share of the emissions targets. While
16 Washington rolls back water and air
17 protections, New York is regulating emerging
18 contaminants, suing the federal government
19 for upwind ozone emissions, and holding
20 polluters accountable.

21 2017 was another extraordinary year at
22 DEC. We continued our aggressive response to
23 water contamination, most notably in Hoosick
24 Falls, Petersburg, Newburgh, and across

1 Long Island. In Newburgh alone, we spent
2 nearly \$50 million in response to the
3 Department of Defense's PFOS contamination
4 and have recently completed construction of a
5 massive water filtration plant which will
6 protect the city's drinking water.

7 Having stepped in when the federal
8 government has failed to do so, it is now
9 their responsibility to reimburse the state
10 for our efforts to protect public health.
11 And our jointly created Drinking Water
12 Quality Council is developing drinking water
13 standards for emerging contaminants such as
14 PFCs and 1,4-dioxane.

15 Our first responders worked to protect
16 life and property across the state and
17 beyond. Forest Rangers conducted 346 rescue
18 missions. Environmental Conservation
19 Officers responded to more than 26,000 calls,
20 issued over 22,000 tickets, and conducted
21 dozens of investigations into environmental
22 crimes. We responded to record flooding on
23 Lake Ontario, and helped those outside our
24 borders impacted by fires and hurricanes,

1 including in Puerto Rico, Florida, Texas,
2 Montana, and California.

3 Working with you, we secured
4 generationally significant funding to protect
5 water through the \$2.5 billion Clean Water
6 Infrastructure Act. In year one alone, we
7 provided \$255 million in new grants and
8 \$527 million in low-cost financing from the
9 EFC to help local governments fund 169
10 projects. And these are transformational
11 projects in communities.

12 We dedicated another \$87 million just
13 for water quality protection, including land
14 acquisition and salt storage. And we just
15 announced \$15 million for the first year of
16 the septic system replacement program to
17 support projects in 31 counties across the
18 state.

19 We launched a community air monitoring
20 program in the South End of Albany to
21 identify opportunities to reduce air
22 pollution at the Ezra Prentice Homes. We
23 will soon be expanding this model to other
24 communities across the state.

1 We're fighting for a complete cleanup
2 of GE's PCBs in the Hudson River. EPA must
3 ensure that the dredging project is
4 protective of human health and the
5 environment. Our own data has shown that the
6 job is far from done, and the Governor and
7 Attorney General have pledged to sue the EPA
8 if they deem the dredging project complete.

9 The Governor's 2018-2019 budget
10 continues his strong environmental legacy.
11 This year marks the 25th anniversary of the
12 Environmental Protection Fund, a
13 transformational program. The budget again
14 proposes a \$300 million EPF, the third year
15 in a row at this record level.

16 Investments from the EPF protect water
17 sources, help forests and farms remain
18 resilient, monitor air pollution in urban
19 neighborhoods, provide access to public lands
20 for fishing and hunting, address
21 environmental concerns, help businesses
22 become more sustainable, and battle invasive
23 species -- all while supporting thousands of
24 jobs and billions of dollars in economic

1 activity.

2 The budget continues the \$100 million
3 a year Superfund program, which among many
4 things will allow us to continue to address
5 the Grumman plume in Long Island and dozens
6 of other priority sites around the state.

7 The budget also continues the Clean Water
8 Infrastructure Act to help our communities
9 upgrade aging infrastructure, and it also
10 prioritizes a \$20 million investment for the
11 Niagara Falls wastewater treatment plant.

12 The budget advances the Governor's
13 \$65 million program to combat harmful algal
14 blooms, or HABs. These are becoming more
15 frequent and intense, so we're launching an
16 initiative to aggressively combat HABs that
17 threaten drinking water and recreation on our
18 upstate lakes and waterways.

19 New York set the most aggressive
20 climate change goals in the country -- a
21 40 percent reduction in greenhouse gas
22 emissions by 2030, and an 80 percent
23 reduction by 2050. The Clean Energy Standard
24 requires us to obtain 50 percent of our

1 energy from renewables by 2030. And we're
2 conducting an in-depth study with NYSERDA on
3 how to reach 100 percent renewables. Our
4 sister agencies are making record investments
5 in clean energy programs.

6 And at DEC, we will be expanding our
7 RGGI to include "peaker" power plants, and
8 shortly we will be proposing regulations to
9 end the use of coal as a power source in New
10 York.

11 DEC is also working with NYSERDA and
12 DOT on a transformational plan to reduce
13 emissions from the transportation sector, the
14 largest source of greenhouse gas emissions.
15 Armed with the best ideas from business,
16 local government, and advocates, DEC will be
17 investing \$127 million in the Volkswagen
18 settlement proceeds in ways that will
19 accelerate that transformation.

20 The budget proposes an organic waste
21 recycling program to keep food scraps out of
22 landfills and divert food to those in need.
23 And we want to modernize the forest tax law
24 to protect privately owned forestland and

1 open space and promote the wood products
2 industry.

3 Lastly, this budget continues
4 Adventure NY, a multiyear campaign to connect
5 more New Yorkers and visitors to the great
6 outdoors. In its first year, Adventure NY
7 had notable ribbon cuttings and
8 groundbreakings across the state, such as at
9 the Five Rivers center, the Salmon River fish
10 hatchery, Frontier Town, and many other
11 locations in the Catskills, Adirondacks, and
12 statewide.

13 To support these initiatives, DEC's
14 budget for the coming year recommends state
15 operations appropriations of \$447.8 million
16 and a capital budget totaling \$796.4 million.
17 The budget maintains DEC staffing levels at
18 2,945 employees. This commitment will enable
19 DEC to continue building a stronger, more
20 resilient state.

21 Every day, DEC is on the front lines
22 of protecting public health and the
23 environment. While Washington is polarized
24 on so many issues, here in New York our

1 strong partnerships and our commitment to
2 results are cause for optimism. I know we
3 will succeed because with you, over the last
4 seven years, we have been doing just that.

5 Once more, I'd like to thank the
6 members of the committee for your time today,
7 and I'd be happy to answer your questions.

8 CHAIRWOMAN YOUNG: Thank you,
9 Commissioner, for that.

10 So the Executive Budget proposes to
11 maintain spending for the Environmental
12 Protection Fund at \$300 million, but there
13 are some changes. So I'd like to ask for
14 your input on those changes.

15 First of all, within the solid waste
16 account, there is \$300,000 in additional
17 funds for the pesticide database. So what
18 exactly is the purpose of those funds? How
19 would those be used?

20 COMMISSIONER SEGGOS: The pesticide
21 database actually is currently six different
22 databases, and we need to transition that
23 into a single database. So we anticipate
24 spending that additional \$300,000 in effect

1 to synchronize the six databases. Keep the
2 program going, but make it more efficient
3 through a better IT system.

4 CHAIRWOMAN YOUNG: I know there's been
5 an issue in the past about pesticides not
6 being approved quickly by the state, even
7 though they may be safer than ones that
8 already are being used. Would this help
9 streamline that process?

10 COMMISSIONER SEGGOS: It will help
11 streamline the process. I think the more
12 time we can spend reviewing applications, the
13 less time we spend managing information
14 between lots of different databases. It will
15 make us more efficient. So I anticipate that
16 will help us, yes.

17 ASSISTANT COMMISSIONER TIGHE: I
18 actually want to point out that we've already
19 gone through a process where we've leaned
20 that program, and we have not heard
21 complaints of late at all about registration
22 issues here in New York, because we've
23 greatly reduced the amount of time it takes
24 us to undertake those reviews.

1 CHAIRWOMAN YOUNG: Good. Thank you.

2 There also is a million dollars in
3 additional funds for environmental justice,
4 community impact and job training grants.
5 Could you tell us about that?

6 COMMISSIONER SEGGOS: Well, the
7 Governor last year announced a commitment to
8 enhancing job creation, particularly in the
9 environmental justice sector. The EPF is a
10 powerful tool for that.

11 This year we propose to expand that,
12 adding job training capabilities within
13 environmental justice communities. It's a
14 million extra dollars over where we were last
15 year on this.

16 CHAIRWOMAN YOUNG: Okay, thank you.

17 The natural resources damages program
18 is being cut by \$1.2 million. With the
19 significant number of flooding incidents,
20 does that seem like the right thing to do at
21 this time?

22 COMMISSIONER SEGGOS: Well, the
23 natural resource damage account really is
24 designed to support natural resource damage

1 assessments, which is a function of
2 contaminated site assessments. We have been
3 spending money out of that account at a
4 pretty healthy clip over the last few years,
5 largely to explore the damages associated
6 with the GE PCBs damages in the Hudson River.
7 We propose a reduction in that line this year
8 because we are nearing the very end of the
9 19-year assessment of damages.

10 NRD funds cannot be spent on damages
11 associated with, you know, severe weather,
12 extreme storms, flooding. It's really
13 dedicated to assessing damages based on
14 contamination.

15 CHAIRWOMAN YOUNG: Okay, thank you.

16 There also is a -- and this is a
17 separate account. This is Parks and
18 Recreation. So there's a decrease of
19 \$2.5 billion for zoos, botanical gardens and
20 aquariums. It's pretty huge. Why is that in
21 there?

22 COMMISSIONER SEGGOS: Well, the EPF --
23 the Governor has made a commitment to the EPF
24 to remain at \$300 million indefinitely. Many

1 of the lines change year to year. The ZBGA
2 line, just for reference, was at I think \$9
3 million back in 2010. We boosted up to 15,
4 we pulled it back to 12. It's not a
5 reflection of our commitment to zoos and
6 botanical gardens, merely that we're moving
7 dollars around to achieve -- to support
8 various projects within other lines.

9 So I would expect this to change year
10 to year, but our commitment remains strong to
11 zoos.

12 CHAIRWOMAN YOUNG: Thank you. I
13 apologize, there was a typo on my sheet, so
14 it's not billion, it's million. I thought
15 that was wrong.

16 Within the Open Space account, there's
17 an additional \$3.6 million for the oceans and
18 Great Lakes initiative. And why do we have
19 this increase in there?

20 COMMISSIONER SEGGOS: So we're doing a
21 few things through oceans and Great Lakes.
22 The Governor announced last year a shellfish
23 initiative. We are launching a few new
24 shellfish sites within our coastal waters.

1 Some of the funds will be used to boost that
2 program.

3 We're also looking at combating HABs
4 across a wide region. Harmful algal blooms,
5 as you know, as I mentioned in my testimony,
6 has expanded as a problem here in New York,
7 partly because -- well, we're looking now,
8 but the climate may be making conditions
9 worse. Those funds from the oceans and Great
10 Lakes line will enable us to address these
11 problems at a series of waterways across the
12 state.

13 In addition, we have a 10-year Ocean
14 Action Plan that we set a few years ago,
15 about two years ago, the first 10-year Ocean
16 Action Plan. Some of the projects we've
17 identified under that plan need funding, and
18 that's what these funds would go towards.

19 CHAIRWOMAN YOUNG: Thank you.

20 And also I'd like to ask about the
21 climate change account. So there's a
22 \$400,000 allocation for the Cornell Soil
23 Health Program that has been eliminated. And
24 with the current focus on climate resiliency

1 and adapting to extreme climate events, this
2 seems like it may not be the appropriate time
3 to eliminate this line. So what is the
4 justification for the decrease?

5 COMMISSIONER SEGGOS: I would
6 recommend humbly that you raise that with the
7 Ag & Markets commissioner, Commissioner Ball,
8 when he is up here. That's obviously an
9 important program, it has been an important
10 program for us, but he's more equipped to
11 answer the change.

12 CHAIRWOMAN YOUNG: Okay. Thank you.

13 Just switching over to the food waste
14 section. And the Executive proposes language
15 to require high-volume food waste generators
16 to divert excess food to food banks, animal
17 feed operations, anaerobic digesters, or
18 other composting and organics recycling
19 facilities.

20 So we've heard a lot of feedback from
21 different businesses such as supermarkets,
22 restaurants, higher education institutions,
23 hotels, food processors, correctional
24 facilities, sports or entertainment venues,

1 hospitals and other healthcare facilities.
2 And this proposal would be implemented at the
3 same time the minimum wage is being
4 increased. And the Governor in his State of
5 the State proposed public hearings to examine
6 industries and evaluate the possibility of
7 ending minimum-wage credits in the state.

8 Do you have any concern that this may
9 put too much pressure on the food and
10 restaurant industry, especially in the
11 upstate regions of the state?

12 COMMISSIONER SEGGOS: Well, the
13 program that we proposed here, the organics
14 recycling program, has several very important
15 benefits. First, we throw away about 40
16 percent of our food. Right? That ends up
17 largely in landfills. Much of that can be
18 and should be diverted towards those who are
19 hungry.

20 When it ends up in landfills, when
21 food ends up in landfills, it not only takes
22 up space in a landfill, it is a powerful
23 greenhouse gas and can have negative impacts
24 on our environment.

1 The program we proposed, and have been
2 working on this now for several years, takes
3 into account the concerns we heard last year
4 from the regulated industry. We heard that
5 they want more flexibility in the program, we
6 heard that they had concerns about the cost
7 of the program up-front. So what we have put
8 forward is a three-year phase-in, with
9 investments up-front to help the industry get
10 off its feet.

11 I believe and I think we believe as an
12 agency that if this is done right -- I think
13 the legislation will do it correctly -- if
14 this is done right, we will end up saving
15 businesses money. NYSERDA has done a study
16 detailing the benefits of enhanced organics
17 collection, which demonstrates that once the
18 collection industry is up and running, they
19 can save as much -- the businesses can save
20 as much as half over their current tipping
21 fees.

22 Mind you, businesses like restaurants,
23 like supermarkets have to dispose of that
24 waste anyway. We want to do it in such a way

1 that their costs are less and there's a
2 benefit to the food that doesn't go eaten.
3 Part of that is through anaerobic digestion,
4 some of it can be diversion towards those in
5 need, those who are hungry, basically keeping
6 as much of it out of landfills -- and we've
7 proposed several programs to help offset some
8 of the up-front costs of that over the coming
9 years.

10 CHAIRWOMAN YOUNG: And I agree with
11 the concept to better manage food waste, I'm
12 just concerned about the mandates. And you
13 said this would be phased in over three
14 years?

15 COMMISSIONER SEGGOS: It would be
16 phased in over three years. So the mandate
17 wouldn't come until 2021.

18 And we've also created a waiver
19 system. So an institution has to produce
20 greater than two tons per week of waste, so
21 that's the first criteria. The second
22 criteria is they need to be within 40 miles
23 of a collection facility. If they are not
24 within 40 miles of a collection facility, or

10 CHAIRWOMAN YOUNG: Okay, thank you.

18 COMMISSIONER SEGGOS: We have talked
19 to other states. We've talked to Vermont,
20 Massachusetts, and a few other states that
21 have mandates.

24 ASSISTANT COMMISSIONER TIGHE: So with

1 Vermont, Vermont is actually phasing in so
2 that it gets down -- it started at the
3 2-tons-per-week generator, and it's been
4 gradually ramping down to one ton per week,
5 to 500,000 pounds per week, until ultimately
6 we get to the individuals.

7 So we are not looking at that kind of
8 a phase-in the way Vermont is. So I'm not
9 aware that they're actually looking at
10 phasing out the 2 tons per week. That's been
11 moving along fairly well, from what I
12 understand from our discussions with them.

13 And certainly in Massachusetts we're
14 also seeing great progress on that front.
15 And folks from Massachusetts participated in
16 stakeholder meetings that we held through the
17 fall with folks, as we made some adjustments
18 and talked to stakeholders about how we would
19 be implementing some of these programs, to
20 provide assurances based on their experience
21 there.

22 CHAIRWOMAN YOUNG: Thank you.

23 I'll come back. But we've been joined
24 by Senator Savino and Senator Betty Little.

1 Assembly?

2 CHAIRWOMAN WEINSTEIN: We've been
3 joined by our Ag chair, Assemblyman Magee, by
4 Assemblywoman Fahy, and Assemblyman Colton.

5 And to our EnCon chair, Assemblyman
6 Englebright, for some questions.

7 ASSEMBLYMAN ENGLEBRIGHT: Thank you
8 very much.

9 Good morning.

10 COMMISSIONER SEGGOS: Good morning.

11 ASSEMBLYMAN ENGLEBRIGHT: I have a
12 couple of questions.

13 The Conservation Fund, your Executive
14 Budget shifts funding for Environmental
15 Conservation Officers out of the Conservation
16 Fund into the General Fund. Why? Why is
17 this necessary?

18 COMMISSIONER SEGGOS: Well, we want to
19 keep the Conservation Fund in a good
20 financial place.

21 Maybe, Jeff, do you want to handle
22 some of the concepts behind the shift?

23 DEPUTY COMMISSIONER STEFANKO: Sure.
24 There's a structural deficit currently in the

1 Conservation Fund with revenues not equaling
2 expenditures and meeting the costs of the
3 fund, which increase every year due to
4 contractual increases, fringe benefit
5 increases every year.

6 So we're shifting costs over to make
7 sure the fund stays solvent.

8 ASSISTANT COMMISSIONER TIGHE: I want
9 to emphasize it doesn't reflect any reduction
10 in our commitment to our Fish and Wildlife
11 Program. This happens, you know, reasonably
12 commonly.

13 In general, the expenses associated
14 with those programs always have exceeded what
15 the Conservation Fund supports. And it's
16 always been supported by other funds,
17 including federal funds and the General Fund.

18 ASSEMBLYMAN ENGLEBRIGHT: Okay, thank
19 you.

20 Regarding your staffing, the staffing
21 level currently is 2,945 full-time
22 equivalents. Just a few years ago, the
23 number was closer to 4,000. Yet the
24 responsibilities of the agency increase each

1 year. So do you need more personnel?

2 COMMISSIONER SEGGOS: Well, you're
3 right that we took a cut in the late 2000s.

4 Since the Governor's been in office,
5 staffing levels have slightly increased at
6 DEC. I think if you look at where we are as
7 a state this year from our budgetary
8 perspective, with a nearly \$4.5 billion
9 deficit, the fact that DEC is being given a
10 constant staffing level is encouraging. It's
11 a reflection of the Governor's commitment to
12 the environment, a reflection of the
13 Governor's commitment to my agency.

14 And I will tell you this. Since I've
15 been in this chair now for two and a half
16 years, I have felt our burdens increase.
17 Right? We have over this period experienced
18 an enormous awakening in New York,
19 nationally, on water infrastructure. We are
20 seeing the impacts of climate change. We now
21 have, in my view, a hostile administration in
22 Washington on environmental issues.

23 Everything that is -- from our core
24 mission to some of these expanding issues, we

1 have been able to meet the challenges that
2 have come to us. And I credit my staff for a
3 few things. First of all, their creativity,
4 their willingness to work hard, and their
5 willingness to break down barriers between
6 divisions, barriers between agencies. That
7 was a big thing when the Governor first took
8 office back in 2011, was breaking down the
9 silos between the agencies. And I think we
10 did that very well. What came next was
11 breaking down the barriers within agencies.

12 And based on the priorities I've set
13 for the agency, particularly on things like
14 drinking water, contaminated sites and the
15 like, we've found ways to become faster, more
16 efficient, more aggressive, leaning forward,
17 sending the message out that the cop is on
18 the beat, we're holding polluters
19 accountable.

20 And finding ways to work really well
21 with our partners at the Department of Health
22 and other agencies, frankly. We have a very
23 robust rapid response team on some of the
24 issues that arise in the papers that you read

1 about.

2 And we're becoming more efficient
3 internally. We're just -- we're using our IT
4 infrastructure smarter, we're finding ways to
5 lean processes.

6 So as an agency, I feel like we're in
7 a very strong position right now to meet any
8 challenge that comes to us, and I'm confident
9 we can carry that out.

10 ASSEMBLYMAN ENGLEBRIGHT: One of the
11 concerns I have relating to staffing is a
12 very specific one. It's my understanding
13 that the Region 1 land specialist, who was so
14 very helpful to our citizens who had been
15 traumatized and had suffered so many property
16 damages due to Superstorm Sandy, as well as
17 our ongoing land acquisition needs in an area
18 where open space is diminishing dramatically,
19 that that position is about to become vacant.

20 So I would just ask you to make a note
21 of how important that is and attempt to
22 refill it rather than leave it vacant, in
23 order to maintain our maintenance of effort.

24 COMMISSIONER SEGGOS: Certainly will.

1 I completely agree with you, it's a very
2 important area to protect land down there,
3 not just for the sake of setting aside land,
4 but also for the resiliency purposes. So I
5 agree.

6 ASSEMBLYMAN ENGLEBRIGHT: The
7 resiliency as well. Thank you for making
8 that notation.

9 One of the concerns I have regarding
10 the maintenance of effort is the spending
11 levels. Last year we were advertised as
12 having \$300 million in the EPF; \$217 million,
13 however, was proposed to be spent. That's in
14 the current fiscal year. And for next year,
15 again, the large type says: Look, see, we
16 still have \$300 million committed -- but the
17 actual spending level is projected to be
18 \$232 million.

19 Is this a reflection of your ability
20 to maintain effort with fewer and fewer
21 resources? What are we looking at? And is
22 this indeed related to staffing?

23 COMMISSIONER SEGGOS: Right. I --
24 just to be clear, we expect to spend more

1 than what we've spent so far. We obviously
2 have a few months left in the fiscal year, a
3 month and a half left in the fiscal year, so
4 we anticipate spending a great deal more than
5 the books currently reflect.

6 I would say that spending it in some
7 cases takes time. It is a contracting
8 process, particularly when we're making
9 grants. Pushing that money out the door is a
10 top priority for me, that those monies -- a
11 dollar in the EPF is \$7 in the community.
12 The Governor has encouraged me to do all we
13 can to make those dollars quickly available.
14 I have no reason to believe that the pace of
15 spending won't continue to grow and meet the
16 \$300 million expectation over the next few
17 years.

18 ASSEMBLYMAN ENGLEBRIGHT: We have a
19 concern -- you heard Senator Young speak to
20 the ZBGA reduction of \$2.5 million that's in
21 this proposed budget. Land acquisition is
22 also projected to be cut \$6 million, from \$36
23 million last year. And I'm led to believe
24 they're not making land anymore, so this is a

1 serious concern.

2 And I just want to mention that on
3 both of these programs, the benefits are
4 dramatic and permanent. The ZBGA program is
5 the gateway or the portal for most of the
6 families and children in the state to learn
7 about the environment and to gain an
8 appreciation for wildlife in a structured
9 learning environment. So cutting that is to
10 essentially cut the constituency for your
11 agency.

12 So I would just caution you, as you
13 think about this and we go into negotiations,
14 that you're hearing this from both sides of
15 this podium. And it's a concern that I hope
16 you have a chance to reflect on as we perhaps
17 have an opportunity to modify and improve the
18 budget as it might look in its final form.

19 COMMISSIONER SEGGOS: Can I make a
20 point about land acquisition?

21 ASSEMBLYMAN ENGLEBRIGHT: Surely.

22 COMMISSIONER SEGGOS: Okay. So I want
23 to assure the body here that we remain
24 steadfastly committed to land acquisition.

1 We match up land acquisition to
2 dollars based on the Open Space Plan, which
3 has statewide focus. And we approach
4 projects in land acquisition based on what's
5 achievable in a given year and what we know
6 we can get through in terms of contracting,
7 OAG and comptroller review.

8 Those numbers will fluctuate year to
9 year, based on that plan. So \$30 million
10 EPF, it may look like a cut -- we were at 35,
11 36 last year -- but we also have this year a
12 \$10 million Pittman-Robertson money which we
13 intend to push out. And through the Clean
14 Water Infrastructure Act, last year we spent
15 \$15 million on land acquisition. So we're
16 actually well over \$50 million in terms of
17 land acquisition, which is much more than
18 what the EPF has provided to us over the last
19 few years.

20 I just want to reassure you that we
21 remain committed to it. There are different
22 mechanisms to get those dollars into
23 projects. But as a grand total, as a
24 reflection of the agency's commitment, that

1 remains very strong.

2 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

3 I have a concern that is a whole
4 ecosystem issue that meets with economic
5 concerns. Recently you received a letter
6 from three of our colleagues -- Senator
7 LaValle, Assemblyman Thiele, and
8 Assemblyman Palumbo sent you a letter asking
9 regarding the Oysterponds Shellfish Company
10 in Southold asking for an evaluation -- a
11 reevaluation of what appears to be a closure
12 of an area that has become enormously
13 productive.

14 On a whole ecosystem scale, our
15 shellfish of course is an initiative that the
16 Governor has rightly focused on and begun
17 making discretionary investments into. And
18 it just seems incongruous to me for a shadow
19 to fall over this very successful
20 shellfishing operation.

21 My three colleagues have pointed the
22 way toward a solution for this, which would
23 be to change the sampling station. I don't
24 want to get into the weeds on this here

1 today, but I do want to mention how important
2 I think their communication to you is and ask
3 that we have an opportunity to reevaluate and
4 perhaps discuss this further, not just you
5 and I but with the other members who signed
6 the letter. Would that be possible?

7 COMMISSIONER SEGGOS: Absolutely.

8 ASSEMBLYMAN ENGLEBRIGHT: Okay, thank
9 you.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 COMMISSIONER SEGGOS: But I -- sorry,
12 I just wanted to make one point on that.

13 We're obviously -- in terms of the
14 water quality itself, we want the shellfish
15 industry to remain vibrant in New York State.
16 It needs to remain vibrant, obviously, in
17 areas where the water quality can support it.
18 And we have some concerns about the water
19 quality in Orient Harbor, being able to --
20 the testing being able to justify keeping the
21 beds open.

22 But I absolutely will continue to work
23 with you and your fellow members on it. We
24 want to find a solution to it. Sometimes

1 getting a new sampling point can take time.
2 The FDA requires a three-year period. But I
3 get your point, and I certainly have
4 understood and appreciate the position that
5 the oyster farmer's in.

6 ASSEMBLYMAN ENGLEBRIGHT: Thank you
7 very much.

8 Let me return the microphone to the
9 chair.

10 CHAIRWOMAN YOUNG: Thank you.

11 Senator O'Mara.

12 SENATOR O'MARA: Thank you,
13 Chairwoman.

14 Good morning, Mr. Seggos,
15 Commissioner.

16 COMMISSIONER SEGGOS: Senator.

17 SENATOR O'MARA: Thanks for being
18 here. Appreciate your input on this. Got a
19 few issues I'd like to cover here.

20 First, the budget calls for many
21 deferrals of tax credits in a variety of
22 areas, and the environmental conservation
23 budget is not exempted from that. We're
24 proposing to delay tax credits on brownfield

1 projects, on electric vehicle charging
2 stations, just to name a couple.

3 How are we going to move forward with
4 these programs without these credits? I
5 think I have a great deal -- I know I have a
6 great deal of concern, and I think a lot of
7 my colleagues do, on the impact in general
8 with these deferrals to New York State's
9 credibility as a whole.

10 Whether it's to an economic
11 development project or brownfields cleanup
12 projects, we're hurting our credibility with
13 these deferrals. We did it years ago with
14 the Empire Zone program. It took a long time
15 to recover from that.

16 What's your reaction to that concern?

17 COMMISSIONER SEGGOS: Well, I
18 appreciate your input on that.

19 So we obviously have to find a way to
20 balance a significant budget. We have a
21 budget deficit. And the thought on the
22 deferrals is while this is an issue at Tax &
23 Finance, not specifically at DEC, it
24 obviously touches an important DEC program.

1 The deferrals are meant to be
2 short-term in nature. Over a certain
3 threshold, the tax credits that are
4 attainable by the developer will be deferred
5 for three years.

6 The brownfields tax credit pool, as a
7 percentage of the total pot of deferments, is
8 about 15 percent, so it is a significant
9 number. And we have to find ways to reduce
10 spending over these three years.

11 I hear your point. We will ensure
12 that we share that with Tax & Finance and the
13 Division of Budget. But I am -- I'm not in
14 any way concerned that the program itself is
15 somehow weakened. We've done, thanks to your
16 help and the help of this body, great work in
17 reauthorizing the brownfields tax credit
18 program. That's been running very
19 successfully. The reforms have worked, I
20 believe they are working. We're seeing
21 better numbers out of that. We certainly
22 will continue that work on our end and look
23 to address any of the concerns that the
24 Legislature has on that.

1 SENATOR O'MARA: So a project, a
2 current brownfield project that's underway
3 right now, the developer is going to have to
4 wait three years to get their tax credits
5 under this proposal, correct?

6 COMMISSIONER SEGGOS: Only over the \$2
7 million. If they -- the \$2 million
8 threshold. So if there are tax credits over
9 \$2 million, then they'd have to wait for
10 three years for those particular credits.
11 Everything under \$2 million is --

12 SENATOR O'MARA: After that three
13 years, when will they be paid out?

14 COMMISSIONER SEGGOS: They're paid out
15 over I believe it's the course of a two or
16 three-year period, right?

17 DEPUTY COMMISSIONER TIGHE: A
18 three-year period.

19 COMMISSIONER SEGGOS: Yeah, a
20 three-year period. So it's a three-year wait
21 and then a three-year payout. Over
22 \$2 million.

23 ASSISTANT COMMISSIONER TIGHE: And
24 that's per taxpayer. Which oftentimes with

1 the brownfields program, it's LLCs who are
2 participating, so it may not be an individual
3 corporation, but it would be a number of
4 taxpayers who that would be divided amongst.
5 It's \$2 million per taxpayer, is my
6 understanding.

7 SENATOR O'MARA: That's the threshold,
8 \$2 million per taxpayer? So if there's
9 multiple individuals in an LLC --

10 DEPUTY COMMISSIONER TIGHE: I believe
11 so.

12 COMMISSIONER SEGGOS: That's right, I
13 think so, yes.

14 SENATOR O'MARA: If there's 10
15 individuals, it's a \$20 million threshold?

16 ASSISTANT COMMISSIONER TIGHE: I
17 believe so. But we'd have to confirm that
18 with Tax & Finance.

19 COMMISSIONER SEGGOS: We'll talk to
20 Tax & Finance for that.

21 SENATOR O'MARA: Yeah, could you get
22 back to me on that, please?

23 DEPUTY COMMISSIONER TIGHE: Yeah.

24 SENATOR O'MARA: With regards to the

1 electric vehicle chargers, the state put in a
2 pretty aggressive program to install 2,000
3 chargers by 2020. We had a goal in the state
4 to have 3,000 installed by the beginning of
5 this year. It was 1300 chargers short,
6 nearly 50 percent short.

7 How do we achieve our goals in this
8 important area by deferring these credits
9 that will further delay implementation of
10 these charging stations?

11 COMMISSIONER SEGGOS: Senator, I might
12 ask you to raise that with NYSERDA. I am not
13 familiar with the details on that particular
14 deferral.

15 SENATOR O'MARA: Okay. I will do
16 that.

17 The next area I'd like to get into is
18 the harmful algal blooms and the decision by
19 the department and the administration to
20 choose 12 lakes. Obviously, when you choose
21 12 lakes out of the many lakes that we have,
22 there are many more lakes that are
23 disgruntled and unhappy about not being
24 chosen.

1 Being a representative from the
2 Finger Lakes, you know, we're very concerned
3 about the work that's been ongoing by groups
4 around every one of the lakes in regard to
5 this. Cayuga Lake was chosen; Seneca Lake,
6 Keuka Lake, Canandaigua Lake were not chosen.
7 We had a conference on this a week ago,
8 myself with Julie and Venetia from the
9 Governor's office.

10 But I'm still unclear on how that
11 selection process went. Why was one body of
12 water chosen over another? Just Seneca as an
13 example, the largest of the Finger Lakes,
14 has -- you know, Seneca Lake Pure Waters
15 Association has done tremendous work in this
16 regard. There's a Finger Lakes Regional
17 Watershed Alliance. There's a Finger Lakes
18 Institute. There's a Federation of Lake
19 Associations.

20 You know, why was Seneca Lake left off
21 of this?

22 COMMISSIONER SEGGOS: Well, I want to
23 disabuse you of the premise that Seneca Lake
24 was left off the radar screen. Okay?

1 The Governor came up with this very
2 ambitious plan to dedicate enhanced resources
3 to 12 priority water bodies. And what we
4 tried to do in selecting these 12 water
5 bodies was look regionally and try to pick 12
6 that are in some way, shape or form different
7 from one another. Because providing a
8 long-term solution to those 12 lakes
9 inherently requires us to go out and do
10 science -- enhanced testing of the lakes,
11 watershed characterization -- and develop
12 almost a type of lake with the types of
13 problems that impact it and determine how
14 those kinds of problems are creating blooms
15 on the lake.

16 Every single lake we have found --
17 there's about 150 lakes in New York State --
18 lakes and rivers that have been impacted by
19 algal blooms, they're all different in a way.
20 There's some different causes. Some are in
21 nutrient-rich watersheds. Some have been
22 whacked by massive storms, like last summer
23 on Skaneateles Lake. Several lakes, we would
24 fear for them becoming impacted by HABs, like

1 Lake George.

2 So we try to take representative
3 samples of types of lakes, apply enhanced
4 science, and do some sort of no-regrets
5 spending on those lakes to fix problems,
6 while at the same -- and that's the
7 \$65 million proposal -- while at the same
8 time remaining as aggressive as we have been
9 on all of the other lakes that have had
10 problems, including, in particular, the
11 Finger Lakes, the ones you mentioned.

12 We had created a couple of years ago,
13 right after I started, the Finger Lakes Water
14 Hub, which we launched specifically because
15 of the HABs problem, that looks at all of the
16 Finger Lakes all at once. We have enhanced
17 monitoring now going on in all the Finger
18 Lakes as a result of that. We're boosting
19 monitoring stations. And we're helping
20 community groups on those lakes. You
21 mentioned Seneca Lake Pure Waters
22 Association. There are other community
23 groups on other lakes, various land trusts.
24 We're helping them get to the point of

1 developing long-term plans, if long-term
2 plans don't exist, and also compete for
3 funding.

4 The Clean Water Infrastructure Act
5 that you all helped us enact last year has
6 given us resources that we never had. We've
7 had the EPF, which has been very helpful.
8 The Clean Water Infrastructure Act on the
9 land acquisition line is enabling us to spend
10 money all across the state on waterways that
11 are impacted, like the ones you mentioned.

12 So I fully expect that work to
13 continue aggressively. We will not be taking
14 our eyes off the ball on Seneca Lake or Keuka
15 or any of the other ones that are impacted.
16 And if something happens in those lakes, we
17 will parachute in and attempt to fix the
18 problems.

19 And I will say that lakes that are
20 impacted by HABs are probably going to be in
21 a very good place to compete for the state
22 funding that we have available. But we'll
23 continue to work with your office on anything
24 that comes up.

1 SENATOR O'MARA: What was the source
2 of that 65 million?

3 COMMISSIONER SEGGOS: It's a
4 combination of EPF and Clean Water
5 Infrastructure Act funding.

6 SENATOR O'MARA: And so the lakes
7 that -- well, before I get to that, the
8 12 lakes that you're studying now, what's
9 your timeline on process? When do you think
10 you're going to be through this -- at least
11 the planning stage and going to implement
12 things and hopefully see some results of
13 what's worked and what hasn't?

14 COMMISSIONER SEGGOS: It's funny you
15 mention that. Right now the Governor is in
16 New Paltz convening a HAB summit that I would
17 otherwise be at but for today's fun here in
18 Albany.

19 SENATOR O'MARA: You'd rather be
20 there.

21 COMMISSIONER SEGGOS: I would much
22 rather be there, of course.

23 (Laughter.)

24 ASSISTANT COMMISSIONER TIGHE: He of

1 course would rather be here before you,
2 Senator.

3 (Laughter.)

4 COMMISSIONER SEGGOS: We're doing four
5 HAB summits in a very short period of time.
6 So the first one today, the next one is in
7 Syracuse focusing on -- that's the 5th or
8 6th, I believe, focusing on the Finger Lakes,
9 then we go west, Western New York, and then
10 North Country.

11 All of those summits are designed to
12 bring actual experts to the table, not just
13 talk but experts, to give us their
14 perspectives on how to fix problems --
15 understanding that each lake is different,
16 how do you fix the lake. We'll convene those
17 summits, get expert reports done and actually
18 projects underway hopefully this year, this
19 summer. So it's designed to be a fast
20 process, and we want to be ready for the
21 summer's HABs problems.

22 SENATOR O'MARA: Okay. Thank you.

23 COMMISSIONER SEGGOS: Thank you.

24 CHAIRWOMAN YOUNG: Thank you.

1 Assembly?

2 CHAIRWOMAN WEINSTEIN: Assemblywoman
3 Lifton.

4 ASSEMBLYWOMAN LIFTON: Thank you very
5 much.

6 Good morning, Mr. Seggos.

7 COMMISSIONER SEGGOS: Good morning.

8 ASSEMBLYWOMAN LIFTON: Do I ask you or
9 NYSERDA about tracking progress on climate
10 goals?

11 COMMISSIONER SEGGOS: Tracking
12 progress on our emissions targets? I would
13 encourage you to talk to NYSERDA about that.

14 ASSEMBLYWOMAN LIFTON: Okay, I will do
15 that.

16 Let me pick up quickly on the HAB
17 issue. I guess we're going to have to decide
18 on pronunciation. You're saying HABs; out in
19 the boonies out where I live, we're saying
20 H-A-Bs. We're going to have to figure that
21 one out.

22 So you've answered some of my
23 questions. The proposal said that there will
24 be half a million dollars for the study of

1 each lake. Obviously, some lakes are very,
2 very large, some are smaller. Some have very
3 complex, huge watersheds and so on.

4 So presumably, having some set amount
5 is not going to really work in terms of --
6 and I presume some lakes already have data.
7 I'm told some lakes, they have a lot of data
8 because of these groups that have been doing
9 work and monitoring soil and water and other
10 things, and some have very little. So how is
11 that money actually going to go in terms of
12 studying -- is it going to be -- it doesn't
13 make sense to me to have half a million
14 dollars for each lake.

15 COMMISSIONER SEGGOS: It's up to half
16 a million dollars for each lake.

17 ASSEMBLYWOMAN LIFTON: Okay.

18 COMMISSIONER SEGGOS: I think you're
19 right to observe some lakes are better
20 positioned than others. We've done enormous
21 testing on some of the Finger Lakes; some of
22 that data has been generated for years.
23 There are parts of Lake Champlain where we
24 see problems where there's not as good an

1 understanding of causes where we might need
2 to spend more money. We obviously wouldn't
3 spend \$500,000 on the entire Lake Champlain.

4 But those monies are designed to be
5 available quickly. The testing, sampling and
6 planning being done quickly, gathering
7 information as quickly as possible, so that
8 we have a good scientific picture of the root
9 causes of problems on these lakes.

10 Again, as you and I have spoken about,
11 there may be -- some of the reasons may range
12 from ag to failing septic systems, failing
13 wastewater treatment plants, and stormwater
14 problems. And some of the storms that,
15 again, we saw last summer -- that one storm
16 that came through on the July 4th weekend
17 that came through the Mohawk Valley probably
18 was the cause for the huge bloom we saw on
19 Skaneateles Lake, which had never seen a
20 bloom like this.

21 So again, it's, you know, getting the
22 science in the right place, doing the correct
23 testing up-front if necessary, and ultimately
24 having that inform the ultimate plan itself.

1 ASSEMBLYWOMAN LIFTON: Everyone seems
2 to agree that it's a very complicated
3 problem.

4 COMMISSIONER SEGGOS: It is.

5 ASSEMBLYWOMAN LIFTON: And it's been
6 sort of festering and growing every year. So
7 I think we need to be very careful to make
8 sure we get these studies right, maybe not
9 rush that process, but make sure we do it
10 very well to make sure, as we attack these
11 problems, that we're doing it in the right
12 way and not throwing good money after bad.

13 COMMISSIONER SEGGOS: Agreed.

14 ASSEMBLYWOMAN LIFTON: I'm assuming,
15 too, that \$65 million is just for a shot at
16 this; this is going to be a much bigger
17 problem over time. Is that a multiyear
18 funding amount? Are we going to be looking
19 at this every year in terms of new funding
20 for this?

21 COMMISSIONER SEGGOS: Well, we -- we
22 certainly anticipate this first year I'd say
23 maybe \$11 million of it going towards science
24 and the bulk of it towards these projects

1 that are designed to fix some of the
2 problems. That's year one.

3 Beyond year one, the Governor has made
4 a commitment through the EPF to keep the EPF
5 at \$300 million. We now have a multiyear
6 commitment on the Clean Water Infrastructure
7 Act. Again, those buckets of money are going
8 to be the tools with which we fix the
9 problems that we see.

10 So I think you will see an awareness
11 this year, hopefully unlike we've had in the
12 past, and a sense of how we can fix problems,
13 and an ability to replicate that elsewhere.
14 So a -- Skaneateles Lake is similar to X lake
15 over here, so we have effectively a similar
16 model that we can employ.

17 And those funds being available in
18 future years will -- you know, we'll have
19 next year a discussion about what the next
20 big proposal is, but I expect that the EPF
21 and Clean Water Infrastructure Act are going
22 to be held constant, and I think those will
23 be sources of funds to fix problems.

24 ASSEMBLYWOMAN LIFTON: Another thing I

1 read in the proposal on HABs is that maybe
2 there's an intention to try to do remedies
3 through voluntary best practices. I think
4 there's some concern. Do we have reason to
5 think that voluntary best practices really
6 work and are successful, or are we going to
7 need law and regulation to try to tackle some
8 of these issues.

9 COMMISSIONER SEGGOS: Well, all
10 options are on the table for us on this.
11 Creating new laws, new regulations would take
12 time. Obviously, talking about new laws, we
13 would need to work with you on that, figure
14 out what the needs are.

15 I mean, voluntary compliance, in my
16 view, is powerful. I think farmers -- just
17 taking farmers for an example -- want to do
18 right by the environment.

19 ASSEMBLYWOMAN LIFTON: It hasn't been
20 working so well so far in terms of soil and
21 water, trying to get farmers to change their
22 habits around --

23 COMMISSIONER SEGGOS: Well, I think
24 the resources, frankly, that we've given them

1 -- sorry.

2 ASSEMBLYWOMAN LIFTON: I'm sorry.

3 COMMISSIONER SEGGOS: The resources
4 we've given them over the last few years
5 through the EPF, with the Clean Water
6 Infrastructure Act, helping to reduce runoff,
7 doing land acquisition, buffer streams,
8 stream buffer areas --

9 ASSEMBLYWOMAN LIFTON: We think that's
10 working? We think that's working?

11 COMMISSIONER SEGGOS: I believe it is
12 going to work. This is just year one of the
13 Clean Water Infrastructure Act program.
14 It's going to take time. And we want them to
15 come into the system. We want them to see
16 the reasons for entering the system, but also
17 to see that there are funds available for the
18 upkeep of their properties.

19 ASSEMBLYWOMAN LIFTON: Thank you,
20 Commissioner.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 CHAIRWOMAN YOUNG: Thank you.

23 Senator Kaminsky.

24 COMMISSIONER SEGGOS: And if I could

1 just clarify one thing, just so it's not
2 lost. The \$55 million that we're talking
3 about for projects is not just the 12 water
4 bodies that we're working on, it's all of the
5 water bodies that are impacted by HABs.

6 Sorry. Senator?

7 SENATOR O'MARA: Could you repeat that
8 again?

9 COMMISSIONER SEGGOS: The \$55 million
10 that we're proposing for the HABs initiative
11 is not just for the 12 water bodies that are
12 part of this priority program. We're going
13 to spend money, obviously, on studying those
14 12 water bodies up-front. But the ultimate
15 implementation money, \$55 million, is
16 available to HABs-impacted waterways.

17 CHAIRWOMAN YOUNG: Thank you.

18 Senator Kaminsky.

19 SENATOR KAMINSKY: Thank you.

20 Good morning, Commissioner.

21 COMMISSIONER SEGGOS: Senator.

22 SENATOR KAMINSKY: Some very
23 interesting news on the 1,4-dioxane front in
24 the last day.

1 Really, first of all, overall, very
2 pleased with how the state has jumped on this
3 problem. I think we see nationwide what
4 happens when contaminants go ignored for far
5 too long. And I certainly think relying on
6 Washington is not an option here.

7 But there are some challenges posed as
8 well. I just want to show you an article on
9 Page A2 of Newsday today that I'm holding up,
10 it talks about billions of dollars of funding
11 needed in order to get the proper technology
12 where it should go.

13 So I'm happy we're in a place where
14 we're going to be setting maximum limits.
15 I'm happy we're getting to a place where we
16 have the technology. But I want to know your
17 thoughts on how we are able to implement
18 this, where the funding may come from, and
19 whether there's a plan to triage it or roll
20 it out in a manner that you think is going to
21 be most efficacious.

22 COMMISSIONER SEGGOS: Senator, the
23 Drinking Water Council met yesterday. You're
24 referencing the meeting they had when they

1 discussed a range of possible MCLs for
2 1,4-dioxane. They didn't set the MCL; that
3 will come shortly. As I understand, we will
4 be recommending to the health commissioner a
5 particular level.

6 The good thing about the council that
7 it involves not just state officials but, in
8 particular, some of the water providers and
9 local officials down in Long Island and
10 elsewhere.

11 We don't know where we're going to be
12 when they come out with a number, but we know
13 that there are drinking water sources that we
14 would want to protect with this new enhanced
15 technology. And you're referencing some of
16 the potential costs of that. I don't know
17 where we will be on it. We'll be there --
18 probably in the next couple of months, we'll
19 see a recommended level. And then we're
20 going to have to have a discussion about how
21 we get to installing these AOP systems in
22 communities where they are needed.

23 Thankfully, it looks like the number
24 of sites that are potentially drinking water

1 sites that are potentially impacted may be
2 lower. But until the number is set, we're
3 not going to know what the full universe is.

4 SENATOR KAMINSKY: Okay. Well, I look
5 forward to continuing that conversation. I
6 know Senator Phillips and I have worked
7 really hard on this issue and certainly think
8 this would be a very good use of state
9 funding down the road, as opposed to having
10 ratepayers have to really be hit with this.
11 Costs on Long Island, of course, are
12 extremely high, and water has been pretty
13 controversial this year in light of what
14 people have been paying. So I look forward
15 to that conversation.

16 I want to shift over to Bay Park,
17 another area that I'm really glad the
18 administration is focused on. It's critical
19 for the Western Bays. And I'd like to know
20 where we are and what else has to happen in
21 order to get Bay Park over the finish line
22 and get Long Beach attached to it.

23 COMMISSIONER SEGGOS: Well, we were at
24 that great event back in I think it was

1 December down on Long Island where the
2 Governor announced that we had signed a
3 consent order with Nassau County for them to
4 modernize their system by effectively
5 connecting an outfall to an existing plant,
6 the Cedar Creek plant.

7 We're working overtime now with Nassau
8 County officials to develop what is a
9 somewhat complicated plan of construction
10 over the next couple of years, how we get
11 wastewater through rights-of-ways, through
12 the existing tunnel and over to the Cedar
13 Creek outfall. It's an engineering
14 challenge.

15 We have the county on the hook now for
16 it. We have county funding, we've got state
17 funding, we have some federal funding as
18 well. I expect this is going to absorb an
19 enormous amount of our time over the coming
20 years as we get this done, but it will be a
21 game-changer in Long Island for water
22 quality.

23 SENATOR KAMINSKY: Okay. And you're
24 committed to seeing the funding through to

1 get the project done.

2 COMMISSIONER SEGGOS: Absolutely, yes.

3 SENATOR KAMINSKY: Well, I look
4 forward to the day I can send my sewage into
5 Senator Brooks's district, so I appreciate
6 it.

7 (Laughter.)

8 COMMISSIONER SEGGOS: He looks happy.

9 SENATOR BROOKS: It's nice to get a
10 gift from him every once in a while.

11 (Laughter.)

12 SENATOR KAMINSKY: I too would like to
13 add my voice to Senator O'Mara's, Chairman
14 O'Mara's, on the brownfield credit issue.
15 You know, I think I feel like we're changing
16 the rules mid-game on a lot of people who
17 have signed up to participate in this worthy
18 program. I think certain projects -- I've
19 heard from developers personally who are
20 going to be in jeopardy day one. So I'd like
21 for us to consider how we can make up for the
22 deficit without endangering any of those
23 projects or the existing program. And I hope
24 you can take a look at that.

1 COMMISSIONER SEGGOS: Thank you. I
2 will.

3 SENATOR KAMINSKY: Thank you.

4 CHAIRWOMAN YOUNG: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 Assemblywoman Woerner.

7 ASSEMBLYWOMAN WOERNER: Thank you,
8 Ms. Chairman.

9 And thank you, Commissioner. I have
10 just a couple of questions.

11 So first I want to thank you for your
12 leadership on the PCB cleanup.

13 COMMISSIONER SEGGOS: Thank you.

14 ASSEMBLYWOMAN WOERNER: It's great.

15 The testing that you all did and the
16 leadership you're showing on really holding
17 GE's feet to the fire is terrific, and I
18 appreciate that.

19 COMMISSIONER SEGGOS: Thank you.

20 Likewise. Thank you.

21 ASSEMBLYWOMAN WOERNER: Thank you.

22 With respect to the diversion of food
23 scraps to landfills in 2021, one of the
24 challenges we have with digesters is that

1 NYSERDA's incentives have expired for the
2 development of additional digesters upstate,
3 and the PSC has up to this point been not
4 willing to set an economic rate for the power
5 produced by the digesters. And from your
6 earlier remarks, it's clear that you
7 recognize that digesters are a linchpin
8 technology in the success of this program.

9 So I'm just wondering if you have been
10 in conversations with NYSERDA and the PSC
11 about rectifying the energy side of this
12 equation to make sure that this program is
13 successful.

14 COMMISSIONER SEGGOS: We have been in
15 conversations with our sister agencies on
16 this. We do see an important role for
17 digesters to play, ultimately not just with
18 their food waste but many other issues
19 throughout the state on farms.

20 So we'll be working with them on this.
21 And there are certain things that we can do
22 as well at the DEC to facilitate digesters.
23 We've proposed some changes through SEQRA to
24 facilitate the creation of projects that may

1 reduce some of the burden of getting projects
2 through the pipeline.

3 At the same time, we're sensitive to
4 the environmental justice populations who
5 don't want digesters at sewage plants,
6 because that means potentially more trucks
7 through streets, city streets. So it's a bit
8 of a difficult balance.

9 On the SEQRA side, we see a -- the
10 State Environmental Quality Review Act,
11 SEQRA, we see an opportunity to get something
12 done through that. But we'll be talking to
13 NYSERDA and DPS, certainly.

14 ASSEMBLYWOMAN WOERNER: Great. Thank
15 you very much.

16 The 480-a change in the forestry
17 regulations, can you articulate a little bit
18 more about how those changes that have been
19 proposed will provide for the small private
20 landowner that does their own, you know,
21 modest amount of forestry and logging?

22 COMMISSIONER SEGGOS: Sure. And I'll
23 have Julie pinch-hit for me as well. This is
24 one of her babies.

1 So we've been doing stakeholder
2 outreach on this for the better part of three
3 or maybe four years, talking to the universe
4 of people and individuals that would be
5 impacted by changes in forest tax credit law.
6 A significant number, millions and millions
7 of acres of land -- I think it's like 19
8 million acres of land -- is held --
9 forestland is held in private hands. And
10 there are extraordinary climate benefits to
11 well-managed forests.

12 We want to keep the current tax credit
13 program, make sure that it remains
14 attractive, but also move to the next phase
15 where it can become slightly more efficient
16 but also more attractive to the landowners
17 themselves by reducing the burdens on them.

18 This is currently a stumpage tax
19 that's paid out, a 6 percent stumpage tax.
20 We would propose to eliminate that. We would
21 propose to give landowners the opportunity --
22 who may not have large tracts of land -- drop
23 it from 50 acres currently down to 25. That
24 would give more participants the chance to

1 come into the program, and also give credit
2 where credit is due to open space.

3 Some of the land, forest and open
4 space land on certain tracts, we frankly
5 would want to keep both of those types of
6 habitats vibrant on land, on properties. And
7 up to 50 percent of a landowner's
8 participation could be through open space
9 preservation.

10 So it's an important -- it would be an
11 important change. The benefits to the
12 landowners would be significant, because
13 you're increasing the ability for the
14 landowner to, from a forest certified
15 perspective, sustainable harvestry, bringing
16 that wood off the land while at the same time
17 keeping local governments whole. That would
18 be something we would work on, because this
19 wouldn't take effect until next year. Local
20 governments we would seek to make whole
21 through our budget next year.

22 Julie, I want to give her credit for
23 this. Julie and my entire team, and
24 certainly all the stakeholders, have done an

1 enormous job tackling this somewhat complex
2 but really attractive program. And we've
3 been very optimistic about its chances of
4 succeeding here in New York based on some of
5 the feedback we've gotten.

6 Want to add anything, Julie?

7 ASSISTANT COMMISSIONER TIGHE: I think
8 one of the ideas which form the new 480-b, as
9 the program is called, is allowing a straight
10 certification program, which we recognize
11 would now probably be the larger forest
12 owners, your Lyme types of organizations.
13 And we would recognize all the work they're
14 doing to have their land certified by
15 providing them with a continued large credit
16 of 70 percent.

17 But we would also make a program
18 that's less burdensome than 480-a is now,
19 which requires very proscribed cutting
20 associated with that by providing a
21 40 percent reduction in property taxes, but
22 also offering different avenues for them to
23 enter the program. You know, it's limited to
24 a minimum of 10 acres of work that would need

1 to be done on the property, whether that's a
2 timber cut -- which we think would probably
3 be the most attractive way in, it's the only
4 practice that we allow that would make money
5 for the property owner. Other things could
6 be wetlands restoration or habitat management
7 or a thinning of a property, which you need
8 to do to maintain a healthy forest.

9 So we've provided a bunch of different
10 avenues for them to come in and make it
11 easier. We're also offering an off-ramp for
12 people who don't want to be in 480 anymore,
13 because we know that that's one of the
14 criticisms of the program. We want to help
15 promote it.

16 We've coupled that -- I think one of
17 the things that we're really trying to do is
18 we're coupling that with two proposed grant
19 programs. Both are proposed to be funded by
20 the Environmental Protection Fund, one to
21 support forestry management practices on
22 property which are similar to a federal EQIP
23 program, which in the State of New York
24 almost all of those funds go to the

1 agricultural community, which will help
2 really provide the support for the landowners
3 to implement those practices.

4 The other would also be to support
5 forestry by communities. The State of
6 New York has a very active timber management
7 program on our unconstitutionally protected
8 lands, I guess our lands not protected by the
9 constitution. And, you know, we'd like to
10 see that help support local governments who
11 want to do something similar, where you can
12 have a sustainable timber harvest of your
13 property that will help provide jobs for the
14 forest products industry while maintaining
15 forestland.

16 ASSEMBLYWOMAN WOERNER: Great. Thank
17 you very much.

18 CHAIRWOMAN WEINSTEIN: Thank you.
19 Senate?

20 CHAIRWOMAN YOUNG: Thank you. Our
21 next speaker is Senator Pamela Helming.

22 SENATOR HELMING: Thank you,
23 Senator Young.

24 Commissioner, thank you so much for

1 being here today.

2 COMMISSIONER SEGGOS: Senator, thank
3 you.

4 SENATOR HELMING: The first thing I
5 want to say is thank you to your office,
6 including Julie, for spending a considerable
7 amount of time with me during the past year.
8 Most of our conversations, our meetings have
9 centered around three issues in the Finger
10 Lakes region. One is solid waste management,
11 two is protection of our very precious lakes,
12 and the third has to do with Lake Ontario and
13 the implementation of Plan 2014 and the
14 subsequent flooding that occurred.

15 So I just wanted to start by quickly
16 going back to the harmful algal blooms. It
17 seems that every time I do have a
18 conversations with representatives from the
19 DEC, the information changes slightly, so I
20 just want to confirm.

21 There's \$65 million that's been set
22 aside for this most recent program,
23 \$10 million of that being used to host these
24 four listening sessions, whatever you want to

1 call them, steering committee meetings, the
2 hiring of the experts. Is that correct?

3 COMMISSIONER SEGGOS: Just to be
4 clear, it's not \$10 million for the summits,
5 it's \$10 million for any science or planning
6 that's needed on all those lakes.

7 DEPUTY COMMISSIONER TIGHE: And that
8 actually includes the pilot programs that
9 will be associated with this, which are both
10 for treatment system treatments that can be
11 done as well as monitoring. And that
12 includes the, quote, \$500,000 a lake that's
13 been identified associated with each of those
14 action plans.

15 SENATOR HELMING: Okay, thanks for
16 that clarification. So that leaves
17 \$55 million. And my understanding from your
18 recent testimony is that that money will be
19 available through grants to any and all
20 lakes. Is that correct?

21 COMMISSIONER SEGGOS: Impacted by
22 HABs.

23 SENATOR HELMING: Impacted by HABs.
24 But my question is, we now have

1 identified 12 priority lakes. Lakes like
2 Canandaigua Lake, Seneca Lake and Keuka Lake
3 that aren't on those priority lists, will
4 they score the same? What is your plan for
5 ranking the grant applications? Will
6 priority lakes be given preference over the
7 other lakes?

8 COMMISSIONER SEGGOS: Well, we
9 certainly want to find a way to give added
10 priority to the lakes that are impacted by
11 HABs. I think we will be able to pull it
12 off. We're working on the language right now
13 that would pass muster with the comptroller's
14 and AG's reviews of that program, make sure
15 that it comports with state law.

16 But for us, it is a fairly
17 straightforward objective. We need to get
18 money to fix the problem, the Governor has
19 made that very clear, and we need to make
20 that available as widely as possible.

21 Again, going back to what I had
22 mentioned earlier, we have -- in an almost
23 uncoordinated way over the last few years, we
24 have been spending money on HABs problems

1 through grant applications that come in,
2 projects that we undertake, Ag & Markets
3 spending money on farms, EFC funding, various
4 municipal wastewater upgrades, stormwater
5 upgrades. So it was all, in effect, being
6 done.

7 The purpose of the initiative now is
8 to harness all of that effort into one place
9 and give priority -- on the HAB side, give
10 priority to lakes that have problems
11 currently.

12 SENATOR HELMING: So for instance,
13 Seneca Lake, I think they've had more
14 documented harmful algal blooms, the toxic
15 algal blooms, than any other lake. So if
16 they apply for a grant, are they considered a
17 priority because they have HABs? Or are they
18 not -- will they not be given --

19 COMMISSIONER SEGGOS: Well, they would
20 be. I mean, they would be considered a
21 priority lake. If there's a HAB that's
22 impacting recreation or water quality,
23 drinking water quality -- it would need to be
24 those two things, not a theoretical problem

1 on a lake that isn't, you know, used by a
2 recreational group or a source of drinking
3 water. And those would be the criteria that
4 we think would help the lake score well.

5 Seneca Lake is obviously not only a
6 critical Finger Lake from a tourism
7 perspective, but is also a source of drinking
8 water. So I would think that would score
9 well.

10 SENATOR HELMING: Absolutely. And
11 that sets up my comment about my frustration
12 that Keuka Lake, Canandaigua Lake and Seneca
13 Lake were left off that priority list of 12.

14 If you rank -- well, I've spoken to
15 your office on numerous occasions about how
16 the lakes were selected and ranked. And in
17 every instance, it's my feeling that
18 especially Canandaigua and Seneca Lake, that
19 do provide drinking water to hundreds of
20 thousands of people, are the economic drivers
21 of those communities, that they should have
22 absolutely, without question, been included
23 in the 12 priority lakes.

24 I just want to go quickly to these

1 listening sessions that are being conducted
2 too. I think it would have been beneficial
3 to all if the meetings were open to the
4 public. That's the morning portion, where
5 the discussions will occur with the experts.
6 By closing out, by shutting out the public
7 and other experts who'd like to be there just
8 to listen in, I think that is a detriment to
9 finding solutions or involving the public.

10 And when we're spending taxpayers'
11 dollars, it's just my general feeling that we
12 should be more transparent and these meetings
13 should be open to everyone.

14 COMMISSIONER SEGGOS: Okay, just so
15 you -- obviously there's a morning and
16 evening session. The concept of the morning
17 session is to get expert testimony. For lack
18 of a better word, it's a bit wonkier than the
19 average meeting, discussing loadings and more
20 the scientific, complicated issues.

21 But we wanted to have a public
22 component also, and that is the evening
23 session. But I take your point.

24 SENATOR HELMING: So just along those

1 lines, then, Senator O'Mara mentioned several
2 organizations specific just to Seneca Lake
3 that have experts on them that aren't invited
4 or cannot participate or be a listener, just
5 sit in the audience and listen to those
6 discussions. They could learn something from
7 those discussions and take them back to their
8 organizations. So that's a miss. That's a
9 miss, and that's my opinion on that.

10 ASSISTANT COMMISSIONER TIGHE: I think
11 there may be some -- I mean, I'm not sure
12 about Seneca Pure Waters, but I definitely
13 know the Finger Lakes Institute and some of
14 these other organizations that were mentioned
15 have been invited, and some are in fact on
16 the steering committees.

17 So there are steering committees
18 associated with each individual lake. And
19 then on top of that, we've invited other
20 people to participate in these sessions where
21 there's going to be working groups where they
22 really sort of get into the meat and sort of
23 figure out how to best to proceed as they
24 develop those action plans. And then on top

1 of that, we have the open-to-the-public
2 session that the commissioner mentioned.

3 So there are -- I mean, to my
4 understanding, and I've definitely looked at
5 this, the Finger Lakes Institute, definitely
6 invited. If there's other organizations you
7 want us to make sure are invited to some of
8 these sessions, since obviously the only one
9 we've actually held is happening right now in
10 New Paltz, we would be happy to look at
11 those.

12 SENATOR HELMING: And Julie, you and I
13 have had this discussion. I think that those
14 meetings should be open to whoever would like
15 to attend. I don't think the public should
16 be limited to 6 to 8 p.m. at night.

17 But moving on from there and on to
18 solid waste management in the Finger Lakes
19 region. I mean, we all agree, we're all on
20 the same page that it is critically important
21 that we protect our natural resources,
22 especially our water bodies.

23 In my Senate district, are you aware
24 of the waste incinerator that's been proposed

1 for Romulus, New York?

2 COMMISSIONER SEGGOS: I am aware of
3 the proposal, yes. We have not received an
4 application on that, though.

5 SENATOR HELMING: But have you had
6 meetings with the representatives from the
7 incinerator?

8 COMMISSIONER SEGGOS: I have not. My
9 office may have. Typically when we get these
10 kinds of applications coming our way, there's
11 a preapplication meeting. And I know that
12 there was a large community hearing, if you
13 will, down in the Romulus area on this.

14 SENATOR HELMING: Right. So the
15 application was submitted locally. It's
16 since been pulled and now has gone to
17 Article 10. And my question is now that the
18 application will be reviewed under the
19 Article 10 requirements, does that negate the
20 need for a solid waste management permit?

21 COMMISSIONER SEGGOS: I would have to
22 get back to you with an answer on that. I --
23 the interplay between Article 10 and --
24 typically, you know, years ago this would

1 have been a SEQRA process. Now that it's an
2 energy-generating station, we'd have to
3 determine -- I believe DEC's permits would
4 still remain in effect, we would still have
5 to issue permits, to a degree.

6 But we'll get back to you with an
7 answer on that.

8 SENATOR HELMING: Okay. I have
9 received responses from your office, but it's
10 that no, there are no solid waste management
11 permits that would be required. SEQRA will
12 not be required; that's a whole other
13 process. Which is my concern. Again --

14 ASSISTANT COMMISSIONER TIGHE: But to
15 clarify, to clarify, the general requirements
16 associated with the permits that DEC issues
17 normally, as an individual permit, are
18 generally incorporated into Article 10.

19 So for example, if there are permits
20 associated -- you know, if there are air
21 permit requirements associated with that,
22 those would be folded into the Article 10
23 component, generally speaking, unless there's
24 a federal permit associated with that. But

1 we can confirm on all of those particular
2 details.

3 SENATOR HELMING: Okay.

4 DEPUTY COMMISSIONER TIGHE: But
5 generally speaking, that's handled within the
6 Article 10 process.

7 SENATOR HELMING: And I think it is
8 critically important that the DEC be involved
9 every step of the way. This has the
10 potential to have a huge negative impact on
11 our lakes. This proposal, the waste
12 incinerator is proposed to be 3.5 miles from
13 Seneca Lake.

14 And also, something that I found
15 interesting was that the largest source of
16 greenhouse gases, what I heard from your
17 testimony, Commissioner, comes from
18 transportation.

19 COMMISSIONER SEGGOS: Correct.

20 SENATOR HELMING: This waste
21 incinerator project alone is proposing an
22 additional 260 trucks on the road. So think
23 of the emissions from that. And it's not
24 solving a local issue. We have two landfills

1 within less than 20 miles of this proposed
2 incinerator, so we don't have a need locally
3 for the incinerator. The waste is going to
4 be trucked in from downstate, from out of
5 state. It's -- it has -- it's just wrong.
6 We take more than our fair share of waste in
7 the Finger Lakes area. We don't need a waste
8 incinerator program.

9 But one of the questions I have for
10 you is, does the DEC consider the energy
11 generated from waste incinerators clean
12 energy?

13 COMMISSIONER SEGGOS: Do we consider
14 the energy generated at waste incinerators
15 clean energy?

16 SENATOR HELMING: Mm-hmm.

17 COMMISSIONER SEGGOS: Senator, I -- I
18 mean, it's a theoretical question. What's
19 clean energy, in my mind, is windmills, solar
20 power, hydro. I mean, those are the big
21 categories. Waste energy, in my mind, is --
22 you know, is an older technology.

23 We see lots of proposals that come to
24 us, I'm aware of many types of technologies

1 that they claim to be renewable. My biggest
2 concerns, whenever I hear of a project, are
3 is there an appropriate recycling system in
4 place before this type of a system is
5 proposed? Are there no other alternatives?
6 You know, we have a system to review these
7 projects as they come to us. This one hasn't
8 come to us yet. And I know it has generated
9 an enormous amount of public interest and
10 opposition, and we'll give it a fair shake.

11 But our perspective on renewable
12 resources is that, you know, the other
13 technologies is where the state will put
14 emphasis. And we'll fairly and justly
15 process permit applications when they arrive
16 at our agency.

17 CHAIRWOMAN YOUNG: Thank you, Senator
18 Helming. It sounds like you have some very
19 compelling local issues. So if you want to
20 come back for Round Two after the other
21 members have spoken, that would be fine.

22 And I want to let members know that.
23 If you have a lot of questions, there is a
24 chance for another round. But we want to get

1 to everybody and let them have a chance to
2 ask their questions during the first round.

3 The Assembly?

4 CHAIRWOMAN WEINSTEIN: Assemblyman
5 Croci -- Crouch.

6 ASSEMBLYMAN CROUCH: Thank you,
7 Chairwoman.

8 Commissioner, thank you for being
9 here.

10 COMMISSIONER SEGGOS: Assemblyman.

11 ASSEMBLYMAN CROUCH: A question, acres
12 of wetland -- how many acres of wetland does
13 DEC own across the state?

14 COMMISSIONER SEGGOS: Acres of
15 wetlands? It's got to be tens to hundreds of
16 thousands, I would think.

17 ASSEMBLYMAN CROUCH: You have a
18 program for mosquito management, like to
19 guard against West Nile virus?

20 COMMISSIONER SEGGOS: I know that was
21 an issue back in the mid-2000s, the West Nile
22 virus. There was a debate at the time about
23 spraying into wetlands.

24 We have -- you know, our objective is

1 to -- with West Nile is to support our
2 officials at DOH. When questions come up
3 about wetlands -- you know, are there
4 applications that need to be made to us for
5 spraying of insecticides -- we would take
6 those as they come to us. I have not
7 received those types of questions from the
8 DOH over the last couple of years.

9 ASSEMBLYMAN CROUCH: DEC is proposing
10 that farmers that cover their -- hold a tarp
11 down on their silage piles, that they have to
12 cut or bore all the tires. And that's,
13 number one, a very labor-intensive, very
14 costly endeavor.

15 COMMISSIONER SEGGOS: Right.

16 ASSEMBLYMAN CROUCH: It also could be
17 dangerous, because the tires have wires in
18 them and could deem that they're no longer
19 basically effective, could be puncturing
20 holes in the tarp.

21 So in consideration of, you know,
22 numbers of the acres of wetlands across the
23 state that we don't necessarily do anything
24 with unless it's a spotty problem, it seems

1 like this is kind of a small chump change way
2 of trying to attack the West Nile problem and
3 putting the burden of labor and cost on the
4 farmers that use these tires.

5 And I just, you know, wonder if
6 there's some other way that we can look at
7 this with some type of a program and certain
8 times of the year or whatever. Basically,
9 you know, a very little amount of water can
10 be contained in a tire if it's on a pile
11 because it's usually on a slope or whatever.
12 And with three days of good hot, sunny
13 weather, that water is basically evaporated
14 anyway, so the problem seems to dissipate.

15 Just your thoughts on an alternative
16 possibility.

17 COMMISSIONER SEGGOS: Well, I will
18 tell you this was a small component of a
19 large undertaking, the Part 360 revisions
20 that we did this year.

21 We've been in contact, heard loud and
22 clear from the farming community of their
23 concerns. I believe you sent me a letter on
24 this as well.

1 So our staff has been in touch with
2 the Farm Bureau to find ways in which to push
3 the requirements off for a period of time to
4 give us the chance to understand how best to
5 perhaps modify the requirement.

6 I'll give my staff credit for finding
7 ways in which to reduce the threat of
8 mosquito-borne illnesses. But I think we
9 understand the problems associated with
10 tires, that tires are important to the
11 farming community. I see them myself out
12 there on tops of piles holding down plastic.

13 But the steel-belted nature of them
14 makes boring through them and cutting them
15 difficult and sometimes hazardous. So we
16 intend to continue working on this over the
17 next year with the farming community to see
18 if there's a path forward that makes sense
19 for them and for us.

20 ASSEMBLYMAN CROUCH: Okay. Thank you
21 for looking into that. And I would encourage
22 you to hold off and look for other
23 alternatives. It seems to be going after the
24 West Nile problem with sort of a fly swatter

1 approach, if that's -- if you don't have a
2 lot of other avenues on some of the wetlands
3 that we've encouraged. And over the years,
4 you know, DEC has welcomed the opportunity to
5 create more wetlands, so we've exacerbated
6 the problem in other ways, I believe.

7 I'm always asking a question on our
8 state woodland management. I still get
9 comments from some local loggers about trees
10 are dying in some of the state forests, good
11 quality trees. And of course we've got the
12 issue with the ash borer killing the ash
13 trees now. I'm always asking, you know, are
14 we increasing the number of foresters out
15 there that we can -- and are we marketing
16 more aggressively some of our state forest
17 products? And certainly the state at this
18 point in time could use the revenue.

19 COMMISSIONER SEGGOS: Right. I think
20 the answer to those is yes. I mean, we have
21 done good work in the last few years to
22 increase sales of timber from state-owned
23 lands, I think \$7 million a year for the past
24 two years. It's a record. Last three years,

1 right. It's a record.

2 ASSEMBLYMAN CROUCH: Good.

3 COMMISSIONER SEGGOS: So our lands and
4 forest division that runs these cuts does the
5 assessments, working with the forestry
6 certifying bodies. They've been working very
7 well, they've become more streamlined. And
8 frankly I think the acceptance of the need to
9 do sustainable cuts has become more
10 widespread statewide. And we've shown that
11 we can do this in a way that protects the
12 environment but gives the timber industry a
13 chance to survive in the state.

14 ASSEMBLYMAN CROUCH: I know some of
15 the sale of timber was rather dormant for a
16 few years, so it takes a while to get caught
17 back up. But I do appreciate your efforts
18 and your support on that.

19 One other thing, in my district or
20 just outside of my district is the Rogers
21 Environmental Center. And I just want to
22 tell you how much I support that. I would
23 like to see DEC more involved in the
24 operation of that. The Friends of Rogers

1 have done a great job, as you know, of
2 keeping the mission there.

3 COMMISSIONER SEGGOS: Right.

4 ASSEMBLYMAN CROUCH: My understanding
5 is that just recently DEC put a ton of money
6 into the environmental center not too far
7 from here, and certainly we'd like to be on
8 the slate for a good slug of money into the
9 Rogers Environmental Center in Sherburne. So
10 I just wanted to get that on the record, and
11 hopefully you'll support that.

12 COMMISSIONER SEGGOS: Okay, thank you.
13 I'll look into it.

14 ASSEMBLYMAN CROUCH: Thank you.

15 COMMISSIONER SEGGOS: Yup.

16 CHAIRWOMAN YOUNG: Thank you.

17 Our next speaker is Senator Elaine
18 Phillips.

19 SENATOR PHILLIPS: Good morning.

20 COMMISSIONER SEGGOS: Good morning.

21 SENATOR PHILLIPS: First,
22 Commissioner, thank you. Thank you for
23 coming today. I also want to thank you and
24 Julie and Senator O'Mara for meeting with me

1 last week on the Jamaica Wells issue.

2 I just would like to reiterate that
3 the Lloyd Aquifer is vulnerable and one of
4 our most valuable resources that we have on
5 Long Island. So in your analysis and thought
6 process of what kind of conditions will be on
7 the repermitting, please, those wells should
8 be excluded from the repermitting process.
9 And any repermitting, needless to say, as we
10 discussed, should factor in USGS study
11 results.

12 I want to talk a little bit about
13 dioxane also, and I thank Senator Kaminsky
14 for bringing it up. We are pleased that the
15 Department of Health has approved the first
16 use of the technology with the Suffolk County
17 Water District. But I'd like to remind the
18 DEC that the highest levels of dioxane that
19 have been identified so far are in Nassau
20 County, and specifically in my Senate
21 district.

22 COMMISSIONER SEGGOS: Right.

23 SENATOR PHILLIPS: So I'm asking you,
24 how will the funding come through, or what is

1 the DEC's thoughts on funding? Will it be
2 direct funding? Will the DEC stay involved?
3 You know, as much as we'd like to know, that
4 what works in Suffolk County doesn't always
5 work in Nassau County. So will the DEC stay
6 involved in what the process will be?

7 COMMISSIONER SEGGOS: Senator,
8 absolutely, we will remain involved. We are
9 in this with the Department of Health, side
10 by side. Our role would be largely on the
11 track-down side -- what are the sources of
12 contamination, how do we abate those sources.
13 The Department of Health would then determine
14 what treatment technology is needed, if there
15 is treatment technology needed, and would run
16 much of the funding through their funding
17 schemes. And they have a stake in both the
18 Clean Water Infrastructure Act and the State
19 Revolving Loan Fund.

20 But we work seamlessly on a situation
21 like this where you have contamination that's
22 impacting the drinking water supply. We will
23 absolutely remain involved in this. This is
24 going to become a big part of what we do as

1 an agency, dioxane, PFCs, emerging
2 contaminants. It will be a core of our
3 mission now for the foreseeable future.

4 SENATOR PHILLIPS: I'd like to just
5 say a competitive situation is not the
6 appropriate way to handle this. It really
7 has to be with your expertise of identifying
8 the most vulnerable spots.

9 COMMISSIONER SEGGOS: Understand.
10 Understood.

11 SENATOR PHILLIPS: The last question I
12 have is WaterTraq. Due to some efforts and
13 support by my conference, we were able to
14 fund WaterTraq. It is being administered by
15 LICAP. And I'd like to know what the DEC's
16 thoughts are on the results. Is there any
17 type of additional or better utilization we
18 should be having that's been useful? And is
19 there ways we can enhance it if necessary?

20 COMMISSIONER SEGGOS: Senator, perhaps
21 you could talk a bit more about it. I'm not
22 familiar with WaterTraq.

23 SENATOR PHILLIPS: So WaterTraq -- and
24 we can do this as a follow-up. WaterTraq was

1 a system -- what we were informed of last
2 year, or what I was informed of last year, is
3 the water districts are collecting data, but
4 there was no way to share the different data
5 with each other. So WaterTraq was a system
6 that again, I want to thank my conference for
7 helping me fund it, that we provided to all
8 the water districts on Long Island in order
9 for them to communicate.

10 In my understanding, the data that's
11 coming from it really will help model, you
12 know --

13 COMMISSIONER SEGGOS: Absolutely. I'm
14 sorry, I hadn't heard the name WaterTraq
15 before, but I actually am familiar with the
16 system you're talking about. Stan Carey had
17 briefed us on it, and we're in regular
18 communication with him about this.

19 They are doing extraordinary work,
20 too, bringing data together. And ultimately
21 our goal is to fold that data into the larger
22 USGS study, get a sense of -- which we're
23 doing now, thanks to your help on that, we're
24 doing to paint a picture of the flows,

1 groundwater flow model, basically the major
2 groundwater flow model for all of Long
3 Island. And then layer into that all that we
4 know about Superfund locations and the flows
5 from Superfund locations, and what the water
6 districts know. And they probably know as
7 much as anybody about the conditions down
8 there.

9 So it's been enormously successful.
10 And we're going to continue folding that
11 information into the state's overall studies.

12 SENATOR PHILLIPS: Thank you.

13 COMMISSIONER SEGGOS: Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 Assemblywoman Fahy.

16 ASSEMBLYWOMAN FAHY: Thank you. Thank
17 you, Madam Chair.

18 Good to see you here, Commissioner,
19 and your team.

20 COMMISSIONER SEGGOS: Good to see you
21 as well.

22 ASSEMBLYWOMAN FAHY: I've got just a
23 couple of questions, but just a couple of
24 comments in advance. One, I really

1 appreciate your comments about the states
2 really have to lead on so many of these
3 issues given what you said is a hostile
4 administration. And I just want to echo your
5 words, because I couldn't agree more.

6 I really commend you for some of the
7 work you're doing on water quality, which
8 is -- I think one of the biggest achievements
9 we had last year was increasing those funds,
10 as well as the air quality -- your initiative
11 in South End. I live here in Albany; while
12 that's not my district, I've been following
13 that closely and very much appreciate your
14 efforts to get on top of that. As well as
15 your proposed efforts on the food waste and
16 the composting -- a huge issue here in
17 Albany, where we have a landfill that is set
18 to be done or to be out of use in five years.

19 Along that same line, just a couple of
20 things I'd like to urge your consideration.
21 Earlier in this hearing the brownfields tax
22 credits were brought up. And I too share
23 those concerns that Senator O'Mara raised
24 about extending those tax credits and

1 decoupling them from what the feds are doing.

2 But I think it's really important that
3 we maintain those, including on the big
4 projects, like the Tobin First Prize right
5 here off Route 90.

6 Another area I would be remiss in not
7 mentioning is the staffing issue that
8 Assemblyman Englebright brought up. And I
9 hear you, and again I understand that you are
10 under the same constraints that the rest of
11 the state is, and so I'm pleased that
12 staffing is remaining steady. But I know it
13 is a continuing issue of concern.

14 The last one to urge your
15 consideration of is we've had a lot of
16 meetings on Sheridan Hollow, had some very
17 productive meetings with the New York Power
18 Authority, and want to make sure that you
19 will be involved and possibly take the lead
20 on the proposals there for what had been the
21 microgrid but moving toward more renewable
22 energy in that Sheridan Hollow area.

23 So two questions. One I think is just
24 a brief one, and I've talked a few times to I

1 think you and your team. The VW settlement,
2 the \$127 million, I know you've had lots of
3 proposals for that, and that's the one since
4 last summer I've been watching. I personally
5 think if we were to give those to buses, our
6 public transportation buses, buses especially
7 in our inner cities that may go up and down a
8 road 20 times, electrifying -- converting
9 those into electric vehicles I think would go
10 a long way.

11 Can you tell us -- you mentioned it in
12 your testimony -- can you tell us what the
13 timing will be there and if you are
14 considering public transit? And then I have
15 one other quick question.

16 COMMISSIONER SEGGOS: Sure.
17 Timing-wise, we started early on public
18 outreach. Some states waited until the
19 special master triggered the program; we
20 started actually last summer on this. So
21 we've gotten enormous feedback. Buses are
22 absolutely in our sights. I mean, there are
23 a number of authorities statewide, from MTA,
24 CDTA, Niagara Frontier, and everything in

1 between. Many of them, if not all of them,
2 want to modernize their fleets. We want to
3 support that. And I want to make sure that
4 the \$127 million that we have here is going
5 to go out to truly transformational projects
6 to reduce the burden of emissions,
7 particularly in urban neighborhoods -- that's
8 where you see a lot of these buses -- to
9 reduce NOx emissions in urban neighborhoods.

10 And I want to see us do what we can to
11 leverage those dollars, right, using, you
12 know, Green Bank, other sources of funding
13 that we have at the state level, make that
14 money go farther.

15 So the timing on it, again, because we
16 started early, I expect that within the next
17 couple of months we will be able to make some
18 announcements on that. We're not done with
19 the work and the analysis yet, but I'm
20 optimistic that this will be done fairly
21 shortly.

22 There's a 10-year spend-out on the
23 money. My view of it is I want to see the
24 money applied as aggressively as possible

1 up-front to make the biggest change possible
2 up-front. But if there are ways in which to
3 leverage more dollars by stretching it out
4 over time, that's also a conversation we have
5 to have.

6 ASSEMBLYWOMAN FAHY: Okay, thank you.
7 And thanks for your consideration on public
8 transit. I think it will go a long way.

9 Last quick question, plastic bags. I
10 saw the report and the stat that jumped out
11 for me is that just in New York State, that
12 we are using 23 billion plastic bags,
13 single-use plastic bags each year. It's
14 rather stunning to me. I do think we need
15 change here.

16 I know you did the report, I know
17 Chairman Englebright does have a proposal at
18 this point. Can you talk about next steps
19 and where we are going? I know you put a few
20 options on the table, but I'm worried we're
21 not being aggressive enough.

22 COMMISSIONER SEGGOS: So I want to
23 thank the task force members, including
24 Assemblyman Englebright and Senator O'Mara

1 for their work over the year. We produced an
2 87-page report which detailed really seven
3 options. I wouldn't count the eighth option,
4 which is a no-action option, as a real
5 option.

6 Everyone on the committee, on this
7 task force, was in alignment that something
8 needed to be done. The Governor sent the
9 message last year that there's 23 billion
10 bags, most of them end up in landfills or
11 waterways or streets. You know, you've all
12 seen the bag blowing around on the street
13 scape. Something has to be done about it. I
14 think people are making decisions already on
15 their own, but it clearly isn't making enough
16 of a difference.

17 So the options that we explored range
18 from bans to fees all the way to education.
19 To fix the problem, something will need to be
20 done across the board. We'll need to bring
21 in all the potential solutions involving
22 customer awareness as well as looking at bans
23 and fees.

24 But the report was meant to be

1 objective. We didn't achieve consensus
2 within the task force as to what path should
3 be achieved and what particular
4 recommendations should be sent up, so the
5 report was objective on its face. And I
6 think it will be helpful on its face, because
7 it was exhaustive. I give my staff an
8 enormous amount of credit for plowing through
9 dozens and dozens of instances around the
10 world where various solutions have been put
11 in place. And I think we've, you know,
12 delivered that to both the Governor and the
13 Legislature for their consideration. I know
14 that Senator Krueger has introduced
15 something, and we certainly look forward to
16 working with Senator Krueger and Assemblyman
17 Englebright to address the problem.

18 ASSEMBLYWOMAN FAHY: Thank you. Thank
19 you, Madam Chair.

20 CHAIRWOMAN WEINSTEIN: Thank you.
21 Senate?

22 SENATOR O'MARA: Senator Brooks.

23 SENATOR BROOKS: Thank you.

24 Commissioner, it's good to see you

1 again.

2 COMMISSIONER SEGGOS: Likewise.

3 SENATOR BROOKS: The Bethpage plume, a
4 couple of questions. I wonder if you can
5 give us an update of where we stand on that,
6 the timeline of where we're at, and how we're
7 doing as far as the construction of the
8 pumping wells, how you feel about the
9 funding, what cooperation or lack of
10 cooperation are we getting from Grumman
11 itself. And then finally, are we still
12 confident that we can contain the plume where
13 it is now and remediate the area?

14 COMMISSIONER SEGGOS: Well, on that
15 last point, thanks to some great work by some
16 staff on my team and really solid scientific
17 engineering consultancy from one of our
18 outfits on the outside, I think for the first
19 time we believe that containing the plume is
20 feasible.

21 We were in the county last year down
22 in Bethpage near Massapequa, drilling some of
23 the first wells. All of that data that we
24 generated from the wells we drilled last

1 year, we put together into a model which
2 shows that containment is possible. I think
3 many, many years ago people didn't think we'd
4 be able to contain a plume as big as, you
5 know, four miles by two miles. But I think
6 what we're seeing now is it's scientifically
7 possible. So the next question is how do we
8 do it.

9 That's what we're in the middle of
10 right now. So we have, you know, a very
11 complicated landscape, literally. I mean,
12 hundreds and hundreds of homes, not much open
13 space, enormous groundwater questions in the
14 entire island that we need to integrate our
15 understanding of how the water is flowing
16 through that area with the objective of
17 keeping saltwater from intruding into the
18 water table.

19 It's a very delicate balance. But
20 again, we think that it is possible now to do
21 that.

22 We have been talking with -- and the
23 governor's certainly set the tone on this.
24 We've been talking with the water districts,

1 we have been talking with the polluters
2 themselves, that's Grumman and the Navy. I
3 would say, to one of your questions, that we
4 are getting responses to questions. I don't
5 believe we have perfect fidelity on where we
6 need them to be on stepping up.

7 But what the Governor has made clear
8 is that the state will step up when the
9 polluters refuse to. In this instance, our
10 objective is to enhance the treatment of the
11 plume, contain it, and turn around a water
12 table that's cleaner for the next generation.

13 SENATOR BROOKS: Okay. So the -- when
14 we spoke, at least I was left with the
15 impression that we were absolutely confident
16 we could contain that. And in your response,
17 I think it's probable. Where are we?

18 COMMISSIONER SEGGOS: I think we can
19 do it. I think we can do it. And we will be
20 sinking wells this year on that. The
21 Governor laid that out in his pre-State of
22 the State trip that we did down to Bethpage,
23 and made it clear that we're on an aggressive
24 path to begin putting wells into the ground

1 to enhance that treatment, to enhance the
2 containment possibility.

3 So I think we're optimistic as an
4 agency. And I think the only real question
5 is going to be who we get to pay for it and
6 when. But we're going to push the project
7 forward and ensure that ultimately the
8 polluters are on the hook for it.

9 SENATOR BROOKS: Okay. So right now
10 you are confident, regardless of what you
11 need from a funding standpoint, that's going
12 to be available.

13 COMMISSIONER SEGGOS: Correct. I am.

14 SENATOR BROOKS: Okay. Thank you.

15 COMMISSIONER SEGGOS: Thank you.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 Assemblyman Stec.

18 ASSEMBLYMAN STEC: Thank you,
19 Chairwoman.

20 Commissioner, thanks for coming here
21 today for your testimony.

22 COMMISSIONER SEGGOS: Thank you, sir.

23 ASSEMBLYMAN STEC: I'd also like to
24 take this opportunity to thank you and the

1 DEC for all you do across the state on so
2 many issues that are important. And in
3 particular, you and your staff for the great
4 legislative work that we've done together
5 with local government and environmental
6 groups over the past several years,
7 including -- not limited to -- a few
8 constitutional amendments.

9 COMMISSIONER SEGGOS: Right.

10 DEPUTY COMMISSIONER TIGHE: That's
11 three.

12 ASSEMBLYMAN STEC: With that, though,
13 I want to make sure we continue to work
14 together in this collaborative method moving
15 forward. I think that a lot of the issues
16 that we face are going to be best dealt with
17 with local government and environmental
18 groups and stakeholders in general all on the
19 same page.

20 COMMISSIONER SEGGOS: Agreed.

21 ASSEMBLYMAN STEC: And there's a
22 couple of things in the budget that concern
23 me a little bit about rocking that boat or
24 damaging or taking a step back from the

1 forward progress that we're making -- and two
2 in particular that I'll ask together, because
3 they really go to the heart of keeping local
4 government whole financially, from a fiscal
5 standpoint.

6 One certainly is the PILOT. Local
7 governments and environmental groups
8 essentially all are gravely concerned with
9 this, and I guess my question would be, you
10 know, where does DEC stand on this? Do you
11 see value in this, knowing that local
12 government has veto over future land
13 purchases in the Adirondacks and the
14 Catskills? And, you know, is this really
15 building on that good faith and collaborative
16 successes that we've had?

17 And related to the PILOT, I know
18 Assemblywoman Woerner brought up 480-a and
19 480-b. And I'm curious -- I'm not sure I
20 heard the answer to this question and your
21 response to her, but the cost to local
22 government and is that going to be addressed
23 and taken care of? Because I know that local
24 government is very concerned about that.

1 And I think the good news here is that
2 we're talking about a relatively small
3 financial impact to the state. But these
4 are -- you know, there's a state value to
5 this program. And so, you know, I think the
6 local government perspective in the
7 Adirondacks is the state and not local
8 government should be the one to bear the
9 costs of that.

10 So those two things for starters,
11 please.

12 COMMISSIONER SEGGOS: Sure. Well, on
13 the PILOT, this is a proposal of Tax &
14 Finance to change the way in which
15 assessments are made from year to year on
16 state-owned lands. And I've been assured
17 that the proposal itself will not change the
18 amount of money that's going from the state
19 into local government. I know this is an
20 efficiency initiative at Tax & Finance. It's
21 very important for the state, obviously, to
22 remain more efficient and to spend less time
23 on staff time, more time actually, you know,
24 implementing programs.

1 So I've been assured -- certainly have
2 seen the concerns raised directly to me and
3 in the papers, and I know that the budget
4 director has indicated certainly with this
5 program a willingness to ensure that it
6 doesn't have unintended consequences, and DEC
7 will be at the table for those discussions.

8 ASSEMBLYMAN STEC: And 480-a and -b?

9 COMMISSIONER SEGGOS: 480-a and -b,
10 the program itself that we're proposing
11 wouldn't take effect until next year. So the
12 impacts to local government wouldn't take
13 effect until next year and beyond.

14 But what we're setting up through this
15 program is a commitment to effectively keep
16 municipalities whole on this. We would do
17 that through our budget, ways in which we'd
18 have to work that out, you know, with the
19 Legislature next year and ultimately work it
20 out through the Executive Budget next year.
21 But the impacts would not be felt until
22 2019 and beyond.

23 DEPUTY COMMISSIONER TIGHE: And the
24 proposal includes a reimbursement formula

1 that would be -- we're proposing to codify
2 that in the State Finance Law for how that
3 would work for municipalities impacted by
4 1 percent or more.

5 ASSEMBLYMAN STEC: Well, again, I
6 would just reiterate, on behalf of the
7 hundred-some-odd local governments in the
8 Adirondacks, I think to a town there's grave
9 concern over what these formulas may or may
10 not look like and whether or not they will or
11 will not be stuck to going forward. Which is
12 why you're getting the calls and letters and
13 emails from local governments about these two
14 programs.

15 COMMISSIONER SEGGOS: Sure. Sure.

16 ASSEMBLYMAN STEC: The other question
17 that I wanted to ask I think really goes --
18 I'll build off what Chairman Englebright
19 brought up, is, you know, in my words,
20 getting the funding out the door. Or is
21 there a mismatch between the amount of work
22 you're being asked to do and the funding and
23 staffing that is available to you?

24 And specifically, ranger staffing is

1 always a question, especially as we acquire
2 more lands. And then infrastructure, the
3 maintenance of effort from an infrastructure
4 standpoint, specifically on our lakes, the
5 properties that -- the boat launches that DEC
6 owns and maintains on the various lakes,
7 including Lake George and Lake Champlain, and
8 one specific one that I'm going to make an
9 appeal for -- this is making me go on for far
10 too long -- but there's a boat launch in
11 Saranac Lake that has a bathroom that really
12 could use a little TLC.

13 COMMISSIONER SEGGOS: Okay.

14 ASSEMBLYMAN STEC: You know, and
15 there's some lingering issues with the State
16 Land Master Plan update, the numerous unit
17 management plans that have been kicking
18 around in dire need of updates going back
19 years. There's a backlog of UMP work that's
20 holding up good work that everyone wants to
21 do, they recognize it. But the paper trail
22 hasn't caught up, and there's no end in sight
23 as to how quickly that paper trail will catch
24 up.

1 And along those lines, the last part
2 of this, you know, is the SEQR process, a lot
3 of complaints over just the burdensome nature
4 of the SEQR process. And has anything been
5 done, I guess, on SEQR, SLMP and UMPs to put
6 those resources there so that we can catch up
7 and, you know, update our SEQR and certainly
8 our UMPs?

9 COMMISSIONER SEGGOS: Okay, there's a
10 lot in there.

11 ASSEMBLYMAN STEC: I only have five
12 minutes.

13 (Laughter.)

14 COMMISSIONER SEGGOS: Let me see if I
15 can do it quickly.

16 So infrastructure, NY Works has been
17 in effect since 2011. And we had a big boost
18 last year in NY Works, which the Governor set
19 forth his Adventure NY. We mixed that up
20 with some of the stewardship monies in the
21 EPF and have launched an initiative to
22 restore some of our infrastructure.

23 I will agree with you that there are
24 many locations around the state, DEC

1 facilities -- the same thing happened with
2 Parks facilities -- where there was literally
3 decades of neglect. And when we came in six,
4 seven years ago, we found that we had a real
5 infrastructure burden. We've been slowly
6 chipping away at that. There are some
7 locations around the state, unlike Saranac
8 boat launch and the restroom there --

9 ASSEMBLYMAN STEC: Don't forget that
10 one. Saranac Lake and the bathroom.

11 COMMISSIONER SEGGOS: That's now
12 seared in my memory.

13 ASSEMBLYMAN STEC: Because the
14 Governor uses that bathroom.

15 (Laughter.)

16 COMMISSIONER SEGGOS: All right.
17 That's all you had to say. That's all you
18 say.

19 (Laughter.)

20 UNIDENTIFIED MALE PANELIST: I'm not
21 going to ask you how you know that.

22 ASSEMBLYMAN STEC: I know these
23 things. I have my ways. We'll leave it at
24 that.

1 (Laughter.)

2 COMMISSIONER SEGGOS: So we have
3 developed a master list. I brought on
4 somebody to specifically do these projects --
5 basically to hone our list, prioritize it,
6 and begin spending that money accordingly.
7 So that the first year of Adventure NY was
8 designed to do that.

9 We're continuing that this year and
10 we're continuing it for the foreseeable
11 future. We're seeing record tourism now in
12 the Adirondacks and Catskills. We want to
13 see people come and want to come back, and
14 part of it is giving them a good experience
15 when they're there. So key to that is
16 infrastructure.

17 So you have my commitment to look at
18 the Saranac Lake bathrooms and certainly push
19 forth the Adventure NY package.

20 Ranger levels, we hear certainly quite
21 a bit about that. You know, our Rangers have
22 done, since I've been in state government and
23 many, many years prior to that, they do
24 incredible work. I know you have a personal

1 connection to the Ranger force.

2 ASSEMBLYMAN STEC: Yes. Yes, I do.

3 COMMISSIONER SEGGOS: I can't say
4 enough about what they do. And since I've
5 been in office, I have made it my priority to
6 give them everything that they need, both the
7 Rangers and the Environmental Conservation
8 Officers. They're on the front lines doing
9 some of the most heroic and dangerous work.

10 And so I think there's a couple of
11 things. We just graduated the second class,
12 back-to-back classes. That hasn't happened
13 probably in 10 or 15 years that we've had
14 back-to-back classes. There was a large cut
15 in force, the rangers and ECOs, back in the
16 mid-to-late 2000s. So we're starting to
17 restore those numbers. Actually, our ranger
18 numbers are at the highest level in a couple
19 of decades. So we're starting to rebuild
20 that force. Same thing on the ECO side.

21 Record tourism. We get that people
22 are going more intensively to some of these
23 corridors, like the Route 73 corridor. It's
24 triggering more rescues. We have an

1 obligation to spread the traffic out of it,
2 there's some benefits to that so you're not
3 impacting the resources as much where it is,
4 you're putting people into other areas of the
5 park. It also helps the hamlets in the
6 communities that need that benefit. And
7 using our partners out there to do some of
8 the maintenance work and keep our rangers and
9 ECOs focused on their core mission.

10 So I certainly have a commitment to
11 working with both forces to ensure they have
12 the right numbers, get the next academy going
13 when we can, and continue rebuilding the
14 force.

15 UMPs, completely agree with you.
16 There's UMPs that have been sitting on
17 shelves for years. We started to look into
18 those under my predecessor, Commissioner
19 Martens, have begun to do that in earnest
20 over the last few years as well. Going to
21 put those UMPs into action, because there are
22 real needs in communities, and find ways in
23 which to turn around projects more quickly.

24 Several of the big projects that we're

1 doing up in the Adirondacks right now are
2 gaining lots of attention. All of that
3 relies on being able to look at UMPs and do
4 quick turnaround on UMPs and working with APA
5 on SLMP issues.

6 So I don't know if I got everything in
7 there. SEQR, obviously we've done SEQR
8 amendments, attempting to streamline SEQR
9 through collaborative outreach. And that
10 obviously is its own beast, but we've made
11 some progress on that, and we'll be getting
12 out final regs shortly.

13 ASSEMBLYMAN STEC: Thanks,
14 Commissioner. Thanks, all.

15 COMMISSIONER SEGGOS: Thank you.

16 SENATOR O'MARA: Senator Krueger.

17 SENATOR KRUEGER: Hi. Is it still
18 morning? I think so.

19 SENATOR O'MARA: Nope.

20 SENATOR KRUEGER: No, good afternoon.

21 COMMISSIONER SEGGOS: Good afternoon.

22 SENATOR KRUEGER: Good afternoon.

23 So many questions. So you already
24 answered one of my questions about plastic

1 bags with Pat Fahy. But I just want to
2 highlight how important it would be for the
3 Governor to pick a proposal, any proposal --
4 yes, perhaps the bill Assemblymember
5 Englebright and I introduced yesterday, or
6 something else. But we need to either come
7 up with a statewide plan or make it clear the
8 localities can go forward -- specifically,
9 New York City, who we stopped from going
10 forward and said we'll come up with a
11 statewide plan.

12 So the report was very helpful, but we
13 have to actually operationalize somehow. And
14 I think leadership from the Governor's office
15 would make a huge difference in helping us
16 move forward down one of the roads.

17 COMMISSIONER SEGGOS: Understood.
18 I'll pass it along.

19 SENATOR KRUEGER: Thank you.

20 We're behind what New Jersey is
21 announcing it's planning on doing with
22 offshore wind targets. Can we realistically
23 move up our agenda?

24 COMMISSIONER SEGGOS: Well, I would

1 say that we're actually way ahead of
2 New Jersey on this. We started this process
3 several years ago to -- this is -- again, I'm
4 going to refer you to NYSERDA to answer much
5 of this, because they have the most expertise
6 on it.

7 But we started this process with
8 offshore wind when I was in the chamber, so
9 2012-2013, starting the process of
10 characterizing our offshore wind assets, the
11 sensitive resources, you know, working with
12 the federal government to determine what
13 areas were appropriate for offshore wind.

14 The Governor put in a very aggressive
15 commitment this year. We intend to honor
16 that commitment over the next two years --
17 800 megawatts, I believe it is. You may have
18 to get some of the clarification from NYSERDA
19 on this. But we very much see offshore wind
20 as a huge part of certainly our downstate,
21 statewide energy picture over the coming
22 years.

23 And that's in part why we've been so
24 vocal in our opposition to offshore oil

1 drilling, based on some of the concerns in
2 compatibility with those two programs.

3 SENATOR KRUEGER: So, you know, I will
4 follow up with NYSERDA. Thank you.

5 And you talked about this partly, but
6 if the EPF and the federal government
7 dramatically reduce the monies that we are
8 receiving from them going through your
9 agency, I think particularly around staffing
10 patterns, what are we cutting to make sure
11 that we still have the staff to do your
12 primary functions?

13 COMMISSIONER SEGGOS: Well, listen,
14 I'm not going to mince words. I'm very
15 concerned about what the EPA is proposing.
16 We have a potential 23 percent cut to federal
17 budgets to an agency that we rely on here in
18 New York.

19 It's not just that DEC relies on the
20 EPA, it's that the state itself relies on the
21 EPA. We have, you know, years, decades of
22 programs that the EPA has carried out
23 directly in New York State with their own
24 employees doing their own very important

1 work. And we've been working very closely
2 with them over that period. We have not seen
3 a proposed cut like this, with the likelihood
4 of success, frankly ever -- at least not in
5 my lifetime.

6 So we're very, very concerned about
7 what's happening at the federal level. I
8 know that the Congressional delegation that
9 we're working with is also very concerned. I
10 mean, they're talking about lining out
11 certain programs like the Great Lakes
12 Restoration Initiative or Long Island Sound.
13 I mean, it's sort of an all-out assault on
14 that budget.

15 We also get money directly from the
16 EPA at DEC. We get EPA money at DEC for the
17 implementation, the carrying out of federal
18 environmental laws -- Clean Air Act, Clean
19 Water Act, and certain other programs. So
20 the prospect of a cut is concerning to us for
21 very obvious reasons, because that would have
22 a ripple effect on our staffing.

23 You know, thankfully the Governor is
24 pushing back against the overall budget, but

1 certainly on the cuts to the EPA, he's put
2 out some statements about that. And I intend
3 to spend some of my time this spring down in
4 D.C. ensuring that our federal partners
5 understand that cuts from the EPA will be
6 real problems here in New York.

7 SENATOR KRUEGER: But what is our Plan
8 B in our state budget if --

9 COMMISSIONER SEGGOS: Well, Plan B is
10 to fight back. And Plan A is the Governor
11 has given us a good budget this year. Right?
12 We have a -- in spite of a very significant
13 \$4.4 billion deficit, the Governor has held
14 DEC to a constant staffing level. He's
15 actually increased some of our resources over
16 the last two years through the EPF, through
17 the Clean Water Infrastructure Act,
18 continuation of the State Superfund. And
19 we've been given resources now to carry out
20 programs and do things that we were never
21 able to do as an agency.

22 So I think as a starting point, we're
23 in very good shape. Plan B is to fight back.
24 Plan C is I'll talk to you later, we'll

1 figure out what happens if the federal
2 government actually reaches this cut.

3 I will be honest with you, I am
4 optimistic that wisdom will prevail on a
5 potential cut to the EPA. I don't believe
6 it's going to happen because so many people
7 now recognize that the EPA is doing real work
8 that translates into jobs, real economic
9 activity, and protection of natural
10 resources. So hopefully we won't have to
11 have that Plan C conversation. But we're
12 going to spend an enormous amount of work
13 pushing back on a bad idea.

14 SENATOR KRUEGER: My time is up. But
15 can you estimate, if you did get the
16 23 percent cut from the EPA, what percentage
17 of your staff would be cut?

18 COMMISSIONER SEGGOS: I don't know if
19 I can give you a specific number, but it
20 would be in the dozens at least.

21 SENATOR KRUEGER: Thank you.

22 ASSEMBLYMAN OAKS: Assemblyman Otis.

23 ASSEMBLYMAN OTIS: Thank you,
24 Commissioner. I wanted to thank you and DEC

1 and EFC for the great work on the Water
2 Infrastructure Improvement Act and talk a
3 little about some of the dynamics of that
4 going forward. But the implementation has
5 been great. In the three years of the
6 Municipal Water Grant Program, there have
7 been 300 different communities have gotten
8 funding, amounting to over \$500 million,
9 which is huge.

10 The need -- and I thank you and the
11 Governor for staying steadfast in this budget
12 with the program. The need is enormous. One
13 of the great advocates for the program in the
14 Hudson Valley has been the Construction
15 Industry Council of Westchester and the
16 Hudson River area. And they have done
17 reports along the way tracking the need.

18 And so their estimate -- and they have
19 submitted written testimony for this hearing
20 today -- their estimate going forward in that
21 the need in the Hudson Valley is going to be
22 somewhere above \$640 million in new projects
23 in the next five years. And I would estimate
24 that that number is probably low, because

1 there are a number of communities that
2 haven't really done up the engineering to
3 know where they need to go.

4 So the program is going to be with us
5 at least until 2022, and that represents what
6 a great commitment this has been. But I'm
7 interested in your thoughts about what you're
8 hearing on the demand side statewide. And
9 just asking you to keep with it, and thank
10 you for that, but also to look for
11 opportunities to even continue to grow this
12 in future years even beyond the big numbers
13 that we have now. It's been -- one of the
14 big successes of it has also been that many
15 communities that weren't doing their water
16 projects at all, because of the grants, now
17 with the revolving loan fund piece, can come
18 and do both. And we've seen a lot of new
19 communities come and do projects that were
20 not in the game at all.

21 So your comments on those questions.
22 But thank you and thank EFC and everybody at
23 the staff level, both agencies.

24 COMMISSIONER SEGGOS: And thank you

1 for your advocacy on this. I mean, it's been
2 great to work with you on this over the last
3 few years.

4 Without a doubt, we've changed the
5 playing field in the last three years,
6 between the Water Infrastructure Improvement
7 Act and the Clean Water Infrastructure Act.
8 Those two, transformational. I mean, call
9 them generationally transformational, because
10 they are. It's not just the dollars that
11 we're putting into those programs, it's their
12 ability to leverage other dollars.

13 So you mentioned the \$500 million that
14 we've spent in three years. That's actually
15 leveraged over \$2 billion in projects.
16 That's a significant number. We've all heard
17 the statewide estimate. I think you put a
18 lot of stock in the exact nature of it,
19 because it is such a large number. But it is
20 a big number, multiple billion dollars,
21 30-some-billion dollars of need.

22 I think we all agree that there's that
23 need. But what we're finding now is that
24 these programs are working very well, we're

1 spending the money, we're getting the money
2 out the door very quickly. The interest in
3 the programs is extraordinary. And now the
4 interest, as you mentioned, in the Clean
5 Water Revolving Fund. Whereas we set much of
6 that money aside for lack of interest over
7 many, many years, now the grant program is
8 encouraging people to go and take those low-
9 or no-interest loans. So that helps us do
10 that leveraging that we were never able to do
11 in the past. It makes the programs more
12 attractive. And I credit all of you,
13 frankly, for pushing that through last year,
14 the Clean Water Infrastructure Act. It will
15 be with us through 2022, as you mentioned.
16 And it gives us a chance to begin addressing
17 that backlog.

18 The problem with it all is
19 obviously -- you start back in the '70s when
20 the federal government put a huge chunk of
21 money, grant money, in for the construction
22 of these plants. Then they walked away, and
23 it became a maintenance issue for the towns
24 to keep up with the need. And it was always

1 difficult for towns to, in some cases, take
2 these loans out, the municipalities, because
3 the rates were high or they just couldn't
4 afford it in their bottom lines.

5 I think we're starting to change that.
6 We're starting to see the implications of
7 maintaining drinking water, clean water in
8 the right way, in the sense that it protects
9 things like tourism assets, Niagara Falls
10 being a perfect example of that where you had
11 disinvestment for many years and the state
12 now having to step in and fix the problem, to
13 protect a -- not just aquatic resources, but
14 a real tourism economy.

15 So we're making good efforts, I think,
16 on that. And I think, you know, the great
17 Ross Pepe and the work that they're doing in
18 the Hudson Valley -- you know, we work very
19 closely with them and rely on their input as
20 well as many other advocates within the state
21 to ensure that there's a -- spending is going
22 on, the public understands what we're doing,
23 it's not just the visible infrastructure,
24 it's critical infrastructure.

1 worked on since I got here, because of all
2 the lakes in the Adirondacks and the
3 North Country. I think we've made great
4 progress on the preventative side and put a
5 lot of money into that, with both washing
6 stations and the brochures and education
7 programs. Very, very important.

8 But on actual eradication, we still
9 have a lot of lakes that need help in getting
10 their eradication programs going. Even if
11 it's a partial participation, at one time
12 they could apply for funding, a municipality
13 or a lake association, and get some help to
14 remove the milfoil or the zebra mussels or
15 whatever they had. And I know that -- I just
16 want to bring to your attention and see if
17 there's anything that we're going to be doing
18 with that this year.

19 And before I leave invasives, of the
20 12 lakes, two are in my district, Lake George
21 and Lake Champlain. And I think what we do
22 learn on these 12 lakes are going to benefit
23 all the other lakes, and there's thousands in
24 New York State.

1 But it's more than just the HABs. And
2 I went out to the announcement, and I
3 understand that even invasive stormwater
4 runoff, anything that's going to affect the
5 water quality, is something that's going to
6 be looked at. Is that correct?

7 COMMISSIONER SEGGOS: That's correct.

8 Every waterway will have different
9 problems associated with it, some of which
10 trigger HABs. So that's why you really need
11 an all-in approach. And it's almost a
12 no-regrets approach, right? If you're
13 controlling a stormwater problem that maybe
14 the source of or the trigger for HABs, well,
15 you're fixing a stormwater problem. Or if
16 it's spending money on a berm at a farm,
17 that's good news no matter what.

18 We need to ensure that we're matching
19 up the science with what we understand about
20 HABs, and it's all -- it's, again, different
21 on every lake. And sometimes we don't
22 entirely understand up-front what's causing
23 them. But our intent is to go out there and
24 put money towards projects that make sense

1 from a water quality perspective. We want to
2 tie it as closely as possible to HABs,
3 because we want to stop the HABs, but
4 investments in watershed protection pay off
5 for many, many reasons, and we intend to keep
6 that program going aggressively.

7 SENATOR LITTLE: Okay. And are we
8 going to do anything with the money for
9 invasives for eradication, maybe for local
10 governments and lakes associations again?

11 COMMISSIONER SEGGOS: So I have always
12 been sympathetic to the request for
13 eradication money. I mean, in a perfect
14 universe, the best money is spent on
15 prevention because it becomes much more
16 expensive after the fact. But when you have
17 a waterway that's been impacted, you have to
18 do something about it.

19 So I am sympathetic to it. And I
20 think last year we had a conversation about
21 this. And I can get back to you with the
22 exact monies that we may have spent towards
23 eradication, unless Julie has that on hand.
24 But I'm comfortable pushing, you know, a

1 balance of money towards eradication efforts
2 while keeping the prevention monies whole.

3 I know we've done some great work this
4 year, there's now a boost in the EPF to help
5 put the boat washing detection station with
6 the DOT, and that should make a big
7 difference to the Adirondacks.

8 SENATOR LITTLE: Absolutely.

9 COMMISSIONER SEGGOS: Thanks for your
10 work on that.

11 SENATOR LITTLE: And I'm looking
12 forward to all that and working on the lake
13 initiative.

14 And the Forest Rangers were
15 mentioned -- or forest products. But I can't
16 mention forests without talking about the
17 Forest Rangers and thanking them for their
18 extraordinary work, as well as your
19 Environmental Conservation people in the
20 Adirondacks. They've had some huge searches
21 this year -- overnight searches, cold, nasty
22 conditions -- and been very, very effective.
23 So thank them.

24 One of the things -- you know, the

1 480-a program was something that in 2004 I
2 was finally able to get some money for the
3 local governments. And for those who don't
4 understand, when you put your land in this
5 program, you get a reduction in assessment.
6 But therefore the local municipality loses
7 some of their land and tax value.

8 So this -- we did get that money, and
9 it did go into the AIM eventually, although
10 there's still a separate one for schools.

11 But that's my major concern about this
12 one, is how we work the money to the local
13 governments. And I know you went from
14 80 percent to 70 percent, I assume it's to do
15 less money, make it less costly. But on the
16 25-acre, I assume you're going to get a lot
17 more participants. And the only question
18 is -- two things there. You call for
19 certified foresters. Is that going to lead
20 to licensing of foresters, or how are you
21 doing that?

22 COMMISSIONER SEGGOS: The certified
23 foresters, we would seek to incentivize the
24 program and ensure that the cuts being done

1 were being done in a sustainable manner. The
2 monies that -- some of the money we'd be
3 making available would go towards helping
4 landowners with the certifications of the
5 groups of landowners, that they effectively
6 would be able to benefit from pooling
7 resources on this.

8 But that's the objective. We want to
9 ensure that the cuts are being done
10 sustainably. I have no doubt that the
11 program itself will increase. Because of the
12 changes to the law, there will be more
13 interest in it. The fact that we have a mix
14 of both forest and open space as well will be
15 attractive. And I think the work of the
16 forest products industry to advise us on this
17 to this point shows us that there's some real
18 need and the chance to turn around some real
19 benefits for the state as a whole.

20 SENATOR LITTLE: Yeah. And the only
21 other question was the DEC approval of any
22 plan, timbering plan. Some of them are down
23 to 10 acres, 25 acres. Do you have enough
24 staff for doing all of that?

1 COMMISSIONER SEGGOS: We certainly
2 have enough staff to carry out the program,
3 there's no question about it. And --

4 SENATOR LITTLE: Is it going to take
5 time to get those approvals or -- there's
6 some concern from those involved.

7 COMMISSIONER SEGGOS: We certainly
8 want to run a program that is not burdensome
9 to the landowner. We're proposing something
10 because we think it will generate interest in
11 it, and it will generate real benefits for
12 the state. And we wouldn't be putting it
13 forward if we didn't think we could carry it
14 out.

15 This is going to be an important
16 aspect of the overall forestry picture in
17 New York State, given how much land is now in
18 private hands and given how the current
19 program has not fulfilled all the
20 expectations, perhaps, that we would have
21 wanted 10 or 15 years ago.

22 But from a staffing perspective, you
23 know, we're ready to carry this out. It's
24 going to take effect next year. But we've

1 been in the planning phase of this, frankly,
2 for three years.

3 SENATOR LITTLE: Is the approval just
4 an approval to make them eligible to get into
5 the program, or is it for everything going
6 forward?

7 COMMISSIONER SEGGOS: Want to say
8 something about the approval process?

9 ASSISTANT COMMISSIONER TIGHE: So we
10 have two new programs that we're proposing.
11 One is the certification. That's the
12 70 percent that you reference. In those
13 cases, right now we don't have the ability to
14 just, okay, you're certified by, say, SFI or
15 FSE, and okay, you've checked the box, we're
16 going to give you this credit for that.
17 Under this new construct, that's what we're
18 proposing, that if you have one of those
19 approved -- and it's not limited to those
20 two, but it's whatever is approved and set
21 forth in regulations, then those would meet
22 that.

23 So -- and we're anticipating that
24 right now, this would be more of those larger

1 owners -- your Lyme Timber, your Finch Pruyn,
2 your International Paper. Those kind of
3 landowners are already certified, or many of
4 them are -- DEC-certified, by the way.

5 SENATOR LITTLE: It's the smaller
6 landowners that we're hearing from.

7 DEPUTY COMMISSIONER TIGHE: Yeah. And
8 we've left open the opportunity for them to
9 do group certification, which doesn't exist
10 right now but we think that this could help
11 create that.

12 Secondly, there's a program that would
13 allow for a forest management program to come
14 in. That's actually a 40 percent reduction
15 in taxes, as opposed to the 70 percent,
16 recognizing that there would be less
17 obligations on the landowner. Some of it
18 would be, you know, forest timber harvests;
19 others could be different types of activities
20 related to wetlands restoration or invasive
21 species management that has to be done on at
22 least 10 acres of land.

23 And we are trying to do that in a way
24 that's more streamlined than the current

1 480-a program. And as a result of this, the
2 objective of the Division of Lands and
3 Forests is to spend less time on paperwork
4 and more time out in the field working with
5 the landowners to make sure that those
6 forests are being managed sustainably.

7 SENATOR LITTLE: Right. My only
8 concern is I wouldn't want to see, where they
9 have to have this DEC approval, a long
10 waiting period and losing a whole season
11 because of the waiting period.

12 But I look forward to working with you
13 on it.

14 COMMISSIONER SEGGOS: Us too.

15 SENATOR LITTLE: Thank you.

16 CHAIRWOMAN YOUNG: Thank you.

17 COMMISSIONER SEGGOS: Thank you.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 Assemblyman Thiele.

20 ASSEMBLYMAN THIELE: Thank you.

21 And first let me just thank you,
22 Commissioner, for your access and your
23 commitment to your job as commissioner of
24 environmental conservation. Greatly

1 appreciate the outreach that you've had with
2 the Legislature.

3 You know, in fact on Saturday night
4 I'm in the movies with my wife, and I get a
5 text from Julie on something that I had asked
6 her about earlier in the week, and I had to
7 explain for a minute why I was getting a text
8 from a woman named Julie on a Saturday night.

9 (Laughter.)

10 ASSEMBLYMAN THIELE: But I showed her
11 the text.

12 (Laughter.)

13 ASSEMBLYMAN THIELE: And Commissioner,
14 I appreciate you coming out to eastern
15 Long Island. Senator LaValle and I both
16 appreciate you coming out to meet with our
17 commercial fishermen. We have two of the
18 largest commercial fishing ports in the
19 state. And your attention to that issue has
20 been, you know, much appreciated across the
21 East End of Long Island.

22 And that really gets to my first
23 question. You know, out of that meeting, one
24 of the things came out of it, there's a

1 concern about New York State not getting its
2 fair share of the various quotas that are
3 allocated by the federal government. And the
4 Governor I think has recognized that also and
5 basically has directed the state to petition
6 the federal government for a fair share of
7 that quota, or to sue if the federal
8 government does not respond.

9 You know, since we met in November,
10 can you just update us as to what the status
11 of those efforts are?

12 COMMISSIONER SEGGOS: So when we met
13 in November -- and thank you for having me
14 out there. Actually, it was a great meeting.
15 I learned quite a bit about the industry.

16 We were expecting a decision from the
17 federal government in December on quotas.
18 We've been hammering them for several years
19 about this, and we were expecting them to at
20 least make a determination. I couldn't say
21 that I was optimistic that New York would
22 somehow get a better share; we've been on the
23 receiving end of a fairly hostile allocation
24 that's gone on now for many years. The

1 Governor has spoken out about this.

2 What they have done is effectively
3 punted the decision all the way until maybe
4 September or October of this year. So what
5 should have been done in December is now not
6 going to be done until almost a year later.
7 That puts us in a bit of a bind from a
8 litigation perspective, because you need to
9 challenge an agency action that's a final
10 action. So my question to my legal team now
11 is what can we do in the interim, you know,
12 short of litigation, to force the
13 government's hand.

14 I think we have a fantastic case to
15 make. I mean, the numbers themselves, on
16 their face, are arresting. You know,
17 New York gets less than 10 percent of the
18 share, and you have states like -- you know,
19 smaller states where fishing isn't as
20 important or isn't as vibrant get a much
21 larger share. And there's a variety of
22 reasons we've arrived at this point, but we
23 have to get out of this point.

24 So if we petition over the next few

1 months based on the existing status, will the
2 federal government turn that around?
3 Possibly. But I think ultimately the force
4 of our arguments are going to be heard in the
5 court of law, as the Governor has said. We
6 intend to see that forward.

7 ASSEMBLYMAN THIELE: Okay. My second
8 question relates to something we've talked
9 about, and it has to do with the \$2.5 billion
10 water infrastructure improvement and a
11 particular application. And I've got the
12 East Hampton Press here; they give out gold
13 stars and dunce caps from time to time.

14 COMMISSIONER SEGGOS: Uh-oh.

15 ASSEMBLYMAN THIELE: Yeah. And I get
16 both from time to time myself. And so did
17 you. The -- you got a gold star for all the
18 efforts and the funding on the southern pine
19 beetle. And thank you, it really has made a
20 difference, particularly in the Town of East
21 Hampton.

22 But the dunce cap to the DEC was for
23 rejecting a \$1.75 million grant to replace
24 the Springs School's ancient septic system

1 solely because of the agency's own spelling
2 mistake. The grant would have cleaned up
3 Accabonac Harbor, but the DEC searched for
4 Accabonac using the old English spelling, as
5 opposed to the modern spelling on the list of
6 compromised water bodies, and failed to find
7 the harbor and rejected the application.

8 So that discharge continues to
9 threaten the harbor today. That was one
10 expensive "K." My question -- and I think it
11 relates to whether or not, with all the
12 increased responsibilities, whether you need
13 more staff to implement this program. You
14 know, the DEC -- I think the story about
15 spelling is an apocryphal story. I doubt
16 that that's true. But the fact of the matter
17 is that the Springs School District was told
18 that Accabonac Harbor was not an impaired
19 water body, it was not on the Suffolk County
20 Subwatersheds Plan.

21 And, you know, one Saturday -- you
22 know, I work on the weekends too, Julie. One
23 Sunday morning I was on the DEC website and
24 quickly found that Accabonac Harbor is an

1 impaired water body, and I went to the
2 Suffolk County website and found out that
3 indeed Accabonac Harbor is on the Suffolk
4 County Subwatersheds Plan.

5 You know, there's great support on
6 Long Island for water quality and water
7 quality updates, but when something like this
8 happens, you know, it creates a concern with
9 regard to whether or not we're going to be
10 setting the right priorities for water
11 quality.

12 COMMISSIONER SEGGOS: So you brought
13 us the Springs School issue several weeks
14 ago. We've been talking internally about how
15 that might be addressed. And then we still
16 have a few days until the vote, which I think
17 is the 6th, correct?

18 ASSEMBLYMAN THIELE: Right.

19 COMMISSIONER SEGGOS: So I think more
20 to come on that particular point. I mean, I
21 ultimately want to address that problem, I
22 want to fix it, and understand that if we
23 don't get it kicked back into a competitive
24 process, you know, for the next round -- no

1 question that the Clean Water Infrastructure
2 Act is as important in Long Island as it is
3 anywhere. The septic problems and the
4 nitrogen problems on Long Island, the impacts
5 to the environment down there are
6 significant. We've been down there many
7 times with the Governor where he's seen some
8 of the problems himself, and we've dedicated
9 money towards fixing those.

10 So you have my commitment to at least
11 try to fix the Springs School problem. I
12 told you that, and I definitely will try to
13 do it until the very last minute.

14 And in terms of staffing, I'll say it
15 again, I think we've been given more
16 resources than ever to manage this program to
17 manage clean water. We're doing it
18 extraordinarily well. Are we perfect all the
19 time? No. That's why we have an iterative
20 process. And we want to ensure that the
21 grants that we want to make available towards
22 fixing problems are being made quickly and
23 being given out as broadly as possible to fix
24 problems; in particular, the priority water

1 problems like the one you referenced.

2 ASSEMBLYMAN THIELE: And I will be
3 sure to tell the East Hampton Press that your
4 office has been in constant contact with my
5 office and with Senator LaValle's office
6 trying to address the Springs issue. And I
7 do appreciate the attention and the focus
8 that you put into that, and it's greatly
9 appreciated. Thank you.

10 COMMISSIONER SEGGOS: Thank you.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 CHAIRWOMAN YOUNG: Thank you.

13 Senator O'Mara.

14 SENATOR O'MARA: Yes, thank you,
15 Commissioner. I just would be remiss, as I
16 didn't the first time around, to thank you
17 and your staff, particularly Julie and Ken,
18 for the great relationship that we have and
19 working relationship over the years that I've
20 been chairman and you've been commissioner.

21 COMMISSIONER SEGGOS: Thank you. I'll
22 echo that. Thank you.

23 SENATOR O'MARA: And now I'll move on
24 to tough questions again.

1 (Laughter.)

2 SENATOR O'MARA: I want to echo the
3 concerns of Assemblyman Englebright and a few
4 others on the staffing issues at DEC and the
5 significant length of time it seems to take
6 the department to make decisions on a
7 multitude of issues. It continues to be a
8 concern over the years, and I don't see the
9 department pushing hard enough to shorten
10 time frames on the decision-making process.

11 What is going on in that regard?

12 COMMISSIONER SEGGOS: Is there a
13 specific example that you have in mind,
14 Senator?

15 SENATOR O'MARA: Well, there's
16 several, but one pending one that's in its
17 eighth or ninth year now is the underground
18 gas storage in Watkins Glen. And the length
19 of time that process goes on is neither good
20 for the industry or the community. It's
21 extremely problematic, an extremely divisive
22 issue. Dragging it out doesn't help anybody.

23 COMMISSIONER SEGGOS: That matter has
24 been now with our Hearings Division for some

1 time. The administrative law judge in that,
2 as you probably are aware, made a
3 determination back in October, perhaps, that
4 there were no issues for adjudication. I
5 can't get into the details of that, but now
6 that issue is on appeal. Ultimately, I'm the
7 final decisionmaker on that. When the
8 appeals process is exhausted, that comes to
9 me.

10 So I know we've spoken about this the
11 last two budget hearings prior to this in a
12 row. I would just say on that particular
13 project, it's now nearing the point where a
14 determination can be made because it's gone
15 through the hearing phase, appeals are
16 underway, and we've gotten appeals from over
17 several dozen parties. And then once that's
18 finally on my desk, I'll be making a
19 determination on that.

20 SENATOR O'MARA: But that particular
21 incident was I think about five years before
22 it went to an issues conference. Which is
23 way too long to determine whether an issues
24 conference is needed. And then the

1 administrative law judge got it and didn't
2 give you a decision for two and a half years.
3 That's unconscionable delays in these
4 processes.

5 What control do you have over the
6 administrative law judge panels that are out
7 there? And can judges like this that take
8 this long be removed from that panel?

9 COMMISSIONER SEGGOS: Well, listen, I
10 mean on a contentious issue like this, a big
11 issue where you have dozens of parties that
12 are involved and multiple aspects of a
13 project that are under consideration, they
14 take time inherently to understand. You're
15 reviewing not only, you know, complicated
16 submissions from applicants but submissions
17 from within the agency itself.

18 I can push our staff in many ways, and
19 I am doing that on many other projects. This
20 one is in a different place. I was eager to
21 get this one through hearings and get a
22 decision on this. I think what you saw was a
23 result of an enormous amount of work that
24 went on behind the scenes. And there are

1 many other issues like it where, you know,
2 complicated decisions come before the agency
3 and they go into hearings, and the hearings
4 office is making determinations.

5 I'll tell you that the hearings office
6 is actually pumping out decisions at a much
7 higher level than when I first came in. I've
8 been signing orders on a very frequent basis.
9 Some of the more contentious ones take more
10 time. But I've been encouraging them to move
11 quickly.

12 I don't think we're at the point where
13 we need to talk about changing gears within
14 hearings. I think we have, you know, several
15 major cases that are under review. And I
16 want to give my staff the chance to
17 thoroughly review those. I want to give my
18 law judges the chance to thoroughly consider
19 those and not unduly prejudice the outcomes.

20 But when it's fully in my control, if
21 it's in the control of the staff, that's
22 something I think we can move more swiftly
23 when the legal process isn't in play.

24 SENATOR O'MARA: It's these delays

1 that don't necessarily -- well, not
2 necessarily, they don't at all lay out the
3 welcome mat for industry in this state.

4 And the Governor's Open for Business
5 slogan is not helped by these types of
6 delays, either within DEC or anywhere else in
7 the state that's out of your control, the
8 department's.

9 But it's everywhere. And I go back
10 to, again, it hurts our credibility of what
11 we're trying to do economically in this state
12 when things can't get done.

13 On just a couple of other smaller
14 matters. We talked a couple of years in a
15 row about the status of vehicles for
16 Environmental Conservation Officers. I know
17 we talked about it at length last year. And
18 I think we ended up getting fewer vehicles
19 last year than the year before.

20 Where are we now, and what are you
21 planning on for this year?

22 COMMISSIONER SEGGOS: We got more
23 vehicles last year than we did the year prior
24 to that. We have about a comparable number

1 this year that we're dedicating to the ECOs
2 and Rangers.

3 I think we've actually gotten over the
4 hump. There was the years of disinvestment
5 in 2008 to '10, or maybe 2007 to '10, where
6 the state wasn't buying vehicles. Because of
7 that chunk of years where you had a void, you
8 had older vehicles coming into service and
9 being used longer, and we had to catch up to
10 it.

11 We're not a hundred percent there on
12 the ECOs and Rangers, but we're making a real
13 dent in it. I know it because I go to a lot
14 of the rescues and incidents that they have,
15 and I'm seeing far more newer vehicles than
16 the older ones that sort of typified the
17 agency back in 2010, 2011. And I think it's,
18 you know, something that in two or three
19 years we'll be past that time because the
20 useful life of those old vehicles will
21 frankly be behind us.

22 But it's been one of my -- one of my
23 commitments was the commitment to the forces
24 when I first came in that I would seek to

1 modernize the fleets as quickly as possible.
2 We've gotten a dispensation from the Budget
3 Division to do so. And we'll continue to do
4 that and get us into sort of a carrying
5 capacity moving forward once we reach that
6 point.

7 SENATOR O'MARA: Thank you. And
8 that's certainly a priority for myself and
9 many others, for the safety and frankly just
10 the appearance of the department.

11 Are there any classes pending for
12 EnCon Officers or Forest Rangers at this
13 point?

14 COMMISSIONER SEGGOS: Nothing pending.
15 We just finished the second back-to-back
16 class in August, and we're talking right now
17 internally about timing the scheduling of the
18 next class. But it's my intent to push that
19 forward as quickly as possible.

20 SENATOR O'MARA: How many came out of
21 the last back-to-back classes?

22 COMMISSIONER SEGGOS: We had about 50
23 graduate last time, maybe 55 the class
24 before. I'd have to look at the exact

1 numbers. It's ECOs and rangers. So what
2 we're trying to do is make up for the years
3 where there wasn't any -- no classes were
4 being held. Again, the same time period, the
5 late 2000s, during the fiscal crisis. And
6 then, you know, make up and then also match
7 for retirements. The force in certain
8 respects is aging. We want to make sure that
9 we're bringing in enough new classes to cover
10 retirements and attrition. And that
11 hopefully will happen in the next year or so.

12 SENATOR O'MARA: Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 Assemblyman Colton.

15 ASSEMBLYMAN COLTON: Yes, thank you,
16 Commissioner. I also appreciate your raising
17 in your comments the issue of climate change
18 and the urgency of it, which I think is at a
19 crisis stage and it's going to become even
20 more of a crisis as we deal with policies
21 coming from Washington, D.C.

22 COMMISSIONER SEGGOS: Agreed.

23 ASSEMBLYMAN COLTON: As you pointed
24 out, New York has a goal currently of

1 50 percent renewable energy by 2030. Can you
2 tell us where we are at this point in that?

3 COMMISSIONER SEGGOS: Yes, I think one
4 of the -- maybe Senator Krueger raised a
5 similar question. And I'd encourage you to
6 raise that with NYSERDA today. They track
7 more of the compliance towards those targets
8 than DEC does.

9 ASSEMBLYMAN COLTON: I will,
10 definitely.

11 COMMISSIONER SEGGOS: Thank you.

12 ASSEMBLYMAN COLTON: There's a study
13 you are conducting with NYSERDA regarding how
14 to reach 100 percent renewable. And a
15 report, I assume, will be coming out. Do we
16 have any idea as to when that report will be
17 released to the public?

18 COMMISSIONER SEGGOS: We're in the
19 late stages of that report now, working with
20 NYSERDA. Expect to release it to the public
21 at some point probably this spring.

22 ASSEMBLYMAN COLTON: Okay. The
23 Governor announced that solar power in
24 New York has increased more than

1 1,000 percent from 2011 to 2017, and there
2 was more than \$2.8 billion in private
3 investment in New York's economy.

4 Do we know what is the percentage of
5 the state's electricity currently coming from
6 solar?

7 COMMISSIONER SEGGOS: I don't know the
8 percentage. I'm not sure we at DEC know
9 that. Certainly NYSERDA and/or DPS would
10 have a better sense of the percentages.

11 ASSEMBLYMAN COLTON: Because according
12 to U.S. Energy Information Administration
13 Sources, they estimate about 3 percent for
14 wind and solar energy at the current time,
15 which is certainly -- a lot more needs to be
16 done.

17 COMMISSIONER SEGGOS: Okay.

18 ASSEMBLYMAN COLTON: Also, the
19 administration has talked about the state
20 generating about a quarter of its electricity
21 from renewables. And a large portion of that
22 comes from hydro-generated electricity. Do
23 you know of any hydro-generated electricity
24 projects that have come online within, say,

1 the last year?

2 COMMISSIONER SEGGOS: I don't
3 personally know of any new ones that have
4 come online in the last year. I know there's
5 a mix of hydro upstate in the Mohawk and
6 Hudson Valleys, Great Sacandaga. The largest
7 source of hydropower in New York is the
8 Robert Moses Dam, Moses-Saunders Dam up on
9 the St. Lawrence River. It produces an
10 enormous amount of hydro for the state. I
11 believe there's also hydro coming in from --
12 or at least proposed to come in from Quebec.
13 So hydro is an important component of it.

14 I think probably NYSERDA would have a
15 better sense of the actual timing -- or NYPA,
16 for that matter, coming on today as well --
17 the actual timing of various projects that
18 are either under development or when they
19 came into effect.

20 ASSEMBLYMAN COLTON: I also would
21 agree with your comments that it is going to
22 be absolutely essential for all state
23 agencies to work together and have a plan
24 that will generate reaching the goals that we

1 set and the benchmarks to see how we're
2 coming along the line to do that.

3 I think that, you know, that needs to
4 be something that I hope we'll see comes
5 about, because I think this is a crisis that
6 we simply cannot ignore in the future. I
7 think it's going to have disastrous impacts
8 upon us.

9 COMMISSIONER SEGGOS: I agree with
10 you.

11 ASSEMBLYMAN COLTON: Also, it was
12 mentioned by the Senator about the Seneca
13 Lake incinerator project. And first of all,
14 I think that certainly, you know, that is not
15 something that would be described as
16 renewable energy. I think that we should not
17 include that in when we consider renewable
18 energy.

19 Also, I had a project in my own
20 district where an incinerator operated
21 without a permit for some 30 years in the
22 past -- this was in the '70s and the '80s and
23 the '90s -- and with 18 consent orders. And
24 I think DEC in those past administrations

1 miserably failed to protect the people in
2 this regard. And I think we're still,
3 50 years later, feeling the consequences of
4 the disaster of those actions.

5 So I think DEC must be very vigilant
6 in terms of making sure that every permit
7 that is required is issued and that there be
8 a real transparency in terms of the
9 procedures and the proceedings, whether it's
10 SEQRA or some other procedure, that the
11 public must be included. And there must be a
12 real transparency. Because what happened in
13 my community illustrates the disastrous
14 results when DEC fails to do that kind of
15 protection.

16 So I certainly would be interested in,
17 you know, what happens in Seneca Lake. That
18 is -- I think, you know, has a tremendous
19 impact on our community.

20 COMMISSIONER SEGGOS: You have my
21 commitment to a transparent and vigilant
22 process.

23 ASSEMBLYMAN COLTON: Thank you.

24 COMMISSIONER SEGGOS: Certainly we are

1 required to do that, and we should be doing
2 that.

3 ASSEMBLYMAN COLTON: Thank you.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 COMMISSIONER SEGGOS: Thank you.

6 CHAIRWOMAN WEINSTEIN: Senate?

7 SENATOR KRUEGER: Senator Pam Helming.

8 SENATOR HELMING: Thank you, Senator.

9 Commissioner, thanks again.

10 COMMISSIONER SEGGOS: Senator.

11 SENATOR HELMING: To the Assemblyman,
12 thank you for your comments and your support
13 regarding Seneca Lake.

14 Just a quick comment on that. So the
15 Article 10 process strips any local
16 decision-making. What it does is it takes it
17 out of the locals' hands and it puts it into
18 the hands of five state agencies, the leaders
19 of those agencies, I believe, and two town
20 representatives.

21 But really what I wanted to get on to
22 was the third topic on my list today, and
23 that is Plan 2014 and the devastating
24 flooding that occurred along the southern

1 shores of Lake Ontario this past year. And I
2 want to thank the DEC because you were there
3 helping us during the flooding doing whatever
4 we could to protect.

5 But, Commissioner, I go back to your
6 words that prevention is always the best
7 measure. And along those lines, I'm
8 wondering what type of funding or
9 resources are in this year's budget to help
10 develop resiliency plans for those folks who
11 live or own businesses along the southern
12 shore of Lake Ontario.

13 COMMISSIONER SEGGOS: Well, Senator, I
14 agree with you, it's a major issue. Planning
15 for resiliency and carrying that out, mindful
16 of the likelihood of future flooding events,
17 is really important.

18 I mean, we're working very closely
19 with the Department of State, spending monies
20 largely through the EPF on resiliency
21 projects, and have been doing that for
22 several years. There's certain limitations
23 as to how those monies can be spent. EPF
24 money, for example, can't be spent on private

1 property. So, you know, when we're talking
2 about resiliency through the EPF, we're
3 talking largely about making municipal or
4 state-owned facilities more resilient. That
5 doesn't help the people in low-lying areas
6 who were subject to flooding.

7 So one of the things that the Governor
8 did several weeks ago was write a letter to
9 the Army Corps regarding the need to take
10 advanced measures on Lake Ontario. It's a
11 program called the Advance Measure Program --
12 I know you're familiar with -- so that the
13 Army Corps can use some of its resources and
14 dollars to put up temporary structures in the
15 event of flooding. Things like dams, levies.
16 When I say temporary, it might be slightly
17 longer than a year or two, even three,
18 because it can last for a longer period of
19 time.

20 So we're encouraging the federal
21 government to step up, spend their money,
22 dedicate their resources to fix those
23 problems. I have a meeting coming up shortly
24 with the colonel in charge of the coastline,

1 Lake Ontario coastline.

2 The other projects that we have going
3 on on the lake -- you know, we have studies
4 underway not just on Lake Ontario but
5 elsewhere in the Hudson Valley and
6 Mohawk River that have fully characterized
7 the watershed and its impacts and how you can
8 then go spend dollars quickly on those.
9 They're meant to fast-track spending. You
10 see that in the Mohawk Valley. I know that's
11 not your district, but, you know, the MMI
12 studies that we did there facilitated very
13 quick investment on the Sauquoit Creek, where
14 you had a big flash flood last summer. So
15 had we not done those studies, we would have
16 been behind the 8 ball.

17 So my intent is to bring that to Lake
18 Ontario as well, the shoreline there, ensure
19 we understand that --

20 SENATOR HELMING: When? Can you give
21 me some timeline? And also because I don't
22 want to get cut off, I'm going to ask a
23 couple more questions and maybe you could
24 answer it all together.

1 COMMISSIONER SEGGOS: Okay. Okay.

2 SENATOR HELMING: Do the DEC and the
3 Governor have an official position on Plan
4 2014? And how does the DEC feel about the
5 first year of implementation of this plan?
6 Has it been successful, in the DEC's mind, as
7 far as from an environmental impact?

8 Because what I want to just share with
9 you is I stood out there for months, I
10 watched that flooding come up the shore, I
11 watched when it started to recede. And when
12 you talk about environmental impacts and lake
13 quality and protecting lakes, the stuff that
14 was washed back into that lake -- the oils,
15 the toxins, everything from that flooding --
16 it was just devastating. And I'm wondering
17 how the DEC measures the impact to the lake
18 as a result of flooding.

19 Also, when you look at low-lying
20 communities like Sodus Point, I believe in
21 the Edgemere Drive area in Greece, and also
22 in Cayuga County, maybe in the Fair Haven
23 area -- these low-lying areas, their flood
24 threshold is say around 240 feet. The

1 trigger point for releasing water, according
2 to Plan 2014, is higher than that.

3 So I'm not a scientist, but common
4 sense tells you that they can always
5 anticipate flooding. And the IJC confirmed
6 that during a public hearing that Senator
7 O'Mara, Assemblyman Bob Oaks, and several
8 other of my colleagues, we held this summer.
9 They acknowledged that we're going to have
10 this flooding, and they put the onus back
11 onto the state DEC, saying that you should be
12 responsible for resiliency plans and
13 protecting your communities.

14 So what are we doing to protect our
15 communities? How are we getting the message
16 out there? What's being done right now,
17 since the water levels are so high and we're
18 going to flood again?

19 COMMISSIONER SEGGOS: Right. Well,
20 I'll tell you this. Water levels are above
21 average right now --

22 SENATOR HELMING: Just like last year.

23 COMMISSIONER SEGGOS: -- not just in
24 Lake Ontario, but in the entire basin. In my

1 view, and in the view of our scientists,
2 likely it's the natural water cycle. There
3 may be more water in the basin, for whatever
4 reason. There's been more snow in the last
5 five or 10 years. So we're dealing with a
6 natural condition.

7 Last year I believe most of the
8 problems we saw were related to that
9 precipitation, some of that runoff.
10 Nonetheless, when we have that much water in
11 the basin, we need to act quickly to release
12 water. I'm happy to report that not only has
13 NYPA increased -- and they'll be able to
14 testify to this later today. Not only have
15 they increased water levels recently in the
16 last few weeks to accelerate water going over
17 the Moses-Saunders Dam to keep the water
18 levels down in the lake, they may I believe
19 today have just increased water levels again
20 and may do so again in the coming weeks.

21 This is -- I would call it a slightly
22 more responsive IJC than we saw last year.
23 My staff met with them three weeks ago. One
24 of the demands that we had was we need you to

1 start releasing water the minute you see a
2 potential problem coming. And what we've
3 seen since that meeting in fact is three
4 commitments, two or three commitments to
5 reduce water levels by increasing water
6 flows.

7 So today's action is encouraging,
8 unlike last year, when you had extreme
9 flooding in Montreal which really prevented
10 us from letting more water out. That was due
11 in part to the Ottawa River being also very
12 high in flows. You don't have that condition
13 this year. So we have the ability and
14 there's more capacity downstream for us to
15 take action now.

16 And I've been encouraged certainly at
17 least to this point by the IJC's willingness
18 to entertain that and give directives to NYPA
19 to begin increasing those flows. So we don't
20 believe, you know, that this summer will be a
21 repeat of last year's. But right now the
22 data we're seeing is instructing us to do as
23 much as we can to abate that, and I think we
24 are at that point right now.

1 SENATOR HELMING: Commissioner, so is
2 that a yes or a no to do the DEC or Governor
3 have an official position on Plan 2014?

4 COMMISSIONER SEGGOS: No. So as you
5 may know, Plan 2014 was a federal decision.

6 SENATOR HELMING: Yes.

7 COMMISSIONER SEGGOS: I spoke a number
8 of times with the federal government,
9 including the White House on a couple of
10 occasions, encouraging them that if they did
11 the program, that they had to merge the
12 program with funding for mitigation.

13 They didn't coordinate with us on the
14 release of the plan itself, and ultimately
15 they came out with a plan that had no
16 mitigation funding along with it. That was a
17 major failure of the IJC, it was a major
18 failure of the prior administration. They
19 should have listened to what we were saying.
20 Regardless of whether or not the water levels
21 were going to be as high as they were, it
22 would have been prudent government to just
23 get the money out there for mitigation
24 projects, because we knew that Plan 2014

1 would lead to higher highs and lower lows and
2 more damage, and that more investment would
3 have to happen. Instead, they shifted the
4 burden to the state and all of you to come up
5 with the money for those projects.

6 SENATOR HELMING: But reading through
7 the book that, Julie, you gave me in the
8 elevator, the latest publication from the
9 IJC -- you said it came from Lana Pollack --
10 in there I was shocked to see that in
11 New York State -- the IJC held 13 listening
12 sessions. Only two of them were in New York
13 State, and they were way over in Buffalo.

14 And I didn't see in there, but maybe I
15 missed it -- or maybe it is in there -- did
16 New York State officially take that position
17 that you just explained? Was that ever put
18 in writing to the IJC?

19 And also, again, does the DEC consider
20 this first year of the implementation of
21 Plan 2014 as a success? I remember last year
22 I think a similar question was asked by
23 Senator O'Mara on Plan 2014, and I thought
24 the answer had something to do with "this is

1 necessary to increase wetlands."

2 And my concern is, how do you balance
3 the need to increase wetlands against the
4 detriment to destroying people's homes, their
5 property, and small businesses that have been
6 around for decades?

7 COMMISSIONER SEGGOS: Mm-hmm. Well,
8 listen, I mean I -- full disclosure, my
9 in-laws have a couple of properties on the
10 river that were heavily impacted last year,
11 so I'm aware of the damage firsthand that
12 resulted from the high water levels.

13 You know, we -- we're at the point
14 where we look back over 10 years of how this
15 Plan 2014, which used to be called Plan BB7,
16 how that came to be. I think there were
17 admirable reasons for some of it being
18 introduced, because, you know, the creation
19 of wetlands generates more business for
20 hunting and fishing and boating and
21 everything else.

22 At the same time, there were and have
23 been concerns raised about the increased
24 damages. And, you know, the meetings that

1 were held, the stakeholder meetings predated
2 me, I don't think I was in the chamber for --
3 when some of those meetings were happening.
4 Much of the early work on this, when New York
5 State was heavily involved, predates the
6 Cuomo administration. That took place
7 largely in the past administration.

8 But fast forward, do I think Plan 2014
9 has been a success? It's hard to say
10 Plan 2014 has been a success when you had
11 such a high water level in year one. It's
12 probably almost the worst year that they
13 could have launched Plan 2014, because
14 everyone will have connected the conditions
15 we saw, which were natural conditions, with
16 the plan itself -- and the inability,
17 frankly, of the IJC to quickly pivot, quickly
18 make decisions and remain transparent and
19 remain sympathetic to the needs of homeowners
20 over shipping interests and other interests.

21 So I don't think year one was a
22 success by any stretch. We've told that to
23 the IJC. I had them in my office telling
24 them that. The letter that we sent to them

1 demanded more accountability and transparency
2 this year, and faster decision-making.
3 Ultimately, it's the federal government
4 decision to proceed with Plan 2014 or not.
5 Until they make a different determination,
6 it's our job as a state to ensure they're
7 letting water out quickly, regularly, and
8 protecting homeowners and the lakeshore.

9 SENATOR HELMING: Right now the
10 Governor is attacking the federal government
11 on every single issue. I'd like to see some
12 pressure put on the federal government about
13 Plan 2014 and getting that changed.

14 I mean, again, it all goes back to
15 those higher highs and those lower lows. We
16 know as a fact even normal weather conditions
17 are going to result in flooding in some of
18 our communities.

19 Thank you.

20 COMMISSIONER SEGGOS: Thank you.

21 CHAIRWOMAN YOUNG: Thank you.

22 ASSEMBLYMAN OAKS: Hi, Commissioner.

23 One, I want to say thank you very much
24 for the cooperative and immensely helpful

1 efforts by DEC during the flooding last
2 spring, summer, fall of Lake Ontario, because
3 so many people were needing immediate help.
4 And I know your permitting process, you know,
5 you did probably 10 times as many as you
6 would normally do in a season. And so thank
7 you for that.

8 I think once we've gotten beyond that
9 flood stage, though, I would say that we're
10 slower to respond, and obviously you moving
11 more to your normal process of, you know,
12 looking at things. But I do have the concern
13 that we are about where we were a year ago.
14 And there are people trying to do some
15 resiliency projects, but we're not getting
16 fast enough the approvals from DEC.

17 So some to comments perhaps that
18 Senator O'Mara talked to in a general sense,
19 but clearly we're seeing that now as a
20 possibility for this coming year again. And
21 so just that concern of responding to those.

22 COMMISSIONER SEGGOS: We certainly
23 learned a great deal last year about our
24 capabilities. And I think we issued

1 something like 3,000 or 4,000 permits within
2 48 hours of receipt, which is an
3 extraordinarily undertaking. We shifted many
4 of our permitting folks from other regions,
5 we actually surged them into lakeshore areas.
6 We had opened up some permitting offices, we
7 were, you know, literally right at the
8 lakeshore proximate to people's homes.

9 So we learned quite a bit about our
10 capabilities, our ability to turn around
11 permits quickly -- again, 3,000 or 4,000, I
12 don't have the exact number offhand, 3,000 or
13 4,000 permits that we got out there, and have
14 begun to coordinate internally in preparation
15 for the next summer, for the next potential
16 event. And I'm hoping that we're not going
17 to see another return to last year. But
18 we'll be ready again to run those permits
19 through.

20 And I think if there are individual
21 resiliency projects that aren't getting the
22 attention they need in this interim period,
23 people should just pick up the phone and call
24 me -- call us. And I'm eager to see these

1 projects move forward as quickly as possible.

2 ASSEMBLYMAN OAKS: One of the
3 things -- I know Senator Helming just talked
4 about somewhat Plan 2014, obviously. I guess
5 one of the things that I would look at is one
6 of the weaknesses of it. You just talked
7 about going to greater outflow, which is a
8 positive, I applaud that, whatever. But my
9 understanding is that's about 9 inches below
10 a trigger level which would normally say "get
11 going."

12 And so that seems to be, in my sense,
13 an inherent problem with the plan, is that
14 the way the trigger levels have been done, it
15 anticipates -- or expects there will be
16 flooding and doesn't anticipate the ability.

17 And so I like what, you know, is being
18 done, but again my concern would be that the
19 plan itself, if we aren't doing, you know,
20 your type of advocacy and others at this
21 point, that the plan would allow us to be
22 back to or at least have the greater threat
23 of the flooding that we --

24 COMMISSIONER SEGGOS: Well, I'll tell

1 you, I mean, the plan may need to be modified
2 in certain ways. I mean, there may need to
3 be greater safeguards for trigger levels.
4 And I think that's a conversation that we
5 would be willing to have. I've got
6 Great Lakes staff who know this issue very
7 well and are willing to get involved and
8 address trigger levels.

9 You know, I agree with you -- I mean,
10 we're spending an enormous amount of time
11 advocating for action now. I mean, NYPA is
12 very aggressive on this as well. The
13 Governor is aggressive on it. We're all
14 aggressive on it. But I think that
15 ultimately it has to run itself. And after
16 year one, let's see what year two brings us.
17 If we're not seeing the right kinds of
18 responses, then I think we're going to need
19 to at least get some more flexibility from
20 the federal government.

21 ASSEMBLYMAN OAKS: I'm sure you'll
22 have some eager legislators from that area to
23 work with you on that.

24 Jumping, actually, to another point

1 that's been brought up, the proposed
2 incinerator in the Finger Lakes. You said
3 that you haven't received it yet. When you
4 get it, you'll give it your normal fair
5 hearing.

6 I know the concern is obviously
7 there's been a lot of opposition at the local
8 level. The company I believe started out
9 going the local route for approval; seeing
10 that that wasn't going to be likely, moved to
11 the Article 10 process. And, you know, the
12 major concern, I know Article 10 allows some
13 input, but decision-making is not -- is taken
14 out of the hands of the local area.

15 Just hope that, you know, the local
16 input will be taken extremely seriously. And
17 I think others have laid out some of the
18 concerns with that.

19 I guess I just have a general comment.
20 Do we know, since Article 10 became law, how
21 many projects have been approved in the
22 state?

23 COMMISSIONER SEGGOS: I couldn't give
24 you the exact statistic offhand. I know the

1 first wind project is just getting through
2 Article 10 right now. I'm not aware of
3 another incinerator project that has come
4 into Article 10. I'd have to get you
5 statistics on that. Some of my successors
6 today might be able to answer that more
7 specifically. But it's probably a relatively
8 low number.

9 ASSEMBLYMAN OAKS: Thank you,
10 Commissioner.

11 CHAIRWOMAN WEINSTEIN: Commissioner, I
12 know you've addressed some of the components
13 of the Clean Water Infrastructure Act of last
14 year, and I just had a question about one of
15 the components. It also -- the act includes
16 \$200 million for projects in the New York
17 City watershed. And I want to know if you
18 could share with us what projects are under
19 consideration, and what's the timeline for
20 these projects?

21 COMMISSIONER SEGGOS: So we're working
22 very closely with New York City DEP on this.
23 I'd have to give you a follow-up on that as
24 to where each of the projects is in the

1 pipeline.

2 But we have been, frankly, talking
3 with DEP for the better part of 25 years on
4 projects in the watershed, in the memorandum
5 of understanding that really charted out the
6 upstate -- the protection of the reservoir
7 system and the filtration avoidance
8 determination. We want those projects to
9 ultimately support that effort. There are
10 other major projects within the five boroughs
11 helping them comply with the consent orders
12 that we have on the books on wastewater
13 discharges, green infrastructure.

14 But I can give you a follow-up email
15 as to exactly where all those projects are.
16 I'd be happy to.

17 CHAIRWOMAN WEINSTEIN: Thank you.
18 Thank you for being here today.

19 COMMISSIONER SEGGOS: Thank you.

20 CHAIRWOMAN YOUNG: Okay. I think that
21 we're done with the questioning. So we
22 really appreciate you, Commissioner, for
23 being here today.

24 COMMISSIONER SEGGOS: Thank you,

1 Senator.

2 CHAIRWOMAN YOUNG: And thank you, and
3 look forward to continuing to work with you.

4 COMMISSIONER SEGGOS: Likewise. Good
5 to see you all. Thanks.

6 CHAIRWOMAN YOUNG: Thank you.

7 Our next speaker is Commissioner Rose
8 Harvey, from the New York State Office of
9 Parks, Recreation and Historic Preservation.

10 (Discussion off the record.)

11 CHAIRWOMAN YOUNG: Careful,
12 Commissioner.

13 Welcome.

14 COMMISSIONER HARVEY: Thank you.

15 CHAIRWOMAN YOUNG: Look forward to
16 your testimony.

17 COMMISSIONER HARVEY: It was a quick
18 transition.

19 Good morning. Good morning,
20 Chairwoman Young, Chairwoman Weinstein,
21 Senator Funke and Assemblyman O'Donnell, and
22 all the distinguished members of the State
23 Legislature. Thanks for inviting me to give
24 this testimony.

1 As commissioner of Parks, Recreation
2 and Historic Preservation, I oversee
3 New York's outstanding system of 250
4 individual state parks, historic sites, boat
5 launches and recreational trails. And I'm
6 also very fortunate to lead an incredibly
7 talented, dedicated and hardworking staff who
8 take great pride in caring for their
9 properties and providing meaningful
10 experiences to all our visitors.

11 We New Yorkers are united in the
12 belief that public parkland deeply benefits
13 ourselves, our society, our community, our
14 state. Parks are our common ground. They're
15 the lands, the refuges, the open space, the
16 history that belong to all of us and benefit
17 all of us.

18 The park system had a very robust year
19 in 2017. Despite a very rainy peak season
20 and extensive flooding along Lake Ontario, we
21 welcomed more than 71 million visitors,
22 continuing the system's steady increase in
23 attendance since 2011 -- 14 million, a total
24 23 percent increase. Also a recent economic

1 impact study commissioned by Parks & Trails
2 New York showed that our system annually
3 supports \$5 billion in output and sales,
4 54,000 private-sector jobs, and more than
5 \$2.8 billion in additional state GDP. And
6 that's an increase from previous studies.
7 That is, every dollar spent by or on behalf
8 of State Parks generates \$9 in sales
9 statewide.

10 The 2018-'19 Executive Budget provides
11 for excellent stewardship for the lands and
12 the historic sites entrusted to our care,
13 while maintaining the fiscal discipline
14 needed in uncertain times. It provides level
15 funding for agency operations and programs,
16 continues our baseline \$90 million annual
17 capital appropriation, and maintains the
18 Environmental Protection Fund at its historic
19 high.

20 The capital allocation will continue
21 through our NY Parks 2020 initiative, and
22 will continue to reverse decades of decline
23 and neglect in our parks and transform and
24 modernize them for the 21st century. Since

1 the Governor launched this initiative, this
2 \$900 million multiyear investment, with your
3 huge support -- and we're very thankful for
4 that -- we have initiated more than 700
5 improvement projects across the state, with
6 more than 60 percent directed at rebuilding
7 deteriorated infrastructure, reopening
8 formerly closed facilities, rehabilitating
9 underused facilities and structures, and
10 weaving in resiliency throughout that and
11 emphasizing stewardship projects.

12 As well, in partnership with the
13 National Park Service and the City of
14 New York, it's our intention to open a new
15 State Park in Jamaica Bay in Brooklyn,
16 hopefully in 2019, as part of the Governor's
17 Vital Brooklyn initiative.

18 In the first preliminary phase, the
19 state will invest up to \$15 million to open
20 the site to the public, creating 3.5 miles of
21 waterfront paths and trails and new places
22 for biking, hiking, kayaking and fishing for
23 communities that have very little parkland.

24 In fully funding the EPF, the

1 Executive Budget will enhance and is
2 crucially important to the stewardship of our
3 state's natural and cultural resources, and
4 it will help us connect more people to the
5 environment.

6 Schools in every part of the state are
7 taking advantage of the Connect Kids to Parks
8 grant program, which provides particularly
9 Title 1 school districts free educational
10 field trips to our parks, our historic sites,
11 and DEC environmental centers. State Parks
12 now reaches 250,000 schoolchildren annually
13 in its education program, and that's up from
14 75,000 in 2011.

15 Our Division for Historic Preservation
16 continues to lead the nation in its
17 preservation programming. This past year we
18 added over 1,500 properties to the National
19 Register of Historic Places, which in turn
20 brings and is a gateway to protections and
21 preservation initiatives for these sites that
22 are so important to our state history.

23 Last year the State Historic
24 Preservation Office reviewed 18,000

1 submissions for potential impacts to cultural
2 resources, and we dropped our review time
3 down to an average of 10 days, and that is
4 with our new digital CRIS system.

5 Governor Cuomo's 2013 enhancements to
6 the State Historic Rehabilitation Tax Credit
7 Program, with really strong support from the
8 Legislature, helped trigger \$3.6 billion in
9 investment in historic commercial properties,
10 with over two-thirds of those upstate. We're
11 also proud to announce that this year alone,
12 New York State once again led the nation with
13 a record \$1.2 billion in tax credit
14 investments in our state.

15 Despite their success, the state
16 historic tax credits were diminished in the
17 overhaul of the federal tax code. With our
18 program tied directly to the federal program,
19 we're currently evaluating opportunities to
20 decouple the state program so it operates
21 independently, reauthorize the program to
22 restore investor confidence, and examine
23 enhancements that would maintain investment
24 in the state and mitigate against the

1 negative impact the federal tax reform
2 process has created in all states.

3 Last January, Governor Cuomo announced
4 the creation of the Empire State Trail, a
5 750-mile bicycling and walking trail spanning
6 New York State. It will connect to and
7 connect together the state's very special and
8 unique natural and cultural resources. And
9 as well, it will promote safe, healthy
10 outdoor recreation, enhance community
11 vitality, and support tourism-based economic
12 development.

13 Considerable progress has been made,
14 including release of the Empire State Trail
15 Plan and a detailed design guide. Parks is
16 in construction of 30 miles right now that
17 will soon be finished, and engineering
18 designs are in process for more than 60 trail
19 projects.

20 As well, the Governor has announced a
21 \$50 million commitment to complete the
22 Hudson River Park, and that will be in
23 partnership with New York City.

24 So thank you. Thank you again for

1 your commitment to our magnificent state park
2 system and all our historic preservation
3 programs. Thank you for the dollars invested
4 into this system to help provide a safe place
5 to be active and healthy, and also to learn
6 how to be healthy and active -- to build mind
7 and muscle, to strengthen social bonds, and
8 to gain a greater understanding of our
9 natural and our cultural and our historic
10 heritage. These dollars are an investment in
11 New York's health, and they're an investment
12 in New York's economy, and they're an
13 investment in our communities.

14 So thank you again very, very much for
15 all that you do, and I welcome your
16 questions. I hope I welcome your questions.

17 (Laughter.)

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 CHAIRWOMAN YOUNG: Thank you,
20 Commissioner, for that.

21 I do have a couple of questions. So
22 the Executive Budget recommends a net
23 decrease of \$8 million, for a total of
24 \$200.7 million in total capital funding for

1 the parks. And so in recent years the Office
2 of Parks has received a significant amount in
3 capital funding, including \$92.5 million
4 proposed for this coming fiscal year.

5 Can you provide a list of the projects
6 planned over the next fiscal year? And we
7 ask this question every year, and it's very
8 difficult to get the list. So it would be
9 very helpful if you could get that for us.

10 COMMISSIONER HARVEY: We can,
11 absolutely. We're in, you know, the process.
12 It's a multiyear, many-phase program; we're
13 in the third phase. We're working out all of
14 the particulars. And we can and will.

15 CHAIRWOMAN YOUNG: When will we get
16 the list?

17 COMMISSIONER HARVEY: We're working on
18 it right now, and we'll get it to you as soon
19 as -- very soon, I'm sure.

20 CHAIRWOMAN YOUNG: And see, that -- in
21 all due respect, Commissioner, that's the
22 problem that we have every year, is that
23 we're putting a budget together, we're being
24 asked to vote on a budget, and yet we don't

1 have the detail on how the money would be
2 spent. And when we do get a list, it's far
3 beyond when the budget is passed, typically.

4 So why can't we get a list before the
5 budget is passed on the projects?

6 COMMISSIONER HARVEY: We are -- I
7 mean, first is we're making sure that, you
8 know, we've got the right list and, you know,
9 some projects are phased and so forth and so
10 on. But then we'll give it to the
11 administration. And we're very close, so I'm
12 very optimistic that you will get it very
13 soon.

14 CHAIRWOMAN YOUNG: Before the budget
15 is passed?

16 COMMISSIONER HARVEY: I -- I will give
17 it -- we hope so. We hope so.

18 CHAIRWOMAN YOUNG: Okay. Can you give
19 us an update, a detailed update on the status
20 of the Empire State Trail?

21 COMMISSIONER HARVEY: It's -- it's --
22 we've got the route and we've had many public
23 meetings about that, talked to a lot of
24 communities. We actually, in creating the

1 route, also talked to many communities in
2 terms of choosing it. We have the design.
3 And we are in construction on 30 miles now,
4 that's Parks. And there -- we have gained
5 control of a 31-mile private property which
6 was really crucial, and we've got 60
7 engineering projects going in design. And as
8 you know, some of it will be by DOT, some of
9 it will be by NYPA, some by the Hudson River
10 Greenway, and some by Parks. So that we can
11 be very efficient and the agencies that own
12 the land can do the construction.

13 So it's moving. It's moving well.
14 And we have great local support.

15 CHAIRWOMAN YOUNG: Okay, thank you.

16 You and I had a good conversation
17 recently about Zoar Valley, which is in
18 Western New York, and it's a very wild area.
19 And every year we have tragedies that occur
20 there, people get lost, people fall in the
21 gorge and get killed, we've had incidents
22 where, you know, someone at the top has
23 thrown logs over the side, hit someone in the
24 head below and killed them.

1 And the most recent very tragic
2 incident dealt with a young couple who took
3 their two young children there, and the
4 parents fell to their deaths.

5 The Parks Police has joined in with
6 the DEC, local law enforcement, the
7 State Troopers over the years to patrol
8 sporadically Zoar Valley. But I believe that
9 the state could do many things to make it a
10 safer area. We can't legislate common sense,
11 and sometimes some of the things that happen
12 there seem to lack common sense, and that's
13 the cause. But at the same time I think we
14 need to do more.

15 And as you know, I was looking at
16 putting in legislation to make it a state
17 park. I know that probably isn't realistic.
18 But I want to draw attention to the fact that
19 we have Zoar Valley. So could you comment on
20 that and some of the safety issues that we
21 see there? And what would the parks role be,
22 in addition to the DEC, in helping address
23 those safety issues?

24 COMMISSIONER HARVEY: We're very happy

1 to work with DEC. DEC operates and manages
2 it, but we work very closely together, and we
3 will sit down with Basil and all of his staff
4 and think about how we can support each
5 other. Both agencies are -- we support each
6 other all the time, in the ways that are most
7 efficient, and we'd be very happy to work
8 with them.

9 CHAIRWOMAN YOUNG: Thank you.

10 CHAIRWOMAN WEINSTEIN: Assemblyman
11 O'Donnell, chair of Tourism.

12 ASSEMBLYMAN O'DONNELL: Good
13 morning -- good afternoon. I just want to
14 thank you for your responsiveness to me and
15 my office -- {mic turned on}. Oh, here it
16 goes. I want to thank you for your
17 responsiveness.

18 I have a few short questions. The
19 first one will have to do with staffing.
20 There are 14 additional FTEs in this budget,
21 but there had been a decrease of 500 FTEs
22 over the last decade. And so my question
23 both is is 14 enough, and where will they go,
24 those 14?

1 COMMISSIONER HARVEY: Those 14 are
2 actually on a federal grant, and will
3 primarily work on historic preservation
4 issues.

5 And we could always, everybody could
6 always use more staff, but we are working
7 very efficiently and we have introduced -- I
8 guess necessity is the mother of invention
9 and efficiency. We're trying to reduce our
10 costs through automation, so that frees up
11 more staff to do other things. We're
12 lowering our energy costs. We're increasing
13 the number of partnerships that we have with
14 many local groups and concessionaires. You
15 know, if we have restaurants, they'll run the
16 restaurants.

17 And we just did a deal with Major
18 League Baseball at Roberto Clemente State
19 Park, where they're going to run, for seven
20 years, an academy of tutoring in baseball and
21 softball for young boys and girls.

22 So we're leveraging our resources.
23 And we are becoming more efficient.

24 ASSEMBLYMAN O'DONNELL: Okay. As you

1 know, I was not a big fan of the trails that
2 we provided \$200 million last year for. My
3 issue is primarily the ones from Albany to
4 Buffalo are primarily state-owned or
5 local-government-owned properties, but the
6 ones between Albany and New York City are
7 not. And so I know that you are acquiring
8 right-of-ways. Do you have to pay for the
9 right-of-way?

10 COMMISSIONER HARVEY: No. In fact,
11 when we looked at -- last year we spent a lot
12 of time in the field trying to find a route
13 from New York City to Albany that would use
14 existing municipal trails. And with the
15 exception of the one large long linear
16 property that we acquired, almost all of it
17 is publicly owned in one way or the other.
18 We really tried to minimize private
19 ownership. And for the 31 miles that we
20 acquired, we got a donation. We kind of
21 worked on it before we announced the route.

22 So there will be some small
23 connections, but a very small part of the
24 trail. And then the trail is about

1 70 percent off-road, but then where there
2 weren't obvious off-road connections -- and
3 that's actually more from Albany to Canada --
4 it's on-road using existing state bike
5 trails.

6 So we've minimized that. So a very --
7 it will be a de minimis amount of the cost
8 for land acquisition.

9 ASSEMBLYMAN O'DONNELL: So if it's
10 possible, I would like you to inform me if
11 any public funds are expended to obtain a
12 right-of-way, and who is the recipient of
13 that funding.

14 COMMISSIONER HARVEY: I would be happy
15 to.

16 ASSEMBLYMAN O'DONNELL: Okay.

17 Let me talk about the Connect for Kids
18 program. As you know, I represent a very
19 urban environment. And kids in New York City
20 tend to be more disconnected from the great
21 outdoors than, you know, people in the
22 North Country like my husband. So the
23 question is is how are you doing outreach in
24 the urban environments to ensure that both

1 the schools and the teachers and the people
2 involved know of this program? And, you
3 know, it's a lot harder -- if you live in
4 Glens Falls, to get access to a state park is
5 pretty easy. If you live in Harlem, other
6 than Riverbank State Park, which I'm not
7 going to address with you, there's not really
8 that access.

9 So how is that working and where is it
10 working in the City of New York?

11 COMMISSIONER HARVEY: So first of all,
12 we have targeted inner city communities. And
13 we've targeted those communities that have
14 the least amount of open space -- high
15 poverty, obesity, asthma, diabetes, health
16 issues related to either a sedentary
17 lifestyle or just not getting out into parks.

18 So with respect to that, we also
19 improved all our nature centers or our
20 community centers that are nearer those
21 communities, and then we launched
22 Connect Kids. And when we launched
23 Connect Kids, we made busing available for
24 those schools that couldn't take public

1 transportation or, you know, it wouldn't
2 work. And in the second year of this, we
3 have 60,000 additional kids now coming to all
4 those improved nature centers or recreational
5 centers. And we also -- those are the ones
6 that we staff. So that the teachers know
7 that there's somebody there that will give
8 the programming, so they'll be encouraged.
9 And we're now opening it up to summer camps.

10 In New York City, we have the Taconic
11 Outdoor Education Center. Now, that's a long
12 distance; it's probably 35 minutes north,
13 45 minutes north of the city. But we have
14 two overnight programs. And we have about
15 10,000 kids, most of them from New York City,
16 that go and use that.

17 We also have Riverbank and Roberto
18 Clemente that are in the heart of the city.
19 We're working actually with buses, with the
20 bus system, to get better bus service. But
21 actually at Riverbank, the bus stops in
22 Riverbank now for the kids, which is good and
23 bad in some ways.

24 So we are doing everything possible to

1 create the programs, create the atmosphere
2 and then provide the access. And anything
3 you all can do -- and we do send this to your
4 offices, the applications and the programs --
5 would be great, you know, to promote it.
6 Because you all make it happen --

7 ASSEMBLYMAN O'DONNELL: Well, the
8 second floor is not really noted for
9 cooperation with Assemblymembers. But I
10 would encourage you to do that, because the
11 local people know where and how and who the
12 people are. And I'm not sure that most of my
13 colleagues are fully aware that this program
14 exists. So I would encourage you to do that.

15 Now let me talk a little bit about the
16 Governor's budget speech, where he allocated
17 \$50 million to finish the Hudson River Park
18 thing. And it was almost laughable, the idea
19 that \$50 million would complete that park.
20 Do you actually believe that?

21 COMMISSIONER HARVEY: I do. But I
22 don't believe it's just the \$50 million. If
23 you look at what is going to start this year
24 at the Hudson River Park, you're going to see

1 close to \$500 million of work that's going
2 on with money that was previously allocated
3 and is now coming forward. You've got the
4 \$50 million, and we are looking for a
5 partnership with New York City as well.

6 And finally, there are some of the
7 places where an RFP and a private developer
8 could work as well.

9 So I think the combination of all of
10 that really will result in the build-out of
11 the Hudson River Park.

12 ASSEMBLYMAN O'DONNELL: Well, many
13 people who live adjacent to it simply think
14 that's not enough. And I'm not in a position
15 to wager or say whether it is or it isn't,
16 but it's a commonly held belief that that
17 statement of the Governor was -- let's just
18 say hyperbole. Okay?

19 So we're committed, we remain
20 committed to finish that project, and it's
21 very important to the Assembly. I want to
22 make sure that we actually get to do that.

23 My last question has to do with
24 Jamaica Bay State Park. I was a little

1 surprised to learn that this money is being
2 allocated for land that we don't own. And I
3 was informed by you and your staff that
4 that's actually not uncommon, that there are
5 places where the state spends money where we
6 don't actually own the land.

7 So I would like to know where those
8 places are. And, you know, I can tell you
9 when we try to allocate capital money for
10 things in our districts, if it's not owned,
11 you can't get any money. So I'm trying to
12 wrap my head around the idea, as much as this
13 seems to be a beautiful place, to spend
14 \$15 million on land that we don't own.

15 COMMISSIONER HARVEY: We will
16 essentially get control of it. And it's
17 owned by the federal government. And we will
18 enter into an agreement whereby we have
19 control over it, and then ultimately a lease.

20 And we have done this with quite a
21 few -- I mean, Four Freedoms State Park is a,
22 you know, lease over land that's owned by the
23 city. Buffalo Harbor is -- actually the new
24 state park is also a lease; the property is

1 owned and operated by a subsidiary of ESD.

2 So we have -- we definitely have quite a few
3 case examples of it and --

4 ASSEMBLYMAN O'DONNELL: Well, can you
5 get me a list of them so I can read them and
6 understand them a little better?

7 And my real question has to do with
8 the expenditure of money before or after
9 getting control. So if we're going to expend
10 this money, is the time that we expend the
11 money, is that after we've been given control
12 or are we expending the money and then they
13 give us control?

14 COMMISSIONER HARVEY: No. We're
15 working on deals right now to get control.

16 ASSEMBLYMAN O'DONNELL: Okay. Could I
17 please get copies or information about that
18 process?

19 COMMISSIONER HARVEY: Yes.

20 ASSEMBLYMAN O'DONNELL: And once
21 again, I wasn't really on the record; I just
22 want to thank you for being so accessible to
23 me and my staff. I very much appreciate it.
24 Thank you.

1 COMMISSIONER HARVEY: And thank you
2 for all that you've done.

3 SENATOR O'MARA: Senator Krueger.

4 SENATOR KRUEGER: Good afternoon,
5 Commissioner. Nice to see you.

6 COMMISSIONER HARVEY: Good morning --
7 afternoon.

8 SENATOR KRUEGER: So you talked about
9 the 14 additional FTEs from the federal
10 grants being used for historic preservation.
11 But our notes from Department of Budget is
12 that they would be used for land and water
13 conservation and the Great Lakes restoration.
14 Are there two different 14 FTE assignments?

15 COMMISSIONER HARVEY: No. Actually --
16 I don't want to admit this publicly -- I'm
17 probably wrong. I thought they were. I'll
18 check and I'll get back.

19 SENATOR KRUEGER: Okay, thank you.

20 But following up on the historic
21 properties -- and you talked about in your
22 testimony the fact that the Governor's budget
23 intends to defer the tax credits on historic
24 property rehab. I know that goes through the

1 Tax Department, not you, but you referenced
2 the program in your testimony. So I'm
3 wondering whether you are hearing, as at
4 least some of us are, that this deferral for
5 several years of the tax credit would cause
6 an enormous amount of problems out there in
7 communities.

8 COMMISSIONER HARVEY: The five-year on
9 the federal tax credit would dramatically
10 change also the state program, because we
11 mirror or attach to it.

12 So we are -- all of the tax credits
13 and tax programs are all rolled together
14 right now, but we have been working with
15 Tax & Finance and, you know, suggesting
16 provisions that would help ameliorate some of
17 the reductions of the benefits caused by the
18 federal program.

19 And also our state tax credits expire
20 at the end of 2019, so it's the right time to
21 start considering all of this to give
22 investors assurance that it will go forward.

23 SENATOR KRUEGER: So you think you
24 have some ideas on how to fix this program?

1 COMMISSIONER HARVEY: Well, the Parks,
2 Recreation and Historic Preservation do. And
3 they -- again, all the tax provisions are
4 together, but they definitely have our ideas.

5 SENATOR KRUEGER: Jumping to another
6 urban park, the Hudson River Park in
7 Manhattan -- it's not technically in my
8 district, it's across the road, so to speak.
9 So the Governor talked about \$50 million to
10 help build out the remainder of the park. I
11 believe he talked about that 77 percent is
12 complete, with 23 percent remaining. I think
13 the park's trustees say 30 percent remaining,
14 and they believe they need \$200 million.

15 But can you tell me what you're
16 planning to do with the new \$50 million
17 commitment to the Hudson River Park?

18 COMMISSIONER HARVEY: Pier 97, which
19 is a very high priority for the community
20 board, who has contacted us, will be the
21 single largest expenditure. And then
22 Morton-Clarkston, bulkhead. And 66A, a
23 repair there. Some environmental
24 improvements, reefs and pilings being used as

1 habitat. And then a pedestrian walkway up
2 around 97, 98, which is on the upland portion
3 of it. Those are the first thoughts on how
4 it would be used.

5 SENATOR KRUEGER: And does that go
6 through the process of the trustees deciding
7 what they prioritize or --

8 COMMISSIONER HARVEY: Yes. Yes.

9 SENATOR KRUEGER: -- does the state
10 decide?

11 COMMISSIONER HARVEY: Yes, absolutely,
12 it will -- and it already has. I mean, we've
13 been working closely with them.

14 SENATOR KRUEGER: What do you see --
15 at one point in time there was some giant
16 amount for capital money needed by the parks?
17 Where are we now on that giant amount versus
18 what we're doing?

19 COMMISSIONER HARVEY: We are -- it's
20 amazingly positive. We -- the Governor in
21 2012 made \$900 million available, much of
22 that through the baseline of \$90 million per
23 year. And we have spent, or it's in
24 construction, about \$700 million. And you're

1 really feeling it and you're really seeing
2 it.

3 And we are focused on that platform of
4 the infrastructure, but also we had so many
5 boarded-up buildings and closed facilities,
6 and we're opening them up and then also
7 providing new buildings. We're connecting
8 the parks so that we can automate, so we can
9 bring it back into the 21st -- bring it
10 forward to the 21st century.

11 SENATOR KRUEGER: I'm out of time, but
12 define "automating" parks?

13 COMMISSIONER HARVEY: Well -- no, no,
14 fear not.

15 (Laughter.)

16 COMMISSIONER HARVEY: It's -- if you
17 think about Parks 2020, it's to restore its
18 historic and its natural grandeur, but
19 modernize it and make it more relevant.

20 So with respect to automating, we're
21 an all-cash system, so we can't -- we don't
22 know who's coming, who's not coming. So it's
23 to have point of sale. We're not connected,
24 you know, just electric. Just to use

1 computers, connecting them, so that we can
2 come into the 21st century. And also attract
3 concessions, you know, along the way.

4 So it's -- we have pay and display.
5 When you come into our parks, you had to wait
6 in line for cash. So now our Empire
7 Passports that you can acquire have an RFID
8 chip so you can just go insert it and get
9 into our parks. So they're more accessible,
10 they're more easy.

11 So -- but first and foremost is the
12 land, the oceans, the forests, the history,
13 the architecture, all of that.

14 SENATOR KRUEGER: Thank you very much.

15 ASSEMBLYMAN OAKS: Assemblyman
16 Englebright.

17 ASSEMBLYMAN ENGLEBRIGHT: Good
18 morning, Commissioner.

19 COMMISSIONER HARVEY: Good morning.

20 ASSEMBLYMAN ENGLEBRIGHT: Or it's
21 actually afternoon.

22 COMMISSIONER HARVEY: I know, I
23 can't --

24 (Laughter.)

1 ASSEMBLYMAN ENGLEBRIGHT: So I'm very
2 intrigued about the Jamaica Bay State Park.
3 As you know, when Robert Moses built the
4 circumferential parkway in 1938, he cut off
5 most of the city from this extraordinary
6 resource. And it was only later that first
7 New York City and then the federal government
8 started to get involved. But State Parks has
9 never been involved. How did this come
10 about? Where is it? How large is the
11 parcel? And who initiated this, was it from
12 the feds or was it from your office?

13 COMMISSIONER HARVEY: No, it's really
14 Governor Cuomo in his Vital Brooklyn
15 initiative. And in that initiative we work
16 to provide better healthcare, affordable
17 housing and open space. And we're, through
18 partnerships with the city, providing
19 probably 10 acres of small 1-acre parcels in
20 the neighborhoods where everybody lives,
21 plays and works.

22 But the Governor was really interested
23 in providing a real open space, a real park
24 for Brooklyn, because there really isn't.

1 The amount of vacant space was just small
2 pieces.

3 So it is in the northeast section of
4 Jamaica Bay. And it's right across from
5 Kennedy. It's 408 acres. And it's owned by
6 the federal government because they acquired
7 it as just one of the parcels for Jamaica Bay
8 Recreational Area. It is a landfill that was
9 formally capped and run and operated by
10 New York City. And it was one of the few --

11 ASSEMBLYMAN ENGLEBRIGHT: Is this the
12 Fountain Avenue landfill?

13 COMMISSIONER HARVEY: Yeah, Penn and
14 Fountain.

15 ASSEMBLYMAN ENGLEBRIGHT: Okay.

16 COMMISSIONER HARVEY: And it's
17 beautiful. And it was capped in a visionary
18 way where they anticipated that this could be
19 a park in the future back in the '90s, and so
20 they capped it with a level of fill that's
21 cleaner than any landfill anywhere in the
22 country. And they didn't put the methane
23 pipes, they have manholes. And it's
24 extraordinary. It's got 3.5 miles of

1 shorefront, and it's fenced off.

2 And we have a really great partnership
3 with the city, who is thrilled at this
4 thought, as we do with the federal -- with
5 the National Park Service, though they have
6 a, you know, long process. So everybody is
7 for it. There's a community. All of the
8 community had always wanted it to be a park.
9 So the challenge will just be going through
10 the processes to get it going.

11 And DEC actually regulated the
12 landfill, and they've been at our side with
13 all of that. Department of Health has been
14 at our side, reviewed everything. It's a
15 real clean slate of, you know, health. It
16 would be a -- really one of the first of its
17 kind, and it would contribute mightily to
18 those communities.

19 ASSEMBLYMAN ENGLEBRIGHT: I
20 congratulate you for being bold. This is a
21 huge portion of our New York City population
22 that has been denied meaningful access except
23 for a few occasions and circumstances. But
24 we'll follow this with great interest.

1 COMMISSIONER HARVEY: It may take a
2 little time to work it, yeah.

3 ASSEMBLYMAN ENGLEBRIGHT: Of course it
4 will take time.

5 But it's a fascinating new chapter in
6 State Parks history, as Jamaica Bay was for
7 the National Parks. When Gateway was
8 invented, there was a great deal of
9 controversy. And we don't need to go over it
10 again now, but given that there had been such
11 controversy, it's complimentary to your
12 agency and to the Governor to be bold enough
13 to step in this direction. So I just want to
14 compliment you there.

15 Speaking of new directions, we had a
16 resident curator program that we've talked
17 about in the past and that you were in the
18 process of implementing with new legislative
19 authorization. How is that doing?

20 COMMISSIONER HARVEY: It's a great
21 program. And it's -- we still -- we had
22 three possible candidates for it and put out
23 an RFP. We didn't get any responses,
24 partially because two of the houses were

1 pretty far gone, and so it required quite a
2 bit of investment. And the notion of this
3 program is of a 40-year lease in return for
4 rehabilitating old and historic houses.

5 So we may try it again. We went out
6 with the Susan B. Anthony. We didn't get any
7 responses. Thanks to Assemblywoman Woerner
8 and Senator Betty Little, they've given us
9 each 150, and we're going to put in 150, and
10 we're going to fix it up and then go back out
11 to see if we get it at a level where somebody
12 would invest to finish it.

13 ASSEMBLYMAN ENGLEBRIGHT: So it's a
14 work in progress. That's encouraging also.

15 Let me just say that the Empire State
16 Trail is an interesting initiative also on a
17 grand scale. My concern is it had left out
18 Long Island. I just want to ask you again to
19 try to factor Long Island into it as you
20 flesh out that program. We have a
21 significant portion of the state's population
22 that could be served by bringing the trail
23 into the coastal New York area, not just down
24 the Hudson Valley.

1 COMMISSIONER HARVEY: And know that we
2 are. And we're busily also creating quite a
3 few bike trials from Jones Beach up to
4 Captree, all the way beyond, working with
5 DOT. And we're going to look. You know,
6 this is phase one. Long Island will be phase
7 two.

8 ASSEMBLYMAN ENGLEBRIGHT: Okay. I'll
9 hold you to that.

10 The Zoos, Botanical Gardens and
11 Aquariums Program is basically a partnership
12 program with the private not-for-profit parks
13 of the state. My urgent request is that you
14 use your voice as part of the cabinet to help
15 bring us back to the level that we had at the
16 last -- in the current year, in the last
17 budget. So we're \$2.5 million shy of that
18 presently. You don't need to respond, but
19 please take that request back and see if you
20 can help, as we go into the negotiations, to
21 open the door toward restoring that level of
22 funding.

23 Finally, the 1500 new listings in the
24 National Register. You're the State Historic

1 Preservation Officer, you oversee that.

2 Congratulations, that's wonderful.

3 COMMISSIONER HARVEY: And I reflect it
4 back to our amazing Historic Preservation
5 Bureau.

6 ASSEMBLYMAN ENGLEBRIGHT: Which is a
7 national model. So thank you for the good
8 work that you do.

9 SENATOR O'MARA: Thank you,
10 Commissioner, for being here today, for your
11 testimony, and for the good working
12 relationship that many of us have with your
13 office.

14 A couple of questions of local concern
15 to me. We've worked for several years now on
16 Sampson State Park. Can you give us an
17 update? Is there any money in the budget
18 this year for improvements to that marina
19 facility there?

20 COMMISSIONER HARVEY: Yes. We -- that
21 marina is, as you know, in a serious state of
22 disrepair. So we did do a second RFP, and
23 we're going to put up to \$2.5 million in
24 infrastructure improvements. And we did get

1 a bid. And we're hoping that that would work
2 out and then that the bidder would finish it
3 and basically completely refurbish it, and
4 also some cabins in the area.

5 And we have not yet taken it through
6 the Comptroller and the Attorney General for
7 their approval, but we're working on it.

8 SENATOR O'MARA: When do you expect
9 that part of the process to start?

10 COMMISSIONER HARVEY: We're trying to
11 move this. So probably -- I'm hoping by the
12 fall we'll get in, and maybe sooner.

13 SENATOR O'MARA: Well, is that going
14 to require any special legislation for the
15 length of the lease involved there? Have we
16 done that already?

17 COMMISSIONER HARVEY: No. I mean yes.
18 The -- I do believe we need a 40-year lease
19 on the Seneca Lake, because it's two, it's
20 been packaged, Sampson and Seneca. And I do
21 believe that legislation has been introduced
22 or will be introduced. So we do need that
23 for this bid to go forward.

24 SENATOR O'MARA: Okay. I'll look for

1 that and work on that together with you.

2 Seemingly a lot of progress at Watkins
3 Glen State Park over the last two years. And
4 our status is supposed to be opening this
5 spring. Can you give us a final update on
6 where we are there?

7 COMMISSIONER HARVEY: Yes. I'm so
8 excited, we're going to open this spring.
9 We've completely redone the traffic and the
10 circulation with the town, moved all the --
11 bought five houses, tiny little houses, and
12 put the parking across the street. We've
13 entirely greened the entrance. We're going
14 to reopen the old Indian trail that is pretty
15 famous. We are going into partnership with
16 the Tourism Bureau, and they're going to
17 actually have an office there. And we're
18 also going to -- with a little extra money
19 that we're trying to actually fund raise for,
20 we will also fix that concession stand so
21 that we can have better concession.

22 So it's magnificent. So I hope all of
23 you are there when we open. It's been a
24 long, long multifaceted project.

1 SENATOR O'MARA: A multiyear process,
2 but glad it's coming to an end and it's on
3 schedule.

4 You mentioned in your opening remarks
5 about the rainy season we had, in particular
6 the flooding along Lake Ontario. And that
7 obviously is an area of questioning we were
8 on earlier. But can you summarize for us the
9 impacts to the state parks along the shore of
10 Lake Ontario because of the flooding of last
11 year? In particular, you know, on the
12 eastern end where it affected Fair Haven,
13 Mexico Point, Chimney Bluffs -- which is a
14 very unique area, and I'm not sure what the
15 extent of damage might have been there -- and
16 then, in particular, Sandy Island Beach, on
17 the eastern shore at Sandy Pond, because I
18 personally witnessed the devastation there of
19 about -- of the entire beach being taken out
20 in roughly an 8-foot sheer drop-off from what
21 used to be beach right down to the water
22 level.

23 So what efforts are being undertaken
24 at the Sandy Island Beach, in addition to

1 those others?

2 COMMISSIONER HARVEY: So when you
3 think about it and you think about how many
4 parks we have along the lake, we're the first
5 line of defense. And so it's good that we
6 take most of the brunt of it, because often
7 we're in front of any of the homes. And we
8 took most of the brunt. And we've invested
9 about \$2 million to fix up, to restore. And
10 also, at Fort Niagara, that too was -- all
11 the break wall was damaged.

12 And so -- and we will invest more.
13 And they're, you know, back in shape. We've
14 lost -- you know, it waxes and wanes with the
15 water levels, you know, some of the amount of
16 sand. But we're -- and then we opened all of
17 them or most of them last summer, and we're
18 ready to open this summer.

19 And as well, we're mindful of where we
20 are in front of some of the communities, so
21 we've built up some dunes to protect them as
22 well if there is, you know, future flooding.

23 SENATOR O'MARA: The \$2 million you
24 mentioned, was that just at Sandy Island or

1 was that --

2 COMMISSIONER HARVEY: That was both
3 the Fort and Sandy Island. And then small --
4 smaller repairs to docks and boat launches
5 and so forth and so on throughout.

6 SENATOR O'MARA: Are there additional
7 repairs or infrastructure repairs or
8 waterfront repairs needed throughout this
9 next season?

10 COMMISSIONER HARVEY: There -- I mean,
11 you know, a lot we did with our own people,
12 who are pretty good at holding together this
13 park system. But there are probably some
14 small ones, but I think -- but I will
15 check -- in terms of, you know, this covers
16 the magnitude of the damage. But I'll check.

17 SENATOR O'MARA: Thank you.

18 CHAIRWOMAN WEINSTEIN: Assemblywoman
19 Woerner.

20 ASSEMBLYWOMAN WOERNER: Thank you.

21 Thank you, Commissioner, for your
22 testimony here.

23 I'd like to start by just saying thank
24 you so much for the investment in the

1 Peerless Pool and for your continued support
2 of the Susan B. Anthony House, both projects
3 that I think will make a real difference in
4 my district.

5 COMMISSIONER HARVEY: And thank you
6 for your help on them.

7 ASSEMBLYWOMAN WOERNER: It's a
8 partnership, yes.

9 I want to talk about the historic
10 preservation tax credits. Saratoga Springs,
11 which I represent, is in many ways the city
12 that tax credits and historic preservation
13 really saved. And so I'm -- the credits, as
14 you know, expire next year and there's about,
15 as I understand it, about \$6 billion in
16 projects currently in the pipeline. And
17 there's some concern that the -- that if we
18 don't take the step to assure the
19 continuation of this program in advance of
20 the expiration, that that will introduce
21 uncertainty into the development process and
22 those will -- those projects will start to
23 evaporate.

24 Can you reflect a little bit on that?

1 COMMISSIONER HARVEY: There always is
2 concern. Certainty will, you know, help
3 investors go forward. And so that -- we all
4 know that, and that's what has to be figured
5 in to any bill that goes forward.

6 ASSEMBLYWOMAN WOERNER: Terrific.

7 New York is the leader in the nation
8 in attracting outside investment for
9 rehabilitation tax credit programs, which is
10 a tremendous economic development,
11 particularly for upstate. What else could we
12 do with these tax credit programs to make it
13 an even more attractive program for investors
14 to invest in upstate New York rehabilitation
15 projects?

16 COMMISSIONER HARVEY: I think the
17 three biggest is extend for five years.
18 Decouple from the federal program so it just
19 stands on its own.

20 Also is tinkering a bit with the
21 census tracts. Because, you know, the
22 investment's tied to the census tracts, the
23 census just came in. And some will fall out,
24 some won't. And it's to at least give people

1 time if they're going to fall out, and it's
2 based on the median income.

3 Then there's transferability, which is
4 enabling investors to transfer the credits.
5 That adds more flexibility and also could
6 bring not-for-profits that could do the work
7 into the mix.

8 There's also -- but here you're
9 getting into, you know, costs. But obviously
10 our current state historic tax credits are
11 20 percent, you know, capped at 5 million.
12 Maybe in some of those smaller projects, to
13 encourage people to go forward, you could,
14 you know, raise the rate for smaller ones.

15 ASSEMBLYWOMAN WOERNER: Right.

16 COMMISSIONER HARVEY: There are a lot
17 of small things that you could do that would
18 enhance it, but obviously also the cost is --
19 needs to be figured in.

20 ASSEMBLYWOMAN WOERNER: Right. So on
21 that point, if we were to extend the tax
22 credits at this point for another five years,
23 which I think takes it out to 2025, decouple
24 it from the federal program, tweak the census

1 tracts a little bit, and add transferability,
2 that doesn't have a fiscal impact in the
3 current -- in the coming fiscal year or even
4 out the next couple fiscal years, does it?

5 COMMISSIONER HARVEY: It does not have
6 any significant fiscal impact. Nothing new.
7 Assuming that the program goes forward, no.

8 ASSEMBLYWOMAN WOERNER: So this would
9 be a way to create economic activity,
10 economic development, particularly in our
11 older upstate cities without having to add
12 additional burden to the state budget.

13 COMMISSIONER HARVEY: Yes. Yes. No
14 new costs, yeah. No -- I should say no --
15 you know, I'm sure there's some costs, but no
16 significant new costs.

17 ASSEMBLYWOMAN WOERNER: Terrific.
18 Thank you very much.

19 CHAIRWOMAN WEINSTEIN: Assemblywoman
20 Jenne.

21 ASSEMBLYWOMAN JENNE: Yes, thank you.
22 How are you this morning -- afternoon,
23 sorry.

24 COMMISSIONER HARVEY: Good, yeah.

1 ASSEMBLYWOMAN JENNE: I just wanted to
2 touch on the flooding that we had last
3 spring. And, you know, while I represent
4 mainly the St. Lawrence River, we were
5 impacted as well. And I just wanted to make
6 sure that all repairs of damage to those
7 parks along the St. Lawrence River had been
8 adequately addressed.

9 COMMISSIONER HARVEY: Yes, they have
10 been.

11 ASSEMBLYWOMAN JENNE: Okay. And as --
12 you know, one of our biggest problems was
13 that our docks were underwater, and I
14 wondered if repairs had been made to raise
15 docks or to put in floating docks in places
16 where, you know, standard docks are expected
17 to be flooded again this year. I expect
18 water levels will be higher than normal for
19 the -- forever. And that, you know, we'll be
20 making those types of plans as well.

21 COMMISSIONER HARVEY: With all of our
22 capital improvements that's what we're trying
23 to do, is to, you know, look at rising water
24 and any, you know, climate change, whatever

1 it may be, and think about adjusting for the
2 future.

3 ASSEMBLYWOMAN JENNE: Okay. Has there
4 been any thought put into advertising dollars
5 to try to help bolster those communities that
6 have been impacted by the flooding and maybe
7 we've seen patrons go away? Are we able to
8 tap any of those kind of advertising dollars
9 to try to help the communities that suffered
10 last year and are likely to suffer again this
11 year?

12 COMMISSIONER HARVEY: We tap in
13 mightily to I Love New York. And we should
14 talk to them, that's a good idea --

15 ASSEMBLYWOMAN JENNE: Yeah, it would
16 be cool if the Thousand Islands region could
17 get a shout-out, because we oftentimes get
18 the short end of the stick in terms of
19 advertising dollars to begin with. While we
20 don't have the state's population base, we
21 certainly do host the state during the summer
22 months --

23 COMMISSIONER HARVEY: You do, yes.

24 ASSEMBLYWOMAN JENNE: And so it would

1 be great to make sure everyone knows we're
2 open for business in the Thousand Islands
3 region as well.

4 In terms of the investment in trails,
5 my area hosts a lot of bikers as well,
6 cyclists. And it would be great if we were
7 included in phase 2 -- certainly, if not
8 phase 2, phase 3 of investments in our trail
9 systems. Our chambers of commerce in our
10 area try to market our existing trail
11 systems, but if we could be included in the
12 state's, you know, I guess trails maps and
13 systems, that would be great as well.

14 I had some firefighters ask me the
15 other day what was going on with the rumors
16 they heard that as a benefit to try to
17 attract and retain volunteer firefighters,
18 that they would be entitled to some sort of
19 state park pass. I really hadn't heard much
20 about that. And so since you're sitting
21 here -- I don't know if that's on your radar
22 or if anyone has brought that up to your
23 attention, that there seems to be rumors
24 throughout the volunteer firefighter service

1 that that may be in the works.

2 COMMISSIONER HARVEY: That what is in
3 the works?

4 ASSEMBLYWOMAN JENNE: That if you're a
5 volunteer firefighter, that you might be
6 entitled to certain state park passes?

7 COMMISSIONER HARVEY: I don't know
8 about it. I'll look into it.

9 ASSEMBLYWOMAN JENNE: Well, I just
10 heard about it as well, so we're learning
11 about it at the same time. And, you know, if
12 there was the ability to do something like
13 that, that would certainly be wonderful for
14 the few fire volunteers that we have left, to
15 support them.

16 COMMISSIONER HARVEY: Yes.

17 ASSEMBLYWOMAN JENNE: And it was
18 mentioned by one of my colleagues, you know,
19 that sometimes we're able to support capital
20 projects in our districts. You know, I tried
21 to support a local land conservancy that was
22 creating a trail system, a multi-use, fully
23 accessible trail system. And oftentimes
24 those types of organizations are good

1 partners around our state park systems.

2 And I was shocked to find out that
3 even though land conservancies are listed as
4 an entity that, as members of the
5 Legislature, we can try to support with
6 capital dollars -- that the concept that I
7 would have multicounty land conservancies and
8 them be outside the jurisdiction of a local
9 government -- are ineligible to receive those
10 capital funds.

11 And so as we're trying to in the
12 Legislature partner with recreational and,
13 you know, green space organizations
14 throughout the state, that if you're not just
15 a little zoo somewhere, that you're not, you
16 know, considered eligible. So --

17 COMMISSIONER HARVEY: I think actually
18 land conservancies are eligible for our
19 municipal grants.

20 ASSEMBLYWOMAN JENNE: Well, DASNY
21 doesn't feel that way. They rejected me like
22 two weeks ago. So there seems to maybe be
23 some communication issues. If that could get
24 resolved -- this is my first opportunity to

1 bring it up -- that they didn't seem to think
2 that my land conservancy was eligible.

3 So we run into those problems, and
4 it's quite upsetting that we can't be fuller
5 partners here in the Legislature with our
6 efforts to protect green space and have the
7 public be -- have access to it.

8 COMMISSIONER HARVEY: So we will get
9 right back to you --

10 ASSEMBLYWOMAN JENNE: Thank you.
11 Appreciate it.

12 COMMISSIONER HARVEY: -- because I do
13 know that you are eligible for our -- or they
14 are, not-for-profits are.

15 ASSEMBLYWOMAN JENNE: The list gets
16 smaller and smaller each year of eligible
17 entities. So it's -- when you have the rug
18 pulled out from underneath you, it's quite
19 upsetting, so ...

20 Thank you.

21 CHAIRWOMAN WEINSTEIN: Thank you. I
22 think that's it for questions from the
23 members.

24 COMMISSIONER HARVEY: Thank you very

1 much.

2 SENATOR KRUEGER: Thank you.

3 CHAIRWOMAN WEINSTEIN: Thanks for all
4 your support. You can have a slower exit
5 than your entrance.

6 COMMISSIONER HARVEY: Yeah.

7 (Laughter.)

8 SENATOR O'MARA: Next up is our
9 Agriculture and Markets commissioner,
10 Richard Ball.

11 Commissioner?

12 COMMISSIONER BALL: Good afternoon.

13 SENATOR O'MARA: Thank you for being
14 here.

15 COMMISSIONER BALL: It's a pleasure to
16 be here.

17 SENATOR O'MARA: You may proceed.

18 COMMISSIONER BALL: Yes, thank you.

19 Chairwoman Weinstein, Assemblyman
20 Magee, members of the agricultural committees
21 and elected officials, I am happy to offer my
22 testimony on the 2018-2019 Executive Budget
23 for the Department of Agriculture and
24 Markets.

1 The Executive Budget recommends
2 \$162 million for the department. This will
3 allow us to maintain our core functions while
4 advancing key initiatives that support the
5 agricultural industry and grow our food and
6 beverage sectors.

7 Even with federal uncertainty, we have
8 one of the strongest grower communities in
9 the nation. Our nearly 36,000 farms not only
10 increased production in 2017 for several
11 commodities, but also implemented major
12 environmental protections. With the
13 Governor's support and partnerships with all
14 of you, we have a great foundation to build
15 on our progress.

16 I am very proud of our support of the
17 Governor's No Student Goes Hungry initiative.
18 A big part of that effort is doubling funding
19 for our Farm-to-School program, which ensures
20 healthy local food access to our young
21 people. The Executive Budget provides even
22 greater resources, allowing us to expand our
23 reach to hundreds of thousands of additional
24 students.

1 The Governor has also proposed a
2 significant increase in reimbursements for
3 schools that source at least 30 percent of
4 their food from New York farms. That will
5 have a big impact on our schools, our
6 children, and our farmers.

7 Thanks to the record funding for
8 agricultural education that you approved last
9 year, thousands of students now have access
10 to in-class edible gardens and hands-on
11 agricultural lessons. In addition,
12 84 schools were awarded grants to start or
13 advance agricultural education programs
14 across the state.

15 The New York State Grown & Certified
16 program now has more than 100 producers
17 participating, who together operate nearly
18 50,000 acres. In addition, nine major dairy
19 processors also represent nearly 1,400
20 New York dairy farms. We have expanded the
21 program to include many new commodities and
22 partnered with several large retailers to
23 showcase these products in stores.

24 The Governor's Taste NY program

1 continues to grow as well. Sales topped
2 \$16 million last year, and we are on track to
3 do even better in 2018. The Executive Budget
4 further expands opportunities to connect
5 local entrepreneurs with consumers and to
6 increase the visibility of their products in
7 major transportation hubs.

8 Our Industrial Hemp program boasts
9 over 2,000 acres dedicated to innovative
10 research. Tomorrow, we are hosting an
11 Industrial Hemp Research Forum, connecting
12 researchers, academics, businesses, and
13 processors to improve and broaden the
14 program. In addition, a \$2 million
15 investment in seed certification and breeding
16 will support the development of unique hemp
17 varieties best suited for New York's growing
18 conditions.

19 We also look forward to hosting two
20 new summits, one focused on wood products and
21 the other focused on Concord grapes. The
22 goal is to bring stakeholders together to
23 identify challenges and to develop solutions
24 to support these commodities.

1 Investments in the Great New York
2 State Fair led to new attendance records and
3 more sales of New York milk, maple and
4 potatoes than ever before. Construction of
5 the new 136,000-square-foot Expo Center is
6 underway and on track to be completed for
7 this year's State Fair.

8 Protecting the environment remains a
9 top priority of the Governor's. This year's
10 EPF includes \$20 million for farmland
11 protection, \$17 million for agricultural
12 water quality projects, and \$10 million for
13 our Soil and Water Conservation Districts.

14 From preserving our natural resources
15 to supporting economic development through
16 the promotion of our high-quality
17 agricultural products, the Executive Budget
18 moves our ag industry forward. I understand
19 developing the final state budget is a
20 collaboration with you, the Legislature, and
21 we look forward to hearing your priorities as
22 well.

23 Thank you.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 We're going to go to the Assembly's
2 Agriculture chair, Assemblyman Magee, for
3 some questions.

4 ASSEMBLYMAN MAGEE: Commissioner, good
5 to see you again --

6 COMMISSIONER BALL: Good to see you,
7 sir.

8 ASSEMBLYMAN MAGEE: -- be with you
9 again as we talk about issues important to
10 agriculture in the state, our number-one
11 industry. So welcome this afternoon.

12 Commissioner, I've got a couple of
13 questions here. The concentrated animal
14 feeding operations, CAFOs, the Clean Water
15 Infrastructure Act of 2017 included
16 \$50 million for concentrated animal feeding
17 operations. What is the status of that
18 funding, and what steps has the department
19 taken to ensure that this funding is directed
20 towards financially vulnerable operations?

21 COMMISSIONER BALL: Thank you for the
22 question.

23 We're actually in a very good place
24 there. As you know, we have \$50 million to

1 work with. We're going to roll that out in
2 three different phases. The first phase was
3 rolled out last fall, and we made awards in
4 December. We'll do another rollout in the
5 second round this spring, and we'll do a
6 third round later this summer -- late summer,
7 early fall.

8 So I believe in the first round we had
9 a little over almost \$30 million that went
10 out into the program. We did review all the
11 applications that came in. As you know,
12 hardship and financial concerns were a part
13 of the application process. But it was very
14 well-executed, and happy to say a pretty good
15 start to a great program.

16 ASSEMBLYMAN MAGEE: Another area, the
17 Executive proposal would decrease Aid to
18 Localities funding for the department by
19 \$11.48 million from the 2017-2018 level.
20 What effect will these reductions have on
21 many programs being cut, like the Farm
22 Viability Institute, Cornell Veterinary
23 Diagnostic Lab, and rabies and pro-dairy
24 programs and the state's apple growers?

1 COMMISSIONER BALL: Thank you for
2 that.

3 Well, as you know, this is a process.
4 I was very pleased to see that in the
5 Governor's proposed budget, it's virtually
6 identical to our budget last year. I fully
7 respect the process, and I understand the
8 budget is -- the Executive Budget is the
9 Governor's opportunity to lay out his
10 priorities. And then as we go through the
11 process, you as the Legislature, representing
12 constituents with varying degrees of
13 importance in your own community, have an
14 opportunity to weigh in. And we fully look
15 forward to working with you to, you know, do
16 just that.

17 So those dollars that you mentioned
18 represent the legislative adds for last year.
19 Look forward to working with you on that
20 process.

21 ASSEMBLYMAN MAGEE: Okay. And now, in
22 another area, the market orders. The
23 Executive proposes permanently transferring
24 the administration of agriculture and dairy

1 marketing orders to Empire State Development
2 Corporation. Has the department received
3 complaints from the marketing order boards
4 related to the administration of their farms?

5 COMMISSIONER BALL: I think there was
6 last year, before we undertook this, there
7 was some apprehension. But I have to say
8 that the transition has been relatively
9 seamless. There's been some conversations
10 with ESD, and President Zemsky and I are
11 talking fairly frequently about this. And he
12 in no way wants to step on our toes. And
13 they're the money folks. We're still
14 involved in all the programmatic efforts of
15 all the marketing orders. And I would say
16 it's been a good move.

17 ASSEMBLYMAN MAGEE: Another area was
18 the migrant workers childcare program.
19 Funding for the childcare for migrant workers
20 was reduced by \$1 million last year. What
21 impact will this reduction have on the
22 program?

23 COMMISSIONER BALL: Actually, again,
24 that was a legislative add. I have actually

1 met with ABCD migrant daycare center
2 yesterday. I encouraged them to invite our
3 national congress, before they debate the
4 immigration bill or DACA, to come visit one
5 of our centers. And I recommended Batavia.
6 And that it might take the edge off some of
7 the conversations that are going on around
8 the guest worker and immigration challenges.

9 It's a wonderful program, and I
10 certainly hope that you all look at it
11 finally, and I look forward to working with
12 you on that.

13 ASSEMBLYMAN MAGEE: Okay. Now, in
14 another area, the local fairs and animal
15 shelters.

16 The state fiscal year 2017-2018
17 enacted budget included capital funding for
18 local fairs and for animal shelters. Have
19 these funds been released? Why does the
20 Executive proposal eliminate this funding?

21 COMMISSIONER BALL: Actually, the
22 funds have been released. They're out. The
23 county fairs, this is the second year they've
24 gotten the funding. And all we're hearing is

1 that it's working very well and they'd like
2 more.

3 We also -- the animal shelter/
4 companion animal money went out today.
5 Awards have been made. There was \$5 million
6 that we had to disburse, and I think
7 \$13 million worth of requests came into us.
8 So clearly it was a sensitive subject, and
9 one that's much appreciated and
10 oversubscribed.

11 ASSEMBLYMAN MAGEE: By the way of your
12 comments, I recently visited the State Fair,
13 and that is really going to be a great
14 facility there with all this capital work
15 that's being done on the fair.

16 COMMISSIONER BALL: Thank you.

17 ASSEMBLYMAN MAGEE: Food safety, the
18 Executive proposal includes \$2.6 million to
19 modernize the food safety inspection system.
20 Can you please describe how this funding will
21 be utilized? Are revenues from penalties
22 expected to increase?

23 COMMISSIONER BALL: We do not
24 anticipate increasing penalties at all.

1 You know, over the past several years
2 we have been careful with our budget and had
3 flat budgets. So we look to have Lean
4 programs that analyze the way we do things,
5 the way we service the industry.

6 And typically a Lean program brings us
7 to an IT solution. And in this case with our
8 food safety people, this new IT solution will
9 allow us to save one man-hour for one
10 inspector every single day. So it's going to
11 make us a lot more efficient and able to
12 serve our industry in a much better way.

13 ASSEMBLYMAN MAGEE: And one last
14 question about ag educators.

15 The department has stated that it
16 plans to double the number of ag educators.
17 What is the current status of this? And
18 funding for this program was cut by \$113,000.
19 Is the department concerned about its ability
20 to increase the number of ag educators?

21 COMMISSIONER BALL: I feel okay about
22 the funding. We had -- last year's was a
23 record amount of money, which was quite a bit
24 more than the year before. And this year's

1 funding is still more than two years ago. So
2 I think we're in good shape there.

3 The initial shot of money helped us
4 jump-start that program. We have 28 more ag
5 teachers in place than we did last year, and
6 we trained over 105 people, sent them to
7 advanced learning conferences, et cetera, and
8 another 15 to different kinds of training.
9 So I think we're well on our way to achieving
10 our goal of doubling the number of ag
11 teachers.

12 ASSEMBLYMAN MAGEE: Very good. That's
13 all the questions I have. And again, thank
14 you, Commissioner, for all you do for the
15 agriculture community.

16 COMMISSIONER BALL: It's great to work
17 with you. Thank you, sir.

18 CHAIRWOMAN WEINSTEIN: Thank you.
19 Senate?

20 SENATOR O'MARA: Senator Ritchie.

21 SENATOR RITCHIE: Thank you.

22 COMMISSIONER BALL: Good to see you.

23 SENATOR RITCHIE: You too,
24 Commissioner.

1 I'd like to just start off by saying
2 how much I appreciate the working
3 relationship that we have and the
4 relationship that we have with your office.
5 It certainly makes discussing issues so much
6 easier. You've been very attentive. So I
7 want to start off by saying that.

8 COMMISSIONER BALL: Thank you.

9 SENATOR RITCHIE: And then I'll get
10 into following up on Assemblyman Magee's
11 question. Every year when the budget comes
12 out, the critical programs for the
13 agriculture industry are continually cut
14 back. And in the eight years that I've been
15 here, it leaves very little room for us to
16 expand on some of the priorities that we have
17 in the Senate. Because by the time we fill
18 back in the local assistance programs, the
19 price tag is so extensive it makes it
20 difficult.

21 That being said, I believe those
22 programs are critically important to the
23 industry. So can you just kind of explain
24 how the Executive gets to the number when it

1 comes to local assistance programs?

2 COMMISSIONER BALL: Sure. Thank you
3 for that. I appreciate your concern on the
4 subject.

5 You know, as I mentioned with
6 Assemblyman Magee, I've come to recognize
7 that this is a process. You know, this is --
8 since my role as commissioner began, I'm now
9 in my fifth year, the budget -- I have a lot
10 of respect for the budget and the process
11 that we get into. Facing a budget deficit
12 this year like we did with a \$4 billion
13 deficit before we got started -- and who
14 knows what the total bill will be at the end
15 of Washington's implementation of the Tax Cut
16 and Jobs Act. We looked at our budget this
17 year, and the Governor gave us basically a
18 level budget as last year. He has come in
19 with his Executive Budget the same as last
20 year.

21 You all represent parts of our state,
22 industries, and the needs change out there in
23 the marketplace and in your country, and the
24 opportunity to discuss all the legislative

1 adds is a process. And I respect that, and I
2 certainly look forward to working with you on
3 it, and I understand your concern there.

4 SENATOR RITCHIE: Can you tell me
5 under -- it's under the ESD budget -- what
6 the \$27.3 million is for Grown and Certified?

7 COMMISSIONER BALL: Grown and
8 Certified, that really includes an awful lot
9 in there, because that includes an awful lot
10 of soil and water work as well. It's kind of
11 lumped together. It's a conglomeration of
12 several different funding sources that
13 actually lead and help a producer to become
14 grown and certified.

15 So there's funding in there for good
16 agricultural practices training -- that is
17 helping food safety training on the farm,
18 reimbursements for the costs of doing that.
19 There's funding in there for some of our soil
20 and water work with regards to our
21 agricultural environmental management plans,
22 our AEM plans, and the soil and water work
23 that gets done across the state in each
24 county. It's not really marketing money,

1 that's really money to support our farmers
2 doing a better job in the environment and a
3 better job with food safety.

4 SENATOR RITCHIE: The 27.3, is that an
5 increase from last year or is that a new
6 allocation?

7 COMMISSIONER BALL: No, that's just
8 the sum total of those projects with soil and
9 water. There is \$1 million more in there for
10 our soil and water districts than there was
11 last year.

12 SENATOR RITCHIE: Then I'll move on to
13 Cornell. You know, one of the things we
14 always talk about is how lucky we are in
15 New York State because of Cornell and the
16 critical research that they provide farmers
17 across the state. They're kind of our -- I
18 would say our shining star or our ace in the
19 hole.

20 So can you tell me if you believe
21 Cornell is getting funded to the level that
22 it should be? I continually hear that the
23 buildings and the labs there need to be
24 upgraded, and there's an issue with staffing

1 levels. I just want to make sure that we're
2 holding Cornell's funding level to the level
3 where they can continue to help our farmers
4 compete across the country.

5 COMMISSIONER BALL: Sure. Great
6 question. And I have to say it's great to
7 have the partnership we have with Cornell and
8 our cooperative extension system.

9 I have to tell you, a few years ago I
10 was asked to do a little homework for the
11 Governor and look at who has the best
12 agricultural extension program in the country
13 and how we might improve. And it came back
14 to New York State has the best cooperative
15 extension system in the country.

16 Certainly we value that partnership.
17 And I have to say that you participated --
18 last fall we did some farm bill listening
19 sessions, and we identified research, ongoing
20 research for agriculture as a priority in
21 those sessions. I heard that in every
22 session we held. The United States is
23 currently being outspent by two countries
24 two-to-one in the realm of research in

1 agriculture: Brazil and China. So we need
2 to keep up the work here that we do. And
3 it's been much more challenging for Cornell
4 to compete with those federal dollars as well
5 as all the other dollars that are out there.

6 I think in New York we're doing the
7 best we can. We certainly have -- I don't
8 think we've ever had a better relationship
9 with our partners at Cornell than we have
10 today, and we value that. Is there more
11 funding to be had for them? There's always a
12 need. We were able to help with the nematode
13 lab for potatoes, we found some funding there
14 through USDA, et cetera, et cetera. So we
15 work just as hard as they do to try to find
16 more funding.

17 SENATOR RITCHIE: And moving on to the
18 capital funding for our agricultural fairs.
19 I know when you said there's still more need
20 there, that's what I hear pretty much from
21 all of them.

22 But one of the issues that I have
23 heard repeatedly for a lot of our small
24 county fairs, the resources they were

1 requesting were for water and sewer issues.

2 And apparently, however, as the statute was
3 drafted, it excluded bathrooms if they
4 weren't attached to the actual ag building.

5 So can we find a way to address that?

6 COMMISSIONER BALL: I think that's a
7 great suggestion, because water at facilities
8 at our state -- at all our fairs is pretty
9 important.

10 SENATOR RITCHIE: Right. And then my
11 last question is really a question that has
12 to do with a federal issue, but it's
13 something that's extremely important here in
14 New York State to the industry.

15 Our dairy farmers are really facing
16 some tough times. Year after year, the milk
17 prices are down substantially. A lot of the
18 dairy farmers are just barely hanging on. Is
19 there anything at the state level that can be
20 done to help the dairy industry?

21 COMMISSIONER BALL: Yes, thank you for
22 that. Our dairy industry is really in a very
23 precarious state today. You know, typically
24 in dairy we've seen a cycle, a three-year

1 cycle of ups and downs that everybody kind of
2 got familiar with and comfortable with and
3 learned to work around. But we've had a
4 prolonged -- rather than a stab, I would say
5 a long scrape over the last three years for
6 the dairy industry. And originally
7 predictions for this year looked a little
8 better, but just in the last couple of months
9 it's looking like more of the same.

10 It is very challenging. We have got a
11 list of things that we're working on. We put
12 resource guides together for our farms. As
13 you know, the challenge here isn't so much
14 something that we're doing wrong in
15 New York -- because this is not just a
16 New York problem, not just a Northeast
17 problem, not just a United States problem,
18 it's actually a global challenge as we see
19 exports drop.

20 I was at the Ag Outlook Conference in
21 Cornell just a couple of weeks ago, and
22 looking back over the last 30 years, whenever
23 we've seen a drop in dairy exports we've seen
24 a corresponding drop in milk pricing. And

1 over the last almost four years now, we've
2 seen a 3 percent drop in our exports.
3 There's a lot of factors at work here -- the
4 value of our dollar with regards to other
5 nations, what kind of year Australia and
6 New Zealand and the European Union had, how
7 much milk China is buying.

8 All of these things are factors. And
9 of course it's hard to ignore the fact that
10 25 percent of our dairy exports go to Mexico,
11 and we're now engaged in conversations with
12 Mexico and Canada about trade. All these
13 things are kind of coming together.

14 What we can do in New York State --
15 and we are doing everything we can. We stay
16 in touch with our co-ops on a regular basis.
17 I pulled together the Milk Marketing Advisory
18 Committee -- which is our co-ops, our
19 processors, it's our farmers, it's
20 Farm Bureau, it's Cornell, it's even our
21 customers -- and we talk about the issue.
22 And one of the brightest things that we
23 identified in our last meeting was that we
24 need more capacity in the state, what we call

1 a balancing plan, things to take fluid milk
2 and turn it into shelf-stable products like
3 dry powder, the cheeses, et cetera.

4 So we identified that as our priority,
5 we went after that, we worked very closely
6 with our partners at Empire State Development
7 and we invested last year in a number of new
8 plants and rehabbing old plants to make them
9 more modern and help us increase that
10 capacity.

11 So there's a lot of things we're
12 working on. I am confident that we're going
13 to be okay in the long term, because we still
14 make the best milk in the country right here
15 in New York. The North Country in particular
16 is famous for the quality of cheese and the
17 quantity and quality of milk that we can
18 produce. And we still have the biggest and
19 the most marvelous marketplace at our
20 doorstep.

21 So we've got a whole list of things
22 that we need to do to help our farmers. But
23 thank you for that question.

24 SENATOR RITCHIE: Thank you,

1 Commissioner.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 Assemblywoman Jenne.

4 ASSEMBLYWOMAN JENNE: Thank you. Good
5 afternoon, Commissioner.

6 COMMISSIONER BALL: Good afternoon.

7 ASSEMBLYWOMAN JENNE: First, I will
8 begin by saying although like my colleagues,
9 you know, we're always upset to see our local
10 projects get cut out of the ag budget, I will
11 tell you I was thrilled to see the Governor
12 make such a strong commitment to Farm to
13 School in this year's proposal. It is an
14 issue that, as you know, is near and dear to
15 my heart, and I've been working in my region
16 to pilot a Farm to School program. And so
17 I've got a lot of lessons learned that I hope
18 I will be able to share as this program moves
19 along.

20 But I have found that it has had a
21 tremendous impact on our farmers, on their
22 financial bottom line. And while they're
23 certainly not used to doing business,
24 necessarily, with institutional buyers in my

1 area, they are really rising to the challenge
2 of, you know, figuring out to how sell at
3 just more than a farmer's market. And our
4 children are also literally eating it up.
5 They are eating salads, and they weren't
6 before. I even have folks that raise beef
7 making the hamburgers that are all-beef
8 hamburger patties right from -- you know, as
9 fresh as can be.

10 So it has been wonderful. And I
11 expect that this Farm to School program, even
12 this mild investment that's proposed, will
13 have such ripple effects in the rural economy
14 that we'll kick ourselves for not doing it
15 sooner.

16 Now I would like to dive a little bit
17 into that program. I believe that the
18 proposal includes the purchase of New York
19 dairy products as eligible for the Farm to
20 School increased reimbursement rate. Is that
21 correct?

22 COMMISSIONER BALL: That's correct.
23 That's correct.

24 ASSEMBLYWOMAN JENNE: I was shocked to

1 learn that school districts in my region are
2 actually getting their cartons of milk from
3 New England dairy producers, that it's being
4 imported into the state. And I didn't know
5 if you folks had any idea how much of the
6 milk that's being served in our New York
7 cafeterias are coming from out of state.

8 COMMISSIONER BALL: Very little.
9 We've actually looked at that pretty closely.

10 We are an ex-exporter of milk into
11 New England. Obviously some of our
12 processing plants -- for example, Agri-Mark,
13 they have plants in New York, they also have
14 plants in Vermont and Springfield,
15 Massachusetts. And so milk goes back and
16 forth.

17 But the net amount of milk goes out of
18 New York State. It may go to a plant on the
19 border, be processed, packaged, and then come
20 back in. There's a little bit up there on
21 the border. Pennsylvania, the same kind of
22 story going on there. But we're pretty good
23 at milk in New York.

24 ASSEMBLYWOMAN JENNE: I questioned the

1 specific area because I was unsure if the
2 Farm to School program would assist our dairy
3 farmers by creating more demand or if we
4 figured that it wouldn't really change the
5 price of milk, that we wouldn't see that much
6 more New York milk being in demand and kind
7 of sopped up the excess supply that's out
8 there.

9 COMMISSIONER BALL: I certainly think
10 it's going to help, because it's going to
11 make the whole school budget for food in the
12 cafeterias work a lot better.

13 ASSEMBLYWOMAN JENNE: Oh, yeah. I'm
14 just talking about the price of milk in
15 general the farmers are getting, as you
16 mentioned before, has been just crushing for
17 them. And so it's usually a case of supply
18 and demand. And, you know, I just wasn't
19 sure if we thought that there would be an
20 uptick in New York-processed, you know, milk
21 purchases.

22 So this is a good segue for me to talk
23 in more depth about dairy. And with the SALT
24 cap in place, my biggest concern about the

1 SALT cap in my district is the impact it's
2 going to have on my dairy farmers. And not
3 because they're going to have any income,
4 it's going to be because they pay a ton of
5 property taxes that are going to take them
6 over the SALT cap.

7 And I wonder if we have a backup plan
8 for if we aren't able to agree, during this
9 budget process, on a solution for the loss of
10 the SALT deduction for our farmers, who don't
11 have cash hanging around to pay higher
12 property -- or, you know, any higher taxes at
13 all.

14 COMMISSIONER BALL: Right. We've
15 looked at this pretty closely. There's two
16 things at play here, not just the property
17 tax. Which if they're even a sole
18 proprietorship or an LLC, they would still
19 qualify for that as a business expense.

20 The bigger concern right now is
21 Section 199 in the federal code, which has to
22 do with income flowing through a cooperative.
23 Which of course, you know, 99 percent of our
24 dairy farmers backlog belong to a

1 cooperative. That got fixed along the way
2 somewhat. It actually got over-fixed and
3 included some unintended cooperatives, large
4 businesses that weren't dairy farmers paying
5 into a cooperative.

6 ASSEMBLYWOMAN JENNE: No, that wasn't
7 unintended, I'm sure.

8 COMMISSIONER BALL: Well, yes, I'm
9 sure it was something. But that's being
10 worked on as we speak, and we weigh in on
11 that, and hopefully it will wind up righted
12 and again in a good place. So I don't think
13 that's going to be the blow to our dairy
14 farmers that's anticipated.

15 ASSEMBLYWOMAN JENNE: And finally, I
16 just -- you know, as we're looking at options
17 on the table for supporting our dairy
18 industry, I'll just remind you of my thoughts
19 on a premium payment for meeting very high
20 quality measures. When we talk about our
21 exports being down, I think a component of
22 that is that the United States has failed to
23 adopt higher quality measures like the
24 European Union has, and so we are not seen as

1 attractive compared to those other places
2 that have higher quality standards.

3 And I've briefed you on my proposal to
4 have an up to \$3-per-hundredweight premium
5 payment that would help us with exports and
6 also help to stabilize the dairy industry
7 that is on the brink, which is the basis for
8 most of the economy of upstate New York, and
9 that it's time to think more boldly.

10 Thank you.

11 COMMISSIONER BALL: Oh, gosh, thank
12 you. Appreciate it.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 Senator O'Mara.

15 SENATOR O'MARA: Yes, Commissioner --

16 COMMISSIONER BALL: Yes, sir.

17 SENATOR O'MARA: -- thank you.

18 Just a quick comment on the
19 \$10-plus million of various ag programs that
20 get cut out of the budget this year, and last
21 year was more than that. And we go through
22 this charade every year in the budget of
23 cutting it out, putting it back in. We waste
24 a lot of time and effort for programs that

1 are very valuable to our agriculture
2 community. And I would just stress to the
3 Executive that it frankly is a waste of all
4 of our time, year in and year out, having to
5 go through all that.

6 On the State Fair, \$50 million in
7 capital reappropriations, can you tell us
8 where we are, what remains to be done, and
9 how much is expended of that \$50 million?

10 COMMISSIONER BALL: It's all
11 allocated. The building, they're working on
12 it today as we speak. If you drive by the
13 Syracuse State Fair on 690, you'll see steel
14 going up. They actually worked on it all
15 winter, even on those days when I couldn't
16 see a hundred yards in front of me to the
17 next car, they were out there pounding
18 footings into the ground. And steel is being
19 erected as we speak, and they anticipate
20 being done with the Expo building, 136,000
21 square feet, by the start of this year's
22 State Fair. And this will be the largest
23 Expo Center between Cleveland and Boston,
24 that's north of New York City.

1 So I think that's going to be a great
2 addition to the fair, not just for those 13
3 days we operate, but throughout the season.

4 SENATOR O'MARA: Where is the gondola
5 project?

6 COMMISSIONER BALL: You know, when we
7 put together the transformation of the fair,
8 the first workgroup, and you got to walk
9 around with me and the Governor there and we
10 talked about doing more, and then there was
11 the second transformation project that was
12 underway -- and the gondola was certainly a
13 part of those discussions. It was a rather
14 extensive wish list. But the funding that we
15 had to do, we decided the best thing to do
16 with it was go after this Expo building.

17 So we currently don't have funding for
18 a gondola. We did put into the fair last
19 year a skyway, which was borne by the company
20 that operates the midway. And so you can
21 take a skyway ride from one end of the fair
22 over to the west end, which has been a big
23 hit.

24 SENATOR O'MARA: But not over to the

1 amphitheater.

2 COMMISSIONER BALL: Not over to the
3 amphitheater or the orange lot.

4 SENATOR O'MARA: So the gondola plans
5 are off the table for now?

6 COMMISSIONER BALL: Well, they're
7 sitting on the corner there waiting for
8 funding.

9 (Laughter.)

10 SENATOR O'MARA: Thank you. That's
11 where they should stay.

12 On hemp, I want to commend you, the
13 department, the Governor for the incredible
14 work that you've done to build a hemp
15 industry here in New York State. It's been
16 very important to me, and it's been a
17 pleasure to work with you and your department
18 and the Governor's office on that over the
19 past few years, together with
20 Assemblywoman Lupardo.

21 COMMISSIONER BALL: Thank you.

22 SENATOR O'MARA: You mentioned in your
23 opening remarks you now have over 2,000 acres
24 of land. Is it actively being farmed for

1 hemp this coming year, or what's the makeup
2 of that, and status?

3 COMMISSIONER BALL: Okay, the 2,000
4 acres refer to the amount of the research
5 project for hemp that we had planted last
6 year in New York State, literally from
7 Lake Erie across the state down to Long
8 Island. It was the biggest research project
9 I think Cornell and Morrisville had ever
10 stood up, and it was very successful in spite
11 of a very challenging growing season.

12 This year, new year, new
13 opportunity -- we have somewhere around over
14 106 growers that are interested in
15 participating in the hemp research. It will
16 add up to more than 2,000 acres this year. I
17 don't know exactly, but the sum total is
18 already exceeding 2,000 acres, so. I think
19 we're going to keep that research growing.
20 You learn a lot on a bad year, as you do on a
21 good year. And so excited about the
22 prospects there.

23 I would add that we'll be at Cornell
24 this week for a hemp research forum where we

1 get the best and brightest together and talk
2 about what we've learned and what we have yet
3 to learn as we go forward.

4 So I think between that and the
5 investment in processing capacity by Empire
6 State Development in hemp, that's going to
7 really be the answer.

8 SENATOR O'MARA: Again, on the topic
9 of Cornell, to echo Senator Ritchie's
10 comments, Cornell being in my district, the
11 relationship that we have in the state with
12 Cornell is phenomenal. The work that they
13 do, in conjunction with you and Ag & Markets
14 in so many other areas of the state, is
15 fantastic.

16 So I do want to commend Cornell for
17 their very active involvement in this. I
18 only wish that the forum wasn't the night of
19 a session day when we're here in Albany. But
20 I'm sure I'll have somebody there.

21 What is the plan -- or how many
22 licenses are issued now for growers and/or
23 processors in the state, and is there any
24 limit? Or where do you see where we're going

1 to end up in the number of licenses being
2 issued?

3 COMMISSIONER BALL: I think the number
4 of permits we have is 106. And Jeff is
5 showing me here that the number of acres that
6 are currently planned for next year is 2700,
7 just to get back to that.

8 For processors, I believe there are 26
9 that are currently registered with the
10 department with an interest in processing
11 hemp in New York State.

12 SENATOR O'MARA: How is the work going
13 to match up the growers with the processors?
14 Because we certainly have farmers across the
15 state that are interested in this burgeoning
16 industry, but concerned about making an
17 investment to get into a new crop without
18 really having the industry there to sell to.
19 You know, it's the old chicken-and-egg
20 scenario.

21 COMMISSIONER BALL: Sure.

22 SENATOR O'MARA: So where are we in
23 those efforts?

24 COMMISSIONER BALL: Yeah. It

1 certainly starts with the customer, and not
2 with what you like to grow.

3 That's part of our mission, and to do
4 that, we put together a hemp workgroup that
5 came out of the summit you and I were at. We
6 invited all the people that are interested in
7 the business to be a part of that workgroup.
8 They're a very bright, very high-energy, very
9 scientific and very forward-thinking group of
10 people.

11 But within the first meeting, I
12 realized we needed a second workgroup just to
13 deal with a different type of hemp, because
14 certainly it depends on who your customer is.
15 And matching that processor to the grower who
16 can grow what they need is so important,
17 which is what we're doing with these
18 workgroups.

19 We have hemp that's grown for fiber,
20 that's grown for manufacturing, that's grown
21 for paper or cloth, and then we have hemp
22 that's probably grown to a much more
23 sophisticated level with regard to CBDs and
24 the seed and the quality of oils that can be

1 extracted, with nutrition and possibly
2 pharmaceutical benefits.

3 So it starts with who the processor is
4 and connecting them with a grower that can
5 grow that specific type, that specific
6 quality of product. Very different from
7 biofiber to pharmaceutical, as you can
8 imagine. But that's what we're matching up
9 now.

10 SENATOR O'MARA: Very good. I again
11 commend you and your staff's efforts and the
12 entire department on these efforts. I've got
13 a few more questions, but I'll come back for
14 a second round.

15 COMMISSIONER BALL: Thank you.

16 CHAIRWOMAN WEINSTEIN: Assemblyman
17 Blankenbush.

18 ASSEMBLYMAN BLANKENBUSH: Thank you.

19 Welcome, Commissioner. Assemblyman
20 Magee and Senator Ritchie asked most of the
21 questions that were on my list. I'm not
22 going to repeat those questions. But I just
23 want to reflect a little bit on the Senator's
24 comments about how every year that I've been

1 down here with her, that the Executive takes
2 that money away from Ag & Markets and ag
3 communities.

4 So I'm not going to repeat any of
5 that, just to tell you that I'm concerned. I
6 think we've talked in my office about that,
7 actually. So hopefully we can get those back
8 in.

9 So the only real question that I have
10 is out in the western United States, the
11 Salmonella Dublin disease for the cattle, the
12 herd, I'm hearing that there's some coming
13 into New York now, that some herds of cattle
14 have had that or are starting to have that
15 disease. Have you heard that, or --

16 COMMISSIONER BALL: No, I have not.
17 And we have probably the best state vet in
18 the country here, Dr. David Smith. And
19 usually when I see him walking towards me in
20 the office, I know something's up, and I have
21 not seen him.

22 So I'm not aware of that. I'll
23 certainly flag that for him.

24 ASSEMBLYMAN BLANKENBUSH: Okay. I've

1 just gotten some type of emails and stuff of
2 concern that -- it's all in the western
3 section of the United States, or a lot of it,
4 but now I'm getting some of our dairy people
5 are concerned about that disease entering
6 into the State of New York, and I just wanted
7 to ask that question if you've heard that.

8 COMMISSIONER BALL: I would say that
9 when I was in Washington a couple of weeks
10 ago, one of the things we advocated for and
11 would be part of the farm bill at USDA is the
12 ability to have funding set aside for
13 livestock issues as they come up.

14 As you know, a couple of years ago we
15 had the largest outbreak of avian influenza
16 that the United States has ever seen. It was
17 the most devastating and costly event that
18 USDA had ever dealt with. And the money had
19 to be found to do that. And so as we have in
20 the plant world funding in the government's
21 budget to deal with plant outbreaks, we need
22 to follow through and do the same thing for
23 livestock.

24 ASSEMBLYMAN BLANKENBUSH: So I guess

1 the farmers that have contacted me, I should
2 wait to see what the department has found out
3 on that question that I have there?

4 COMMISSIONER BALL: Please contact us,
5 and we'll talk about that.

6 ASSEMBLYMAN BLANKENBUSH: Okay.

7 The last thing is that we're going
8 into the maple season, and the next time I
9 see you will be tapping. But a lot of the
10 maple people are talking that we're probably
11 going to be untapping by the time you and I
12 get to VBS down there.

13 COMMISSIONER BALL: Well, it is an
14 unusual weather pattern that we're in, but
15 the sap is flowing and we've already begun.
16 I'll have a brace and bit in my hand, and
17 I'll be ready.

18 ASSEMBLYMAN BLANKENBUSH: Thank you
19 very much. That's all the questions I have.

20 COMMISSIONER BALL: Thank you so much.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 SENATOR O'MARA: Senator Helming.

23 SENATOR HELMING: Thank you.

24 COMMISSIONER BALL: Good to see you,

1 Senator.

2 SENATOR HELMING: It's nice to see
3 you, Commissioner. Thank you for being here.

4 My first question this morning is in
5 regards to anaerobic digesters. As you know,
6 and I think most everyone here, anaerobic
7 digesters help to reduce methane gas
8 emissions and nutrient contamination of
9 nearby sources, which is so critically
10 important in my region where I represent four
11 of the Finger Lakes areas.

12 These digesters also help New York
13 meet greenhouse gas emission reduction goals
14 under the State Energy Plan. And
15 furthermore, the state has already
16 significantly invested in its farm waste
17 generating equipment, customer generators,
18 and any closures would undo this substantial
19 investment.

20 I've toured a couple of farms with
21 digesters on site, and they seem to be at the
22 stage where the digesters are at the point
23 where they need upgrades. And I'm just
24 wondering what your thoughts are on the

1 future viability of the existing digesters,
2 and what if anything is being done to ensure
3 their financial security.

4 COMMISSIONER BALL: Well, thank you
5 for that.

6 We talk pretty regularly with the
7 methane digester group, largely dairy
8 farmers, although there are some community
9 operations as well. I think it's a valuable
10 source of energy that we need to be aware of
11 and pay attention to.

12 As you know, digesters are very
13 expensive to install, very expensive to
14 maintain. And that return in the price has
15 not really given them enough flexibility to
16 maintain the equipment or consider expanding.

17 This is a conversation that we're
18 having ongoing with the Public Service
19 Commission as well as NYSERDA. And you're
20 going to have the new commissioner at NYSERDA
21 shortly -- a great individual, and we've
22 talked about this quite a bit.

23 I think we're getting there.
24 Particularly in my mind as we look forward to

1 becoming energy-independent here, and we look
2 at the possible sources of energy that we
3 have in the state, the CAFO manure storage
4 funding came up a little while ago. And I
5 think if we're creative about that, we will
6 see that, you know, potentially we have a
7 couple of hundred storage facilities for
8 energy around our state. And I think it's
9 something that needs to be included in our
10 thinking, and I certainly appreciate your
11 work in this sphere, and we'll work with you.

12 SENATOR HELMING: Thank you. I will
13 be sure to ask NYSERDA further about the
14 digesters.

15 But, you know, we're -- the digesters
16 that I was referring to, the ones that I
17 visited, were on dairy farms. And as we just
18 heard from a number of my colleagues, that
19 there is this increasing pressure on dairy
20 farmers, because of the milk prices just --
21 and as you said, the global economy is not
22 good.

23 And my concern is what are we doing to
24 help the farmers who are under all of this

1 stress? Is there anything from a mental
2 health perspective or -- what is New York
3 State doing? And has any money been
4 allocated in the budget for FarmNet?

5 COMMISSIONER BALL: FarmNet's been a
6 great partner in New York agriculture for
7 many years. And actually we've been engaged
8 in conversations with them. One of our
9 larger co-ops in the state actually sent a
10 letter to all its members cautioning about
11 mental stress and even suicide, the word was
12 mentioned.

13 We have seen that happen in the past
14 historically, in rare -- fortunately --
15 situations where farmers have taken their own
16 lives because of the stress on the industry.

17 So we talk regularly with FarmNet. I
18 have their brochure right here in my packet,
19 with a magnet to go on a refrigerator. We're
20 handing it out to all our farmers. We have
21 put together -- it was destined to be a
22 one-pager; it's actually a three-pager that
23 FarmNet put together for us to give to all
24 our inspectors, whether they be dairy

1 inspectors or plant or whatever type of
2 inspector, nutrition people who are visiting
3 the dairy farms to sell them feed, so they
4 can read and understand and know what to
5 watch for.

6 As you know, when a farmer gets to
7 FarmNet, they've made the right call and
8 they're going to get the right care. But the
9 farmers that don't call FarmNet are the ones
10 that we worry about. And so, again, we've
11 added this to our list of things we do as the
12 agency when we visit farms.

13 We're also working very hard to deal
14 with some of the underlying issues -- the
15 safety net that isn't there for them in the
16 farm bill, the MPP program, which failed them
17 miserably. So there's a fix for that. We're
18 analyzing that very carefully and seeing if
19 it makes sense for our farmers.

20 We're also on a call this week to talk
21 about price loss coverage protection for our
22 farmers. We're looking at all the options
23 there. And basically, you know, I don't buy
24 milk and I don't sell milk and I don't set

1 the price of milk. We can help make
2 connections, we can help look for new
3 markets. And we've worked very hard with our
4 grown and certified program, for example, to
5 expand that market, to expand the reach of
6 that market, and to get a higher-value dollar
7 for the dairy. So --

8 SENATOR HELMING: I'd just like to
9 redirect for a moment here.

10 COMMISSIONER BALL: Yes.

11 SENATOR HELMING: So I applaud you and
12 your agency for sharing the information about
13 FarmNet with the farmers out there. But why
14 is it year after year that there is no
15 funding in the Governor's budget for FarmNet?

16 And as Senator O'Mara talked about
17 earlier, it's kind of like a game we play.
18 The Governor puts nothing in for this
19 critically important program, which you just
20 acknowledged, you know, how important it is,
21 and then the Legislature has to go and battle
22 back for the money.

23 This should be an automatic -- this is
24 extremely important for the farmers.

1 COMMISSIONER BALL: The Governor put
2 \$384,000 into that budget. And over the
3 years, traditionally, the balance of their
4 funding has come from the Legislature.

5 I agree that it's a critical program,
6 especially in a year like this one.

7 SENATOR HELMING: Can I ask another
8 one?

9 SENATOR O'MARA: Next round, Senator,
10 please.

11 SENATOR HELMING: Okay. Thank you.

12 COMMISSIONER BALL: Thank you.

13 SENATOR O'MARA: Senator Krueger.

14 SENATOR KRUEGER: Good afternoon. Oh,
15 there's no more Assemblymembers? Okay.

16 Hi, Commissioner. When you first took
17 over, we had a number of discussions about
18 expanding ways to bring New York State
19 agriculture into New York City markets,
20 wholesale sales as well as retail and
21 restaurants, and including the need to
22 improve the Hunts Point Market and ensure
23 that there were adequate locations to have
24 direct marketing from New York State farmers

1 to the wholesalers or the trucks that were
2 coming to pick up there.

3 Where are we today?

4 COMMISSIONER BALL: Well, I wish I
5 could say we're done, but we've made a good
6 beginning on that. We've got a lot of things
7 going on, actually.

8 We have regular conversations with the
9 Hunts Point people, and we've come together
10 under the umbrella of food safety and helping
11 them be ready for the Food Safety
12 Modernization Act that congress has passed.

13 But more to your point, with the
14 New York Grown & Certified Program, when we
15 rolled that out last year, I was able to be
16 with the Governor announcing the beginning of
17 that program in Hunts Point, in the South
18 Bronx, where we dedicated funding for a new
19 food hub there, to be that loading dock, to
20 be that cross-dock opportunity to get
21 New York Grown & Certified, New York
22 products, to the neighborhoods that need it
23 most.

24 We allocated \$15 million to begin the

1 work on the building, partnering with the
2 Greenmarket Co. and GrowNYC. The plans are
3 being drawn, the land has been found.
4 They're drawing up the building plans now.
5 New York City is a partner on the land there.
6 And we're looking forward to breaking ground
7 later this year and actually getting that
8 building up and operating.

9 This will be able to facilitate not
10 just getting it into the various marketplaces
11 but specifically getting the food box program
12 supported in some of those neighborhoods that
13 have not traditionally had access to New York
14 food products.

15 SENATOR KRUEGER: And the state had
16 also supported the creation of a couple of --
17 there's a term, and I'm now blanking, but the
18 farmers would bring their food into a
19 centralized location and then it would get
20 sold to New York City institutional food
21 locations and it would -- that location they
22 brought the food to would put it together and
23 truck it for them the final miles down to the
24 city.

1 COMMISSIONER BALL: Right. Food hub,
2 yeah.

3 SENATOR KRUEGER: And so there was one
4 in the Hudson Valley I visited, and I'm
5 blanking on the name.

6 COMMISSIONER BALL: Yup.

7 SENATOR KRUEGER: So have those been
8 successful, and have we expanded on that at
9 all?

10 COMMISSIONER BALL: Yeah, we are.
11 There's a tremendous interest in food hubs.
12 Again, it really starts with the customer
13 first, and then you locate a food hub.

14 Truly, the Hunts Point Market is a
15 food hub. Terminal markets around the state
16 are food hubs already. But there are some
17 that need tweaking, need improvement, need a
18 new location and new thinking. But in this
19 case, particularly the one in the South Bronx
20 that we're looking at, we're calling it a
21 Greenmarket Food Hub. That is the
22 destination and the gathering point.

23 Corresponding things need to happen
24 upstate as well because, okay, we've got a

1 distribution point, but how do we have a
2 collection point upstate? And so that work
3 is ongoing, connecting the dots, where do we
4 have the capacity in New York State
5 agricultural communities to produce the stuff
6 that we need for that food hub. So that
7 relationship building is all critical.

8 SENATOR KRUEGER: Changing topics.
9 But parallel to my colleagues' questions
10 about hemp and the potential for a growing
11 hemp market in New York State, the Governor
12 has now announced that he's asking Department
13 of Health to take the lead on a study of the
14 impact of adult-use recreational marijuana in
15 New York, parallel to many states around the
16 country and a growing number of our
17 neighboring states.

18 Have they asked you to look at the
19 impact on our agricultural sector if we had
20 an additional product to be grown and sold in
21 New York?

22 COMMISSIONER BALL: I have not been
23 asked. I have had many conversations with
24 the commissioner of health about some of the

1 technical aspects of -- and cultural aspects
2 of growing the crop. But that's really
3 Department of Health.

4 And I do know that those institutions,
5 those businesses that we have in the state,
6 very tightly regulated, all indoors, very
7 high-security, and under his purview.

8 SENATOR KRUEGER: Although if we went
9 into a nonmedical model, which is what the
10 Governor has asked him to look at, I think
11 we're really talking more about broader
12 agricultural economics of a new product. And
13 my colleague just asked me to ask about the
14 weather conditions in New York. Is the
15 assumption that it would all need to be an
16 indoor or hydroponic model, or that there
17 would be outdoor farming potential?

18 COMMISSIONER BALL: My understanding
19 in talking with some of my colleagues in
20 other states -- you know, Colorado, for
21 example -- is that it's generally an indoor,
22 secured model, greenhouse-grown.

23 But I think we're at the stage the
24 Governor has asked people to look at it,

1 study it, and come back with an answer.

2 Pretty early on in the process, from what I
3 understand.

4 SENATOR KRUEGER: Thank you. Thank
5 you.

6 COMMISSIONER BALL: Thank you. Oh,
7 gosh, thank you.

8 SENATOR O'MARA: Commissioner, just a
9 couple more questions.

10 Commissioner Seggos from the DEC kind
11 of punted on a question regarding the soil
12 health program in New York. And that's one
13 of the many programs that's been -- I forget
14 whether that was cut completely or just
15 reduced in the Executive Budget.

16 That, to me, has been a very important
17 issue for agriculture in New York. I know
18 I've spoken to you several times about that.
19 And can you explain the rationale for the
20 reduction in that program?

21 COMMISSIONER BALL: Dr. David Wolfe
22 put together that proposal with Cornell.
23 He's a friend. It's an excellent program.
24 And soil health, as we've talked about a lot,

1 is the new buzz word in agriculture.

2 And that came into the budget not
3 through the Executive Budget, but through the
4 legislative process at the very tail end of
5 negotiations last year. And I would
6 encourage looking at that again. The
7 Governor did not include that in his budget;
8 it was an add by the Legislature. But I
9 think it's a worthwhile program.

10 SENATOR O'MARA: But the Governor
11 doesn't think it's worthwhile enough to put
12 into his budget?

13 COMMISSIONER BALL: I think he wanted
14 to know what you thought about it.

15 SENATOR O'MARA: And I've asked you
16 what you thought about it. It's been a good
17 program, right?

18 COMMISSIONER BALL: It's been a great
19 program.

20 SENATOR O'MARA: The soil health, we
21 deal with a lot of issues with runoff and
22 nonpoint source pollution. Soil health
23 certainly plays a significant role in that,
24 doesn't it?

1 COMMISSIONER BALL: Of course, yeah.

2 SENATOR O'MARA: And in the Finger
3 Lakes, where we have steep slopes running
4 into our lakes and waterways, and the harmful
5 algae blooms that we're dealing with that are
6 contributed to by this runoff, it seems to me
7 that the soil health program would be an
8 integral part of what are extensive efforts
9 going underway by the state right now with
10 regards to HABs, and in fact a summit going
11 on in the Hudson Valley today, and three or
12 four more scheduled around the state.

13 So would you agree that soil health is
14 an important aspect of this whole HAB issue
15 that we're dealing with?

16 COMMISSIONER BALL: I would. And
17 actually I was with the Governor this morning
18 in New Paltz for that very first HAB summit,
19 and I look forward to being at the one in
20 Western New York and central New York as
21 well.

22 Clearly we have to look from 30,000
23 feet down at what the issue is, and there's
24 concerns about the agriculture, but there's

1 concerns with homeowners and septic systems,
2 there's concerns with weather, climate
3 changes, there's concerns with municipal
4 processing systems. There's a lot that goes
5 into this.

6 And clearly -- I think correctly --
7 the Governor has identified that we need a
8 new level of thinking and study and expertise
9 and looking at this issue if we're going to,
10 you know, solve it. Because there isn't just
11 one thing that is the issue here.

12 Certainly on our farms the work that
13 we do with nonpoint, the work that we do with
14 the CAFO storages, the work that we do with
15 all our soil and water programs -- and again,
16 we've added a million dollars there, and
17 we've added climate resiliency funds -- all
18 of these together can help improve that
19 situation in our watersheds that are
20 sensitive.

21 So I would encourage you to look
22 closely at it as well, and look forward to
23 personally working with you on it.

24 SENATOR O'MARA: Thank you. And I

1 agree with you completely about the many
2 aspects involved. And I didn't mean to imply
3 that soil health was the only one of them or
4 even the main one of them. But it's
5 certainly a part of it. So I appreciate your
6 interest in that and continued efforts in
7 that regard.

8 Senator Helming.

9 SENATOR HELMING: Thank you.

10 So talking about soil protection, one
11 of the programs that I think is incredibly
12 valuable to New York State is the FPIG, which
13 is the Farmland Protection Implementation
14 Grant program. I've seen that successfully
15 implemented in many areas across New York
16 State. And what I'm wondering is, are all
17 the funds under the FPIG program approved in
18 last year's budget currently encumbered?

19 COMMISSIONER BALL: I don't believe
20 they're totally encumbered. There's always
21 some that come in under budget, or a little
22 over or something. We have a backlog of
23 funding there. But that goes back to 2009,
24 when there was no funding and lots of

1 projects. And so we've been dealing with
2 that backlog I think pretty effectively.

3 But yeah, we're spending the money
4 pretty well. In the last four years, we've
5 had stakeholder meetings, we've brought in
6 all the players there -- the land trusts, the
7 municipalities, our team -- and sat at the
8 same table and talked about the process, how
9 we can facilitate the process and make it
10 work faster.

11 And we've gotten it down to -- back in
12 those early days, it took over four years to,
13 you know, go from having funding to getting a
14 project done. We've cut the time in half.
15 I'm going to make my team very nervous now
16 and say last year we did two projects in
17 Saratoga County in a year. That's our goal,
18 is to get it down so that the money comes in
19 and the money goes out as fast as possible.

20 So I think we're doing a pretty good
21 job. We're gaining on it all the time. The
22 Governor is committed to it, he's put it back
23 in the budget again this year. And this year
24 we've added some grants to help on the land

1 trust side, on the municipalities side, then
2 do inventories on available land and start
3 looking ahead so that the process can be, in
4 fact, much smoother, much faster.

5 SENATOR HELMING: Can we increase the
6 number of applications that the regional land
7 trust and/or the municipalities can submit?
8 I think right now are they capped at six per
9 region, or six applications in general?

10 COMMISSIONER BALL: You know, we can
11 certainly look at that. My response to them
12 about that is that the jam-up there doesn't
13 occur at Ag & Markets, it's largely in the
14 field at the land trust and the municipality
15 level.

16 These agreements involve conservation
17 easements that are fairly complicated, and it
18 takes a great amount of education on the end
19 of the farmer and the land trust, the
20 municipality. And for us, we've streamlined
21 our process down pretty well. What's been
22 taking a lot of the time is the capacity in
23 the community, get the farmers ready --
24 because things change on a farm. And you can

1 think about if a farm has an idea to have an
2 easement and get that influx, there's -- if
3 it takes a long time, family dynamics change,
4 et cetera.

5 So we see the real bottleneck
6 happening at that end. But I'm willing to
7 turn the volume up on the machine, or the
8 speed up on the machine, but I think we've
9 spent the last couple of years making sure
10 the machine is running properly and that we
11 get the bugs worked out before we try to turn
12 up the speed on it.

13 SENATOR HELMING: Okay. Another
14 question, as long as no one's watching the
15 time.

16 (Laughter.)

17 SENATOR O'MARA: You've got a minute
18 and 44 seconds.

19 SENATOR HELMING: Farm brewery
20 license. I recently hosted a farm brewery
21 roundtable to discuss the New York Grown
22 thresholds under the program. And I want to
23 thank you for the department's participation.
24 Along with NYSDAM, we had representatives

1 from the State Liquor Authority, Farm Bureau,
2 Cornell, the Brewers Association, as well as
3 growers and brewers from across New York
4 State. It was an absolutely wonderful,
5 wonderful roundtable, a lot of positive
6 response.

7 But I just wanted to share with you a
8 couple of things that came out of that
9 meeting.

10 COMMISSIONER BALL: Sure.

11 SENATOR HELMING: One, it became very
12 clear to me that in New York State we need to
13 grow a variety of hops that will stand out in
14 the market and also increase the value of our
15 New York hops. And I think that relates back
16 to some of the comments Senators have made
17 about the need to fund different Cornell
18 research and other types of research.

19 Another issue that was addressed, it
20 was stressed over and over again by the
21 participants at the event, was that there's
22 so much excitement -- at the Governor's
23 level, at the state level -- about the craft
24 brewery industry, but that when it comes to

1 putting, you know, money where your mouth is,
2 that the funding is low. That when it comes
3 to funding for hops and barley research, the
4 Governor puts in \$40,000 every year.

5 And one of the producers who was at
6 the roundtable pointed out to us that one of
7 their hop storage bins on their farm alone
8 might cost \$40,000.

9 And it's my understanding that the
10 Legislature is the primary funder of research
11 programs relating to hops and barley that
12 support the farm brewery license program.
13 Why is that? And it seems like this is going
14 back to a question that Senator O'Mara asked
15 earlier. You know, why do we play these
16 games? Why not put the money in up-front for
17 these important programs?

18 COMMISSIONER BALL: Well, again, and
19 I -- you know, not to belabor the point, but
20 it is a process, the budget. It's not just a
21 one-and-done kind of thing. You know, this
22 input is very helpful and frankly very
23 beneficial.

24 But I have to say that, you know, the

1 Governor has held three craft beverage
2 summits, you know. Every one of them has
3 been tremendously successful. And every one
4 of them -- working with our partners at ESD
5 and our partners at the State Liquor
6 Authority, we've made regulations easier,
7 we've applied a different look, we've added
8 marketing efforts, we have funded, you know,
9 efforts at Cornell to get new varieties that
10 we're going to need. We are investing in
11 virus-free plant stock here; that's a new
12 initiative that we need back, because there
13 was so much excitement that some of the
14 growers got ahead of us and brought in, for
15 example, hop root stock from other areas. Lo
16 and behold, it had some virus into it. And
17 you don't see that until five years, six
18 years down the road.

19 So making sure that we have good stock
20 material. When you make an investment in
21 hops, it's a pretty significant investment
22 and it takes a long time before you get a
23 return on it.

24 So we're doing a lot of those things.

1 But I think we need to remember it's a joint
2 project here between the two of us. You're
3 out there talking with the growers; we've got
4 a craft beverage workgroup that we work with
5 on a regular basis. And where there's a
6 need, we're ready to step up. So we look
7 forward to that. I'm so glad you put
8 together that roundtable.

9 SENATOR HELMING: So just a question,
10 then, to follow up quickly. Do you think
11 there's adequate funding in the budget right
12 now for hops and barley research programs?

13 COMMISSIONER BALL: I think we need to
14 know what we need to know. I think we're
15 going to need to -- and I don't mean to be
16 silly about that -- but, you know, clearly
17 meet with Cornell on a regular basis.

18 We needed new varieties of rye to go
19 along with the hops. But we've already got
20 things in place, they've got good researchers
21 there. And some of it takes time. For
22 example, with the barley question, I spoke
23 with the Governor about barley not too long
24 ago. We need more barley. We need this

1 quality of barley. Well, it took Cornell
2 three years to really evaluate some of the
3 new varieties they were looking at, and they
4 weren't going to be ready to release a
5 recommendation until they had seen it three
6 times in a row and then were comfortable. So
7 some of this takes walking before we start
8 running.

9 But clearly it's an industry that's
10 grown 150 percent since 2012. I don't think
11 we've seen the end of it. And, you know, I
12 can see more funding needed as we go forward.

13 SENATOR HELMING: Thank you.

14 I have one more.

15 SENATOR O'MARA: You've got one more
16 question?

17 SENATOR HELMING: One more.

18 SENATOR O'MARA: That's the last one.

19 SENATOR HELMING: Okay. Cut me off
20 after this one.

21 Commissioner, have you heard about the
22 waste incinerator that's proposed for
23 Romulus, New York? It's about 3.5 miles off
24 of Seneca Lake. It's in the heart of the

1 Finger Lakes wine and craft brewery area.

2 COMMISSIONER BALL: I have not.

3 SENATOR HELMING: Okay. Well, maybe
4 at some point you and I can get together and
5 we can talk about it.

6 COMMISSIONER BALL: Sure.

7 SENATOR HELMING: It's my
8 understanding that someone from your agency
9 will sit on the board that will be making a
10 decision on whether or not this incinerator
11 project should be approved for this area. I
12 could go on and on about my feelings of the
13 impact that this incinerator will have on our
14 agricultural industry -- not even to mention
15 on our clean drinking water in Cayuga Lake
16 and Seneca Lake. But maybe that's a
17 discussion that we can have offline.

18 COMMISSIONER BALL: Let's do that.

19 SENATOR HELMING: I just wanted to
20 bring it to your attention.

21 COMMISSIONER BALL: Sure, happy to do
22 that.

23 SENATOR HELMING: Thank you.

24 COMMISSIONER BALL: Thank you.

1 SENATOR O'MARA: I think we're done,
2 Commissioner. Thank you for your
3 participation. Thank you for your
4 common-sense approach to many of these
5 matters and your passion for the issues that
6 you're involved with. You're really doing a
7 great job; keep up the good work.

8 COMMISSIONER BALL: Well, thank you.
9 I have to thank all of you for your continued
10 interest in agriculture and your support of
11 our food system. It's much appreciated.

12 SENATOR HELMING: Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 Next we have the New York State Public
15 Service Commission, represented by John B.
16 Rhodes, chair.

17 Feel free to begin.

18 PSC CHAIRMAN RHODES: Am I on?

19 CHAIRWOMAN WEINSTEIN: You should be.

20 ASSEMBLYMAN OAKS: Yes.

21 PSC CHAIRMAN RHODES: Okay, thank you.
22 Sorry.

23 Good afternoon, Chair Young, Chair
24 Weinstein, and other distinguished members.

1 My name is John Rhodes. I'm the CEO of the
2 Department of Public Service and chair of the
3 Public Service Commission. And with me today
4 is Executive Deputy Tom Congdon.

5 The department ensures safe, reliable,
6 and affordable access to energy,
7 telecommunications, and private water
8 services, and advises the commission on
9 issues ranging from setting rates and
10 protecting consumers to siting infrastructure
11 and reviewing utility mergers.

12 Our top priorities this year include
13 continuing Governor Cuomo's progressive plan
14 to modernize our utility systems and to
15 ensure affordable energy for our most
16 vulnerable citizens.

17 Some key points. Reforming the Energy
18 Vision. We will drive towards an
19 increasingly clean, reliable, affordable and
20 consumer-oriented energy system, by
21 harnessing markets, innovation, and smarter
22 investment.

23 We have the Clean Energy Standard,
24 which is a key element of REV and the state's

1 commitment to assuring that 50 percent of all
2 electricity consumed comes from renewable
3 energy resources by 2030, with requirements
4 on energy providers to procure increasing
5 amounts of renewable energy and zero-emission
6 resources.

7 We have low-income protections, where
8 the commission will advance its Energy
9 Affordability Policy, which seeks to limit
10 home energy costs -- energy burden, as we
11 call it -- for the approximately 2.3 million
12 low-income New Yorkers to no more than
13 6 percent of household income, on average.

14 We have system reliability and
15 resiliency. The reliability of our electric
16 and natural gas systems remains a primary and
17 essential focus. Our staff monitors utility
18 performance closely, investigates reliability
19 concerns, and advances cost-effective
20 investment in new monitoring and control
21 technologies.

22 In safety, this year we will further
23 strengthen our oversight of utility
24 practices, especially those related to

1 customer safety and to the replacement of
2 leak-prone natural gas pipes.

3 Our regulatory jurisdiction extends
4 over investor-owned utilities, including six
5 major electric/gas utilities, five major gas
6 utilities, three major water companies, as
7 well as small telephone companies, hundreds
8 of water companies, municipal electric
9 utilities, cable companies, power generators,
10 and energy service companies. The department
11 provides regulatory oversight and review of
12 electric service operation on Long Island --
13 the department, as opposed to the commission.

14 In this year, the commission expects
15 to decide several major rate cases. This
16 important review will be informed by the
17 cost-benefit analysis framework that the
18 commission established to ensure a clear and
19 transparent assessment of the benefit and
20 cost of utility investments. In addition to
21 rate case reviews, the commission instituted
22 a proceeding to ensure large tax savings for
23 utilities due to federal tax law changes are
24 captured for customer benefit in New York.

1 We will build on the state's success
2 in driving record investment in renewable
3 energy development by supporting Governor
4 Cuomo's call to expand energy efficiency
5 programs and deploy 1,500 megawatts of energy
6 storage -- the largest commitment per capita
7 by any state --- by 2025, saving billions of
8 dollars in energy costs.

9 Further, we will work with NYSERDA to
10 obtain at least 2,400 megawatts of offshore
11 wind power, which includes issuing a
12 procurement for 800 megawatts by the end of
13 this year. In terms of developing new energy
14 resources, there are currently 24 wind and
15 solar proposals, totaling 3,900 megawatts,
16 pending before the Board on Electric
17 Generation Siting and the Environment, also
18 known as the Siting Board, which is a board
19 that I chair.

20 It's critical that these projects are
21 appropriately sited, and that we account for
22 potential environmental and community
23 impacts. Our thorough siting process ensures
24 local communities are heard and that negative

1 impacts are addressed.

2 In the telecom sector, we will
3 accelerate infrastructure modernization and
4 oversee investment in broadband buildout to
5 help achieve Governor Cuomo's vision for
6 universally available high-speed broadband.

7 The commission uses its enforcement
8 powers to ensure regulatory success. Last
9 year, we held Charter to its commitment to
10 expand broadband service to 145,000 unserved
11 or underserved homes. When Charter missed
12 its first-year broadband buildout milestone,
13 we obtained a \$13 million settlement to put
14 the company on track.

15 In the electric sector, the commission
16 investigated the utility response to the
17 March 2017 Rochester-area windstorm, and a
18 penalty proceeding is now underway.

19 In this fiscal year, reforming the
20 ESCO market remains a priority. We have
21 heard complaints from many consumers and
22 their representatives about ESCOs grossly
23 overcharging and using deceptive marketing
24 practices. We will continue the reform, and

1 we will put an end to bad-acting ESCOS.

2 The fiscal year '18-'19 Executive
3 Budget continues support of \$89.6 million for
4 operations, which includes \$81.1 million in
5 18-a utility funds, \$3 million for cable TV,
6 and \$5.5 million for federal funds.
7 Additionally, \$5.8 million is included for
8 intervenor funding, for a total All-Funds
9 appropriation of \$95.4 million.

10 The full-time equivalent position
11 count remains the same at 520, and we are
12 positioned to deliver our core mission and
13 meet the Governor's ambitious agenda.

14 This concludes my remarks, and I
15 welcome your questions.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 We'll go first to the Assembly Energy
18 chair, Assemblyman Cusick.

19 ASSEMBLYMAN CUSICK: Thank you. Thank
20 you, Chairwoman.

21 Chairman, thank you for being here. I
22 wanted to ask some questions on the Clean
23 Energy Standard. I know in 2016 the 50
24 percent renewable by 2030 was adopted. Could

1 you tell me in 2018 where we are, where
2 New York State is in the percentage of energy
3 generated in New York State by renewables?

4 PSC CHAIRMAN RHODES: Can I offer
5 estimates for 2017?

6 ASSEMBLYMAN CUSICK: Sure. Whatever
7 you have.

8 PSC CHAIRMAN RHODES: So the NYISO,
9 the New York Independent System Operator,
10 keeps the bible -- they now call it the Gold
11 Book. And if you look at those figures and
12 update them for known capacity additions,
13 total renewables are about 24 percent,
14 perhaps a little bit higher. The bulk of
15 those are hydro resources.

16 I expect you're asking also
17 specifically about wind and solar.

18 ASSEMBLYMAN CUSICK: Yes.

19 PSC CHAIRMAN RHODES: Solar is
20 probably running at about 1 percent, with
21 installed capacity growing at a very nice
22 healthy rate. And wind is at about -- in the
23 high 3 percents, I would say. Again, with
24 NYSERDA in the midst -- and you should talk

1 to the president of NYSERDA -- of really a
2 nation-leading procurement of clean-energy
3 resources, which include both wind and solar.

4 ASSEMBLYMAN CUSICK: Now, are these
5 numbers that you are comfortable with? Or
6 are these numbers that we predicted we'd be
7 on target?

8 PSC CHAIRMAN RHODES: They are on the
9 track that we need to be on in order to get
10 to our goal. I'll confess we're making life
11 a little bit easier for ourselves by moving
12 the finish line in a little closer. We have
13 in the State Energy Plan a very forceful
14 energy-efficiency set of initiatives, and I
15 think you know that the Governor in the State
16 of the State announced that he wanted us and
17 our sister agencies, including NYSERDA and
18 the New York Power Authority, to examine all
19 options to be even stronger on that.

20 ASSEMBLYMAN CUSICK: So there are
21 incremental targets in place that -- to
22 ensure that we are on target to get to that
23 goal?

24 PSC CHAIRMAN RHODES: That's right.

4 PSC CHAIRMAN RHODES: We're not on
5 cruise control, we're paying a lot of
6 attention. But yes, we're confident we'll
7 get there.

9 I'd like to switch over to the Indian
10 Point Closure Task Force. I have a question
11 on what's the status of the task force study
12 evaluating future reuse of the land? I know
13 that there was a deadline of April 30th.
14 It's fast approaching. So I wanted to see if
15 you could give us a little sneak peek of it.

20 EXECUTIVE DEPUTY CONGDON: Hi,
21 Assemblyman. Thank you for the question.

23 EXECUTIVE DEPUTY CONGDON: The Indian
24 Point Task Force, which I chair, has met

1 three times. We've had very productive
2 meetings in the community, the Town of
3 Cortlandt.

4 And we did bring on a consultant
5 through a NYSERDA RFP to conduct that reuse
6 study that you've mentioned. The
7 consultant's name is D.L. English. They are
8 hard at work to complete the reuse study by
9 the deadline of April 30. They made a public
10 presentation to the task force at a recent
11 meeting and showed a lot of progress.

12 I think that the information that they
13 provide us will be helpful to the task force
14 and the local communities to know what
15 potential future options may exist, short
16 term and long term.

17 ASSEMBLYMAN CUSICK: Okay. And how
18 much replacement power is currently in
19 service?

20 EXECUTIVE DEPUTY CONGDON: On the
21 replacement power front, as you may know, the
22 New York Independent System Operator
23 performed a feasibility assessment. They do
24 this for every power plant that closes.

1 And so they did an analysis of
2 Indian Point coming offline on the schedule
3 that was outlined in the settlement
4 agreement. And they look at both what the
5 projected demand is going to be on the system
6 as well as what resources they expect will be
7 online at the date that closure is occurring.

8 And they have a pretty high threshold
9 at the NYISO in terms of which resources to
10 include in the baseline. It's not enough,
11 for example, for a project simply to be
12 permitted. They've got to be showing the
13 NYISO that they're well underway in
14 construction for them to be counted in their
15 modeling analysis.

16 And so based on the resources that are
17 in service, the existing resources, as well
18 as resources that are sufficiently underway
19 in construction, and comparing that against
20 projected demand --

21 ASSEMBLYMAN CUSICK: How many are in
22 that second category you just mentioned?

23 EXECUTIVE DEPUTY CONGDON: Over 17,
24 1800 megawatts.

1 ASSEMBLYMAN CUSICK: Okay.

2 EXECUTIVE DEPUTY CONGDON: In
3 construction, is what you're referring to?

4 ASSEMBLYMAN CUSICK: Yes. Yeah.

5 EXECUTIVE DEPUTY CONGDON: And also we
6 should note that, you know, the Public
7 Service Commission had an Indian Point
8 closure proceeding that it commenced in 2013,
9 and approved transmission upgrades of around
10 600 megawatts, as well as demand response and
11 energy-efficiency improvements in the area to
12 help tamp down demand.

13 And so through a combination of all of
14 those resources, the NYISO concluded that
15 there is no reliability need for Indian Point
16 beyond the closure date in the settlement
17 agreement.

18 ASSEMBLYMAN CUSICK: Okay. The task
19 force was also charged with assessing
20 retaining opportunities for the jobs that are
21 affected. How many programs have been
22 identified?

23 EXECUTIVE DEPUTY CONGDON: There are
24 several existing programs. NYSERDA has

1 supported training programs for the renewable
2 energy sector. These will be detailed in the
3 task force report due in April. I know there
4 are several programs that will be included.

5 But more importantly, Department of
6 Labor is meeting with every individual
7 employee of the plant and determining for
8 each employee what the best track will be,
9 whether they want to participate in
10 retraining programs, whether there are other
11 employment opportunities within Entergy to
12 stay at the plant post-closure or at other
13 plants in the state or at other utilities in
14 the state.

15 And so there will be a detailed
16 employment plan for each individual wishing
17 to participate in that process.

18 ASSEMBLYMAN CUSICK: So there are
19 plans to keep some employees through the
20 decommissioning process?

21 EXECUTIVE DEPUTY CONGDON: That will
22 be determined.

23 There will be a number of employees
24 that will have to stay on post-closure even

1 before decommissioning, just for the safe
2 transition of the fuel from the spent fuel
3 pools into dry cask storage.

4 So for the sort of transition between
5 closure and decommissioning, they will need
6 to maintain a certain number of staff both in
7 operations and in security. And that's
8 important -- even after decommissioning, they
9 will need to maintain a security force on the
10 site.

11 ASSEMBLYMAN CUSICK: Now, minus the
12 security force, how many jobs are we talking
13 about?

14 EXECUTIVE DEPUTY CONGDON: The total
15 employees are approximately a thousand. And
16 there will be a gradual phase-out over the
17 years post-closure of those positions. And
18 like I said, a portion of those will be
19 necessary to be on-site for the transition
20 and for security.

21 There's a large percentage of the
22 employees who will be retirement-eligible at
23 that time. So they, I think, at Entergy
24 expect that there will be -- a certain amount

1 of the reductions will be achieved through
2 retirement.

3 ASSEMBLYMAN CUSICK: Okay, thank you.

4 Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 SENATOR O'MARA: Chairman, good
7 afternoon.

8 PSC CHAIRMAN RHODES: Senator.

9 SENATOR O'MARA: Thanks for being
10 here.

11 A few questions on the Clean Energy
12 Fund, rather than the Clean Energy Standard.
13 How much has been collected so far under the
14 new rates imposed for the Clean Energy Fund
15 that are being paid by ratepayers on their
16 bills?

17 PSC CHAIRMAN RHODES: Senator, I'll
18 have to get back to you on that. What I can
19 tell you is that the Clean Energy Fund, when
20 it was put in place I believe in February of
21 last year, both immediately started with a
22 collection reduction of I believe \$85 million
23 from the prior year, and instituted basically
24 a pay-as-you-go model where, you know, the

1 collections would keep pace with the amount
2 needed to make the commitments that NYSERDA
3 was making.

4 So I'd have to get back to you on the
5 numbers, but the design of the Clean Energy
6 Fund was both to reduce collections and to
7 moderate the timing of those collections to
8 when those were actually needed to make
9 commitments.

10 SENATOR O'MARA: And is it correct
11 that the Clean Energy Fund, those fees being
12 collected were a replacement of all the other
13 fees that were on the bills, such as the 18A
14 fees, the RGGI fees, all these things that
15 are on there? Because we've got one line
16 item on there now for all this?

17 PSC CHAIRMAN RHODES: The Clean Energy
18 Fund collections really are a consolidation
19 of several other collections. There's kind
20 of an alphabet soup of EEPS and SBC and SBC2.
21 So it is a consolidation of those.

22 But it does not include the items that
23 you mentioned, 18A, which is on the bill, nor
24 does it include RGGI, which is a separate

1 financial path.

2 SENATOR O'MARA: So you really can't
3 tell me how much has been collected in the
4 Clean Energy Fund since last February?

5 PSC CHAIRMAN RHODES: I'll have to get
6 back to you, because I know what we
7 authorized and I know we told -- I'm sorry,
8 the Public Service Commission at the time
9 told me, when I was at NYSERDA, to manage the
10 funding so as not to take it before it was
11 needed. And so it's -- there's a matter of
12 timing. I'll just have to get back to you on
13 where we stand on that.

14 SENATOR O'MARA: How much was in
15 reserves at the time the transition was made
16 to the Clean Energy Fund last February?

17 PSC CHAIRMAN RHODES: I don't know.
18 I'll get back to you on that.

19 We shared the number with this
20 committee over the years. It was a larger
21 number than we liked, and is part of the
22 rationale behind the pay-as-you-go model we
23 implemented.

24 SENATOR O'MARA: I'm somewhat at a

1 loss that you don't have answers to these
2 pretty basic questions, coming here to
3 testify at our budget hearing today.

4 Can you tell me where the Clean Energy
5 Fund -- where are they being expended
6 throughout the last year?

7 PSC CHAIRMAN RHODES: So the Clean
8 Energy Fund has four -- and the president of
9 NYSERDA is here. The Clean Energy Fund has
10 four portfolios, I believe they call them.
11 So there is NY-Sun, which is a billion-dollar
12 commitment to achieve 3 gigawatts of solar
13 deployment in the state. So that accounts
14 for about a billion of the Clean Energy
15 Fund's total.

16 There's capitalization of --
17 completion of the capitalization of the Green
18 Bank to the tune of about \$840 million or
19 \$850 million that is being drawn down as the
20 Green Bank is making its financial
21 commitments.

22 There's about \$700 million to be spent
23 over 10 years on research and innovation.
24 And that is about the pace that it's going

1 on. And then there's about \$2.7 billion,
2 again over 10 years, on something called
3 market development, which is principally
4 energy efficiency, although that's also the
5 vehicle for funding things that have been
6 talked about here today, like anaerobic
7 digesters and the like. So these energy
8 efficiency plus farm digestion setups account
9 for half of the spend of the Clean Energy
10 Fund.

11 SENATOR O'MARA: Was that market
12 development, was that \$2.7 billion?

13 PSC CHAIRMAN RHODES: Yes, over 10
14 years.

15 SENATOR O'MARA: With a B.

16 PSC CHAIRMAN RHODES: Yes.

17 SENATOR O'MARA: Can you provide us
18 with specific breakdowns of each of those
19 portfolios you mentioned, as to where exactly
20 those resources are going?

21 PSC CHAIRMAN RHODES: We can. And I
22 know that NYSERDA provides detailed reports
23 to both houses, I believe on a six-monthly
24 basis. But yes, we can certainly get you

1 that.

2 SENATOR O'MARA: Let me switch to
3 the -- I believe it's Part F, or the fees for
4 the infrastructure for running cables, fiber
5 optics, along rights-of-way.

6 PSC CHAIRMAN RHODES: This is a
7 Thruway Authority proposal or --

8 SENATOR O'MARA: Oh, is this DOT?
9 Okay, that's transportation. That's not
10 anything that PSC is overlooking?

11 PSC CHAIRMAN RHODES: No.

12 SENATOR O'MARA: All right. That's it
13 for now.

14 PSC CHAIRMAN RHODES: Thank you,
15 Senator.

16 CHAIRWOMAN WEINSTEIN: Assemblyman
17 Englebright.

18 ASSEMBLYMAN ENGLEBRIGHT: Thank you
19 very much, gentlemen.

20 I'm concerned about the issues
21 relating to solar, and most particularly to
22 the way that solar is envisioned for the
23 future in order to meet the state's renewable
24 energy goals. There is a successful program

1 that's been helping to propel the small-scale
2 solar forward to the point where we now have
3 a measurable amount of solar on a statewide
4 basis with the net metering. Much of that is
5 on individual buildings and is located, you
6 know, really in a distributed model, as
7 opposed to a concentrated-site model. It has
8 created thousands of jobs of installers and
9 has been increasingly welcomed by the general
10 public.

11 Now we have new regulations coming
12 down from the Public Service Commission which
13 have caused great concern to many of those
14 who are in this industry because these
15 regulations are confusing and have the
16 functional effect of causing what had been a
17 predictable incentive in the marketplace for
18 unpredictability. That has, in turn, brought
19 about a measurable, palpable
20 disincentivization within the marketplace to
21 continue to go in the direction of solar for
22 small-scale or distributed solar.

23 And some have suggested that net
24 metering is succeeding to register in the

1 market in such a way that it's a threat to
2 large-scale single-site energy providers, and
3 that they are behind this, this confusing set
4 of new expectations.

5 And so I wonder, what's your
6 perspective? Because it's coming from your
7 agency.

8 PSC CHAIRMAN RHODES: So my view is
9 that I think solar remains a success. I
10 believe we have got about 1 gigawatt, 1,000
11 megawatts, installed in the state, and we
12 have about that much again in the pipeline
13 that is under development.

14 And for the first time -- and again, I
15 encourage you to talk to my colleague the
16 president of NYSERDA -- we have received
17 large -- the state has received, under their
18 solicitation, it's a very exciting
19 development, large-scale solar proposals,
20 some of which are quite competitive. So the
21 market momentum is continuing.

22 With respect to the issues that you
23 raise, the net metering does remain in place
24 for residential consumers -- rooftop solar.

1 For the next level up, which until last week
2 was up to 2 megawatts, there's been a
3 transition away from net metering to
4 something called value stack, which is --
5 it's a formula with a lot of terms in it, but
6 it's not that complicated for those who are
7 in the business and who can make it their
8 business to understand these things.

9 And particularly in a shared solar
10 model, it's fairly clear that the projects
11 are coming along unabated. And in the past
12 few months, while this has been going on,
13 we've had over a hundred of these community
14 solar projects move along, pay a hundred
15 percent of their development costs and
16 account for more than a third of the
17 pipeline.

18 And I made a little point about until
19 last week the size was up to 2 megawatts.
20 The commission ruled that we would increase
21 the cap for that mechanism to 5 megawatts,
22 which is a move that is welcomed by solar
23 developers. They like the idea. I'll be
24 frank; we did it to protect consumers,

1 because it reduces costs in a way that's
2 beneficial to our strategies and good for
3 ratepayers all around.

4 So there's complexity involved, but
5 we're making progress. The numbers in terms
6 of what's getting built and what's getting
7 invested in are extremely encouraging. And
8 despite the complexity of the process, the
9 developers still consider New York one of the
10 top states. And when they think about
11 regulatory stability, which is often a factor
12 for them, we compare very favorably to some
13 states in the Southwest where there's been
14 quite a bit of turmoil, and that's just not
15 something we have.

16 So if the objective is to get stuff
17 built, stuff that we want, that's happening.

18 ASSEMBLYMAN ENGLEBRIGHT: Well,
19 "stuff" needs a little clarification.
20 Getting stuff built really should not be the
21 goal. The goal should be to reduce our
22 carbon footprint and to do it in a way that
23 has the maximum benefit for long-term
24 stability --

1 PSC CHAIRMAN RHODES: That's right,
2 sir.

3 ASSEMBLYMAN ENGLEBRIGHT: -- and
4 maximum utilization of technology.

5 PSC CHAIRMAN RHODES: That's correct,
6 sir.

7 ASSEMBLYMAN ENGLEBRIGHT: I am very
8 concerned, within that context, that I don't
9 see much coming from your agency regarding
10 the use -- maybe I just missed it, but I
11 don't see much regarding the marriage between
12 small-scale solar and geothermal on a
13 building-by-building basis, and instead I
14 hear you saying with excitement that
15 large-scale solar is --

16 PSC CHAIRMAN RHODES: Sir, we're --

17 ASSEMBLYMAN ENGLEBRIGHT: -- is
18 increasing, when in fact -- if I could just
19 finish -- it should, it seems to me, be
20 small-scale solar that should be increasing.

21 And I am concerned that if we come
22 back and look at this emphasis that's coming
23 from your agency toward large-scale solar to
24 essentially replace or be a part of

1 large-scale corporate investments made in the
2 past for single-site energy provision, that
3 this is a misdirection and not the best use
4 of the technology.

5 Something like two-thirds of our
6 energy footprint statewide is in heating and
7 cooling. Why are we not trying to develop
8 on-site single-building and small-scale for
9 attached buildings, the use of the latent
10 heating groundwater driven by solar pushing a
11 small motor? Rather than to have a
12 substitute power plant that is essentially
13 using solar technology and is being pushed by
14 investors who are really not so interested in
15 the appropriate goals of reducing the
16 reliance and dependency on large single-site
17 investment, but instead to have a distributed
18 investment?

19 PSC CHAIRMAN RHODES: Let me correct
20 an impression. When I said that the pipeline
21 that we have this year, that's going to get
22 built within months, is more than double what
23 we already have installed, that pipeline was
24 all smaller-scale. In addition, we're seeing

1 good news on the larger-scale, which I think
2 is good news for the state.

3 So we are absolutely encouraging of,
4 both in design of our policies and programs
5 and in the effects that are happening in the
6 market, of rooftop solar and of solar
7 on-premises that makes sense for customers.

8 And we are absolutely convinced that
9 distributed solutions -- and solar is the
10 pioneer of distributed solutions -- are
11 really good for our energy and climate
12 system.

13 And I will agree with you that
14 geothermal as a solution to -- basically for
15 renewable heating and cooling, is a
16 technology whose time has come, and it is
17 here and now, and it's not too soon.

18 ASSEMBLYMAN ENGLEBRIGHT: No, it's not
19 too soon. And it will have a dramatic
20 impact. I'm just looking forward 20 years
21 from now. I hope that we have in fact a
22 distributed model that is the main model --
23 we can walk and chew gum at the same time.
24 We can have some large-scale sites. As you

1 rightly point out, those are -- they have a
2 place. But the emphasis that comes from your
3 agency will help drive the long-term
4 percentage of what we see as either
5 distributed or large-scale single-site.

6 And I'm hoping that you will help push
7 and allow what was happening because, quite
8 frankly, the net metering approach wasn't
9 broken, and you're fixing something that
10 wasn't broken with your new complex
11 regulations.

12 PSC CHAIRMAN RHODES: You can count on
13 our commitment to distributed, sir.

14 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 SENATOR O'MARA: Senator Krueger.

17 SENATOR KRUEGER: Good afternoon.

18 So going back to the REV questions, so
19 the state's made a commitment to reach 50
20 percent renewable energy by 2030. California
21 says it can do it by 2020.

22 So two questions. One, are we on
23 target to meet 50 percent renewable energy by
24 2030? And what could we do to get there

1 sooner?

2 PSC CHAIRMAN RHODES: First question,
3 yes, as I -- it's the same answer I gave to
4 Assemblyman Cusick. We are on track to get
5 there.

6 To get there sooner, we're going to
7 rely on and bet on some technology progress.
8 And the way the world is working these days
9 is that pretty much every aspect of clean
10 energy technology is getting cheaper and more
11 cost-effective. You think you're watching
12 television prices come down, but -- and it's
13 good news across the board.

14 The two that offer the most promise --
15 and again, I'm going to put my colleague on
16 the spot, but offshore wind has seen a cost
17 decline in the last two years of 50 percent.
18 Costs have come down by half, which is
19 remarkable and extremely promising. And when
20 coupled with just the fact that New York
21 State is beautifully located with a terrific
22 resource, offshore downstate, that's very
23 encouraging and should help us get to our
24 goals in some combination of faster, cheaper

1 and higher certainty.

2 And the other technology -- which is
3 not strictly about renewables, but you can
4 see as I mention it that it is very
5 renewable-enabling -- is storage. And it's
6 an absolute requirement, as you have more
7 renewables come onto the system, that you
8 have a way to store that energy for smarter,
9 later, more helpful to the system, more
10 useful when consumers need it use of that
11 energy.

12 And that too is seeing cost declines
13 as well as really terrific, you know,
14 advances in software that just make the
15 solutions more useful. And that's coming in
16 all sizes, including the kind of sizes that
17 we care most about for the energy system.

18 SENATOR KRUEGER: So I'm going to bet
19 with you that we could do it sooner and we
20 could do it cheaper, because I read the
21 reports coming out from around the world and
22 go, oh, it's happening so quickly, and prices
23 are coming down and people are being able to
24 scale up with new sustainable energy.

1 So if that's true -- and I'm very
2 optimistic that it is -- why are we at the
3 same time massively expanding our natural gas
4 infrastructure in New York State, when that
5 doesn't fall under the category of clean and
6 sustainable energy?

7 PSC CHAIRMAN RHODES: Well, I'm going
8 to dispute the characterization that we're
9 massively expanding our natural gas
10 infrastructure. We're taking a measured
11 approach to the expansion of the
12 infrastructure that we have a say over, which
13 is really the distribution of an
14 infrastructure, and where it makes economic
15 sense and where it provides environmental
16 benefit by displacing even other fuel, fossil
17 fuels which are worse actors, it's good for
18 New Yorkers, and it can make sense as part of
19 the integrated plan.

20 Our bet with you, which we make with
21 some confidence, is that the renewable
22 technologies, the cleaner technologies are
23 just going to get cheaper and better. And as
24 you create more of those options, then you

1 can steer the portfolio. And so it's a
2 measured approach. We do it in those cases
3 where it makes sense. And I can just see the
4 fundamental economics diminishing in the
5 realms where it's going to make sense over
6 time.

7 SENATOR KRUEGER: And I said massive
8 expansion because I believe the Albany Times
9 Union today had an editorial talking about a
10 report that came out I think while we were
11 sitting in this room, with 23 new natural gas
12 infrastructure projects on the table by the
13 Cuomo administration. So that sounded like a
14 lot to me.

15 PSC CHAIRMAN RHODES: That may be --
16 those probably are not of the ones that come
17 before us if they're pipelines and the like.

18 To the extent that they're generation
19 projects, they will come before the Siting
20 Board. The Siting Board, of course -- I
21 shouldn't say of course -- is very directly
22 concerned with environmental and community
23 impacts as well as cost-effectiveness and our
24 policy alignment.

1 SENATOR KRUEGER: Change of topic. So
2 over the last few months, many of us have
3 been following the story of a very bad FCC
4 decision killing net neutrality standards
5 that were put into effect by the Obama
6 administration. There's lawsuits, the
7 Governor has a commitment to trying to keep
8 us in net neutrality in New York, and has put
9 out an executive order saying agencies and
10 municipalities can't enter internet
11 contracts -- excuse me, they can't enter
12 contracts with service providers who don't
13 respect net neutrality.

14 But what can we do to protect private
15 consumers and their right to net neutrality
16 within New York State?

17 PSC CHAIRMAN RHODES: Well, I believe
18 that the intent of the executive order is not
19 just to protect those state entity consumers
20 but to use the power of an important and
21 meaningful customer in order to persuade, as
22 you can in our market economy, providers that
23 these are the standards, you know, that they
24 should stick to.

1 So those policies are for all
2 consumers, to the benefit of all consumers,
3 and to protect them against the erosion of
4 net neutrality.

5 SENATOR KRUEGER: And this shows my
6 lack of understanding, but I was in
7 discussions just yesterday morning with city
8 colleagues in New York City government about
9 frustrations around the failure of
10 Charter/Spectrum to deliver on their
11 commitments for internet service through the
12 franchise agreement with the city, and the
13 discussion about what the city couldn't do
14 about it because of the FCC superseding.

15 And I'm just curious, do we think the
16 state, through the PSC or through some other
17 role that the state might have about
18 franchises throughout the state except for
19 New York City, could use their power somehow
20 to ensure that if you don't follow our
21 definition of net neutrality, you're just not
22 getting contracts to franchise or do anything
23 anywhere in our state?

24 And again, it was a badly worded

1 question, but hopefully you understand.

2 PSC CHAIRMAN RHODES: Sure. So when
3 the commission approved Charter's acquisition
4 of Time Warner Cable, which I believe was
5 about two years ago, that approval was
6 conditioned upon some commitments by the
7 company. And although, as a standard
8 regulatory matter, the commission does not
9 have great regulatory jurisdiction over cable
10 and broadband companies, we do have
11 enforcement power over contractual
12 commitments, settlement commitments that
13 companies make to us.

14 And so we are very mindful of holding
15 in this case Charter -- but honestly, we hold
16 every company to the standard of keeping
17 their commitments. And in this case we're
18 especially focused on the broadband buildout,
19 which is an upstate endeavor. But to the
20 extent that they are falling short on
21 commitments on other dimensions, including
22 fulfillment of their franchise agreement
23 conditions, and to the extent that they are
24 falling short in other parts of the state,

1 not just upstate, we are going to be
2 extremely attentive and are going to use --
3 we're going to be hawks on making them keep
4 their commitment.

5 SENATOR KRUEGER: So I might do some
6 matchmaking between you and the City of
7 New York on this issue. I think that the
8 Attorney General is also suing on some of the
9 issues, so --

10 PSC CHAIRMAN RHODES: I believe that's
11 the case.

12 SENATOR KRUEGER: Yes. All right.
13 Thank you very much. My time is up.

14 CHAIRWOMAN WEINSTEIN: Assemblywoman
15 Jenne.

16 ASSEMBLYWOMAN JENNE: Thank you.
17 Good afternoon.

18 PSC CHAIRMAN RHODES: Hi.

19 ASSEMBLYWOMAN JENNE: I'm going to
20 probably -- a little wide-ranging things
21 here.

22 You mentioned that the Governor
23 desires to capture the windfall that the
24 utilities are going to have from the federal

1 tax plan. Is that correct?

2 PSC CHAIRMAN RHODES: The commission
3 is pursuing a proceeding to capture that
4 windfall for the benefit of New York
5 customers, yes.

6 ASSEMBLYWOMAN JENNE: Okay, perfect.
7 So that benefit is where I'd like to zero in
8 on. And I just wonder if those specific
9 benefits have been identified or if there
10 will just be an offset on the bill. You
11 know, a -- or how do we plan to deliver that
12 benefit?

13 PSC CHAIRMAN RHODES: So there are
14 options available to us. One of the things
15 about my job is that when we open a
16 proceeding, I can't really comment on it in
17 great detail. I'm discovering it. But I
18 think I can listen to suggestions.

19 ASSEMBLYWOMAN JENNE: Okay. Well, you
20 know, as -- you know, as important as it is
21 to try to keep our bills low in the short
22 term, I also think it's important for us to
23 maybe try to tackle some issues that have
24 plagued the state for quite some time. And

1 while I know that it was referenced that in
2 2013 we made some investments in upgrading
3 transmission, I would argue that I still have
4 difficulty getting the energy that's produced
5 in my region of the state to other regions of
6 the state that would really like our power
7 that we generate.

8 And so I think it would benefit all of
9 the state, both the power-producing,
10 generating parts of the state and those that
11 need more energy, if we would invest more
12 into upgrading transmission so that the
13 energy can flow freely throughout the state.

14 That also leads me into the siting
15 issues. And, you know, one of my colleagues
16 talked extensively about having these big
17 generating facilities and should we be
18 looking more at distributive types of
19 generation, although the big facilities do
20 have their place.

21 Well, I have these facilities that
22 have their place, but we're bringing in,
23 proposed in the pipeline, these renewables
24 that because of the problems with

1 transmission are closing down existing
2 generating facilities. Specifically I have
3 biomass facilities that are closing down
4 because they can't make it, even though
5 they're green energy, because they can't sell
6 their power into more lucrative markets
7 because of problems with transmission -- yet
8 I've got 10 wind power facilities either in
9 the queue or in development at some level.
10 And that doesn't even touch what you're
11 talking about in terms of the solar
12 proliferation and how great those things are.

13 And so, you know, I'm from farm
14 country, so we're putting the cart before the
15 horse because we can't get the power out of
16 my area. And why are we allowing existing
17 sited generation that now is part of our
18 landscape to shut down so that we can throw
19 even more money per megawatt at just a
20 different type of green energy generation?

21 So I just -- I have concerns that our
22 goal is laudable but we're really screwing up
23 the on-the-ground details.

24 I'll add into this issue I guess a

1 question. I've heard rumors that Fort Drum
2 is going to be given a seat on the siting
3 board for these projects that are in close
4 proximity. What is the status of those
5 discussions, as I understand that they're
6 emanating from the Governor's office -- has
7 Fort Drum been given a spot on the board for
8 these projects that are near them? And if
9 so, is it a voting position or anything of
10 that nature, or are they just going to be
11 able to nod or go back and forth?

12 PSC CHAIRMAN RHODES: The proposal to
13 give I believe the Department of Defense a
14 seat on the board is something I read about
15 this morning, and it was news to me. So --
16 it was Senator Ritchie's proposal, as I read
17 it. But --

18 ASSEMBLYWOMAN JENNE: I'll just say
19 that proposal emanates from something I think
20 that came out of -- came from the Governor
21 directly. It is something that was told to
22 us as local legislators would happen, it
23 wouldn't necessitate the need for legislative
24 action. You know, we can differ about what

1 needs to happen, but that was something that
2 was communicated to us, as local
3 representatives, that would happen.

4 PSC CHAIRMAN RHODES: So I have to
5 defer to you, you're aware of facts that I
6 don't know.

7 But let me talk about -- if I can
8 respond a little bit to the larger question,
9 which is, you know, we -- we absolutely
10 believe that Fort Drum, the base, and the
11 Department of Defense -- and however they
12 want to tag-team that between them -- deserve
13 an important hearing when it comes to siting
14 these projects. And we've been in discussion
15 with both -- with senior officials at the
16 Department of Defense and at the base and
17 have done the best we can to explain our
18 Article 10 process, the one that governs the
19 work of the Siting Board that I mentioned.
20 And they have been very clear that they
21 believe that the Siting Board as it is set up
22 gives them the right venue to make their
23 concerns heard and to hear -- to have those
24 concerns be accommodated in a way that makes

1 most sense for all the considerations that
2 have to be balanced.

3 So in the larger picture, the
4 Article 10 process needs to -- and I think is
5 designed to -- find a way to include those
6 concerns and get them handled, mitigated,
7 reflected in whatever way that's needed.

8 You mentioned other kinds of
9 renewables, I assume you're talking about --
10 you mentioned biomass and --

11 ASSEMBLYWOMAN JENNE: Yes. And, you
12 know, hydro is near and dear to my heart as
13 well.

14 PSC CHAIRMAN RHODES: Yes. And we've
15 -- we issued late last fall a maintenance
16 tier order that specifically gives those
17 facilities that are in economic need a
18 pathway to getting the missing money met so
19 they can stay in operation. And it's our
20 understanding that some of the facilities
21 that you're referring to are in fact, you
22 know, moving forward to take advantage of
23 that. It's our understanding that for their
24 own business reasons, some of the biomass

1 projects are making other decisions.

2 And then you mentioned transmission as
3 a -- I forget what words you used, but to me
4 it sounded like unbottling this resource.
5 And absolutely that needs to happen, and it
6 needs to happen in a smart and thoughtful
7 way. Again, siting rears its head as an
8 issue with transmission lines. But --

9 ASSEMBLYWOMAN JENNE: I'd rather have
10 a power line than a 5-mile line of tankers or
11 barges lined up in the Hudson.

12 PSC CHAIRMAN RHODES: Understood. So
13 not to -- only to say this is a process that
14 needs to be worked. But the Governor has
15 laid down some markers, and we're near
16 completion of the Energy Highway with the
17 AC transmission when that unfolds later this
18 year. And we're looking ahead.

19 ASSEMBLYWOMAN JENNE: All right, I
20 just think --

21 CHAIRWOMAN WEINSTEIN: Thank you.
22 We'll move on to the Senate.

23 CHAIRWOMAN YOUNG: Thank you.

24 ASSEMBLYWOMAN JENNE: I'll come back.

1 CHAIRWOMAN YOUNG: Okay, good.

2 So there was -- Senator O'Mara started
3 the discussion about the Clean Energy
4 Standard and REV. And as far as the CES
5 goes, the Clean Energy Standard, as you know,
6 this system was put in place without the
7 input of the Legislature. And the CES,
8 however, is largely funded by ratepayers,
9 slash, taxpayers. So can you tell us, give
10 us an accounting of how much has been
11 collected from the taxpayers since the CES
12 was put in place?

13 PSC CHAIRMAN RHODES: I will get that
14 to you. I believe you're talking both about
15 the Clean Energy Fund, with an F, which I
16 think was Senator O'Mara's focus -- but we
17 could also talk about the billing tax
18 associated with the Clean Energy Standard.
19 We'll get you an accounting of that
20 information.

21 CHAIRWOMAN YOUNG: Okay. Could you
22 ballpark it, guesstimate how much?

23 PSC CHAIRMAN RHODES: The Clean Energy
24 Fund had authorizations last year of 500 --

1 in the high 500s of authorized. As I
2 explained --

3 CHAIRWOMAN YOUNG: 500 million?

4 PSC CHAIRMAN RHODES: Yes. And as I
5 explained to Senator O'Mara, under the
6 pay-as-you-go construct that was adopted,
7 what was actually collected was considerably
8 less, so that's what I have to get to you.
9 And that number is coming down steadily each
10 year. And so we can get you both the
11 authorized numbers as those come down, as
12 well as the collection numbers.

13 And the Clean Energy Standard is --
14 it's hard to do just now, and I say this
15 because the first major action under the
16 Clean Energy Standard is a significant
17 procurement that is near completion with
18 NYSERDA, and I'm not privy to the numbers
19 that they will ultimately release. But as
20 soon as those become available, and hopefully
21 they'll be completing their work soon, we can
22 certainly share with you the consequences --
23 the impact on ratepayers of that as well.

24 CHAIRWOMAN YOUNG: And so just to

1 clarify, that money came directly out of
2 ratepayers.

3 PSC CHAIRMAN RHODES: That's right.

4 CHAIRWOMAN YOUNG: Okay. Thank you.

5 PSC CHAIRMAN RHODES: Or will come.

6 But yes.

7 CHAIRWOMAN YOUNG: Okay. And you said
8 it's being worked on right now as far as
9 accounting for it. When will that be ready?

10 PSC CHAIRMAN RHODES: I'm sorry, we
11 can get you the accounting for the Clean
12 Energy Fund by the end of the week.

13 To the extent that we're talking about
14 the renewable procurement, which is the
15 Clean Energy Standard -- I'm sorry to be so
16 fussy -- NYSERDA has work to do to complete
17 its procurement and decide how much of what
18 it's actually going to do. Once that work is
19 complete, we'll be in a position to quickly
20 turn around an estimate of ratepayer impact
21 for you.

22 CHAIRWOMAN YOUNG: Okay. So thank you
23 for that answer.

24 So we're talking about more -- much

1 more than \$500 million in additional costs to
2 ratepayers in New York State. Can you please
3 provide us with an accounting of exactly how
4 that money will be used that the ratepayers,
5 the taxpayers have given the state?

6 PSC CHAIRMAN RHODES: Yes. That is in
7 fact laid out in the Clean Energy Fund, and
8 it is laid out in reports that again the
9 Senate and the Assembly asked for from
10 NYSERDA I believe two years ago and you've
11 been receiving on a six-monthly basis since
12 then. But we can certainly get you the
13 latest accounting.

14 CHAIRWOMAN YOUNG: Now, the Green Bank
15 is part of the Clean Energy Fund, correct?

16 PSC CHAIRMAN RHODES: That's right.

17 CHAIRWOMAN YOUNG: Okay. So Part EE
18 of the Governor's proposal authorizes NYSERDA
19 to obtain revenue from a special assessment
20 on gas and electric companies not to exceed
21 \$19.7 million for certain projects, including
22 NYSERDA's Energy Policy and Planning Program,
23 which involves the Green Bank.

24 As you know, the Green Bank is a

1 state-run investment bank funded by NYSERDA
2 using funds from utility customers. And it
3 is one part of the state's 10-year,
4 \$5 billion Clean Energy Fund.

5 So how many people does the Green Bank
6 employ, where are their offices, and how is
7 the staff organized?

8 PSC CHAIRMAN RHODES: I'm going to
9 suggest that you direct those questions to
10 the president of NYSERDA, who's right behind
11 me.

12 I could give you estimates that I'm
13 familiar with as of -- I could give you the
14 numbers that I'm familiar with as of seven
15 months ago, but ...

16 CHAIRWOMAN YOUNG: Okay, so you don't
17 have direct knowledge of those, even though
18 they're part of the Clean Energy Fund?

19 PSC CHAIRMAN RHODES: Well, you're
20 asking relative -- I believe the number of
21 the staff is probably in the 17 or 18 range.
22 The offices are in NYSERDA's offices in New
23 York City. And I'm sorry, I forget the third
24 element you asked about.

1 CHAIRWOMAN YOUNG: Okay, so I will
2 follow up on that.

3 But back to the Clean Energy Standard,
4 taxpayers were promised that they would see
5 savings in their utility bills, which was
6 even built into the annual investment plan
7 report that was issued on June 30th of 2017.
8 Can you say when they will start to see these
9 savings?

10 PSC CHAIRMAN RHODES: We're already
11 starting to see savings. A good example of
12 that is the Brooklyn-Queens Demand Management
13 Project in Brooklyn and Queens in the city,
14 where under REV, the commission -- the
15 department worked with Con Ed to develop an
16 approach to make smarter investments which I
17 believe have already resulted in cost savings
18 of 97 or so million dollars.

19 CHAIRWOMAN YOUNG: So is there a place
20 where this is quantified? Is there some kind
21 of report that the Legislature can look at
22 regarding this?

23 PSC CHAIRMAN RHODES: We can get that
24 to you.

1 CHAIRWOMAN YOUNG: That would be
2 helpful.

3 And then can you point on a consumer's
4 bill, is there a section on the bill where
5 you can show that the consumers are being
6 charged for this cost? Because as you know,
7 there are other taxes and fees and so on,
8 charges on a consumer's bill, that are
9 outlined. But I don't believe that the CES
10 costs are outlined on the bills. Is that the
11 case?

12 PSC CHAIRMAN RHODES: I'm sorry, Clean
13 Energy Standard or Fund?

14 CHAIRWOMAN YOUNG: I apologize. Fund.

15 PSC CHAIRMAN RHODES: Those I believe
16 are outlined. But I will confirm. But let
17 me get back to you.

18 CHAIRWOMAN YOUNG: Yes, I would like
19 to see that. Because it's my understanding
20 that it's not outlined.

21 PSC CHAIRMAN RHODES: I'll make sure
22 to get the facts to you.

23 CHAIRWOMAN YOUNG: Okay, thank you.

24 CHAIRWOMAN WEINSTEIN: Assemblyman

1 Colton.

2 ASSEMBLYMAN COLTON: (Inaudible.)

3 CHAIRWOMAN WEINSTEIN: Mic.

4 ASSEMBLYMAN COLTON: I think it's on
5 now, yes.

6 Earlier you had indicated that about a
7 quarter, or 24 percent, estimated about
8 24 percent renewable energy was of the
9 electricity in New York, and that -- did you
10 say solar was about 1 percent?

11 PSC CHAIRMAN RHODES: I did.

12 ASSEMBLYMAN COLTON: And 3 percent
13 wind.

14 What are the other percentages --

15 PSC CHAIRMAN RHODES: It's principally
16 hydro.

17 ASSEMBLYMAN COLTON: Okay, so
18 probably -- basically hydro.

19 Now, in terms of hydro, do you have
20 oversight over projects that develop with
21 hydro-generated electricity?

22 PSC CHAIRMAN RHODES: It's -- it's a
23 mixed story. There are larger hydro
24 facilities that tend to be operated by the

1 New York Power Authority. There are smaller
2 facilities that are of the magnitude that
3 Assemblywoman Jenne was speaking about that
4 go up to 10 megawatts or so, that we do have
5 jurisdiction over. And we provide various
6 policy and program supports to.

7 ASSEMBLYMAN COLTON: Have you -- are
8 you aware of any hydro-generated projects
9 that have been -- basically come online in
10 the last year or so?

11 PSC CHAIRMAN RHODES: There are
12 possibly some upgrades that have expanded
13 capacity, but I'm not aware of any -- I'm not
14 sure what the right word is -- greenfield.
15 But, you know, from-scratch projects.

16 ASSEMBLYMAN COLTON: So would you
17 believe that most of the increase in
18 renewables -- which we're going to have to do
19 to reach the goal and even exceed the goal,
20 we would hope -- would have to come from
21 non-hydro sources? Or what would be your
22 expectation?

23 PSC CHAIRMAN RHODES: My expectations
24 are that solar and wind, including the

1 offshore flavor of wind, are going to be --
2 it's a near certainty that those will be the
3 principal pillars of that achievement.

4 ASSEMBLYMAN COLTON: And are there any
5 initiatives that we can use in order to
6 increase the amount of wind and solar so that
7 we can continue to move towards the goal and,
8 as I said, hopefully reach it sooner and
9 greater?

10 PSC CHAIRMAN RHODES: We believe that
11 the package of policies and initiatives that
12 we have -- well, we're sure that the package
13 of initiatives that we have is the best that
14 we can come up with as we understand it
15 today.

16 So those principally are, where
17 appropriate, support funding for certain
18 projects -- the Clean Energy Standard and
19 NY-Sun are examples of that. They are
20 policies that recognize the reality that in
21 some places, distributed solutions like solar
22 actually add value to the grid. And if you
23 add value to the grid, maybe you should get
24 paid for some of that value you add, which

1 would make the project more investable.

2 So that's at the heart of REV that
3 we're working on. And locational as well as
4 the idea that if the solar is producing at
5 the time of day when it's most needed --
6 facing west, so afternoon peak, that same
7 thing.

8 We are working to get and may keep our
9 siting policies focused on appropriate
10 siting. There are places that are suitable
11 for these renewables. There are places that
12 are less suitable for these renewables.
13 There are places where there's -- where the
14 community concerns and sentiments are deeply
15 in favor of these renewables, and there are
16 other places where those are not the case.
17 All those considerations need to be
18 accommodated.

19 And then as Congressman Jenne --
20 excuse me, Assemblywoman Jenne pointed out --
21 I didn't say that.

22 ASSEMBLYWOMAN JENNE: (Inaudible.)

23 (Laughter.)

24 PSC CHAIRMAN RHODES: Sorry. Making

1 sure that we have, again, an appropriately
2 sited transmission system that gets the
3 energy from where it makes sense to produce
4 it to where it wants to be consumed, that we
5 have those as well.

6 So those are the main ingredients.

7 ASSEMBLYMAN COLTON: My time is about
8 up, but I just wanted to say that I agree
9 with the chair of the Environmental Committee
10 in terms of the concern about individual
11 solar projects and net metering and so forth
12 as it affects them.

13 Thank you.

14 CHAIRWOMAN YOUNG: Senator O'Mara.

15 SENATOR O'MARA: Yes, Chairman,
16 following up on the Clean Energy Standard.
17 And you responded to a few questions that we
18 are on target to meet those percentages going
19 forward?

20 PSC CHAIRMAN RHODES: Yes, I did.

21 SENATOR O'MARA: And the investment in
22 the clean energy, where has that been coming
23 from?

24 PSC CHAIRMAN RHODES: Historically

1 it's come from a few buckets, and going
2 forward it's coming from a few buckets.
3 There's a little bit of time shift. But
4 historically there is a Renewable Portfolio
5 Standard, which --

6 SENATOR O'MARA: Those -- I think you
7 misinterpreted my question. Those are
8 sources of funds that you're helping assist
9 these projects with. What industry, what
10 companies are making the investments and
11 undertaking these clean energy projects?
12 They're not state-owned and -developed
13 projects; correct?

14 PSC CHAIRMAN RHODES: Some of them in
15 fact are state-owned companies. All of them,
16 by definition -- these are construction
17 projects, effectively, and construction is a
18 local activity. And the job generation
19 associated with these projects is local job
20 generation. In some cases, there is
21 meaningful -- the meaningful job generation
22 is you build it and then it's there; in other
23 cases --

24 SENATOR O'MARA: Yeah, but -- but who

1 owns it when it's built?

2 PSC CHAIRMAN RHODES: The developer
3 owns it. In some cases --

4 SENATOR O'MARA: Can you break down
5 who the types of developers are -- private
6 industry, private marketplace, government,
7 utilities?

8 PSC CHAIRMAN RHODES: The developers
9 are all private companies. From time to time
10 the resource is owned by the property owner,
11 because that's a model that exists. To the
12 extent that that property owner is a
13 government entity, such as a school, then
14 they own it. But by and large those property
15 owners with solar, generally, on their
16 premises are private entities as well. Or
17 not-for-profits such as other schools.

18 SENATOR O'MARA: Right, okay.

19 So we're meeting our goals and
20 standards with private investment into
21 these --

22 PSC CHAIRMAN RHODES: That's the
23 design, and that's what's happening.

24 SENATOR O'MARA: And we're doing that.

1 So can you tell me why we need to authorize
2 NYPA to construct their own renewable energy
3 facilities?

4 PSC CHAIRMAN RHODES: I think that's a
5 question best posed to NYPA.

6 SENATOR O'MARA: Is that -- you're
7 working with the Clean Energy Standard, and
8 certainly those projects are going to factor
9 into that. You're saying you're not involved
10 with that at all?

11 PSC CHAIRMAN RHODES: We -- we
12 administer the Clean Energy Standard, and we
13 have designed and work with NYSERDA to help
14 them design aspects of it that, you know,
15 welcome all developers that make sense.

16 SENATOR O'MARA: But if we're meeting
17 our goals with private marketplace
18 investment, then why does a governmental
19 entity have to get involved in the process?

20 PSC CHAIRMAN RHODES: I think you'd
21 have to ask NYPA what the business case is.
22 And I'm sure they have one if it's their
23 proposal.

24 SENATOR O'MARA: Okay. Of our

1 renewable energy that we have -- I forgot
2 what percentage you said. What percentage
3 are we at now of our whole renewable
4 portfolio in the state?

5 PSC CHAIRMAN RHODES: I -- if you'll
6 accept an estimate, I'd say we're at about 28
7 or 29.

8 SENATOR O'MARA: And how much of that
9 is hydro?

10 PSC CHAIRMAN RHODES: About 24.

11 SENATOR O'MARA: Okay. So 4 percent
12 is solar and wind at this point?

13 PSC CHAIRMAN RHODES: And I believe
14 that it's approximately 3 percent wind and 1
15 percent solar.

16 SENATOR O'MARA: Okay. So we've got a
17 large percentage to make up with wind and
18 solar.

19 PSC CHAIRMAN RHODES: That's correct.

20 SENATOR O'MARA: Because there's
21 really not a whole lot of expandable hydro at
22 this point.

23 PSC CHAIRMAN RHODES: We believe there
24 is -- as a matter of geographic potential,

1 there is some hydro. And certainly we're
2 willing to accept all good resources. But
3 you're right, the emphasis -- the weight, if
4 you will, will be on solar and wind.

5 SENATOR O'MARA: And we're about
6 1 percent solar right now?

7 PSC CHAIRMAN RHODES: That's right.

8 SENATOR O'MARA: And how much do you
9 think you can expand that with rooftop solar?
10 What's the goal there?

11 PSC CHAIRMAN RHODES: We're -- we're
12 more convinced that the economics favor
13 ground-mounted solar than rooftop solar.
14 Ground-mounted as in a field at the facility.

15 The numbers are just better, and
16 that's a more appealing investment, since as
17 you pointed out, we're trying to harness the
18 private investor. And as I mentioned, we
19 have some hopes that there's the emergence of
20 viable, investable large-scale solar as well.

21 SENATOR O'MARA: Okay. One of the
22 state's largest investments in economic
23 development is Solar City in Buffalo. Their
24 focus is rooftop solar, is my understanding.

1 PSC CHAIRMAN RHODES: I believe that
2 the plant in Buffalo makes panels. The
3 panels -- I don't know how else to say this
4 -- don't care where they go. The panels can
5 go ground-mounted or they can go rooftop.

6 I believe that there's a separate
7 division of Solar City -- not the panel
8 manufacture, but let's make a business of
9 selling these things -- that is focused on
10 rooftops, and I believe they also have a very
11 active business in ground-mounted.

12 SENATOR O'MARA: Well, I believe
13 they're developing panels that will take the
14 place of shingles on a roof, that would be
15 your entire roof surface.

16 PSC CHAIRMAN RHODES: That's -- that's
17 -- that notion of what they call built-in
18 photovoltaic is an exciting development. I
19 don't think it's quite ready -- it's not
20 ready for prime time in the market just yet.

21 SENATOR O'MARA: As far as
22 ground-mounted, in your experience and what
23 you're seeing in your work on the Clean
24 Energy Standard, what is the economical size

1 of a solar field, acreage-wise, to be
2 cost-effective?

3 PSC CHAIRMAN RHODES: It varies, of
4 course. But we've seen -- I think it's --
5 the bottom end is probably a megawatt, which
6 is probably around 7 acres. And then it goes
7 up to 5 now, with our new cap.

8 SENATOR O'MARA: Up to 5?

9 PSC CHAIRMAN RHODES: Excuse me, up to
10 5 megawatts, 35 acres. But I think that's
11 the range for ground-mounted.

12 That said, there clearly are use
13 cases, if you will, where you can do that at
14 a smaller level. For comparison, a megawatt
15 is about 200 rooftops.

16 SENATOR O'MARA: Okay. One thing I've
17 always been perplexed about with the --
18 particularly the Solar City project, where
19 it's a business that we've funded largely in
20 New York State to encourage people to put
21 rooftop solar on their homes --

22 PSC CHAIRMAN RHODES: I beg your
23 pardon?

24 SENATOR O'MARA: They want to

1 encourage people to put solar on their
2 rooftops, correct? Wherever, whether it's
3 acreage in a field --

4 PSC CHAIRMAN RHODES: Yeah.

5 SENATOR O'MARA: But I'm perplexed by
6 the fact that they built a 23-acre facility
7 with a 23-acre rooftop and they don't have
8 one solar panel on it. Can you explain that?

9 PSC CHAIRMAN RHODES: I can't, sir.

10 SENATOR O'MARA: Well, neither can I.

11 Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 Assemblyman Carroll.

14 ASSEMBLYMAN CARROLL: Thank you, Chair
15 Weinstein.

16 Good afternoon. I would like to go
17 back to our questioning around switching from
18 net metering to VDER for residential use.
19 I'm highly concerned that as we switch, as we
20 approach the 2020 deadline when the switch
21 would happen, that there would be a net
22 chilling effect by both financiers of
23 residential solar projects and the consumers
24 of that product, because they can't figure

1 out what they will actually get out of their
2 solar panel on their roof, on their
3 residential roof.

4 So I was wondering, is the PSC
5 considering a floor for value put back into
6 the -- for energy put back into the system?
7 So that when people invest in these projects,
8 when individual consumers invest in these
9 projects, they understand at least at a
10 minimum how much they will get back out of
11 system?

12 PSC CHAIRMAN RHODES: So I think
13 it's -- thank you, Assemblyman. I think it's
14 too early to say we're actively considering
15 that specific option or any other option.

16 What we do know is that a rate design,
17 if you will, that's too complicated for
18 people to understand is almost certainly
19 guaranteed to have a chilling effect. So
20 that will not make sense, and that will not
21 be what we do.

22 ASSEMBLYMAN CARROLL: Then what do you
23 say to the folks who have installed these
24 panels, who have looked at the current VDER

1 model who say that the current VDER model is
2 too hard to understand around a dinner table
3 when someone is thinking of whether to invest
4 in one of these systems?

5 PSC CHAIRMAN RHODES: We need to come
6 up with -- you say dinner table, but, you
7 know, our term is kitchen table -- a kitchen
8 table answer that someone can say yes to
9 with, you know, ordinary intelligent
10 questions and get an answer and say yes or no
11 in 20 minutes. That's I think the model; we
12 need to get there.

13 ASSEMBLYMAN CARROLL: And going back
14 to what you have said to some of my other
15 colleagues, is the PSC interested in fully
16 investing in making sure that residential
17 solar use is a priority? Or is the PSC's
18 priority solely based on large solar projects
19 in open fields?

20 PSC CHAIRMAN RHODES: The PSC's
21 interest is driving what's right for New
22 Yorkers. And there are -- it's complicated,
23 but quite simply, the closer the resource,
24 the panel, is to the customer, the more value

1 it provides. And if you have, you know,
2 panels on a roof, 5 kilowatts at one extreme
3 and 50 megawatts in a field outside Syracuse
4 300 miles away, they provide vastly different
5 amounts of value to the system in terms of
6 how they respond to the local energy needs
7 and the reliance on pipeline and investments.
8 That's the engineer wonk side.

9 And consumers get to vote. And
10 there's something that's -- that's -- that
11 they say yes to that's panels on their roof.
12 And so yes, we're absolutely attentive to
13 that sector.

14 ASSEMBLYMAN CARROLL: So what is the
15 PSC -- what measures is the PSC prepared to
16 make so that that environmental value that I
17 think you're talking about -- you know, in my
18 district in Brooklyn, there are no open
19 fields, but what I do know is that there are
20 solar power panel companies in Brooklyn right
21 now that every set of solar panels that they
22 put on a roof in Brooklyn, they're taking
23 another home off the grid. And if we get
24 smart battery technology and smart policy,

1 that those homes -- and if we get a
2 collection of homes on a block -- will not
3 only be able to generate energy for
4 themselves but their neighbors.

5 And how is the PSC going to make sure
6 that as we go into this VDER model that that
7 kind of capture is valued at the appropriate
8 rate? Because I think that's what folks are
9 afraid of, that we're not going to get the
10 appropriate rate, that net metering currently
11 we at least have a standard that we can wrap
12 our hands around and that if we go into 2020
13 without understanding that, we're going to
14 chill the kind of ingenuity and momentum
15 that's going on in New York City, where
16 75 percent of our greenhouse emissions are
17 from buildings.

18 And we need to take as many of these
19 homes off the grid, I think, as possible over
20 the next number of years so we hit that
21 standard of 50 percent renewable energy by
22 2030.

23 PSC CHAIRMAN RHODES: So I agree that
24 that needs to be the standard. I commit that

1 that's what we'll be trying to do. I can't
2 commit that we're going to solve the lack of
3 open space in Brooklyn problem, but we have
4 to have our policies that work in the world
5 as we have it. So absolutely.

6 ASSEMBLYMAN CARROLL: Thank you.

7 CHAIRWOMAN WEINSTEIN: Assemblyman
8 Cusick for a second.

9 ASSEMBLYMAN CUSICK: Thank you.

10 Just quickly, I want to just ask a
11 follow-up on Senator Young's questions on the
12 Clean Energy Standard. Could you also
13 provide the Assembly Energy Committee with
14 those numbers on the ratepayers, the impact
15 on the ratepayers?

16 PSC CHAIRMAN RHODES: I'd assumed that
17 I'd done that. But for avoidance of doubt,
18 yes.

19 ASSEMBLYMAN CUSICK: Well, I have
20 found, sir, I never assume anything around
21 here.

22 PSC CHAIRMAN RHODES: Well, then, in
23 the spirit of redundancy, yes, I commit to
24 that.

1 ASSEMBLYMAN CUSICK: Yes. And I --
2 that was part of my questioning. The other
3 question I had was concerning the ESCOs.

4 You mentioned in your testimony that
5 reforming the ESCO market remains a priority.
6 Could you just give us a little detail on
7 that? Or is there a report on what you have
8 found regarding ESCOs in the last year, and
9 what there have been in clamping down on some
10 of the bad practices and the bad actors in
11 the ESCO field?

12 PSC CHAIRMAN RHODES: So there was an
13 initial investigation of the impact of the
14 bad practices or the questionable practices,
15 if you will, of the ESCOs. And I believe
16 that that investigation yielded a number that
17 customers in the state had overpaid by a
18 little north of \$800 million. And that
19 specifically low-income, a more vulnerable
20 set of New Yorkers, had overpaid by
21 \$96 million.

22 There is litigation going on in this
23 case which is yielding a fair amount of
24 testimony, which generally on our side tends

1 to amplify and validate those numbers. And
2 we are pursuing that litigation, and it
3 restricts my ability to make comments, but --
4 to comment too much. But obviously our
5 mission is to be protective of New York and
6 avoid these practices and avoid those
7 consequences.

8 ASSEMBLYMAN CUSICK: Okay. And could
9 you get back to us, though, on what
10 specifically the PSC has implemented to cut
11 down on these bad practices?

12 PSC CHAIRMAN RHODES: So there's the
13 litigation that's going on as a general
14 matter. And then specifically with respect
15 to -- I mentioned low-income customers as a
16 set of New Yorkers of special concern. We
17 have issued a prohibition against ESCOs
18 serving low-income customers unless they can
19 demonstrate to our satisfaction that they can
20 guarantee no excess costs in their contract
21 compared to utility service.

22 And I believe that we now have six or
23 seven ESCOs that have come forward through
24 our process and been able to demonstrate the

1 ability to guarantee savings or at least no
2 cost increase. And so they are -- they're
3 back in business on that basis of guaranteed
4 savings to low-income customers.

5 ASSEMBLYMAN CUSICK: Okay. I'll
6 follow up with you on this issue offline.
7 Thank you.

8 CHAIRWOMAN WEINSTEIN: Assemblyman
9 Englebright for a second.

10 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

11 We've been discussing siting matters
12 in varying ways, so I just wanted to follow
13 up with a couple of siting-related questions.

14 As you know, Secretary Ryan Zinke has
15 recently suggested, actually put forward a
16 new policy for offshore oil and gas
17 exploration on all the coasts of our nation
18 except for Florida. This we had a hearing on
19 last Wednesday, and we heard from various
20 testifiers regarding the impact that this
21 would have on our plans for offshore wind.
22 It was made perfectly clear to us from the
23 testimony that there was a direct conflict
24 between these two offshore uses and that the

1 negative impact on our need to be able to
2 rely upon offshore wind as a source of
3 renewables could be compromised.

4 Have your offices weighed in on this
5 at all? And are you planning --

6 PSC CHAIRMAN RHODES: I'd like to
7 defer on this one to my sister agency
8 NYSERDA, which is in the lead on most aspects
9 of offshore wind, and in particular is most
10 engaged with the federal agencies that are
11 central to this, the Bureau of Ocean Energy
12 Management being the principal one, which is,
13 as you point out -- which is part of the
14 Department of Interior, which is where
15 Secretary Zinke resides. But it's certainly
16 a problematic announcement.

17 ASSEMBLYMAN ENGLEBRIGHT: He's at the
18 Department of Interior, actually.

19 PSC CHAIRMAN RHODES: Yes.

20 ASSEMBLYMAN ENGLEBRIGHT: I believe
21 that NYSERDA has, in conjunction with DEC,
22 submitted their opinion. But it would seem
23 to me be appropriate for your agency to
24 consider weighing in in a rather forceful

1 way, given that your goals and worthy
2 long-term aspirations to carry out the
3 Governor's very thoughtful proposals
4 regarding renewables could be terribly
5 compromised.

6 PSC CHAIRMAN RHODES: So with no
7 disrespect to the eloquence of DEC and
8 NYSERDA, we'll take that on.

9 ASSEMBLYMAN ENGLEBRIGHT: I appreciate
10 it. Thank you.

11 My second question relating to siting.
12 Senator O'Mara I think made a very thoughtful
13 observation that I think it was a 23-acre
14 site should have had some renewable energy
15 built into it, and that he observed that
16 there was none and was dismayed at that.

17 I would like to weigh in with a
18 request that springboards from the same kind
19 of feeling that I identify with my colleague
20 from the Senate. We have a situation on
21 Long Island now where there is a solar
22 proposal going into the Pine Barrens, to
23 knock down parts of the oldest forest in the
24 state to put up something between 60 and

1 100 acres of ground-mounted solar.

2 And the supervisor of the Town of
3 Brookhaven has offered to use already scarred
4 land at the landfill of the town, and the
5 missing piece here would really, it seems to
6 me, be the state. We have a state interest
7 clearly in the Pine Barrens region, and here
8 we have Supervisor Romaine offering part of
9 the landfill as an alternate site. It would
10 be very useful if the State of New York would
11 support the supervisor and offer some state
12 siting as an alternative to knocking down
13 primitive forest.

14 PSC CHAIRMAN RHODES: Understood.

15 ASSEMBLYMAN ENGLEBRIGHT: So I look
16 around and I see the 800-acre campus at the
17 State University of New York at Stony Brook
18 with zero solar or wind. I see the State
19 Office Building in Hauppauge with zero solar
20 or wind. I see all of the DOT highway yards
21 with zero solar or wind. I see almost a
22 hundred miles of Long Island Railroad-MTA
23 right-of-way with almost zero solar or wind.
24 And I kind of wonder why we're not seeing the

1 Public Service Commission helping to advance
2 the possibility of siting on these state
3 properties and at the very least setting an
4 example of and demonstrating the enthusiasm
5 for renewable energy by making use of the
6 state's own resources.

7 Would your agency be willing to assist
8 in inventorying and helping to advance the
9 use of these state properties?

10 PSC CHAIRMAN RHODES: Yes.

11 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

12 CHAIRWOMAN YOUNG: Senator O'Mara.

13 SENATOR O'MARA: To change the subject
14 a little bit, on the issue of storage,
15 through your programs has the state or has
16 the Public Service Commission been investing
17 in storage projects?

18 PSC CHAIRMAN RHODES: The Public
19 Service Commission has encouraged a fair
20 amount of solar activity to date. It comes
21 mostly in two forms. There's a set of work
22 that's going on at NYSERDA in order to
23 advance storage and its deployability. And,
24 you know, some of it's really groundbreaking

1 and important work -- for instance, dealing
2 with safety concerns that the FDNY has about
3 solar in or near buildings.

4 And the other main set of activities
5 to date has been utilities coming forward
6 with proposals, innovative proposals, to
7 deploy solar as a --

8 SENATOR O'MARA: Solar?

9 PSC CHAIRMAN RHODES: Excuse me,
10 storage. I beg your pardon.

11 SENATOR O'MARA: Storage, okay.

12 PSC CHAIRMAN RHODES: -- as a way of
13 proving that it can work as it should on
14 paper in terms of the energy functionality
15 and the reinforcement of grid systems.

16 And as the Governor announced in his
17 State of the State when he put forward a goal
18 of 1,500 megawatts of storage in the state by
19 2025, we are committed to a process to arrive
20 by the end of the year with an order to
21 figure out the mechanics of how that will
22 happen. And we're doing that jointly --

23 SENATOR O'MARA: And that will be
24 funded by the Clean Energy Fund?

1 PSC CHAIRMAN RHODES: Sorry?

2 SENATOR O'MARA: Will that be funded
3 by the Clean Energy Fund?

4 PSC CHAIRMAN RHODES: Well, maybe.
5 The -- there's -- our anticipation is that a
6 lot of it will not require what we call
7 missing money. That if we do it right, in
8 the right place, with the right rules, it
9 will be the cost-effective solution and will
10 be investable without Clean Energy Fund
11 monies.

12 So that's path one. And we're going
13 to work that path as hard as possible.

14 SENATOR O'MARA: Will those types of
15 projects -- I mean, they're ultimately going
16 to be paid by the ratepayers in some
17 fashion --

18 PSC CHAIRMAN RHODES: Sure. But if
19 they substitute for copper or substations or
20 some other utility investment that's required
21 for reliability and service, it's exactly the
22 kind of investment that you ought to be
23 demanding that we ensure that the utilities
24 make. If it's a smarter investment, we ought

1 to go make them do it.

2 SENATOR O'MARA: Yes. And the
3 renewable system won't work without that.

4 PSC CHAIRMAN RHODES: That's right.
5 It's essential for the renewable system, it's
6 essential for the resiliency challenges that
7 I'm afraid we're going to face, and it's
8 essential for making affordable the grid
9 modernization that we have. Because we've
10 got an aging infrastructure that needs to be
11 updated, and doing it the same old way is a
12 daunting, daunting bill.

13 SENATOR O'MARA: Who is doing the
14 reviewing of projects, proposals for
15 feasibility, effectiveness, reliability,
16 meeting the needs of the consumers, and
17 making determinations of where you're going
18 to invest the Clean Energy Fund? Are these
19 decisions and reviews all being done in-house
20 by the Public Service Commission? Or are you
21 relying upon outside consultants for some of
22 this work?

23 PSC CHAIRMAN RHODES: The Clean Energy
24 Fund looks in the first place to NYSERDA to

1 develop its programs to those very standards
2 of feasibility and cost-effectiveness.

3 The Public Service Commission reviews
4 the strategies and reviews the programs for
5 compliance with exactly those points.
6 NYSERDA and also the Department of Public
7 Service have an active stakeholder
8 market-facing set of work that -- so would
9 this make sense, would you buy this, would
10 you do this? For instance, you know, if you
11 want to do something in a building, you
12 should talk to the real estate industry.
13 That kind of work.

14 We use consultants from time to time
15 in the spirit of getting work done,
16 generating analysis that confirms this
17 cost-effective or that technical feasibility.
18 But not -- not in a decision-making mode.

19 SENATOR O'MARA: Okay. So the
20 decision-making would be made based upon the
21 commission's review or the --

22 PSC CHAIRMAN RHODES: Initiated by
23 NYSERDA, yes.

24 SENATOR O'MARA: -- of -- of what was

1 produced by consultants?

2 PSC CHAIRMAN RHODES: And informed by
3 stakeholder process.

4 SENATOR O'MARA: Is there available
5 information on the consultants being
6 utilized, how much they're being paid and the
7 availability of their contracts?

8 PSC CHAIRMAN RHODES: We can get you
9 that. Or NYSERDA can get you that.

10 SENATOR O'MARA: We would like that.

11 PSC CHAIRMAN RHODES: I understand
12 that.

13 SENATOR O'MARA: I've got a couple
14 more questions. You want to skip to somebody
15 else?

16 CHAIRWOMAN YOUNG: No, why don't you
17 finish up, Senator.

18 SENATOR O'MARA: And it was raised a
19 little bit earlier about natural gas
20 infrastructure and the massive amount of
21 infrastructure buildout that the Public
22 Service Commission has been involved in, I
23 believe was what it was called.

24 And I would say it's just the opposite

1 of that, that the commission has worked in
2 fact together with the Department of
3 Environmental Conservation to block every
4 pipeline project that's been proposed
5 recently, effectively cutting off
6 free-flowing, cheaper natural gas both to
7 New York State and to the entire New England
8 region.

9 That's concerning to me because while
10 we talk about the Clean Energy Standard and
11 getting to 50 percent of our electricity
12 demands by 2050, our heating supply is
13 95 percent or more fossil-fuel-based. How
14 are we going to meet those needs going
15 forward without infrastructure improvements
16 for natural gas?

17 PSC CHAIRMAN RHODES: I don't want to
18 sound like I'm ducking, but the commission
19 has a very limited role in permitting of
20 natural gas transmission, the larger-scale
21 work.

22 That is the Department of
23 Environmental Conservation. I'll observe
24 that it's my observation that they do a

1 serious and careful job of considering
2 economic, community, environmental impacts
3 when they consider those options.

4 We have infrastructure roles with
5 respect to distribution, kind of the
6 smaller-scale stuff that kind of reaches to a
7 home. And we too have a serious and careful
8 process that evaluates those on the merits.

9 In general, we recognize as you do
10 that natural gas has a strong economic
11 argument for its existence; that's why it's
12 popular. But we also know that there are
13 geothermal solutions that can provide heating
14 and cooling in a more renewable manner. And
15 I don't think you've heard me use the
16 expression "non-wires alternatives," but in
17 electricity that's the expression we use to
18 say instead of laying copper and building a
19 substation, can you do something else with
20 storage or demand management and the like.

21 Some of our utilities are now
22 approaching us with non-pipe solutions,
23 whereby via energy efficiency or storage or
24 peak shifting, they're able to achieve the

1 supply that they need without necessarily
2 counting on additional transmission.

3 So it's going to take all of the
4 above, and obviously we're paying a lot of
5 attention to it.

6 SENATOR O'MARA: What is the Clean
7 Energy Standard's goals for reducing fossil
8 fuels in our heating, for our heating supply?

9 PSC CHAIRMAN RHODES: It's only very
10 indirect. The Clean Energy Standard is
11 really about electricity. And there's some
12 but not very much electric heat that goes on.

13 If you're talking about cooling,
14 obviously air-conditioning is a significant
15 electric load, and the Clean Energy Standard
16 is about that. But the bulk of heating comes
17 from, if you'll pardon the expression,
18 non-electric fuels. So natural gas and
19 propane and heating oil.

20 SENATOR O'MARA: Which is going to be
21 with us for a very long time, correct?

22 PSC CHAIRMAN RHODES: I think
23 they're -- the longevity is different among
24 those different fuels.

1 SENATOR O'MARA: Okay. So we should
2 be buying electric blankets?

3 PSC CHAIRMAN RHODES: No.

4 SENATOR O'MARA: Thank you.

5 CHAIRWOMAN YOUNG: Okay. Thank you
6 very much.

7 Assembly, do you have any more?

8 ASSEMBLYMAN ENGLEBRIGHT: We have
9 Assemblywoman Addie Jenne. And I think we
10 have also another member who is interested in
11 asking a question.

12 ASSEMBLYWOMAN JENNE: Thank you again.

13 You know, I think you've heard from us
14 loud and clear concerns about siting and
15 siting of new generation that are greenfield
16 builds instead of, you know, looking at
17 existing state campuses and existing
18 generation assets. You know, we're looking
19 at core forests being developed, contiguous
20 tracts of grasslands that are going to be
21 interrupted, spawning grounds, and our lakes
22 and our oceans.

23 And that we really would like to see a
24 larger focus on minimizing the extent of

1 greenfield builds that would certainly
2 address some of the issues that I have in
3 terms of why are we incentivizing the
4 disruption of core forests near my district,
5 versus investments in the biomass facility
6 that could be used to sustainably manage that
7 forest. You know, we just -- we don't seem
8 to link up in terms of we want green energy,
9 but we're really not being good stewards of
10 our natural resources.

11 I would like to, you know, point out
12 that while we may not make huge gains if we
13 invest in existing hydro generation, we may
14 not move from 24 percent to 40 percent, but
15 certainly we could increase the hydro
16 generation with some investment there.

17 Do you know when the last time hydro
18 generation was given any financial incentives
19 of any magnitude to upgrade their
20 infrastructure?

21 PSC CHAIRMAN RHODES: I'm not sure I
22 understand the meaning of "any magnitude,"
23 but --

24 ASSEMBLYWOMAN JENNE: Like something

1 serious. They were supposed to be in Tier 2,
2 but they were lobbed out at the last second.
3 So ...

4 PSC CHAIRMAN RHODES: I believe
5 that -- we'll take another look, but we
6 believe that Tier 2 is designed to allow --
7 to accommodate the economics of upgrades in
8 order to preserve operation and also to do
9 cost-effective expansion. But I'll make sure
10 that I got that right.

11 ASSEMBLYWOMAN JENNE: Okay. Do you
12 guys know the magnitude of dilapidated hydro
13 facilities throughout the state? I mean, I
14 live between two dams in the Village of
15 Theresa. One generates and one does not. I
16 have a hydro facility in the Village of
17 Antwerp that hasn't generated in my lifetime.
18 I've got two in the Village of Potsdam
19 that -- you know, one broke down, they fixed
20 it, the other one broke down. So we
21 constantly have hydro assets that are not
22 generating.

23 And so while to the common observers
24 you may not realize, you know, how much

1 generation we're leaving on the table because
2 you don't live in the communities where our
3 rivers are dammed up -- every village has at
4 least one if not more dams in my district.

5 PSC CHAIRMAN RHODES: I believe we
6 have some pretty good estimates of that, but
7 I'm -- I'd like to do better and have a
8 better read. So thank you. We'll pay
9 attention and maybe come to you.

10 ASSEMBLYWOMAN JENNE: Okay. And, you
11 know, we had a policy change on the
12 St. Lawrence River in terms of how it's
13 regulated. And, you know, for those folks
14 that don't think there's any way to get more
15 generation, you know, the power dam in
16 Massena, because of the higher water levels,
17 is now generating more power.

18 So to say that hydro is an area that
19 is not ripe for investment so that -- and
20 then the other thing is is they represent
21 24 percent of our generation, correct, of the
22 -- and that's 24 percent of 28 percent that's
23 green in this state. You know, if we don't
24 invest in them, that 24 percent is going to

1 crumble into the water and evaporate.

2 PSC CHAIRMAN RHODES: So I should not
3 have conveyed the impression that hydro is
4 not ripe for investment. It's certainly a
5 terrific resource. And, you know, wherever
6 it's possible, we want to see more.

7 ASSEMBLYWOMAN JENNE: All right. And
8 the last point that I wanted to make before
9 was we're putting a lot of state investment
10 into these developments that are many times
11 owned by foreign corporations -- so outside
12 of the United States, not just outside of
13 New York. And the developers are coming in,
14 and they're non-New York State developers as
15 well.

16 And because of your regulatory
17 ability -- and you've stated earlier that we
18 have a favorable regulatory environment for
19 these developments here in New York -- what
20 are we doing to ensure that New Yorkers are
21 actually building them? Do we have project
22 labor agreement requirements within these
23 developments or within all of these
24 incentives?

1 PSC CHAIRMAN RHODES: We generally do
2 not. But we are mindful and believe we're,
3 you know, getting some awfully good success
4 in terms of making sure that jobs are being
5 generated for New Yorkers and that those jobs
6 are good jobs at good wages.

7 ASSEMBLYWOMAN JENNE: Okay, because
8 we're having the exact opposite experience in
9 my area. So it would be nice if we could
10 close the loop on that.

11 PSC CHAIRMAN RHODES: We'll close the
12 loop on that one too.

13 ASSEMBLYWOMAN JENNE: Thank you.

14 ASSEMBLYMAN ENGLEBRIGHT: Assemblyman
15 Stec.

16 ASSEMBLYMAN STEC: Thank you,
17 Chairman.

18 A couple of questions. I attended
19 last night in North Creek a meeting regarding
20 broadband with the Broadband Program office.
21 And the state's initiative and the investment
22 that this Legislature made of a half a
23 billion dollars to bring internet to everyone
24 in the state, high-speed access. And at that

1 meeting and other communications that I've
2 had to my office, there seems to be a lot of
3 complaints surrounding the issue of make
4 ready with National Grid to get on the poles
5 to put in the infrastructure for broadband.

6 The providers, the people that are
7 bidding on the grants that the state is
8 providing are telling us that they've had a
9 tremendous amount of backlog and difficulty
10 with National Grid -- one, from a cost
11 perspective, and two, from just a time delay,
12 which is dragging out a lot of these
13 projects.

14 Is your office aware of that? And if
15 so, what have you been doing about it?

16 PSC CHAIRMAN RHODES: We are aware
17 about it. We are -- we're active.

18 And can I turn it over to Tom, whose
19 day-to-day -- or it's a weekly thing, but --

20 EXECUTIVE DEPUTY CONGDON: Sure. So
21 we are aware of the challenges with the make
22 ready. It's an unprecedented level of
23 broadband deployment across the state. And
24 so it's been an unprecedented challenge for

1 the pole owners. We have a pole attachment
2 process that's outlined in a PSC order from
3 several years ago. It came to our attention
4 by the BPO that its grantees were having some
5 challenges.

6 So we convened a working group of our
7 staff, the pole owners, and the BPO grantees
8 and the BPO itself, to meet on a weekly basis
9 to ensure those issues were getting addressed
10 in a timely way.

11 There's no question that we've had a
12 lot of success through that process. But
13 there continue to be emerging issues that we
14 are being made aware of, this being a recent
15 one, in terms of the cost. And we are going
16 to meet at a high level in the near future to
17 start to address that.

18 ASSEMBLYMAN STEC: The sense that I am
19 getting -- and I don't want to put words in
20 anyone's mouth. But the sense that I'm
21 getting is people smell that there's money on
22 the table, and pole owners are perhaps aware
23 of that, and that's changing the market as
24 far as the cost or what poles need to be

1 improved, replaced.

2 You know, and again, anyone that's
3 paying for something who usually doesn't like
4 to complain, they complain about the cost. I
5 understand that. But I've heard enough of
6 these kinds of grumblings where I wanted to
7 pass it on.

8 Have you seen, you know, that kind of
9 complaint where people are getting a sense
10 that, hey, there's a lot of state money
11 involved now, and so let's get aggressive
12 with what polls need to be replaced or
13 improved or whatnot?

14 EXECUTIVE DEPUTY CONGDON: I think
15 that there are a lot of safety standards.
16 You're talking about hanging infrastructure
17 on poles that cross highways, that has to be
18 a certain distance from electrical wires.
19 There's the potential for electrical shock to
20 the public.

21 So there are standards that are
22 important that they be adhered to. And of
23 course in any project of this magnitude,
24 there's going to be differences of opinion

1 about when those standards come into play and
2 whose responsibility it is to comply with
3 them. And we can act as sort of an objective
4 referee, if you will, to make sure that no
5 one on either side is gaming the system. And
6 we can work to effectively address these
7 issues.

8 ASSEMBLYMAN STEC: All right, thank
9 you.

10 And if I could just quickly shift
11 gears to an unrelated matter, National Grid
12 seeking a rate increase. And I was just
13 curious where we are on that process, if you
14 could give us an update on when we might see
15 a timeline or where that is likely heading.

16 PSC CHAIRMAN RHODES: So we have just
17 received a settlement proposal -- settlement
18 meaning multiparty agreement on the
19 proposal -- that is a meaningful improvement
20 over the company's initial ask. We're
21 reviewing it now, and we will have an order
22 that renders a view on it.

23 And so I'm afraid I can't talk about
24 it all that much, other than to just

1 objectively point out that rather than the
2 13, 14 percent one-year increases, we've got
3 first-year increases in the 1.4 and 1.7
4 ranges for electric and gas. We've got
5 support from the business community. We've
6 got support from the three biggest cities.
7 We've got labor support, we've got
8 environmental support. And we -- and it
9 meaningfully advances some of the policy
10 goals, including municipalities' abilities to
11 do LEDs and more energy efficiency.

12 So it's a well-crafted settlement
13 that's come before us. And again, without
14 binding my fellow commissioners, I would
15 imagine we'd be able to move on it.

16 CHAIRWOMAN YOUNG: Thank you.

17 ASSEMBLYMAN STEC: Thank you.

18 CHAIRWOMAN YOUNG: Thank you,
19 Chairman. I think we're done.

20 PSC CHAIRMAN RHODES: Thank you.

21 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

22 SENATOR KRUEGER: Thank you.

23 CHAIRWOMAN YOUNG: Our next speaker is
24 President Gil Quiniones, State Power

1 Authority, and he is replacing on the agenda
2 Justin Driscoll, who is general counsel.

3 (Discussion off the record.)

4 CHAIRWOMAN YOUNG: Oh, I'm sorry, you
5 know what, I erred on that. So we'll have
6 NYSERDA. Thank you, President. I guess
7 we're skipping ahead.

8 So Alicia Barton, president and CEO of
9 NYSERDA. Welcome.

10 NYSERDA PRESIDENT BARTON: Thank you.

11 CHAIRWOMAN YOUNG: Look forward to
12 your testimony.

13 NYSERDA PRESIDENT BARTON: Good
14 afternoon, Chair Young and the other
15 distinguished members of the committees. I
16 am Alicia Barton, president and CEO of the
17 New York State Energy Research and
18 Development Authority, or NYSERDA.

19 I joined NYSERDA a little over six
20 months ago, and I appreciate this opportunity
21 to discuss the critical climate and energy
22 issues facing our state.

23 Governor Cuomo's commitment to
24 fighting climate change can be seen in the

1 nation-leading policies that New York has
2 implemented. Clean energy is a cornerstone
3 of those efforts, and I'll highlight a few of
4 our most important initiatives at NYSERDA.

5 First, Advanced Energy Storage
6 continues to be an emphasis for NYSERDA.
7 Consistent with the Governor's announcement
8 of a 1500-megawatt goal for energy storage
9 deployment, and guided by the framework
10 agreed with the Legislature, we will work to
11 establish policies that will enable the
12 energy storage industry to reach the state's
13 goals.

14 New York's forthcoming energy storage
15 roadmap, being developed by NYSERDA and the
16 Department of Public Service, will consider
17 mechanisms to maximize the benefits of energy
18 storage. A recent study estimated that this
19 sector has the potential to grow to nearly
20 30,000 jobs, resulting in \$8 billion in
21 revenues for New York firms by the year 2030.

22 Offshore wind is also a high priority.
23 The Governor's commitment of 2.4 gigawatts of
24 offshore wind power, and the plan to solicit

1 for 800 megawatts over the next two years,
2 will drive the deployment of offshore wind
3 capacity in New York. NYSERDA recently
4 issued the state's Offshore Wind Master Plan
5 and proposed options for wind procurement,
6 which will lead to the responsible and
7 cost-effective deployment of this important
8 renewable energy resource.

9 NYSERDA is in the process of
10 finalizing awards of its latest large-scale
11 renewables solicitation, which is the largest
12 purchasing commitment to renewable energy by
13 any state in the country. We have seen a
14 robust response, widely dispersed throughout
15 the state, including wind, solar and
16 hydroelectric proposals, and we are planning
17 to make announcements shortly.

18 We are a little over a year and a half
19 into the Clean Energy Fund and have launched
20 over 50 CEF investment plans development,
21 which are available on our website. These
22 plans are on track to meet or exceed the
23 energy efficiency, fuel efficiency, and CO2
24 emissions reductions goals identified for the

1 CEF.

2 Under NY-Sun, solar power increased
3 more than 1,000 percent from 2011 to 2017,
4 leveraging more than \$2.7 billion in private
5 investment. Our Solar for All initiative
6 will assist 10,000 New Yorkers joining
7 community solar projects to help low-income
8 consumers realize the benefits of solar
9 power.

10 The New York Green Bank continues to
11 support the clean energy economy. In 2017,
12 the Green Bank reached self-sufficiency, a
13 full year earlier than projected. The Green
14 Bank has committed over \$440 million,
15 supporting investments of nearly \$1.6 billion
16 in our state.

17 The Drive Clean Rebate has supported
18 the purchase of more than 4,000 electric
19 vehicles. EV sales increased approximately
20 70 percent in New York in 2017, outpacing the
21 national average.

22 All of these efforts are delivering
23 environmental improvements and fueling our
24 clean energy economy. In November, NYSERDA

1 released its first-ever Clean Energy Industry
2 Report, showing that 146,000 New Yorkers are
3 employed in the state's clean energy sector.
4 These results are extremely exciting and
5 provide evidence that investments in clean
6 energy are already paying off for workers and
7 for the state's economy.

8 The Executive Budget recommends
9 \$19.7 million for NYSERDA to continue energy
10 research and development, and statewide
11 energy planning. This supports critical
12 research and development for energy
13 efficiency and renewable resources, to reduce
14 adverse environmental effects. These funds
15 are essential to our Fuel NY
16 responsibilities, which provide critical
17 support to fuel access and fuel reserves
18 during extreme weather events across the
19 state.

20 For nearly four decades, NYSERDA has
21 also protected New York's interests at
22 West Valley in Cattaraugus County. The
23 Executive Budget recommends \$17 million for
24 ongoing nuclear waste cleanup at West Valley,

1 an increase of approximately \$1.4 million
2 over last year's budget, to meet the federal
3 appropriations match.

4 We are proud of New York's leadership
5 in advancing clean energy solutions and what
6 has been achieved with your help. But we are
7 also aware that we have reached a critical
8 moment in our state's and our planet's
9 ability to deal with global climate change.
10 Climate change is not just an energy issue,
11 but one that reaches across all sectors of
12 our economy, and we must continue our work to
13 enable the fast-growing clean energy economy
14 to reduce greenhouse gas emissions, protect
15 our natural resources, and provide long-term
16 economic development opportunities for the
17 state.

18 This concludes my opening remarks, and
19 I'd be happy to take any questions you may
20 have.

21 CHAIRWOMAN YOUNG: Thank you for your
22 testimony. And I apologize about the mix-up.

23 But there were some questions that I
24 wanted to ask. First of all, I wanted to say

1 thank you to you and the Governor for the
2 additional funding for West Valley
3 Demonstration Project. As you know, that's
4 in my district, and it's been an ongoing
5 issue for many, many years. So we really
6 appreciate the additional funds to match the
7 federal funding.

8 But the Fuel NY program. So in the
9 Governor's budget there's an annual
10 authorization for NYSERDA to finance a
11 portion of its research and development,
12 demonstration, policy and planning programs
13 and Fuel NY program from the assessments on
14 gas and electric corporations pursuant to
15 Section 18A, which the Legislature is
16 painfully aware of 18A of the Public Service
17 Law. This section would authorize collection
18 of an amount not to exceed \$19.7 million in
19 assessments and includes a \$150,000
20 suballocation for NYSDAM for the Fuel NY
21 program.

22 While this is not the temporary state
23 energy and utility service conservation
24 assessment -- commonly known as the 18A

1 surcharge -- that was fully phased out on
2 March 31, 2017, these are ongoing
3 assessments, and they're passed on to utility
4 customers.

5 So can you explain the suballocation
6 of \$150,000 worth of 18A assessments to
7 Fuel NY?

8 NYSERDA PRESIDENT BARTON: I'm sorry,
9 can you clarify the question? Are you asking
10 in terms of the assessments, what they are
11 budgeted to be spent for under the Fuel NY
12 program?

13 CHAIRWOMAN YOUNG: Yes. So there's a
14 suballocation of \$150,000 worth of 18A
15 assessments to Fuel NY. So could you explain
16 that more thoroughly?

17 NYSERDA PRESIDENT BARTON: Sure.

18 CHAIRWOMAN YOUNG: Thank you.

19 NYSERDA PRESIDENT BARTON: So the
20 Fuel NY program is intended to provide a
21 couple of services that are critical to
22 supporting the state's ability to respond to
23 fuel shortages, including those caused by
24 extreme weather events.

1 So in particular, there are two
2 primary components of that program. One is
3 the support that NYSERDA provides and works
4 closely with other agencies to provide in
5 allowing fueling stations, gas stations, to
6 have access to backup generation, including
7 access to either temporary generators or, in
8 some cases, support for purchasing permanent
9 backup generators.

10 The other component relates to
11 managing the Strategic Fuel Reserve for
12 New York State, which is intended again to
13 provide a buffer in those instances when fuel
14 markets become tight due to disruption of one
15 type or another.

16 CHAIRWOMAN YOUNG: Thank you. So just
17 to clarify, which 18A are you talking about?

18 NYSERDA PRESIDENT BARTON: I believe
19 for NYSERDA's budget there's a single 18A
20 assessment that is the \$19.7 million you
21 referenced.

22 CHAIRWOMAN YOUNG: But is that -- so
23 is that going backward on the 18A that was
24 phased out this past year? Is that

1 reinstituting part of it? Or is that the
2 other 18A program?

3 NYSERDA PRESIDENT BARTON: I believe
4 this is going forward. I apologize, I'm not
5 familiar with the one that was phased out
6 previously. But I'm speaking to the proposed
7 Executive Budget for the upcoming fiscal
8 year.

9 CHAIRWOMAN YOUNG: Thank you.

10 Are these intended as ongoing costs to
11 be paid for out of this assessment?

12 NYSERDA PRESIDENT BARTON: I'm sorry,
13 could you repeat the question?

14 CHAIRWOMAN YOUNG: Are these intended
15 to be ongoing costs to be paid for out of
16 this assessment?

17 NYSERDA PRESIDENT BARTON: I believe
18 that there's not been a determination made as
19 to future-year budgets.

20 CHAIRWOMAN YOUNG: Okay. So if -- so
21 you're saying you don't have that
22 information?

23 NYSERDA PRESIDENT BARTON: Well, I
24 believe that decision is made on an annual

1 basis.

2 CHAIRWOMAN YOUNG: Okay. So you
3 expect that annually these costs will be paid
4 for for the program out of these assessments
5 going forward.

6 NYSERDA PRESIDENT BARTON: Well, I
7 believe that will be -- the level of funding
8 would be determined on an annual basis as to
9 what the dollar amount would be. But yes, in
10 general, to continue the Fuel NY program and
11 provide those fuel resiliency benefits, I
12 believe that would be the source of funding
13 that is contemplated.

14 CHAIRWOMAN YOUNG: Thank you.

15 So regarding the Regional Greenhouse
16 Gas Initiative funds transfer, in the
17 Article VII language, the sweeps and
18 transfers bill, the Executive Budget once
19 again proposes to transfer \$23 million in
20 off-budget assessed Regional Greenhouse Gas
21 Initiative RGGI funds to the General Fund.

22 So there's a \$23 million RGGI transfer
23 to the General Fund, as I just said. And the
24 question is, is there a specific purpose

1 intended by this transfer? What would that
2 money be used for?

3 NYSERDA PRESIDENT BARTON: That money
4 is intended to be used for environmental tax
5 credits that support clean energy projects
6 administered by the Department of
7 Environmental Conservation.

8 CHAIRWOMAN YOUNG: Okay, thank you.

9 Going to the Green Bank -- and we
10 started to discuss this a little while ago --
11 Part EE authorizes NYSERDA to obtain revenue
12 from a special assessment on gas and electric
13 companies, not to exceed \$19.7 million for
14 certain projects, including NYSERDA's Energy
15 Policy and Planning Program, which involves
16 the Green Bank. The Green Bank is a
17 state-run investment bank funded by NYSERDA
18 using funds from utility customers, and it is
19 one of the state's 10-year, \$5 billion clean
20 energy funds -- it's one part of the Clean
21 Energy Fund.

22 So how many people does the Green Bank
23 employ? Where are their offices? And how is
24 the staff organized?

1 NYSERDA PRESIDENT BARTON: Sure. So
2 the New York Green Bank is a division of
3 NYSERDA, and those employees are NYSERDA
4 employees. I believe the team that staffs
5 the division of NYSERDA that is the New York
6 Green Bank is approximately 25 individuals.
7 They work out of NYSERDA's New York City
8 office in Manhattan. And they are organized
9 according to the mission of the Green Bank,
10 which is to support project finance in
11 renewable energy projects in New York State.

12 I did want to provide one
13 clarification, which is as to the
14 \$19.7 million. That does fund energy and
15 environmental research and development
16 activities at NYSERDA, but that is not
17 allocated to the Green Bank, which as you
18 subsequently noted is really authorized
19 separately as a ratepayer collection as part
20 of the Clean Energy Fund.

21 CHAIRWOMAN YOUNG: Thank you. I
22 apologize, I'm losing my voice.

23 Does the Green Bank hire consultants?
24 And if so, what is the cost for these

1 consultants per year?

2 NYSERDA PRESIDENT BARTON: So the
3 Green Bank does hire consultants from time to
4 time to support the work that they do, to
5 ensure that they are living up to best
6 practices, have, you know, the best tools
7 available in terms of outside expert analysis
8 of markets and projects, due diligence on
9 projects and the like.

10 I apologize, I don't have the total
11 for the amount for consultants on an annual
12 basis in front of me now, but we can
13 certainly follow up and provide that.

14 CHAIRWOMAN YOUNG: Yes. When do you
15 think we could see that?

16 NYSERDA PRESIDENT BARTON: I think
17 that should be easy to provide.

18 I should note that the New York Green
19 Bank reports quarterly on its activities
20 pursuant to the Public Service Commission's
21 orders under the Clean Energy Fund, and as a
22 result provides fairly robust reporting on a
23 quarterly basis on the monies that they
24 spend.

1 In addition, again, all of these funds
2 roll up through NYSERDA's budget, and we
3 publicly post that budget on our website and
4 report on that from time to time to our board
5 of directors in public meetings.

6 CHAIRWOMAN YOUNG: Thank you for that.

7 Actually, on June 22nd of 2017, the
8 Governor issued a press release that stated
9 that the Green Bank generated \$2.7 million in
10 positive net income as a result of the
11 \$291.6 million in investment in clean energy
12 transactions.

13 So the question is, what is the
14 current rate of return on the Green Bank
15 assets?

16 NYSERDA PRESIDENT BARTON: Well, the
17 press release that was issued really related
18 to the interest that was generated exceeding
19 for the first time the operating costs of the
20 Green Bank, which was a milestone that was, I
21 should say, achieved a year ahead of
22 schedule. So that was a very positive
23 development.

24 The return on investment again is

1 specified in the quarterly reports of the
2 New York Green Bank. I believe the updated
3 numbers from where we were in June and the
4 press release you cited to where we are today
5 and the most recent updating is that the
6 Green Bank had deployed approximately
7 \$440 million of capital and has leveraged
8 \$1.5 billion in total investment in those
9 projects.

10 So I think that's certainly one way of
11 looking at the rate of return for the Green
12 Bank's investment.

13 CHAIRWOMAN YOUNG: And what is the
14 loan loss amount in reserves?

15 NYSERDA PRESIDENT BARTON: I don't --
16 I don't have the -- any numbers for that. I
17 believe that, again, such amounts would be
18 reflected in the quarterly reports that the
19 Green Bank files.

20 CHAIRWOMAN YOUNG: Okay. We'll check
21 on that. Thank you for that.

22 How much private capital has been
23 leveraged against ratepayer funds?

24 NYSERDA PRESIDENT BARTON: That was

1 the \$1.5 billion number that I just cited
2 as on top of the Green Bank's \$440 million
3 deployed to date.

4 CHAIRWOMAN YOUNG: Thank you. In
5 Connecticut, the Green Bank was created in
6 statute with funds subject to approval by the
7 General Assembly there and with some
8 oversight provisions, since ratepayer funds
9 are being used by the Green Bank.

10 What do you think about that approach?
11 Is that acceptable?

12 NYSERDA PRESIDENT BARTON: Well, I'm
13 not familiar with the enabling legislation
14 for the Connecticut Green Bank, I must
15 confess.

16 As I detailed, I believe that there is
17 a fairly robust set of reporting requirements
18 that have been applied to the Green Bank,
19 which allow for quarterly updating and
20 transparency around the work that the
21 Green Bank is doing, what it is achieving in
22 terms of the metrics and goals that have been
23 set out for it. And that is a fairly robust
24 process that I do believe provides

1 significant opportunity for input on those
2 and transparency around the Green Bank's
3 work.

4 They also hold quarterly webinars to
5 explain each of those quarterly reports.

6 And generally we place a high priority
7 on transparency of operations so that the
8 public can have confidence in the work that
9 we're doing with their funding to achieve the
10 clean energy goals we have set out.

11 CHAIRWOMAN YOUNG: Okay. I guess, you
12 know, it's apparent where I'm going with
13 this. But in other states, for example
14 Connecticut, there is legislative oversight
15 of a Green Bank. And even though there are
16 some reporting mechanisms that you're
17 pointing out on the website, transparency
18 still continues to be an issue.

19 In 2015, Level Solar came to an
20 agreement with the Green Bank to borrow up to
21 \$25 million. The company went bankrupt, and
22 SUNation Solar Systems took over for
23 Level Solar. What are the anticipated losses
24 to the Green Bank from this bankruptcy?

1 NYSERDA PRESIDENT BARTON: Yes, I'm
2 familiar with the Level Solar bankruptcy and
3 the decision by Level Solar's management to
4 abruptly close its doors last fall, which
5 certainly caused concern on behalf of NYSERDA
6 and the New York Green Bank to ensure that
7 two priorities would be met. One is to
8 safeguard the ratepayer investment in those
9 Level Solar projects, and the second would be
10 to ensure that customers were not adversely
11 impacted by that event.

12 As you mentioned, SUNation took over
13 the servicing of the systems. And I believe,
14 to the best of my knowledge, that has been a
15 relatively smooth transition, and that
16 customers have access to subsequent servicing
17 for their projects that are continuing to
18 operate.

19 As to the bankruptcy's impact on the
20 New York Green Bank investment, that's
21 something we're monitoring very closely and
22 participating in the bankruptcy process
23 actively.

24 It's our -- it's a fundamental feature

1 of the work that the New York Green Bank does
2 to structure its investments in a way that
3 reduces, as much as possible, exposure and
4 risk to the New York Green Bank balance sheet
5 from the deployment of these projects, using
6 structured finance techniques and
7 best-in-class due diligence and other tactics
8 to minimize risk.

9 As a result of that, we believe that
10 those structures will likely be successful in
11 safeguarding the New York Green Bank
12 investment in these assets, which as I
13 mentioned are continuing to operate and which
14 do secure the New York Green Bank investment
15 that was made through that particular loan
16 with Level Solar.

17 Nonetheless, as I said, we are
18 aggressively monitoring that situation and
19 participating through the bankruptcy process
20 to ensure that ratepayers are protected as
21 much as possible.

22 CHAIRWOMAN YOUNG: Thank you.

23 Assembly?

24 ASSEMBLYMAN ENGLEBRIGHT:

1 Assemblywoman Jenne.

2 ASSEMBLYWOMAN JENNE: Yes, thank you.
3 You mentioned that you're getting ready to
4 make announcements on funding projects. Are
5 those projects that have already gone through
6 the Article 10 siting process?

7 NYSERDA PRESIDENT BARTON: Yes. I was
8 referring to the first RFP under the Clean
9 Energy Standard for renewable energy
10 solicitation.

11 Those projects, as we previously
12 announced when last fall we did see a very
13 robust response to that particular
14 solicitation -- I believe there were 88
15 different projects proposed. Which means
16 that there was a wide range of projects
17 proposed as well, some of which would fall
18 below the criteria for triggering Article 10
19 review, and others of which would very much
20 require Article 10 review.

21 So, for example, I believe -- I
22 believe most of the -- or all of the wind
23 projects that would have been proposed would
24 exceed the size threshold easily to trigger

1 Article 10 review, whereas some of the solar
2 projects would not.

3 ASSEMBLYWOMAN JENNE: I guess my point
4 is, are you allowed to provide funding to
5 projects that have not been -- their site
6 hasn't been approved? Or do they come to you
7 for the financing first and then go to
8 Article 10 second?

9 NYSERDA PRESIDENT BARTON: Those
10 processes can work in parallel, or one can
11 lead the other slightly. So there's not --

12 ASSEMBLYWOMAN JENNE: So there's it's
13 a requirement to have the siting locked down
14 before they would get a financial incentive.

15 NYSERDA PRESIDENT BARTON: It's not a
16 requirement to have approval under Article
17 10. There are other requirements as to site
18 control that NYSERDA does specify in the
19 solicitation to -- really to provide evidence
20 that the projects are real. However, the
21 Article 10 approval is not a necessary
22 condition.

23 What is a necessary condition to
24 getting paid under the contract would be

1 completion of all required permits and
2 approvals such as --

3 ASSEMBLYWOMAN JENNE: So doesn't
4 providing a promise of funding before the
5 siting has occurred kind of -- well, I used
6 it before -- put the cart before the horse or
7 create a project that is, you know, already
8 so far down the road in terms of investment
9 by everyone involved that it kind of stacks
10 the deck against any local community
11 opposition to a project? Because, I mean,
12 just kind of the weight of the process is
13 stacked against somebody -- you know, a
14 community that opposes a project.

15 NYSERDA PRESIDENT BARTON: Well, the
16 award of a NYSERDA contract again would
17 certainly be contingent on completing all
18 permitting requirements -- state, local,
19 otherwise -- in order to receive the funding.
20 So it's a -- you know, it is an award, but it
21 is necessarily contingent on going through
22 those steps. And there's no circumventing of
23 those steps that occurs by virtue of the
24 NYSERDA award.

1 ASSEMBLYWOMAN JENNE: I'm just saying
2 in terms of -- process in terms -- you know,
3 I think everybody understands what I'm trying
4 to say.

5 I am aware of projects that have --
6 the same projects that have applied for
7 NYSERDA funding and to RFPs by the Power
8 Authority. Are you guys coordinating your
9 awards of financial incentives? Are you
10 competitors out there? I guess I don't
11 understand why we have two organizations
12 essentially getting responses from the same
13 projects.

14 NYSERDA PRESIDENT BARTON: NYSERDA and
15 NYPA did issue RFPs at the same time, but
16 those RFPs were structured fairly
17 differently. So NYSERDA, our solicitation
18 was intended to make available contracts for
19 long-term purchase of renewable energy
20 attributes -- the RECs that projects would
21 generate over a 20-year basis.

22 The NYPA solicitation offered
23 different opportunities for developers in
24 all --

1 ASSEMBLYWOMAN JENNE: Is it possible
2 to get -- be successful with both pots of
3 state money?

4 NYSERDA PRESIDENT BARTON: No. As I
5 was trying to explain, the proposals were
6 issued side by side but they carried very
7 different offerings. There also was a
8 provision in the solicitation that required
9 at some point in the process the developer
10 essentially to choose which path they would
11 take. They will not be -- projects will not
12 be receiving awards from both.

13 ASSEMBLYWOMAN JENNE: Okay. Now, I
14 have had a very particular problem in my area
15 with small projects in terms of residential
16 projects where a homeowner decides that
17 they're going to do a good thing for the
18 environment and upgrade a piece of equipment
19 in their home to be more energy-efficient.
20 And NYSERDA has all sorts of strict
21 requirements on -- your engineers approving
22 the system and approved installers and all
23 sorts of -- I mean, essentially they turn
24 over their home to you, to NYSERDA.

1 And NYSERDA engineered the project
2 completely wrong, used the wrong type of
3 system for the location and the application.
4 And instead of a \$30,000 project that we've
5 already invested into, now the solution is to
6 do another reengineered project for like
7 \$60,000, and the homeowner really being on
8 the hook for a series of failures of NYSERDA
9 professionals. And there seems to be no
10 process to stop the bleeding. We're just
11 throwing good money after bad money
12 continuously.

13 And so why is there not a process at
14 NYSERDA to say, We have inflicted enough pain
15 on you, homeowner, who only wanted to do the
16 right thing -- and help them to get their
17 life back and their home back? Because there
18 seems to be no process.

19 And I only bring this up because I was
20 promised a solution, and it wasn't
21 forthcoming and I was supposed to have a
22 phone call with you folks and you canceled it
23 and then you didn't fulfill your promise.

24 So I'd really like you folks to look

1 into this horrible situation you've caused
2 for my constituents and to put a process in
3 place that helps people get redress from
4 horrible mistakes by the staff at NYSERDA.

5 And I know you're new. I know you're
6 new to this.

7 NYSERDA PRESIDENT BARTON: Well, I
8 take our obligations to support homeowners
9 who participate in NYSERDA programs or who
10 adopt clean energy solutions very seriously.
11 We -- I'm not sure if I, you know, have all
12 the details of the project you're referring
13 to, but I'm absolutely --

14 ASSEMBLYWOMAN JENNE: I'm sure your
15 staff will have it for you tomorrow.

16 NYSERDA PRESIDENT BARTON: And I'd be
17 happy to speak to you in further detail to
18 assure we can discuss a way to address the
19 concerns that you're raising.

20 ASSEMBLYWOMAN JENNE: Thank you.

21 CHAIRWOMAN YOUNG: Thank you.

22 Senator O'Mara.

23 SENATOR O'MARA: Thank you.

24 I don't know where to begin. The

1 Clean Energy Fund, what is -- what's
2 NYSERDA's role in determining where Clean
3 Energy Fund dollars are spent?

4 NYSERDA PRESIDENT BARTON: Thank you
5 for the question. The Clean Energy Fund is a
6 substantial effort that we participate in in
7 NYSERDA to meet the requirements that were
8 set out by the Public Service Commission in
9 the order authorizing the Clean Energy Fund.
10 Essentially, NYSERDA administers those funds
11 under the regulation and supervision of the
12 Public Service Commission and the Department
13 of Public Service.

14 As I mentioned in my opening remarks,
15 to date NYSERDA has proposed and received
16 approval for 50 investment plans, all of
17 which are posted on our website. And that
18 really lays out the decisions that have been
19 made to date around how to spend those funds,
20 what initiatives to target them to, and very
21 importantly what benefits we would expect to
22 receive as a result of the investments that
23 we're making under those investment plans.

24 SENATOR O'MARA: How much is in that

1 fund dollarwise under your control right now?

2 NYSERDA PRESIDENT BARTON: Thank you
3 for the question. I'll try to get at the
4 numbers that you're asking for, although I
5 may not have all of them available.

6 So to date, the Clean Energy Fund,
7 which was authorized a couple of years ago --
8 and I'm really referring here to NYSERDA's
9 budget, which again is posted on our website,
10 and speaking to both the current fiscal year
11 that we're in, which we have not quite yet
12 completed under FY 2017-2018, and then
13 looking forward to the next fiscal year.

14 I believe the amounts that were
15 budgeted around the Clean Energy Fund --
16 which I want to be clear are the amounts that
17 are transferred to NYSERDA under the
18 bill-as-you-go approach that has been
19 described previously. So in order to avoid
20 the situation of collecting dollars from
21 ratepayers that would not be immediately
22 deployed, NYSERDA now under this approach
23 seeks reimbursement for funds on a more
24 as-needed basis.

1 I believe the numbers under -- that
2 are anticipated for the year we're about to
3 complete -- I don't have the year to date
4 actual -- but anticipated on the FY '18
5 budget year is \$351 million for the Clean
6 Energy Fund, and budgeted to increase next
7 year to \$823 million.

8 SENATOR O'MARA: Okay. And that money
9 is transferred into NYSERDA to pay as you go?

10 NYSERDA PRESIDENT BARTON: That's
11 correct. So that's --

12 SENATOR O'MARA: So from that fund
13 that I'll call the reserve fund, who holds
14 that and how much is in it?

15 NYSERDA PRESIDENT BARTON: The
16 utilities collect the surcharge that is
17 imposed on bills, and I believe they each
18 hold those individually. I don't know the
19 amounts that are in those funds. They're not
20 at NYSERDA.

21 SENATOR O'MARA: They're not at
22 NYSERDA?

23 NYSERDA PRESIDENT BARTON: No. The
24 amounts that get transferred under

1 bill-as-you-go are the ones that -- the
2 numbers that I just referenced. Those are
3 the amounts that come in from the utilities
4 to NYSERDA, pursuant to again the approach
5 that the Public Service Commission has
6 approved. And those are the numbers that I
7 can speak to.

8 SENATOR O'MARA: So you don't know how
9 much the utilities are holding in reserve?

10 NYSERDA PRESIDENT BARTON: I don't. I
11 don't know the answer to that question, no.

12 SENATOR O'MARA: Do you know who does
13 know that?

14 NYSERDA PRESIDENT BARTON: Presumably
15 the utilities know that.

16 SENATOR O'MARA: Do you think the
17 Public Service Commission knows that?

18 NYSERDA PRESIDENT BARTON: Well, I
19 believe they set out a schedule for
20 collections and that by comparing the
21 schedule versus the amounts transferred to
22 NYSERDA, yes, you could -- I believe you
23 could identify that information.

24 SENATOR O'MARA: It just seems odd

1 that we don't know that, how much money is
2 out in reserve. And you just make requests
3 and that money shows up in the fund?

4 NYSERDA PRESIDENT BARTON: Yes.

5 Again, pursuant to a bill-as-you-go approach
6 where we project needs to fund the programs
7 that have been authorized to be expended
8 under the Clean Energy Fund, and then set a
9 schedule for transferring those funds as
10 they're needed.

11 SENATOR O'MARA: Now, in your
12 processes of identifying projects to fund --
13 and the next party testifying here today is
14 the New York Power Authority. There's a
15 proposal to have the New York Power Authority
16 invest in renewable generation. Now, as
17 Chairman Rhodes testified, the current
18 process demands are being met by the private
19 marketplace. Why should we have New York
20 Power Authority getting involved in this when
21 the private marketplace is meeting the
22 criteria right now?

23 NYSERDA PRESIDENT BARTON: Well, as
24 Chair Rhodes did, I would have to defer to

1 the New York Power Authority as to the
2 proposal that they've put forward.

3 But in general I believe it is, you
4 know, incumbent on us, with our renewable
5 energy goals that we have in place as a
6 state, to look hard at a variety of options
7 to how to meet those goals, and to scrutinize
8 in each case the cost-effectiveness and the
9 pros and cons of any particular proposal.

10 SENATOR O'MARA: How many employees
11 are there at NYSERDA?

12 NYSERDA PRESIDENT BARTON: There
13 are -- I believe at year end, December 31,
14 2017, we had 310 employees.

15 SENATOR O'MARA: Does that include the
16 Green Bank?

17 NYSERDA PRESIDENT BARTON: It does.

18 SENATOR O'MARA: Do you know how many
19 of those are identified as Green Bank
20 employees?

21 NYSERDA PRESIDENT BARTON: As I
22 testified before, I believe it's on the order
23 of 25. It could be plus or minus a few
24 people.

1 SENATOR O'MARA: Okay, I'm sorry, I
2 missed that part of your testimony.

3 NYSERDA PRESIDENT BARTON: No, that's
4 okay.

5 SENATOR O'MARA: Now, what is the goal
6 ultimately -- I know you're getting started
7 in the Green Bank and you said you'd finally
8 made some money on the fund this year, less
9 than 1 percent in the last fiscal year.

10 What is the goal for the rate of
11 return on these investments? Is there a
12 standard? Are other states doing this that
13 we -- something we can look for? Or what's
14 your target for return on investment?

15 NYSERDA PRESIDENT BARTON: Well, the
16 order authorizing the ratepayer investment in
17 the New York Green Bank set out a number of
18 aggressive targets for return on investment
19 of the ratepayer dollar. And that can be
20 measured in several ways. One would be
21 mobilizing private investment. And I
22 mentioned that we see the New York Green Bank
23 doing that already today.

24 There are specific targets for

1 leveraging private investment that are
2 included in the order authorizing the
3 New York Green Bank. There are return on
4 investment criteria for carbon emissions
5 reductions that would be associated with the
6 projects that get installed, and the like.
7 So there are a number of targets that are set
8 out pretty clearly in the order.

9 As I mentioned, the New York Green
10 Bank reports on a quarterly basis as to
11 progress towards those targets, based on the
12 work that they've done to date.

13 SENATOR O'MARA: Are there any other
14 Green Banks nationally to compare to?

15 NYSERDA PRESIDENT BARTON: Well, there
16 are a handful of Green Banks in other states.
17 And I confess that I haven't looked at their
18 metrics filings on a side-by-side basis to
19 see how we stack up.

20 But I am pleased to say that based on
21 the reporting that we have been doing, that
22 we believe we are on track to meet or exceed
23 the targets over the life of the fund.

24 SENATOR O'MARA: I asked Chairman

1 Rhodes about use of outside consultants, and
2 he indicated NYSERDA uses them as well. Can
3 you elaborate on to what extent, how much is
4 spent on consultants per year, and whether
5 that information is available to us on who
6 they are, how much they're being paid, and
7 what the contracts are?

8 NYSERDA PRESIDENT BARTON: Yes. I
9 don't have all of the numbers in front of me,
10 but we do report on those under a couple of
11 different reporting mechanisms. But again,
12 on a quarterly basis to our board of
13 directors in a public meeting, we provide an
14 update to our board both on the -- all the
15 contracts that NYSERDA enters into, which
16 would include contracts with consultants.

17 So procurement for goods or services,
18 that is a compliance filing that we make on a
19 quarterly basis. And then going farther, we
20 also provide information on all contracts
21 even if they fall outside that definition
22 of -- I believe it's goods or services. I
23 may have the exact wording from the law not
24 quite correct.

1 But these are available, and we can
2 certainly make those available to you at any
3 time.

4 SENATOR O'MARA: Are they publicly
5 available?

6 NYSERDA PRESIDENT BARTON: Yes, they
7 are.

8 SENATOR O'MARA: On your website?

9 NYSERDA PRESIDENT BARTON: I'd have to
10 check whether they're on the website. I want
11 to say yes, but I would have to confirm that.

12 SENATOR O'MARA: Okay. Do you have a
13 rough estimate on how much is spent on
14 consultants annually?

15 NYSERDA PRESIDENT BARTON: I'm sorry,
16 I can't hazard a guess, but I'd be happy to
17 update you.

18 SENATOR O'MARA: Thank you.

19 CHAIRWOMAN YOUNG: Thank you.
20 Assembly?

21 ASSEMBLYMAN ENGLEBRIGHT: Assemblyman
22 Cusick.

23 ASSEMBLYMAN CUSICK: Thank you. Thank
24 you, Mr. Chair.

1 Thank you for being here. I just want
2 to follow up on Senator Young's question on
3 the RGGI proceeds, the transfer of the money.
4 I heard your answer; I just have a follow-up
5 question. How much uncommitted RGGI money
6 remains in NYSERDA's accounts for the
7 authority for the remainder of this fiscal
8 year?

9 NYSERDA PRESIDENT BARTON: Well, the
10 RGGI auction proceeds, which NYSERDA
11 administers on behalf of the state, are
12 programmed on an annual basis into what we
13 call a RGGI operating plan.

14 This year we recently approved the
15 operating plan for the future fiscal year
16 budget and actually provided a planned
17 projection for a three-year period,
18 essentially to reflect the fact that we have
19 seen a trend where RGGI allowance proceeds
20 have come in lower than were originally
21 estimated by, you know, the outside
22 projections that we relied on and that all
23 the RGGI states relied on.

24 As a result, there is -- there was

1 reflected an overcommitment of funds, not on
2 a cash basis but on a forward-commitment
3 basis, which was part of the plan that we
4 reflected this year. So as a result, there
5 are no further uncommitted funds.

6 ASSEMBLYMAN CUSICK: So there are no
7 uncommitted funds.

8 NYSERDA PRESIDENT BARTON: No, I
9 believe the RGGI funds that we have -- that
10 we expect to collect are fully committed and
11 programmed.

12 ASSEMBLYMAN CUSICK: Okay.

13 To stay on RGGI, what would be
14 required to expand RGGI to cover smaller
15 "peaker" power plants?

16 NYSERDA PRESIDENT BARTON: So there
17 was a proposal to -- I believe to do just
18 that, that the Department of Environmental
19 Conservation is pursuing that would allow
20 smaller peakers to be captured within RGGI.
21 That will go through a regulatory proceeding,
22 where that would be an update to the RGGI
23 regulations.

24 ASSEMBLYMAN CUSICK: Is that happening

1 now or --

2 NYSERDA PRESIDENT BARTON: Yes, I
3 believe that is under active development. I
4 apologize, I don't have the exact dates for
5 the regulatory process.

6 ASSEMBLYMAN CUSICK: Is there a way we
7 could get that for them?

8 NYSERDA PRESIDENT BARTON: Sure.

9 ASSEMBLYMAN CUSICK: Okay, thank you.
10 Earlier this morning the commissioner
11 of DEC had mentioned that DEC was working
12 with NYSERDA on the Governor's plan that was
13 announced in last year's budget of reaching
14 100 percent renewable. The commissioner did
15 not get into details.

16 Could you get into some details on
17 where we are on that right now?

18 NYSERDA PRESIDENT BARTON: Sure.

19 Yes, we are working with DEC and with
20 a consultant and with outside academic
21 stakeholders for the purposes of peer review
22 to complete an analysis around the
23 feasibility of achieving 100 percent
24 renewables. That work is ongoing. We're

1 really actively in the middle of that and
2 expect that we would be able to provide
3 initial results to stakeholders later this
4 spring.

5 ASSEMBLYMAN CUSICK: Later this
6 spring, you said?

7 NYSERDA PRESIDENT BARTON: Yes.

8 ASSEMBLYMAN CUSICK: Okay, great.

9 Thank you, Mr. Chairman. Thank you.

10 CHAIRWOMAN YOUNG: Thank you.

11 Senator Krueger.

12 SENATOR KRUEGER: Good afternoon.

13 So the state spends approximately
14 \$1.6 billion on tax expenditures that promote
15 fossil fuels. Do we really think this is a
16 good use of taxpayers' money? And given all
17 of our focus on investing in renewables and
18 sustainable energy, might you think that it
19 would be a better use of taxpayers' money to
20 not have all of these tax credits and
21 expenditures for use of the nonsustainable
22 fuels?

23 NYSERDA PRESIDENT BARTON: Well,
24 NYSERDA is certainly working aggressively

1 every day to support the development of
2 renewable energy sources. That is core to
3 our mission and to our day-to-day work. And
4 as I highlighted in my opening testimony, I
5 think we are starting to see some initial
6 successes that I'm very excited about.

7 I'm not familiar with the specific tax
8 credits that you're referencing, however, so
9 it's difficult to comment on them.

10 SENATOR KRUEGER: So what I would ask
11 you to do is to go take a look at the Tax
12 Expenditure Report that's published every
13 year, and it has a specific chapter on
14 petroleum product tax expenditures.

15 NYSERDA PRESIDENT BARTON: Okay, thank
16 you.

17 SENATOR KRUEGER: And then we can chat
18 later about that. I would appreciate that.

19 I asked a question of DEC, I guess it
20 was this morning or it could have been the
21 other day -- it's been a long day -- and they
22 directed me back towards you, about what we
23 can be doing to potentially speed up and
24 expand our offshore wind targets, given the

1 fact that it appears that it's almost the
2 most promising sustainability model that's
3 out there at the moment.

4 NYSERDA PRESIDENT BARTON: Well, thank
5 you for the question. And I'm incredibly
6 enthusiastic about the potential for offshore
7 wind in New York State.

8 As you are aware, the Governor has set
9 a goal of achieving 2400 megawatts of
10 offshore wind for New York by the year 2030,
11 which is an extremely aggressive goal. And
12 he's also indicated that we should procure
13 the first 800 megawatts of that over 2018 and
14 2019, effectively jump-starting our activity
15 in this sector. Which is really fundamental
16 to the strategy of being a first mover in the
17 United States in order to capitalize not only
18 on the extremely substantial clean energy and
19 environmental benefits associated with
20 offshore wind, but also the economic
21 development opportunity.

22 NYSERDA earlier this year, in
23 partnership with many, many other state
24 agencies, released the New York Offshore Wind

1 Master Plan, which provides what I strongly
2 believe is the most comprehensive vision for
3 offshore wind development by any state in the
4 country. It represented years' worth of work
5 by NYSEERDA and other state agencies to look
6 at issues across the board, including
7 responsible siting of offshore wind
8 facilities, procurement and cost-
9 effectiveness of offshore wind and how to
10 design our policies to drive towards
11 cost-effective outcomes as fast as possible,
12 as well as again focusing on the significant
13 potential for economic development and job
14 creation that could result from the
15 development of these projects.

16 So with all of those pieces in place
17 as part of that master plan, we've really
18 laid out a very aggressive schedule and I
19 believe are working quickly to start to bring
20 this resource to the market.

21 It is a long term-effort, however.
22 Offshore wind projects are extremely
23 substantial infrastructure projects. They
24 have multiyear development timelines. But

1 really starting with this procurement that I
2 mentioned that will take place by the end of
3 2018, that will be the first way to really
4 jump-start activity in the sector.

5 SENATOR KRUEGER: So I know it's
6 multiyear for infrastructure. But when we
7 look at how fast Europe has been bringing it
8 online once they got some of the technology
9 down, I have to just say, you know, talking
10 about a target at 2030 just seems so far away
11 when it seems like the Europeans -- maybe
12 they're 10 years ahead of us already on this,
13 but it seems like we ought to be able to, you
14 know, speed up the process where we get to
15 where they are.

16 NYSDERDA PRESIDENT BARTON: Well, I
17 share your enthusiasm for the potential that
18 offshore wind holds for New York. And I
19 believe that we can learn the lessons from
20 Europe and hopefully do things a lot faster.

21 SENATOR KRUEGER: Just very quickly
22 also, in my last few minutes, what about the
23 proposals that are out there to use carbon
24 taxes to go after decreasing pollution? Is

1 NYSERDA looking at any of these options at
2 this point?

3 NYSERDA PRESIDENT BARTON: Well, I
4 believe there are a number of ideas out there
5 around carbon taxes and --

6 SENATOR KRUEGER: Carbon pricing is
7 actually what I should have said, sorry.

8 NYSERDA PRESIDENT BARTON: Yeah,
9 carbon pricing. Again, and they go by
10 different names and they have different
11 variants. And I think all of them share the
12 common factor that they are incredibly
13 complex and bear a great deal of thought and
14 analysis before we can take a definitive
15 position on any particular proposal.

16 But NYSERDA stands ready to
17 participate in conversations or to help
18 analyze specific proposals as they come
19 forward.

20 SENATOR KRUEGER: But you're not
21 studying any of those at this time?

22 NYSERDA PRESIDENT BARTON: No, we do
23 not have an effort underway to study that.
24 I'm aware that there are external parties who

1 are making proposals. And again, I think we
2 would look at each of them individually on
3 the merits quite carefully.

4 SENATOR KRUEGER: And my time is up.
5 But a year ago in the State of the State the
6 Governor said that somebody was working on a
7 100 percent renewable study. Is that your
8 department, or is that some other department?

9 NYSERDA PRESIDENT BARTON: Yes, we are
10 working on that actively now, along with DEC,
11 other state agencies, and with the assistance
12 of consultants and outside academic experts.
13 We are actively working to complete that
14 review and expect to have proposals -- sorry,
15 the initial results for sharing with
16 stakeholders later this spring.

17 SENATOR KRUEGER: In the spring.

18 NYSERDA PRESIDENT BARTON: Yes.

19 SENATOR KRUEGER: Thank you.

20 CHAIRWOMAN YOUNG: Thank you.

21 Assembly?

22 ASSEMBLYMAN ENGLEBRIGHT: Thank you.

23 Assemblyman Carroll.

24 ASSEMBLYMAN CARROLL: Thank you,

1 Chair, and good afternoon.

2 I would like to again talk about what
3 NYSERDA's role is in the switching of net
4 metering to VDER for residential solar use.
5 And what NYSERDA's point of view is that
6 there -- many of the current solar
7 installers, local solar installers around the
8 state believe that the current rubric for
9 what will become the VDER system is
10 unworkable for the average person to
11 understand what he or she would get out of
12 putting solar panels on their residential
13 roof.

14 And so I would want to know if NYSERDA
15 would accept putting some type of floor for
16 the VDER system so that people would know at
17 least that there's a minimum that they would
18 get out of their system every year, or if
19 there's some other form of calculation,
20 either doing some type of parallel system as
21 we integrate VDER into the system, that you
22 could keep net metering for a period of time
23 until you're sure of what your results will
24 be. And if you could just kind of explain

1 that.

2 NYSERDA PRESIDENT BARTON: Well, thank
3 you for the question.

4 And, you know, I want to reiterate I
5 think supporting residents who wish to adopt
6 solar energy is something we take very
7 seriously at NYSERDA. Residential solar has
8 been a success story in our state thus far,
9 and we believe it does have a significant
10 role to play going forward, both in the
11 instance of individually installed systems on
12 rooftops and in the form that we see
13 increasing enthusiasm and market appetite for
14 around community-shared solar gardens.

15 NYSERDA is doing a couple of things to
16 support those efforts today. In particular,
17 under the NY-Sun program NYSERDA provides
18 incentives for both types -- again,
19 residential installations as well as
20 supporting community solar development
21 projects, of which there is a substantial
22 pipeline in our state today.

23 In particular, NYSERDA is working now
24 to kind of revise or tweak the program rules

1 under NY-Sun to make sure that as a result
2 of, for example, some of the changes to net
3 metering policy through the Value of
4 Distributed Energy Resources proceeding, that
5 we will see continued development and that we
6 can provide some longer-term stability within
7 the NY-Sun program, which has historically
8 been structured as a declining block program
9 to give longer-term visibility to developers
10 so that they can in turn around and have
11 those conversations that you're talking about
12 with solar consumers, and be clear and
13 articulate about what the benefits are.

14 Going forward, as Chair Rhodes said,
15 there hasn't been, you know, a specific
16 conversation about changing the policy
17 following a transition in 2020. But we'd
18 certainly be eager and active participants in
19 taking a look at those options to ensure that
20 we do continue to see solar development
21 progress and allow consumers in New York
22 State to adopt solar energy, which we think
23 is an important part of the long-term
24 strategy.

1 ASSEMBLYMAN CARROLL: Thank you.

2 And just switching gears, I would just
3 like to echo some of the sentiments of
4 Senator Krueger and what we're doing with our
5 offshore wind policy off the State of
6 New York. I don't think we need to look to
7 Europe, we can just look right to our south,
8 in New Jersey, and I think see a more
9 ambitious plan.

10 And I do think it's so important that
11 if we're committed to meeting our renewable
12 guidelines, that we have a more ambitious
13 offshore wind plan in the coming years and
14 not take till 2030 to build out that
15 infrastructure.

16 NYSERDA PRESIDENT BARTON: Well, I
17 appreciate the comment. And we are working
18 aggressively every day to ensure that
19 New York is at the forefront of the U.S.
20 offshore wind market. We believe that we are
21 well-positioned today, and we will continue
22 to work to make sure we stay there.

23 ASSEMBLYMAN CARROLL: Thank you.

24 CHAIRWOMAN YOUNG: Senator O'Mara

1 assures me he only has one more question.

2 SENATOR O'MARA: I do.

3 Can you shed any light on why Solar
4 City/Tesla doesn't have any solar panels on
5 its 23-acre roof?

6 NYSERDA PRESIDENT BARTON:

7 Unfortunately, I cannot. I have not spoken
8 to them about that particular facility.

9 But to the degree that NYSERDA
10 programs can help support the company to
11 develop something like that, we certainly
12 would be willing to have that conversation
13 with them.

14 SENATOR O'MARA: Well, I think they
15 make them, so it shouldn't be too difficult
16 to put them on the roof.

17 No further questions.

18 NYSERDA PRESIDENT BARTON: Thank you.

19 CHAIRWOMAN YOUNG: Assembly?

20 ASSEMBLYMAN ENGLEBRIGHT: Yes, I'd
21 like to ask a question or two.

22 First, welcome.

23 NYSERDA PRESIDENT BARTON: Thank you.

24 ASSEMBLYMAN ENGLEBRIGHT: Six months

1 into this now, and you're still alive. So
2 that's good.

3 Regarding the RGGI commitment that you
4 spoke of before, the commitment includes a
5 commitment to send about \$23 million to the
6 General Fund. Is that one of the
7 commitments?

8 NYSERDA PRESIDENT BARTON: There is
9 \$23 million that is allocated to
10 environmental tax credits that does flow
11 through the General Fund, that's correct.

12 ASSEMBLYMAN ENGLEBRIGHT: Okay. That
13 has the feeling of an unnecessary extra step.
14 It seems to me that if the money could be
15 retained and the General Fund not involved,
16 that it could be deployed for use in one of
17 the other programs or one of the directions
18 that might be an innovative new program.

19 So I'm a little concerned that in
20 addition to, you know, the other major
21 programs that the tax credit program is less
22 directly logical for the use of those
23 dollars. I know you inherited this, because
24 we've been seeing it as part of the budget

1 for a number of years. But it is a matter of
2 concern. It has the feeling of manipulation
3 and see if you can find the pea under the
4 appropriate thimble. I'm just telling you
5 how it feels. It feels like a shuffle.

6 NYSERDA PRESIDENT BARTON: I
7 appreciate the comment.

8 ASSEMBLYMAN ENGLEBRIGHT: Regarding
9 the new directions to go in, there is an
10 electric panel for heating in homes called
11 far infrared. Are you familiar with it?

12 NYSERDA PRESIDENT BARTON: I don't
13 believe I am.

14 ASSEMBLYMAN ENGLEBRIGHT: It's being
15 used in Europe. If you're not familiar with
16 it, I won't ask you further about it. But I
17 would just ask that you try to be aware that
18 this has some potential to help answer some
19 of our energy needs, because it uses a lot
20 less electricity but it is an
21 electricity-driven heating source. Mount on
22 the wall like a flat TV screen. Presently in
23 use in Europe, and starting to be imported.

24 NYSERDA PRESIDENT BARTON: Well, I

1 certainly would welcome the opportunity to
2 learn more about that technology. And I'll
3 find out the --

4 ASSEMBLYMAN ENGLEBRIGHT: I'll see if
5 I can get some information to you.

6 NYSERDA PRESIDENT BARTON: Terrific.
7 Thank you.

8 ASSEMBLYMAN ENGLEBRIGHT: I'll defer
9 at this time because the day is long. But I
10 hope to have an opportunity to meet with you
11 further when your deck is clear and we have
12 an opportunity to meet and talk about some of
13 these important issues. Thank you for being
14 here today.

15 NYSERDA PRESIDENT BARTON: Thank you.

16 CHAIRWOMAN YOUNG: Thank you very
17 much. That concludes your part of the
18 gathering today.

19 NYSERDA PRESIDENT BARTON: Thank you.

20 CHAIRWOMAN YOUNG: And next I would
21 like to welcome President Gil Quiniones, who
22 is the president of the New York Power
23 Authority.

24 And thank you for being here all day;

1 I know you've been sitting waiting. Go
2 ahead. And if you want to summarize, that
3 would be great.

4 NYPA PRESIDENT QUINIONES: Yeah, thank
5 you, Chair. Chairperson Young, Assemblyman
6 Englebright on the Assembly side -- in fact,
7 in the interests of time and stamina -- and
8 by the way, I'm talking about me -- I'm
9 willing to just go directly to Q&A if that's
10 your preference, and just rely on my written
11 testimony.

12 CHAIRWOMAN YOUNG: Sure. If you just
13 want to maybe point out a couple of things
14 that you think are very important, that would
15 be good.

16 NYPA PRESIDENT QUINIONES: Okay. I
17 will do so.

18 Once again, I was prepared to say good
19 morning, but I kind of scratched off "good
20 afternoon," and so now good evening to all of
21 you. My name is Gil Quiniones, and I am the
22 president and CEO of the New York Power
23 Authority.

24 I thank you for the opportunity to

1 talk about what NYPA has been doing during
2 2017 and 2018 and provide testimony today
3 concerning two proposals that, if enacted,
4 would provide benefits to the state, the
5 municipalities -- and I mean local
6 governments -- and NYPA's power supply
7 customers.

8 As you know, you know, we've been
9 talking tonight about renewable energy, about
10 NYPA, 24 percent -- we're 24 percent or
11 30 percent to our 50 percent goal. Twenty
12 percent of that is from clean renewable
13 low-cost hydropower from the Power Authority.
14 And that supports over 400,000 jobs and over
15 \$33 billion in capital investment in the
16 state.

17 I just want to mention a couple of
18 things that are related to what NYPA has been
19 doing during the past two years. We have
20 updated our strategic vision -- we call it
21 Strategic Vision 2020 -- and have established
22 a bold new goal for NYPA becoming the first
23 end-to-end digital utility in the
24 United States.

1 We are determined to become even more
2 proficient at using data and digital tools to
3 provide customers with better insight into
4 their energy supply and demand. We are
5 placing our customers at the center of all
6 that we do, providing them with greater
7 choice and control over their energy use.

8 We also want to become more adept at
9 operating in the marketplace, where energy is
10 increasingly distributed, digitized,
11 data-driven and, perhaps most importantly,
12 customer-controlled.

13 In that regard, NYPA's New York Energy
14 Manager, also known as NYEM, is linking
15 almost 11,000 state-run buildings in New York
16 on a single platform that combines the power
17 of big data, advanced analytics, and is an
18 important part of our asset management
19 effort.

20 The expansion of NYEM is helping
21 accelerate Governor Cuomo's BuildSmart
22 New York program. BuildSmart New York
23 requires all state-owned and -managed
24 buildings to cut their energy use 20 percent

1 by 2020. Under BuildSmart New York, state
2 agencies have significantly reduced
3 greenhouse gas emissions and save taxpayers
4 an estimated \$131 million in avoided energy
5 costs.

6 We have also been involved in the
7 solar area. In that regard, New York State
8 Parks hired NYPA to provide solar advisory
9 services. We are essentially the "owner's
10 rep," and we provided all the services
11 required, from the site evaluation to power
12 purchase agreement specs, RFP solicitation,
13 developer evaluations and selection.

14 In addition, the New York State
15 Department of Corrections hired NYPA to
16 provide this same service. This will be for
17 13.3 megawatts, pending final interconnect
18 approvals at six locations.

19 As for our efforts in Puerto Rico,
20 directed by Governor Cuomo, New York public
21 and private utilities led by NYPA responded
22 to the terrible destruction of Hurricanes
23 Maria and Irma. A contingent of more than
24 450 utility workers, 350 trucks, tools and

1 equipment, have been working in Puerto Rico
2 to restore power to the San Juan metro area
3 since November.

4 And by the way, I'm pleased to report
5 that we should be complete this week in
6 restoring San Juan, which is 70 percent of
7 the electric load on the island. We expect
8 to be redeployed to other priority regions,
9 such as the Caguas region, and continue our
10 effort in this humanitarian mission.

11 There are two important proposals for
12 NYPA and the state in this year's budget.
13 One proposal would amend the definition of
14 energy-related projects, programs and
15 services in NYPA's energy services statute,
16 in order to clarify and enhance NYPA's
17 authority to support projects, programs and
18 services in three areas: Energy management
19 and control; energy supply security,
20 resiliency and reliability; and energy
21 procurement.

22 This proposal would provide eligible
23 entities opportunities for cost savings,
24 expand tools for addressing climate change

1 impacts, and increase private and
2 public-sector investment in clean energy
3 technologies to the economic benefit of the
4 state.

5 The second proposal is also a natural
6 fit for NYPA, which already owns and operates
7 extensive green power generation, mostly
8 hydro, throughout the state, and supplies
9 power to numerous public entities and private
10 businesses.

11 This proposal would enhance NYPA's
12 existing statutory powers by authorizing it
13 to pair up the renewable energy products
14 produced from these projects with those NYPA
15 customers desiring such products. The
16 proposal is expected to have numerous
17 benefits, including favorable pricing for
18 energy products through utilization of NYPA's
19 lower cost of capital; support of the State
20 Energy Plan goals of providing 50 percent
21 electricity from renewable resources by 2030;
22 and promoting economic development through
23 construction of renewable energy projects.

24 In conclusion, the proposals discussed

1 would deliver real benefits to the state,
2 local governments, and businesses, and would
3 continue to advance the state's leadership in
4 the energy and environmental arenas, and
5 provide new work for the state's businesses
6 and private-sector workforce.

7 This concludes my testimony, and I
8 welcome your questions.

9 CHAIRWOMAN YOUNG: Thank you,
10 President Quiniones.

11 I do have several questions, and
12 specifically regarding the Article VII
13 language, Parts FF and GG. And basically
14 this language of these two parts would work
15 in concert to radically expand NYPA's
16 authority.

17 So currently NYPA provides power to
18 more than a thousand customers -- local and
19 state government entities, municipal and
20 rural cooperative electric systems and
21 industry, large and small businesses, and
22 nonprofit organizations. And Part FF would
23 authorize NYPA to provide energy-related
24 projects, programs and services to any of its

1 power customers. This part would expand the
2 services provided to include energy
3 management and control projects and services,
4 energy supply security, resiliency or
5 reliability projects and services, energy
6 procurement programs and services for public
7 entities.

8 And then Part GG authorizes NYPA to
9 develop renewable energy projects and to
10 procure and sell renewable products to public
11 entities and existing NYPA customers. This
12 part would authorize NYPA to finance, plan,
13 design, engineer, acquire, construct, operate
14 or manage throughout its area of service such
15 renewable power and energy-generating
16 projects.

17 This part also authorizes NYPA to
18 allocate or sell renewable power produced and
19 recover all costs related to power
20 development from the entities that purchase
21 renewable power.

22 So basically, what it does is that it
23 allows NYPA to own the power production, sell
24 it, manage it, and deliver it. Are you

1 concerned about creating a monopoly here?

2 NYPA PRESIDENT QUINIONES: Not really,
3 Senator.

4 I think we need to start with the
5 recognition that the statutory customers of
6 NYPA comprise a very small slice of the total
7 customer base of our state if you consider
8 all the homes, small businesses, large
9 commercial and industrial customers.

10 So for the Part FF, because of changes
11 in technology, you know, now that digital
12 technology and advanced controls are more in
13 place, and because of all the severe weather
14 events that we've encountered, the demand and
15 need of our customers for resiliency is much
16 more pronounced, we needed to enhance and
17 clarify our statutory authority.

18 Because in the past, we would do the
19 normal energy efficiency projects -- for
20 example, retrofit a light, lighting retrofit,
21 HVAC, chillers, boilers -- when now there are
22 services that require energy management and
23 control more in a digital sense and also
24 facilities, especially governmental

1 facilities, mission-critical facilities that
2 require resiliency projects such as battery
3 storage or microgrids, that we felt that we
4 needed that clarification that we can provide
5 those new technologies to our statutory
6 customers.

7 In terms of the Part GG, which is the
8 renewable energy, again, let's start with the
9 premise -- or with the fact that our
10 statutory customers comprise a very small
11 piece of the total pie. For the past two
12 decades, when we procure electricity supply
13 for our customers, we've always done it
14 through requests for proposals, through
15 partnerships with the private sector. And we
16 believe that that is the right strategy.
17 That is our first strategy to do.

18 However, there are situations when
19 there is no viable market solution. I'll
20 Give you an example. Back in the '50s, the
21 Schoellkopf Power Plant came crashing down
22 the Niagara River Gorge. NYPA was asked to
23 step in to build the Niagara Power Project.

24 In 2000, there was an electricity

1 supply crisis in New York City. NYPA was
2 asked to build 11 small power plants in
3 11 months.

4 So what we're saying here really is
5 that we need to keep that option, when there
6 is no viable market solution, for NYPA to be
7 able to build and construct renewable energy
8 sources. But in the first instance, as we
9 have done repeatedly, we want to do it
10 through RFP, we want to do it through
11 partnership with the private sector.

12 CHAIRWOMAN YOUNG: Thank you for that
13 answer.

14 And I think there are a lot of issues
15 that are related to this particular proposal,
16 and one of them has to do with the taxpayers,
17 who would be on the hook for increased costs.

18 So under the current structure any
19 resolutions authorizing NYPA to issue bonds
20 must contain a covenant by NYPA that will at
21 all times maintain rates sufficient to pay
22 the principal of and any interest on any
23 bonds it issues for its projects. So that's
24 the current status.

1 So the new part that's proposed by the
2 Governor would authorize the development of
3 significant new renewable energy projects
4 which would be backed by bonds and notes that
5 NYPA would issue for those projects. And
6 therefore, NYPA's customers would be on the
7 hook for paying off the bonds and notes that
8 NYPA would issue.

9 And also, I know you just mentioned
10 partnerships, but there is a concern that it
11 would depress the private marketplace and
12 that innovation that's out there privately
13 would be depressed in New York State because
14 the government would be competing with them.
15 And on top of it, that would be a reason
16 maybe for some of these innovators to go to
17 other states.

18 So could you comment on that?

19 NYPA PRESIDENT QUINIONES: Yeah. Let
20 me take the last portion of your question.

21 We actually see the opposite. We have
22 heard from developers and our customers that
23 they want options. One of the reasons why we
24 issued our RFP is our RFP includes very

1 creative structures. So for example, we are
2 not only asking for the renewable attribute,
3 or the RECs, we are asking -- products like
4 capacity and energy with the RECs bundled or
5 unbundled. We are proposing prepaid PPA.
6 And by doing so, we reduce the cost of the
7 renewable purchase.

8 And our customers, who are government
9 buildings, local government buildings and
10 state government buildings, they want the
11 best deal at the lowest cost because their
12 costs are automatically, by definition, a tax
13 burden.

14 And so -- and we hear from the
15 developers that in fact they want the option
16 to be able to sell the project that they
17 developed, say after six, seven years when
18 the federal tax credits are realized, because
19 they would like to then recycle that capital
20 and develop more projects; hence, spur more
21 economic development and more activity in
22 developing renewable energy in our state.

23 So our participation, albeit that
24 we're addressing a small slice of the

1 customer sector, in fact catalyzes innovation
2 rather than suppresses it.

3 CHAIRWOMAN YOUNG: Okay, thank you.

4 What about the taxpayers? So right
5 now they would be held to the same rate of --
6 you know. And if this goes forward, wouldn't
7 they be on the hook for paying additional
8 costs?

9 NYPA PRESIDENT QUINIONES: Well, the
10 way we structure these contracts is what we
11 call back to back. So because we are
12 obligated to supply electricity to our
13 customers, the contract -- so if our
14 customers buy X amount of power from us, we
15 would only contract X amount also with a
16 private developer. So it's a fully
17 back-to-back contract.

18 And because of our cost of capital and
19 because of, again, these creative financing
20 structures that we can do, like prepaid PPA,
21 we are finding out that we actually extract a
22 tremendous discount, meaning that the
23 ultimate cost to our customers is much lower
24 than if it were done the normal way.

1 So it's -- the end result is that it's
2 cheaper rather than costlier. And it's less
3 risky rather than riskier.

4 CHAIRWOMAN YOUNG: So I notice in the
5 budget memo it claims that savings would
6 result from these two parts. So that's what
7 you're referencing in your comments just now,
8 that those would actually supply savings.
9 And if that's the case, how much are those
10 savings?

11 NYPA PRESIDENT QUINIONES: Well, we
12 estimate in the large-scale renewable that
13 savings can be between 10 and 20 percent
14 compared to a normal deal.

15 So for example, if we do a prepaid
16 PPA, a prepaid power purchase agreement, with
17 an option to buy an asset from a developer
18 after the federal tax credits have been
19 realized, that we have been seeing proposals
20 that have savings between 10 and 20 percent.

21 And again, all of those savings accrue
22 to our customers -- government buildings,
23 state buildings. And as you know, local
24 government and state government budgets are

1 tight, and it's very critical that we provide
2 them the best deal at the lowest cost.

3 CHAIRWOMAN YOUNG: Thank you,
4 Mr. President, for those answers.

5 But how can the savings be claimed
6 when it's not possible to compare NYPA's
7 financial strength and its bonding ability to
8 the market revenues that private developers
9 would get from the competitive wholesale
10 electricity market?

11 NYPA PRESIDENT QUINIONES: Well,
12 it's -- you know, you see it because there's
13 price discovery when you do an RFP. Right?
14 When you do an RFP like ours, we say give us
15 a price without a prepaid PPA and an option
16 to purchase, and give us a price based on
17 taking advantage of a prepaid PPA. And we
18 could see the difference. So the RFP itself
19 is a price discovery.

20 Now, it's important -- and I must --
21 you know, a related issue, some -- not all,
22 some developers say that because NYPA is
23 participating in the market, it's suppressing
24 competition --

1 CHAIRWOMAN YOUNG: Correct.

2 NYPA PRESIDENT QUINIONES: -- in the
3 private market. But in fact what we're
4 seeing is that it actually enhances the
5 competition because we see -- you know, we
6 become -- it's important for all of us to
7 have somebody like a NYPA that serves as a
8 yardstick. You want to know whether, hey,
9 are the private sector also offering a
10 competitive product. You won't know that if
11 there's nothing to compare with.

12 By us providing the services to a
13 sliver or a smaller size of the customer
14 base, you could see whether indeed it is a
15 better deal or not a better deal.

16 CHAIRWOMAN YOUNG: What happens if
17 it's not a better deal?

18 NYPA PRESIDENT QUINIONES: Well, if
19 it's not a better deal, our customers will
20 tell us: Buy it from the market. And that's
21 what we do.

22 CHAIRWOMAN YOUNG: How will your
23 customers be able to do that?

24 NYPA PRESIDENT QUINIONES: We will buy

1 it for them. Since we are their load-serving
2 entity and we have the obligation to buy
3 power for them, we look for the best deal.
4 Either we buy it from the market or we buy it
5 through partnership with the private
6 developers. Our goal is to give them the
7 best deal.

8 CHAIRWOMAN YOUNG: So you want to
9 build renewables, new renewables. How much
10 will that cost? Have you outlined projects?
11 Have you done estimates, have you done any
12 planning? What are we looking at?

13 NYPA PRESIDENT QUINIONES: So, yeah,
14 we currently have an RFP right now, so -- and
15 it's still part of the evaluation period and
16 I can't really speak to the details of that.

17 But that is part of the process by
18 which we procure renewable energy for our
19 customers to help them comply with the
20 50 percent goal by 2030. And it will be, you
21 know, feathered in over that period of time.

22 CHAIRWOMAN YOUNG: Thank you.

23 Now, NYPA currently has debt, correct?

24 NYPA PRESIDENT QUINIONES: Very little

1 debt. In fact, NYPA is probably, if not the
2 strongest public power utility in the
3 nation -- we're rated AA, and our debt
4 service coverage ratio or our fixed-charge
5 coverage ratio is at the top quartile of all
6 of our peers.

7 CHAIRWOMAN YOUNG: So do you know how
8 much in bonds does NYPA have outstanding?
9 And what are those bonds for?

10 NYPA PRESIDENT QUINIONES: I don't
11 know the exact amount right now of what's
12 outstanding in our debt. I can tell you that
13 our equity and debt structure is 65 equity,
14 35 debt. Which is, again, one of the
15 strongest capital structures of any utility,
16 whether it's investor-run or a public utility
17 of the United States.

18 CHAIRWOMAN YOUNG: Thank you.

19 How much in payments does NYPA make
20 for the bonds? And from where within NYPA
21 does that money come from?

22 NYPA PRESIDENT QUINIONES: Well, we
23 pay our bonds through our operating revenues.
24 And as I've mentioned, NYPA has had, for over

1 a decade now, an accelerated debt repayment
2 plan. And that's the reason why NYPA is --
3 has been one of the strongest, financially,
4 public power utilities in the United States.

5 CHAIRWOMAN YOUNG: Thank you.

6 And just one final question. What's
7 the status of the RFP that NYPA issued in
8 2017 to buy renewables as part of its efforts
9 to meet the Clean Energy Fund?

10 NYPA PRESIDENT QUINIONES: It's
11 currently under evaluation. So we are
12 working with our customers on the one hand.
13 And we're also trying to get the best deal
14 amongst the developers who responded. We're
15 in the middle of the process. And, you know,
16 it will probably take a couple of months, a
17 few months before we finalize the results.

18 CHAIRWOMAN YOUNG: Okay, so you don't
19 know when the award dates will occur, then?

20 NYPA PRESIDENT QUINIONES: No
21 definitive date at this point. Because as
22 I've mentioned before, we need to match what
23 our customers would prefer to what we can get
24 from the developers.

1 CHAIRWOMAN YOUNG: Thank you.

2 Assembly?

3 CHAIRWOMAN WEINSTEIN: Assemblyman

4 Cusick, chair of Energy.

5 ASSEMBLYMAN CUSICK: Thank you.

6 Thank you, Mr. President. I look
7 forward to working with you in my new
8 capacity as chair of the Energy Committee of
9 the Assembly.

10 NYPA PRESIDENT QUINIONES: I look
11 forward to working with you as well.

12 ASSEMBLYMAN CUSICK: Thank you. Nice
13 to meet you tonight.

14 I want to follow up Senator Young's
15 questioning on the Article VII provision, the
16 Part GG. I do have some questions on it.
17 Specifically, you know, we've been asking
18 this question to other panelists who have
19 been here. What can NYPA provide in the
20 renewable space that other existing entities
21 cannot?

22 NYPA PRESIDENT QUINIONES: So for our
23 statutory customers -- you know, we have
24 governmental customers in southeastern

1 New York, we have 51 small municipal and
2 rural cooperative utilities we serve, and we
3 have economic development customers that we
4 serve.

5 What NYPA can provide to those
6 customers, like I described before, are a set
7 of creative structures that result in the
8 best deal that our customers can get at the
9 lowest cost. Because of our cost of capital,
10 because of the way we could structure the
11 financing and be able to buy multiple types
12 of products -- not just the attributes of the
13 renewables, but we can buy capacity, we can
14 buy energy and we can bundle or unbundle --
15 that flexibility and that creativity results
16 in better deals at the lowest cost for our
17 customers.

18 ASSEMBLYMAN CUSICK: And taking on
19 this new responsibility if this goes
20 through -- Senator Young also asked about
21 debt that NYPA has, and you said very little.
22 But would this affect your current position
23 and your current projects that are out there?

24 NYPA PRESIDENT QUINIONES: Not

1 materially, because of the way we structure
2 our contracts as back to back. Meaning that
3 if we sell X amount of power to a set of
4 customers, we will only buy X amount of power
5 from the developer. So they match perfectly.

6 ASSEMBLYMAN CUSICK: So you're not
7 concerned that it might be too much, that
8 NYPA may be taking on too much.

9 NYPA PRESIDENT QUINIONES: No, not at
10 all. Again, it does not materially impact
11 our capital structure.

12 ASSEMBLYMAN CUSICK: And you don't
13 consider it a monopoly also.

14 NYPA PRESIDENT QUINIONES: It's not,
15 because we are only addressing a small
16 section of the customer base. We're talking
17 about local governments, state buildings, our
18 municipal customers and our economic
19 development customers. Which again, taken
20 compared to the whole, is a small part of the
21 market.

22 ASSEMBLYMAN CUSICK: When you talk
23 about that specific constituency, do you have
24 specific projects in mind that you would take

1 upon yourself with this legislation going
2 through?

3 NYPA PRESIDENT QUINIONES: No. Most
4 of the -- no specific projects. We would do
5 RFPs. In the first instance, what we would
6 like to do is to partner with the private
7 sector. We will only consider building
8 ourselves if there is no viable
9 private-sector solution. Or if there is an
10 emergency or a compelling public policy
11 reason for us doing the actual designing and
12 building.

13 But in the first instance, our goal is
14 to partner with the private sector.

15 ASSEMBLYMAN CUSICK: So you would
16 partner with the private sector on the
17 construction part of this -- this --

18 NYPA PRESIDENT QUINIONES: No, it will
19 just be a contractual agreement. We will --
20 the winning developer or developers will
21 develop, design, permit, construct, finance,
22 build the project, and they will just sell us
23 electricity that we will then sell to our
24 customers. Under a long-term contract.

1 ASSEMBLYMAN CUSICK: In coming up with
2 this plan, before it was announced was there
3 any talk of including utilities or privately
4 owned companies in going forward with this
5 NYPA plan?

6 NYPA PRESIDENT QUINIONES: No. We
7 wanted to make sure that we're only
8 addressing primarily our statutory customers,
9 and not really expand it and --

10 ASSEMBLYMAN CUSICK: They don't
11 provide for those statutory customers that
12 you provide to also?

13 NYPA PRESIDENT QUINIONES: No. No.
14 We have our own customers, and the utilities
15 have their customers.

16 ASSEMBLYMAN CUSICK: So moving forward
17 on that, would you be open to amending for
18 utilities?

19 NYPA PRESIDENT QUINIONES: To?

20 ASSEMBLYMAN CUSICK: To the -- for the
21 NYPA supporting amending legislation --

22 NYPA PRESIDENT QUINIONES: Right
23 now -- I think I understand your issue.

24 ASSEMBLYMAN CUSICK: Yeah, hang on. I

1 lost my train of thought. It's been late in
2 the night. I apologize.

3 Let me go back to -- on the renewable
4 projects, you don't have any specific
5 projects in mind?

6 NYPA PRESIDENT QUINIONES: No. To
7 serve our customers, we do it through RFPs.

8 ASSEMBLYMAN CUSICK: Okay. And you
9 would -- I'm just going back, backtracking.
10 So you would provide private companies a hand
11 in those contracts?

12 NYPA PRESIDENT QUINIONES: We will
13 sign long-term power purchase agreements to
14 buy the output of their projects, and then
15 sell that to our customers.

16 CHAIRWOMAN YOUNG: All set?

17 ASSEMBLYMAN CUSICK: I just have one
18 more, I'm sorry. (Pause.) I'll come back.
19 I'll come back.

20 CHAIRWOMAN YOUNG: Okay. Senator
21 O'Mara.

22 SENATOR O'MARA: Good evening.

23 NYPA PRESIDENT QUINIONES: Good
24 evening, Senator.

1 SENATOR O'MARA: Thanks for hanging
2 around.

3 First of all, now that you're the
4 proud owner of a canal system celebrating its
5 200th anniversary this year --

6 NYPA PRESIDENT QUINIONES: It was
7 great, we celebrated the canal's
8 bicentennial, and we had a series of events.
9 It's a great history of our state, it's a
10 great metaphor on what we can achieve as the
11 people of this state.

12 SENATOR O'MARA: There's a lot of
13 celebrations going on throughout this year,
14 continued.

15 So I want to thank you for your
16 involvement with the Power Authority in
17 assisting with so many of the events along
18 the canal, and coming up this year, and in
19 particular with the Corning Glass barge
20 that's a big part of that. And that's going
21 to be a big year for that as well. So I
22 appreciate your assistance in that.

23 On the getting into renewables, do you
24 support the opportunity for other utility

1 companies to be able to build their own
2 renewable power facilities?

3 NYPA PRESIDENT QUINIONES: That is
4 really for the Public Service Commission to
5 deal with and opine. I would leave this
6 issue to them.

7 SENATOR O'MARA: Okay. Now, we've
8 heard testimony from Chairman Rhodes,
9 NYSERDA, on our Clean Energy goals being met
10 through the private sector and the private
11 marketplace. So why do you feel there's a
12 need for -- based on that, what is the need
13 for NYPA to get involved in doing these
14 generation projects?

15 NYPA PRESIDENT QUINIONES: As I had
16 mentioned, Senator, we also help our
17 customers achieve the Clean Energy Standard
18 through partnerships with the private sector.
19 So it is completely aligned with the goals of
20 NYSERDA and the PSC.

21 SENATOR O'MARA: But you've indicated
22 that you only will need to do these projects
23 when there's no viable market solution.

24 NYPA PRESIDENT QUINIONES: So in our

1 first -- in the first instance, our goal is
2 to do RFPs and work with the private sector.

3 SENATOR O'MARA: Which you can do now.

4 NYPA PRESIDENT QUINIONES: Yeah,
5 exactly, to help our customers reach their
6 goals.

7 And we also want to supply all local
8 government and government buildings across
9 the state. Right now we can only supply
10 government buildings in southeast New York,
11 state buildings and local government
12 buildings. And I believe that local
13 governments and state buildings in upstate
14 New York should have that opportunity as
15 well, as they have the same issues in terms
16 of trying to manage their budgets to get the
17 best deal.

18 SENATOR O'MARA: Shouldn't residents
19 and individual consumers be able to do the
20 same?

21 NYPA PRESIDENT QUINIONES: No, it will
22 be -- it will be targeted to government
23 entities.

24 SENATOR O'MARA: So the government

1 will get an unfair advantage over us in our
2 homes.

3 NYPA PRESIDENT QUINIONES: I wouldn't
4 say it's an unfair advantage, because we are
5 all taxpayers and we support -- as we lower
6 the cost of government at the state or local
7 level, that benefits everybody.

8 SENATOR O'MARA: Well, we live in a
9 very uncompetitive state, as you're well
10 aware -- 48th, 49th or 50th in every economic
11 indicator, trailing in the United States. I
12 would think we'd be worrying about making
13 more competitive power prices for everyone,
14 and not just local governments.

15 And you indicated that the only
16 projects that you would take on under this
17 thing would be projects where there's no
18 viable market solution. Well, if there's no
19 viable market solution and we're meeting our
20 goals right now with viable market solutions,
21 then perhaps we shouldn't be pursuing
22 projects that aren't viable.

23 NYPA PRESIDENT QUINIONES: Well, I
24 think that it is not prudent for this state

1 to preclude the option for NYPA to step in
2 when there is no viable market solution or if
3 there is a compelling public policy goal or
4 emergency. Why preclude that option for the
5 state? I don't think that is beneficial to
6 this -- and by the way, I disagree in terms
7 of the energy markets. New York State is
8 probably one of the most open and competitive
9 marketplaces when it comes to energy. A
10 third of our country is still not deregulated
11 and are fully integrated utilities and do not
12 have any competition.

13 So I disagree with the premise that
14 our state is not competitive when it comes to
15 energy.

16 SENATOR O'MARA: Well, we're not
17 competitive on the price of energy. We're
18 competitive as regards to deregulation, which
19 was done, what, 15 years ago. Which -- I
20 lost my train of thought. But the -- let me
21 just move on to my next points I wanted to
22 make, which is -- I'll think of that in a
23 second.

24 But if you go ahead with this and you

1 get the power to -- well, I know what I was
2 going to say. I was going to say I agree
3 with you on emergency projects, to be able to
4 do this. You've done it in the past, you've
5 given examples of those, and that to me may
6 make sense. But it doesn't make sense to me
7 to pursue these where there -- just because
8 it's not a viable market solution.

9 If this authority is given -- and you
10 don't have any plans right now to pursue any
11 specific projects, correct?

12 NYPA PRESIDENT QUINIONES: None.

13 SENATOR O'MARA: If you were going to
14 pursue a project, does the Power Authority
15 have the power of condemnation and eminent
16 domain?

17 NYPA PRESIDENT QUINIONES: I don't
18 know exactly the answer to that question, but
19 I can get back to you. I don't know what our
20 legal authority is in that specific area.

21 SENATOR O'MARA: I believe you do.
22 Would projects you intend to pursue, would
23 they be covered by Article 10 or the SEQR
24 process?

1 NYPA PRESIDENT QUINIONES: Article 10.

2 SENATOR O'MARA: So that would take
3 much local input out of the planning process,
4 Article 10.

5 NYPA PRESIDENT QUINIONES: Yeah,
6 Article 10. If we build transmission, we are
7 subject to Article 7. So all the siting law
8 of the state applies to NYPA projects.

9 SENATOR O'MARA: Yeah. And so where
10 you might be looking at locating one of these
11 project facilities, it wouldn't be subject to
12 local SEQR process.

13 NYPA PRESIDENT QUINIONES: It will be
14 subject -- depending on the size of the
15 project, it will be subject to either -- if
16 it's a power plant, it will be Article 10.
17 If it's a transmission line, it will be
18 Article 7.

19 SENATOR O'MARA: Are your projects
20 covered under prevailing wage laws?

21 NYPA PRESIDENT QUINIONES: I am not a
22 hundred percent sure. I believe so, but I'll
23 get back to you with that answer.

24 SENATOR O'MARA: Thank you.

1 CHAIRWOMAN YOUNG: Thank you.

2 (Discussion off the record.)

3 CHAIRWOMAN WEINSTEIN: Assemblywoman
4 Jenne.

5 ASSEMBLYWOMAN JENNE: Thank you.

6 Thank you. This is very intriguing.
7 Just full disclosure, I live in a muni, so
8 essentially I'm one of your little segment of
9 the -- I guess the market that you serve.

10 And would it be fair to say that some
11 of these changes are aimed at kind of untying
12 your arms from behind your back and allowing
13 you to modernize and come up to speed with
14 other entities that essentially supply energy
15 to people like the muni I live in?

16 NYPA PRESIDENT QUINIONES: Part of it.
17 As I had mentioned, you know, especially
18 nowadays with renewable energy, it's no
19 longer a one-size-fits-all. And it's
20 important to support municipal utilities,
21 state buildings, local governments, that we
22 provide all the options to get the best deal
23 at the lowest cost. Because in the end, cost
24 of government, whether it's state or local,

1 is a tax burden.

2 ASSEMBLYWOMAN JENNE: Okay. Okay.

3 Yup.

4 NYPA PRESIDENT QUINIONES: Now, in
5 times of --

6 ASSEMBLYWOMAN JENNE: So you're also
7 talking about school districts as well, I'm
8 assuming.

9 NYPA PRESIDENT QUINIONES: Yup, school
10 districts. And as you know, we have a
11 program we call K-Solar, where we are
12 installing solar panels in public schools
13 around the state, offering innovative power
14 purchase agreements. And we have had many of
15 those in our pipeline. Some are already
16 getting installed.

17 ASSEMBLYWOMAN JENNE: Okay, I only get
18 five minutes, unlike the 10 that everybody
19 else gets, for some reason, because I'm not a
20 chair.

21 So I understand the benefits, and I
22 would like to get to a bunch of other things.
23 So I understand what you do because I live
24 it, I'm one of your customers.

1 One of the things that happens --
2 because when I bought my house a few years
3 ago, I have electric heat. And in the
4 winter, my bills go through the roof because
5 we go over our allocation.

6 If you're going to be able to acquire,
7 to purchase or build your own, more
8 generation, will you be working with your
9 customers to increase their allocation, even
10 if it's at a blended rate? Because we're
11 paying for high-demand type of energy right
12 now, versus stuff that you can procure in a
13 more cost-effective way. Would you be
14 looking to increase allocations to your
15 customers?

16 NYPA PRESIDENT QUINIONES: Before I do
17 that, I would probably ask you to look into
18 either ground-source or air-source heat pumps
19 to replace your electric baseboard heating.

20 ASSEMBLYWOMAN JENNE: Well, if you
21 want to help finance that -- but those
22 programs are few and far between, because I
23 don't get NYSERDA type of incentives. And so
24 those programs within the muni systems are

1 difficult to access, if they even exist. I
2 can get light bulbs and maybe if I replace a
3 wash or dryer or something.

4 NYPA PRESIDENT QUINIONES: Yeah, the
5 municipal and rural cooperatives have their
6 own energy efficiency program. But we'll be
7 more than happy to work with you to look at
8 options.

9 ASSEMBLYWOMAN JENNE: But we're also
10 unable to expand, you know, from an economic
11 development standpoint, because our
12 allocations are kind of constrained. And so
13 I guess maybe I'm suggesting that that may be
14 a way to garner some more support, is if,
15 well, we have energy efficiency targets we'd
16 like to meet, you know, we're constrained
17 from development within these communities
18 because it's kind of a process to get an
19 increase in allocation even though we're
20 trying to grow.

21 It's very -- you can make power, say,
22 in Massena very cheaply. But are there
23 instances when you're not really even getting
24 the price for your power that -- you know,

1 what it costs to generate it versus what you
2 can get for it?

3 NYPA PRESIDENT QUINIONES: Well, there
4 are times in the year -- there are hours, I
5 would say, in the year where we have
6 experienced very low or even negative
7 pricing.

8 ASSEMBLYWOMAN JENNE: Is that because
9 of transmission issues, partly?

10 NYPA PRESIDENT QUINIONES: It's
11 because of transmission constraints.

12 ASSEMBLYWOMAN JENNE: And it's outside
13 of your territory? You know, I know you're
14 upgrading the Adirondack line. But once you
15 get south of Utica, are those transmission
16 issues being addressed so that you can fully
17 get your power to other parts of the state?

18 NYPA PRESIDENT QUINIONES: Well, at
19 NYPA we have a -- what we call an
20 transmission extension and modernization,
21 life extension and modernization program.
22 We're investing \$730 million over 12 years.
23 As you had mentioned, we are rebuilding our
24 Moses Adirondack transmission line, which

1 starts from Massena and goes all the way to
2 the Adirondacks, 85 miles. That should help.

3 Chairman Rhodes talked about the
4 AC proceeding, the competitive process that
5 will build transmission south of Albany to
6 southeastern New York. The previous
7 competitive process in Western New York was
8 just completed, and a winner has been
9 declared to rebuild a transmission line
10 there.

11 All of those projects are going to
12 help to move power where they're generated to
13 where they're needed.

14 ASSEMBLYWOMAN JENNE: Okay. I'll come
15 back, unless I'm allowed to continue.

16 CHAIRWOMAN WEINSTEIN: Assemblyman
17 Cusick for another question.

18 ASSEMBLYMAN CUSICK: Okay, thank you.

19 Thank you. I just wanted to follow up
20 on the question that escaped me before. And
21 my confusion in that matter was doesn't the
22 definition of public entity -- isn't it
23 amended in this legislation? And doesn't
24 that expand your statutory customer base?

1 NYPA PRESIDENT QUINIONES: Well, it
2 does allow us to deal with local development
3 corporations and local government in the
4 provision of our electricity supply and
5 energy services.

6 But again, that is -- as I had
7 mentioned before, we do that in southeast
8 New York right now. We serve state and local
9 government buildings in southeast New York
10 and Westchester County. And we think that it
11 is appropriate that that opportunity be given
12 as well to localities in upstate New York.

13 ASSEMBLYMAN CUSICK: So it doesn't
14 expand your customer base.

15 NYPA PRESIDENT QUINIONES: No, it's
16 still within that government segment.

17 ASSEMBLYMAN CUSICK: Okay. Thank you.

18 CHAIRWOMAN YOUNG: That's it. So
19 thank you, President Quiniones, for being
20 here today --

21 ASSEMBLYWOMAN JENNE: Does that mean I
22 don't get a second pass?

23 CHAIRWOMAN YOUNG: Oh, I'm sorry. I
24 was told you were done.

1 CHAIRWOMAN WEINSTEIN: Assemblywoman
2 Jenne.

3 ASSEMBLYWOMAN JENNE: Thank you.

4 In testimony with other officials
5 there was a lot of emphasis on siting. And
6 you have -- and obviously if it's over
7 20 megawatts, it's going to go through the
8 Article 10 process. But if it's under,
9 obviously it would go through the normal
10 local process.

11 Do you have any policies in place to
12 try to locate whatever generation you help to
13 bring online closer to your customers?

14 As I mentioned earlier, I live between
15 two dams, one generates and one does not.
16 And in another small village, there's one
17 that hasn't operated in a while. That's just
18 5 miles away from one of your customers. And
19 in the Village of Potsdam, I have dams
20 that -- it's difficult for those
21 municipalities sometimes to get their arms
22 around how to get them repaired and up and
23 running, and that's what you're proficient
24 in, is hydro.

1 And so are you looking to think about
2 siting as a major component to the
3 development of new generation?

4 NYPA PRESIDENT QUINIONES: As I
5 mentioned before, we will do it through a
6 competitive process, so we will not be so
7 specific where those projects will be because
8 we would like to get the most competitive
9 deals from developers when we do those --

10 ASSEMBLYWOMAN JENNE: But arguably
11 that could be calculated in, because the
12 closer you are to your end user, the cheaper
13 the rate is going to be. And if you're
14 making decisions based on the rate that
15 you'll be able to get your customer,
16 collocation or close location would be
17 probably -- it would a component to drive
18 development.

19 NYPA PRESIDENT QUINIONES: And that
20 should be reflected in their proposal, in
21 their pricing to us. If indeed there's an
22 advantage, then it should be priced in.

23 ASSEMBLYWOMAN JENNE: And that's --
24 all right. And that's -- I mean, you've set

1 up a really interesting competition between
2 yourself and NYSERDA, it seems like. I have
3 developers that have applied to both
4 entities, you know, to see which one they get
5 the money from.

6 NYPA PRESIDENT QUINIONES: Competition
7 is great, because it drives prices down.

8 ASSEMBLYWOMAN JENNE: So there's this
9 concern that for some reason you're being
10 monopolistic and you're going to have this
11 ability to do something that others can't.
12 But it will be really interesting to see what
13 you're able to deliver in terms of megawatt
14 hour cost of -- you know, NYSERDA may be
15 28 cents per kilowatt, but what you might --
16 well, whatever the measurement is -- but what
17 you might be able to do based on how you've
18 designed your programs to get this green
19 energy production.

20 Is there -- was it a conscious
21 decision for you to structure things
22 dramatically different than NYSERDA?

23 NYPA PRESIDENT QUINIONES: It was a
24 conscious thing in the sense that we are

1 different in that we are a load-serving
2 entity. So we have customers today where we
3 are obligated to supply them electricity,
4 energy and capacity, and now renewable
5 energy, with the renewable energy attributes
6 that come with that.

7 NYSERDA is not a load-serving entity.
8 They do not have customers that they supply
9 electricity to.

10 ASSEMBLYWOMAN JENNE: So they're blind
11 to that whole dynamic of energy generation
12 and supply.

13 NYPA PRESIDENT QUINIONES: It's apples
14 and oranges.

15 But I want to make clear that a
16 developer is not going to be able to double
17 dip, meaning get an award from NYSERDA and
18 get an award from NYPA. That's not going to
19 happen.

20 ASSEMBLYWOMAN JENNE: Well, it will be
21 interesting to see which one they choose.
22 Because I have developers, like I said, with
23 both, and to see if they think that yours is
24 a better deal for them and is also cheaper

1 for the ratepayer, it might lead us to make
2 some changes over at NYSERDA in how they run
3 their programs.

4 NYPA PRESIDENT QUINIONES: And then
5 sometimes developers will choose just the REC
6 value because that's simpler, that's faster,
7 and they can just go ahead and do a deal.

8 In our case, we need to have a deal
9 with our customer first before we can sign a
10 deal with them. It's more complicated.

11 ASSEMBLYWOMAN JENNE: Now, I would
12 also -- I'm also interested in whether these
13 projects have to pay prevailing wage, but
14 probably for the opposite reason than my
15 colleague is concerned about it, because I
16 would really like them to be prevailing wage.
17 And if there is an opportunity for project
18 labor agreements, if it's not going to be --
19 these projects are not going to have existing
20 NYPA employees. But also I'm cognizant of
21 the fact that you do a lot of outsourcing and
22 consulting, and I would much rather see, if
23 we're going to have NYPA get into this type
24 of activity on a larger scale, that they be

1 actual NYPA employees on the books, not
2 consultants, not private contractors.

3 I think you're aware of my position on
4 these types of things, that we try to do
5 things in-house and build the expertise
6 in-house. I think it probably served us well
7 when you went to Puerto Rico, and thank you
8 for going and assisting in that country.

9 NYPA PRESIDENT QUINIONES: And that's
10 what we're doing even with our own existing
11 power plants now, and transmission lines. We
12 work very closely with our union, IBEW, both
13 in Western New York and Central and Northern
14 New York, in the upkeep and the maintenance
15 of our assets.

16 ASSEMBLYWOMAN JENNE: Thank you.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 NYPA PRESIDENT QUINIONES: Thank you
19 very much.

20 CHAIRWOMAN YOUNG: We're all set.
21 Thank you so much.

22 NYPA PRESIDENT QUINIONES: Thank you.

23 CHAIRWOMAN YOUNG: Thank you.

24 So now we are starting the citizen

1 portion of the hearing, and we'll start with
2 the Farm Bureau. We have their testimony;
3 they had to leave. So we'll start with
4 Samantha Levy, policy manager from the
5 American Farmland Trust.

6 And I would like to remind everyone
7 that you have five minutes. And if you can
8 summarize your testimony, that's most
9 helpful. We did get it in advance.

10 And we really, really appreciate your
11 patience in being here today. Good to see
12 you.

13 MS. LEVY: Good to see you too,
14 Senator. The last time I saw you was on a
15 farm in Livingston County.

16 CHAIRWOMAN YOUNG: One of the greatest
17 places to be.

18 MS. LEVY: So I'd like to thank all
19 the members for still being here. I know
20 that this has been a very long day.

21 So as you know, I'm from American
22 Farmland Trust, a conservation organization
23 looking to save the land that sustains us.
24 And I am going to summarize my testimony

1 today, in the interests of time and out of
2 consideration for my colleagues.

3 I'm here with four requests that I ask
4 for you to consider including in this year's
5 state budget.

6 American Farmland Trust leads a
7 Farmland Protection Coalition of over 30 land
8 trusts and agricultural organizations across
9 New York State. This Farmland Protection
10 Coalition supports the first two requests
11 that I'm going to detail right now, the first
12 being that the Governor, in his Executive
13 Budget, proposed \$20 million for farmland
14 protection in New York as part of a
15 \$300 million EPF. This Farmland Protection
16 Coalition and American Farmland Trust
17 strongly support this level of funding for
18 this important program.

19 Since 1980, in New York State we have
20 lost 5,000 farms to development. This
21 program protects farmland forever, in
22 perpetuity, and helps farmers invest in their
23 businesses. It's incredibly popular and
24 oversubscribed.

1 And the second request that I'm going
2 to make is this coalition supports investing
3 \$400,000 -- asks that the state invest
4 \$400,000 in a Farmland for a New Generation
5 program. This program would address an
6 emerging issue that we have facing our
7 farmland in New York State and our farmers.
8 In New York, 30 percent of our farmers are
9 over the age of 65, nearing retirement, and
10 access to affordable land remains one of the
11 main barriers for new farmers. And as a
12 result, we have fewer new farmers now than we
13 did a decade ago.

14 This program that we're asking the
15 state to fund would create a centralized
16 resource center to help farmers access land
17 anywhere in New York State. It would also
18 create a regional support network housed in
19 Cornell Cooperative Extension offices and
20 land trusts and agricultural organizations,
21 to help farmers access land anywhere in
22 New York and farmers transfer their farmland
23 to the next generation.

24 And I know that this is an important

1 issue across all regions in New York State,
2 so I'd like to thank Cornell for their
3 support of this program. I'd like to thank
4 Senator Helming for her leadership, and the
5 Legislative Commission on Rural Resources.
6 I'd also like to thank Assemblymember Magee
7 for his leadership in supporting this
8 proposal, as well as Assemblymember Woerner,
9 Frank Skartados, Assemblymember Thiele, thank
10 you very much as well.

11 The third request that American
12 Farmland Trust and our coalition has -- this
13 is a separate coalition called the New York
14 Grown Food for New York Kids coalition.
15 Earlier today, Commissioner Ball mentioned
16 that the Governor proposed \$10 million to go
17 toward a reimbursement incentive for schools
18 to purchase more food from our farms in
19 New York. This is a win/win for our farmers
20 and for our children who will have access to
21 more healthy food in schools.

22 We strongly support the creation of
23 this program and the \$10 million put into the
24 budget, the Executive Budget proposal, to

1 create this program, as well as doubling the
2 Farm to School grants.

3 This coalition is made up of over 70
4 public health, anti-hunger, environmental,
5 food, farm, and school organizations across
6 New York, and the support for this program is
7 very broad.

8 We ask for two minor adjustments to
9 this program that the Governor proposed, and
10 those are detailed in my testimony. So I'll
11 let you -- I ask that you strongly consider
12 including these -- if you put this proposal
13 into your budget, that you strongly consider
14 including these adjustments to make sure that
15 this program is as impactful as it possibly
16 can be.

17 And then finally, the fourth request
18 that we have comes from American Farmland
19 Trust and our Farmland Protection Coalition.
20 Assemblymember Thiele, I know that you are
21 intimately familiar, as well as
22 Assemblymember Englebright, with this
23 issue in Suffolk County that our Farmland
24 Preservation Program is currently facing.

1 American Farmland Trust and our Farmland
2 Protection Coalition strongly support
3 inclusion of language in the state budget to
4 ensure that our Farmland Protection Program
5 in Suffolk County and across the state
6 maintains its integrity.

7 And I know that Rob Carpenter from
8 Long Island Farm Bureau, as well as
9 John Halsey from Peconic Land Trust, will be
10 speaking more about this later, so I will
11 defer to them.

12 And the language developed with the
13 Department of Agriculture and Markets is also
14 included in my written testimony.

15 And thank you very much for the
16 opportunity, and I welcome any questions that
17 you might have.

18 SENATOR KRUEGER: Thank you. I just
19 have one quick question from the Senate.

20 In your Farming for the Next
21 Generation program -- and I have visited the
22 training facility in the Hudson Valley, it's
23 very impressive --

24 MS. LEVY: Thank you.

1 SENATOR KRUEGER: -- are you looking
2 at the fact that actually New York State has
3 many immigrants who come to our state who
4 were farmers in their home countries? And
5 it's never clear that we're doing enough to
6 encourage them to continue a set of skills
7 they had in one country now that they have
8 come to New York, and I'm wondering if anyone
9 is building that into their thinking.

10 MS. LEVY: Yes. Absolutely. I thank
11 you very much for that question, it's very
12 important to us.

13 I know that there are people who come
14 to our country with degrees in agricultural
15 engineering, and it would be a missed
16 opportunity not to take full advantage of
17 their knowledge and expertise.

18 One of our partners in the Hudson
19 Valley Farmlink Network is GrowNYC, which
20 administers the Farm Roots program which
21 helps immigrant populations find land across
22 New York. They're part of the Hudson Valley
23 Farmlink network and would potentially serve
24 as a regional navigator who would help these

1 people access land in New York to be able to
2 grow food.

3 SENATOR KRUEGER: Thank you.

4 MS. LEVY: You're welcome.

5 SENATOR KRUEGER: Thank you very much.

6 MS. LEVY: Thank you very much.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 SENATOR KRUEGER: And our next
9 testifier is Jessica Mahar of the Nature
10 Conservancy.

11 And for people who are getting ready
12 to line up, after that will be the Audubon
13 New York followed by Long Island Farm Bureau,
14 if people want to move towards the front.

15 Good evening, Jessica.

16 MS. MAHAR: Hi. Thank you all for
17 staying. There's a lot of you here, and it's
18 late, so we appreciate that.

19 I'm Jessica Ottney Mahar. I'm the
20 policy director for the Nature Conservancy in
21 New York. I submitted testimony, it's
22 long -- it's really long -- I won't read any
23 of it.

24 Thank you so much for all the work you

1 did in last year's budget to ensure a \$300
2 million EPF. The Environmental Protection
3 Fund is a critically important source of
4 revenue for capital environmental projects in
5 our state as well as some operating support
6 for key institutions around the state.

7 So earlier in the testimony, I believe
8 during the testimony given by two of the
9 commissioners, you had heard about the zoos,
10 botanical gardens, and aquaria program which
11 supports our living museums across the state
12 and the Nature Conservancy -- in full
13 disclosure.

14 That program is slated in the
15 Executive Budget proposal to receive a
16 funding reduction of \$2.5 million. And we
17 would urge you to take a second look at that.
18 Those, as I said, actually provide operating
19 support to those institutions, and it's
20 critically important funding for a lot of
21 organizations, and it's funding that's hard
22 to raise, frankly.

23 And when the budget is cut, the plants
24 still need to be maintained, the animals

1 still need to eat, and these facilities are
2 critical to not only education in our
3 communities but also really important
4 environmental research that benefits medical
5 and other fields in our society. So I would
6 urge you to take another look at that.

7 Likewise, I did want to note -- and
8 I'm looking directly at Assemblyman
9 Englebright, because he has been a really
10 incredible champion, as have a number of you,
11 for the Land Conservation Program in the
12 Environmental Protection Fund, which is
13 slated for another cut. This used to be a
14 \$60-million-a-year program in the EPF when it
15 was less than \$300 million, and we're now
16 seeing it cut back again this year.

17 So that gives us a lot of pause. And
18 there is still a lot of work to do across the
19 state, certainly in places like Long Island
20 and the Hudson Valley, where we have heavy
21 development pressure, but also in other areas
22 where we're seeing organizations really take
23 hold through programs like the Land Trust
24 Alliance Conservation Partnership program,

1 which is strengthening the power of the land
2 trust community. We want to make sure that
3 the state program is there and able to do
4 partnership programs with communities and
5 not-for-profits, then, once those
6 organizations are there.

7 Moving on, I wanted to thank you also
8 for the work you all did to create a
9 \$2.5 billion Clean Water fund last year.
10 That was incredible. New York has a bond act
11 basically for clean water funding, and it's
12 incredible work. And you all added to it.
13 You went over and above what was in the
14 initial budget proposal last year, so thank
15 you.

16 We're starting to see that money
17 already come into communities across the
18 state for things like upgrading
19 infrastructure, protecting the sources of our
20 drinking water supplies. And just last week
21 or the week before was an announcement about
22 a program that will help communities upgrade
23 septic systems, which are a big problem in a
24 lot of areas, including the Finger Lakes and

1 Tug Hill and Long Island. There's a big
2 problem there. It's causing a lot of beach
3 closures and red tide and brown tide and just
4 really serious conditions for our coastal
5 areas.

6 So that's incredible work. We would
7 urge you to keep that funding in the budget
8 this year, keep it going. It's a pretty
9 aggressive schedule to try and spend
10 \$2.5 billion in five years, so we urge you
11 just to keep an eye on that and keep up the
12 great work.

13 Another big piece of the budget that
14 the Nature Conservancy is focused on this
15 year is a proposal called Empire Forests for
16 the Future. This is a very-long-awaited
17 proposal to amend our forest tax abatement
18 program. And this sounds really boring
19 because it's a forest tax abatement program,
20 but actually by making some changes to our
21 tax laws, we can unleash huge conservation
22 throughout the state.

23 Right now, 75 percent of New York
24 State's forests are actually owned by private

1 land owners. We always think of places like
2 the Adirondacks and Catskills for the
3 publicly owned lands like our forest
4 preserves, but most of New York's forestlands
5 are owned by private owners. And that's
6 great.

7 What we can be doing is improving our
8 property tax laws, our property tax abatement
9 program, to allow more landowners to enter
10 into a program that emphasizes sustainable
11 forest management, broaden out the goals of
12 this program beyond just timber harvesting to
13 things like habitat management for wildlife,
14 which is what the majority of forest owners
15 are interested in, managing their forests for
16 climate mitigation.

17 So the Nature Conservancy did a global
18 study recently, last year, and found that
19 37 percent of the climate mitigation goal --
20 we have to hit those Paris goals, those Paris
21 reduction goals -- can be met through what we
22 call natural climate solutions. That means
23 the way we manage our lands and our waters to
24 keep carbon in the ground can help us achieve

1 our goals.

2 And so this program is another way
3 New York can put our forests to work and help
4 us achieve climate change goals. And it's
5 not through -- we have heard a lot about, you
6 know, renewable energy and windmills and
7 solar, which is all great. This is another
8 piece of the solution for climate change in
9 New York State.

10 And it also -- this initiative would
11 help fill the tax shift that exists right now
12 from the current program by reimbursing from
13 the state communities who experience a tax
14 shift of 1 percent or more from program
15 enrollment of those property owners who are
16 enrolling. So there's a lot of great
17 advantages to this. There's a lot more
18 information in my testimony.

19 And then the last thing I'll hit
20 really quickly is there is a proposal to
21 change the way New York State pays ad valorem
22 tax payments on land that it owns throughout
23 the state. There's a lot of attention being
24 paid to this right now in places like the

1 Adirondacks and Catskills, but again, this
2 would be a statewide change, changing from
3 the right of local assessors to tax those
4 lands and assess those lands to a PILOT
5 payment.

6 We have deep concerns about this, and
7 we would ask you to take a hard look at that
8 and perhaps not include it in your budget
9 responses.

10 CHAIRWOMAN YOUNG: Thank you very
11 much.

12 MS. MAHAR: Thank you.

13 CHAIRWOMAN YOUNG: We appreciate you
14 being here today.

15 MS. MAHAR: Thanks.

16 CHAIRWOMAN YOUNG: From Audubon
17 New York, we have Conservation Director
18 Michael Burger.

19 Welcome.

20 MR. BURGER: Thank you. Good evening,
21 everyone. I appreciate the opportunity to
22 offer testimony from Audubon on the budget
23 proposal.

24 I am Mike Burger, the conservation and

1 science director for Audubon New York, which
2 is a state program of the National Audubon
3 Society. In New York our network includes
4 50,000 members. We have 27 local chapters,
5 and we have seven nature centers scattered
6 across the state. Our mission is to protect
7 birds and their habitats based on science,
8 education, advocacy, and on-the-ground
9 conservation.

10 Regarding the 2018-2019 Executive
11 Budget proposal, I do have five things I
12 would ask you to consider. The first is to
13 dedicate \$300 million to the EPF and restore
14 the ZBGA funding, which you heard about a
15 couple of times today.

16 The Environmental Protection Fund has
17 proven to be a stable source of funding,
18 essential for environmental programs in
19 robust and challenging economic conditions,
20 and an appropriation of \$300 million for the
21 EPF for this fiscal year will help New York
22 meet its five-year capital improvement plans,
23 and that's something that -- maintaining that
24 level -- that we would ask you to do in the

1 enacted budget.

2 Within the EPF we urge the Legislature
3 to restore proposed cuts by the Governor of
4 \$2.5 million to the Zoos, Botanical Gardens,
5 and Aquaria program and restore that to last
6 year's funding level, which was \$15 million.
7 The proposed funding cut would reduce the
8 services that can be provided by
9 organizations that operate living museums,
10 and that would include three educational
11 centers operated by Audubon: The Montezuma
12 Audubon Center in Savannah, the Constitution
13 Marsh Audubon Center in Oyster Bay, and --
14 I'm sorry, in Cold Spring -- and the Theodore
15 Roosevelt Center in Oyster Bay. I noticed
16 somebody actually caught that slip.

17 The second thing I would ask is that
18 you establish the Empire Forest for the
19 Future Initiative. As you just heard,
20 75 percent of the forests in New York are
21 privately owned. What that means is the
22 actions of private forest owners will largely
23 determine the health, the diversity, and the
24 resiliency of our forests as well as the

1 public benefits that those forests provide to
2 all of us.

3 So a very high priority for Audubon is
4 the Empire Forest for the Future Initiative.
5 It's a proposal in the Executive Budget that
6 includes modifications to the current Forest
7 Tax Law, and it creates a new 480-b program
8 that will broaden the types of lands that are
9 eligible for tax incentives. It provides
10 grants to help local governments and
11 nonprofits acquire and manage community
12 forests, and it provides grants to help
13 private forest owners implement best
14 management practices that improve forest
15 health and diversity and habitat for
16 wildlife.

17 Audubon is part of a diverse coalition
18 of 24 environmental conservation business and
19 forestry organizations that urges the Senate
20 and the Assembly to support this proposal and
21 include it in the enacted state budget.

22 The third thing I would ask you to
23 consider is to support capital investments in
24 New York's historic places and outdoors. We

1 strongly support Governor Cuomo's budget
2 proposal to continue significant capital
3 improvements to our world-class state parks,
4 our wildlife management areas, and the
5 Adirondack and Catskill Forest Preserves.

6 The state's sustained attention to
7 preserving and enhancing our historic and
8 green spaces not only helps connect people
9 with New York's cultural and natural
10 histories and resources, but also strengthens
11 local economies and creates jobs. Each of
12 these environmental capital investments will
13 pay dividends for New York State.

14 The fourth thing I would ask you to
15 consider is to continue funding for the
16 Clean Water Infrastructure Act. As you know,
17 few issues are as important to our health,
18 our economy, and our environment as clean
19 water. Access to clean water is also
20 essential for the survival of wildlife, and
21 New York's clean waterways provide the
22 foundation for healthy ecosystems.

23 We are pleased that the Executive
24 Budget proposes to continue the state's

1 \$2.5 billion investment in clean water
2 pursuant to the Clean Water Infrastructure
3 Act of 2017, for which we thank you. This
4 funding makes an enormous difference to
5 communities that lack the resources to make
6 these investments independently. And the
7 support for clean water infrastructure is
8 critical to protecting public health as well
9 as the environment.

10 The last thing I would ask you to
11 consider is to protect the Washington County
12 grasslands. Washington County contains the
13 last remaining large grasslands in eastern
14 New York, and this place provides habitat for
15 a number of threatened and endangered bird
16 species. To protect this area, the state has
17 already acquired 286 acres of critical
18 habitat. It is hoping to preserve and
19 protect additional areas.

20 We strongly support the state's
21 efforts to protect these grasslands.
22 However, we also believe that conservation
23 efforts are most successful when they have
24 the support of any affected communities.

1 Audubon believes that it's important for the
2 state to pay reasonable property taxes on
3 land that is put into conservation status in
4 the towns of Argyle, Fort Edward, and
5 Kingsbury.

6 Accordingly, we urge the Legislature
7 to include language in their budget bills to
8 authorize the state payment of property taxes
9 on state-owned lands in these towns as is
10 otherwise proposed in A6759, sponsored by
11 Assemblyman Woerner, and S1672, sponsored by
12 Senator Little, and to provide an
13 appropriation of funds to make those
14 payments.

15 Thank you again for allowing me to
16 testify. My contact information is in the
17 written testimony I provided. If you have
18 any additional questions, please contact me.

19 CHAIRWOMAN YOUNG: Thank you,
20 Mr. Burger. We appreciate you being here
21 today.

22 Our next speaker is from the
23 Long Island Farm Bureau, and that's Robert
24 Carpenter, who is the administrative

1 director. Welcome.

2 MR. CARPENTER: Thank you for having
3 me. I've been sitting since 1 o'clock,
4 watching, and I have to applaud all of you
5 for your dedication for staying here and
6 asking very, very pointed and very
7 informative questions. I salute your
8 dedication.

9 CHAIRWOMAN YOUNG: Thank you.

10 MR. CARPENTER: My name is Robert
11 Carpenter, administrative director of
12 Long Island Farm Bureau. We're a membership
13 association that represents agriculture on
14 Long Island.

15 I'm here today to respectfully request
16 that you include the attached legislation in
17 your one-house budgets to ensure that
18 buildings and structures for bona fide
19 agricultural production are permitted on
20 privately owned farmland when the
21 municipality acquires farmland development
22 rights.

23 In the early 1970s, Long Island was
24 rapidly facing a conversion of farmland to

1 housing due to suburban sprawl. Suffolk
2 County Executive John Klein worked with the
3 farm community to develop the first farmland
4 preservation program in the United States.
5 The basic premise is that farmers who wanted
6 to preserve their farmland would sell to a
7 municipality a portion of their rights, in
8 this case the right to develop their land for
9 houses, and in return the municipality would
10 place a restriction on that land to be
11 utilized for farming purposes.

12 This unique program is truly a
13 public-private partnership where farmers own
14 and maintain the land while the municipality
15 owns a specific right. The intent of this
16 program was to keep working lands available
17 to farmers and preserve farmland for future
18 generations. Please let me be clear. The
19 farmland preservation program is not intended
20 to be an open space program but a working
21 lands program.

22 Farmers never agreed to open space
23 provisions when they sold rights, nor did
24 they give the municipality or anyone else the

1 right to determine what happens on that land
2 other than what is in their contract.

3 Long Island's farm land preservation
4 program has worked extremely well over the
5 number of years, preserving 20,000 acres.
6 But the very existence of our program is now
7 being threatened by a decision of Justice
8 Whelan in September of 2016, whose
9 interpretation of GML247 viewed Suffolk
10 County's TDR program as an open lands program
11 and ruled the county could not permit
12 buildings and structures in this program.

13 Today's agriculture requires
14 infrastructure such as barns to house
15 equipment or animals, which in some cases is
16 required by law. New food safety regulations
17 will require measures to ensure our food is
18 safe, which means structures such as washing
19 stations or refrigeration units. Greenhouse
20 production is also a form of agriculture, and
21 many farmers are considering growing their
22 food year-round in greenhouses. Fences,
23 irrigation wells, trellises, and other means
24 of farm production are considered structures

1 by code, so this decision could essentially
2 render agriculture powerless to farm on
3 preserved land.

4 Additionally, the uncertainty of what
5 farmers will and will not be able to do with
6 their land in the future will prevent further
7 preservation. This legislation, if passed,
8 will provide the necessary surety to farmers
9 so they know they will be able to continue
10 their farm operations. Currently this
11 decision is being appealed, but we ask you to
12 ensure the future of our program today by
13 including this legislation in the budget.
14 Respectfully, our farming industry is too
15 important to leave to a decision of
16 non-farming judges.

17 Long Island's agricultural industry is
18 one of the top agricultural producing areas
19 of New York State, with almost 40,000 acres
20 in production and \$240 million annually in
21 sales. Agriculture remains an economic and
22 social benefit to the region.

23 However, with increased costs of
24 production, new regulations, and pressure

1 from outside sources, we are at a crossroads.
2 This decision could undo 40 years of effort
3 by many individuals who have worked
4 tirelessly to preserve our industry.

5 New York routinely supports
6 agriculture in the state budget to the tune
7 of hundreds of millions of dollars for
8 economic, environmental protections,
9 promotion of agriculture, and funding for our
10 colleges for research and education. We have
11 many partners that are in support of us and
12 our efforts: Peconic Land Trust, the League
13 of Conservation Voters -- who I believe will
14 be here later -- American Farmland Trust, the
15 Wine Council, Farm Credit, in addition to
16 Suffolk County Executive Steve Bellone and
17 the Suffolk County Legislature.

18 Long Island remains the mecca of
19 current happenings, and what happens today
20 will make its way through the rest of
21 New York State. We ask that you add this
22 attached language into the budget to ensure
23 that structures and buildings used for
24 farming will be allowed in General Municipal

1 Law 247.

2 Thank you.

3 CHAIRWOMAN YOUNG: Thank you. We have
4 a question.

5 CHAIRWOMAN WEINSTEIN: Assemblyman
6 Englebright.

7 ASSEMBLYMAN ENGLEBRIGHT: I just want
8 to say thank you for your very genteel way of
9 asking us to help solve a problem that is
10 dividing two of the most important
11 constituencies on Long Island, which are the
12 farming community and the natural resource
13 community.

14 And we're clearly interested in
15 helping to resolve what, if left going in the
16 direction it's going, will leave a permanent
17 scar in the environmental advocate community.

18 So thank you for asking us to help
19 today. We're hoping to explore the issues
20 that you've raised and hopefully find a
21 solution.

22 MR. CARPENTER: Thank you. With about
23 20,000 acres left to still preserve, we feel
24 this is a very important and critical issue

1 for us. And I remain willing to work with
2 you and hope that you'll be willing to work
3 with us and support us. So thank you very
4 much.

5 ASSEMBLYMAN ENGLEBRIGHT: Thank you
6 for your testimony.

7 CHAIRWOMAN YOUNG: Thank you.

8 CHAIRWOMAN WEINSTEIN: Thank you.
9 Assemblyman Thiele.

10 ASSEMBLYMAN THIELE: Yes, Rob, thank
11 you for first of all making the long journey
12 from Long Island, and second of all for your
13 patience in waiting to testify today.

14 Section 247 of the General Municipal
15 Law has an interesting history. It actually
16 was enacted back in 1976, because back in
17 1976 the idea that government would spend
18 money to buy land and then do nothing with it
19 and let it just sit there was an issue of:
20 What was the public purpose of doing that,
21 you were just buying it and leaving it alone.

22 So the Legislature actually had to put
23 a provision in there that that was a
24 legitimate public purpose. And they also had

1 the provision in there that they wanted to
2 make sure that agricultural lands were part
3 of that, not just for open space preservation
4 purposes, but also to provide for a
5 sustainable agricultural future for the
6 state.

7 And as you know and as you said, you
8 know, Suffolk County was the first county in
9 the nation to utilize those provisions to buy
10 the development rights to farmland so that in
11 the competition between development and
12 agriculture, it was a fair fight. This
13 program allows agricultural lands to be
14 devoted for agriculture without having to
15 fight for what is very expensive land now on
16 Long Island as far as development.

17 And that program went forward for
18 40 years with the full understanding of what
19 the program was, what the intent was, which
20 was to keep the vistas in the land open and
21 to allow the land to continue to be farmed.
22 And this decision that you've referred to has
23 kind of been kind of the aberration away from
24 that.

1 My question for you -- well, a couple
2 of questions. One is the proposal that
3 you're looking at -- what happened in Suffolk
4 County obviously could happen anywhere, so
5 the proposal is a statewide proposal. Is
6 that correct?

7 MR. CARPENTER: That is correct. We
8 would like to see this go so that every
9 farmer in the New York State area that has
10 preserved land ultimately will be protected
11 by this.

12 ASSEMBLYMAN THIELE: All right.

13 And secondly, while you know I don't
14 like to pit conservation and agriculture
15 against each other, they've been allies so
16 many times through the years, but as I
17 understand it -- we'll be hearing from them
18 later, but the New York State League of
19 Conservation Voters also supports this
20 proposal, don't they?

21 MR. CARPENTER: That is correct. I'll
22 let Patrick speak to that, but I believe they
23 did sign on to an amicus brief or friend of
24 the court brief that a number of us submitted

1 to the court to voice our concerns about
2 Judge Whelan's decision.

3 ASSEMBLYMAN THIELE: And my last
4 question is on the ground, literally and
5 figuratively. What impact has this had on
6 the operation of the program, both for
7 farmers that are already in the program as
8 well as trying to attract new farmers and
9 farmland to participate in the program in the
10 future?

11 MR. CARPENTER: So from the county
12 perspective, I don't believe that there's
13 been very many people that have expressed
14 interest to preserve farmland both within the
15 county and the town programs. Which is very
16 unfortunate, because both do have funding
17 available to purchase farmland.

18 From anecdotal evidence in talking to
19 the farmers in the community, they're very
20 concerned, both if they're in the program,
21 about what they can do with their operations,
22 or, if their land is not preserved, saying,
23 you know, I'm really thinking -- I don't know
24 if I want to enter this program to preserve

1 my farm because there's so much uncertainty
2 about where the program is going and what I'm
3 going to be able to do in the future.

4 Which, if I channel back to John Klein
5 in the '70s, was the exact opposite of what
6 he intended. His intent, I believe, was to
7 preserve the land so that farmers would have
8 the ability to farm and do what they need to
9 do in order to survive and to help feed the
10 millions of residents of Long Island, both
11 here and the 8 million in New York City as
12 well.

13 ASSEMBLYMAN THIELE: Okay. And
14 finally, I just want to thank Assemblyman
15 Englebright, certainly as the chairman of the
16 Environmental Conservation Committee, for his
17 remarks tonight and his willingness to try to
18 work through this as we go through the budget
19 process to try to find a solution that
20 certainly will serve the program well into
21 the future. Thank you.

22 MR. CARPENTER: Very good.

23 CHAIRWOMAN YOUNG: Thank you. I guess
24 we're all set. Thank you for coming all this

1 way.

2 MR. CARPENTER: Thank you very much,
3 and thank you all for your support.

4 CHAIRWOMAN YOUNG: Thank you.

5 Our next group of speakers is a panel
6 from the Police Benevolent Association of
7 New York State. And that's Drew Cavanagh,
8 Forest Ranger captain, Jason DeAngelis, vice
9 president, and Arthur Perryman, New York
10 State Forest Ranger director. I'm missing
11 one. Oh, no, I'm not.

12 Okay. Welcome.

13 MR. CAVANAGH: Thank you, and good
14 evening.

15 CHAIRWOMAN YOUNG: You've got some
16 lengthy testimony here today, so if you could
17 summarize.

18 MR. CAVANAGH: We are going to do our
19 best to abbreviate our testimony and hit the
20 highlights.

21 MR. DeANGELIS: We'll summarize.

22 CHAIRWOMAN YOUNG: Thank you.

23 MR. DeANGELIS: Absolutely.

24 MR. CAVANAGH: My name is Drew

1 Cavanagh. I'm here in my capacity as the
2 director of the Forest Rangers Superior
3 Officers Association of the PBA of New York
4 State. To my left is Art Perryman; he's here
5 in his capacity as the director of the Forest
6 Ranger Association of the PBA. And to my
7 right is Jason DeAngelis; he's here in his
8 capacity as the director of the Environmental
9 Conservation Officers Association of the PBA.

10 Again, I'll try to be brief. I have
11 been a Forest Ranger for 25 years. I'm
12 currently the Forest Ranger captain assigned
13 to DEC Region 6. My testimony today is
14 really about our staffing situation.

15 The DEC administers approximately
16 5 million acres of public land, and we have
17 137 Forest Rangers. Half a century ago, in
18 1970, we had 3.5 million acres of public land
19 and we had 140 Forest Rangers. So our
20 staffing is at best stagnant, and we've
21 accumulated an additional 1.5 million acres
22 of public land that we need to protect and
23 patrol. That's a problem for us.

24 In addition to that, as I like to put

1 it -- the good news is the public has
2 discovered public lands and the forest
3 preserve. The bad news is the public has
4 discovered public lands and the Forest
5 Preserve. We have a lot more use, but we
6 don't have a lot more people out there to
7 protect the public and to protect the
8 resource. Again, that is a problem for us.

9 My written testimony goes into a great
10 degree, you know, extent about comparisons
11 with national, you know, on a national scale,
12 the number of forest rangers they have for
13 Yellowstone and for all the national parks.
14 And we're well under half of the staffing for
15 what they do, and I'll allow you to just read
16 that, if you will.

17 I did want to put up what we're
18 looking for is 175 Forest Rangers. That's an
19 appropriate number of staffing force that
20 would reduce the number of acres of land that
21 a forest ranger has to patrol from over
22 40,000 acres to about 28,000 acres, which is
23 much more -- it's much more manageable and
24 possible. It allows us to do our job and not

1 wreck people with overtime and overwork and
2 unsafe -- what we know is basically we're
3 putting them out when they're way too tired
4 to do their jobs. That's what we're looking
5 for.

6 I do have to thank Assemblyman
7 Englebright, the chair of the EnCon
8 Committee, and Senator Funke, chair of the
9 Cultural Affairs, Tourism, Parks and
10 Recreation Committee, both of whom have
11 acknowledged this, that we need more Forest
12 Rangers, and have both written the Governor
13 and asked for an increase in Forest Ranger
14 staffing. And we urge the Legislature to
15 take action and increase Forest Ranger
16 staffing.

17 I also want to mention A1459,
18 Assemblywoman Jenne's bill, with Senator
19 Funke, S3987. It's an act to amend the
20 Environmental Conservation Law in relation to
21 protecting newly acquired state lands. This
22 bill would mandate that another Forest Ranger
23 would be hired for every additional
24 30,000 acres of land that was acquired. And

1 we just -- it would just give us breathing
2 space so we could at least continue to do our
3 job.

4 And that's it, I'll stop there. And I
5 will defer to Art Perryman.

6 MR. PERRYMAN: Thank you. I want to
7 just focus on search-and-rescue missions, and
8 I'm going to abbreviate.

9 New York State Forest Rangers are now
10 conducting nearly one search-and-rescue
11 operation for every day in the year. Some of
12 these are lasting a few hours, and some a few
13 weeks.

14 You may have heard in September of
15 2017 of the search for a hiker on Wallface
16 Mountain in the High Peaks Wilderness.
17 Searchers needed to be lowered from
18 helicopters, use chainsaws, stay interior for
19 days at a time, set up communication relays,
20 manage multiple resources, and use advanced
21 land navigation. This was all done in
22 extreme terrain. In short, it was a job for
23 Forest Rangers and Forest Rangers only.

24 We responded to 19 other

1 search-and-rescue missions during that time.
2 In fact, some rangers had to leave the search
3 to respond to these other missions. Alex
4 died during the search effort, and I believe
5 this outcome would have been different if we
6 had more Forest Rangers.

7 Even recently in the winter months,
8 the Forest Rangers have been busy. During
9 the past month we responded to
10 search-and-rescue missions across the state
11 in really extreme conditions.

12 Most of you were sitting down to enjoy
13 the Super Bowl when a team of 37 rangers,
14 six climbers, and six firemen were 30 hours
15 into a rescue effort for a climber in the
16 High Peaks Wilderness, one of the most remote
17 locations there is. Forest Rangers battled
18 50-mile-per-hour winds and temperatures in
19 the single digits. During this rescue, some
20 of my fellow Forest Rangers suffered
21 fractured bones, hypothermia, and frostbite
22 to bring this hiker to safety.

23 Two days later, many of the same
24 Forest Rangers were working night and day on

1 Whiteface Mountain for another search for a
2 missing skier that you may have read about.

3 Over this past week, rangers were
4 called upon again to conduct a search in
5 Thatcher State Park right here in Albany
6 County.

7 We've met with many of you to explain
8 these critical issues. We know you all
9 believe the people in New York State deserve
10 the very best. They deserve a ranger force
11 of sufficient size that spends its days in
12 the wildland ceaselessly training in every
13 discipline of search and rescue and large
14 incident management.

15 We have made it our career and our
16 calling to help people in their hour of need,
17 and today we're asking for your help. Please
18 give us the staffing and funding to carry out
19 the mission. The time for decisive action is
20 now. Thank you.

21 CHAIRWOMAN YOUNG: Thank you.

22 MR. DeANGELIS: I'm Jason DeAngelis.
23 I'm the vice president of the union. I've
24 been a Conservation Officer for 15 years, and

1 a former New York City police officer for
2 three.

3 So I'm going to talk about the 3/4
4 disability bill: S5594B, Golden, and A7600B,
5 Abbate. Some of our members do have the
6 3/4 disability, and some do not. That is a
7 huge disparity.

8 Last year, November -- I'm sorry,
9 November 29, 2016, Officer James Davey was
10 shot in a field in Columbia County where he
11 suffered a very significant shot in the
12 pelvis with a high-caliber rifle, shattering
13 his pelvis and severing his femoral artery
14 almost completely.

15 He is not afforded a viable
16 retirement, and he worked tirelessly to come
17 back to work because he did not have a viable
18 retirement. Okay? He was very fastidious in
19 his dedication to his rehabilitation.

20 This is a bad fit, this 3/4
21 disability. We face all the same dangers
22 that any other police officer in New York
23 State faces, okay? And we do not have this
24 3/4 disability, as well as the Park Police,

1 also in our unit.

2 We would like it to also become
3 statute for the other members of the unit,
4 the 1250 members. This is at a cost of -- a
5 \$2.78 million annual cost to New York State
6 for the first year, \$450,000 estimated cost
7 every year thereafter to cover the remaining
8 724 members.

9 I do not think that this is a big ask.
10 I feel that this is a modest ask to protect
11 these officers and ensure that they have a
12 viable retirement.

13 Next topic -- I said I would be
14 brief -- I want to talk about 2 billion of
15 these (indicating). These are -- Thomas
16 Jefferson? The small one. Not the
17 two-dollar bill, the nickels. Two billion of
18 them. That's \$100 million that the Bureau of
19 Environmental Crimes Investigation, our
20 investigators with EnCon, estimated that
21 New York State is losing out on, that is
22 being defrauded from New York State.

23 It's just nickels, I know it's not
24 very -- it might not be enticing, but they do

1 add up. And what we're short of here is we
2 are down 50 percent of our Environmental
3 Conservation Investigators. These are the
4 persons who focus on all the major crimes,
5 the environmental crimes in New York State,
6 okay? With the cuts to the -- proposed cuts
7 in the federal government to the EPA, we are
8 absolutely the last stand for New York State
9 to get this done. All right?

10 And one of the things we do is the
11 very -- is the Bottle Bill, is the returnable
12 containers. And that's why I hold up this
13 nickel and I say there's 2 billion of them
14 floating around that that's \$100 million that
15 we estimate that is not coming back to
16 New York State. Okay? I want to be clear
17 with that.

18 I can very easily direct you to all
19 the statistics and everything, I know we are
20 short on time, but we are down -- again, I
21 will reiterate, we are down 50 percent of our
22 conservation investigators, 60 percent down
23 in Region 3, which consists of lower
24 New York; Region 2, New York City; and

1 Region 1. And these are the -- and we would
2 like to refill those ranks.

3 This is at a cost of literally,
4 literally -- because we promote within the
5 ranks, this is only \$50,000 to fill those
6 ranks, to pay these -- to get these
7 promotions and pay these investigators,
8 because we are promoting within the ranks. A
9 cost of \$50,000 to get the people we need in
10 the right places to do the job.

11 And I focus on the nickels because
12 that's where the money is. Okay?

13 We also -- the investigators also do
14 the endangered species, and they do all the
15 hazardous waste. And there are not enough of
16 us right now to do that. There are not
17 enough of us right now to do those high-level
18 environmental crimes and do the enforcement
19 on them.

20 That's it. I'm new at this. Don't
21 let my southern accent impact your decision
22 in any way.

23 (Laughter.)

24 MR. DeANGELIS: So that's all I have

1 to say, ladies and gentlemen. I thank you
2 for your time. Is there anything else?

3 MR. CAVANAGH: No, you did good.

4 CHAIRWOMAN YOUNG: Thank you. I just
5 want to say thank you to you. And we've met
6 before on different issues. And thank you
7 for talking about the rescues that you do.
8 And also thank you for bringing up
9 Officer Davey, and we wish him well.

10 And as you know, one of my friends for
11 a long time, Lieutenant Liza Bobseine --

12 MR. DeANGELIS: Yes.

13 CHAIRWOMAN YOUNG: -- was instrumental
14 in saving his life out in the field.

15 So certainly all the officers deserve
16 our accolades for their service and for their
17 bravery. So thank you so much for being here
18 today.

19 MR. CAVANAGH: Okay. Thank you.

20 CHAIRWOMAN YOUNG: Next we have Conor
21 Bambrick, director of the Air and Energy
22 Program for the Environmental Advocates of
23 New York.

24 I'd like to remind everyone, five

1 minutes on the clock. Please summarize.

2 Welcome.

3 MR. BAMBRICK: Good evening. First
4 off, I want to thank all the members and all
5 the staff, not only for all the hard work
6 you've put in today, but throughout the
7 entire process. And I know it's a long
8 month, but we really appreciate it.

9 My name is Conor Bambrick. I'm with
10 Environmental Advocates of New York. And on
11 behalf of the organization and the 50,000
12 New Yorkers who are supporters and fellow
13 advocates, I thank you for the opportunity to
14 testify today.

15 We've already submitted lengthy
16 testimony, so I'm just going to hit on some
17 of the key points.

18 Since it does not appear as though
19 either the president or congressional leaders
20 share the values that New Yorkers place on
21 environmental safeguards, states have an
22 obligation to lead. The nation needs
23 New York to return to being a true
24 environmental leader, to show the pathway

1 forward where environmental protection once
2 again releases the innovation and
3 entrepreneurial spirit that New York is known
4 for.

5 Here are a few key areas that we'd
6 like to see the Legislature address and amend
7 from what was proposed in the Executive
8 Budget -- or not proposed.

9 One area is congestion pricing. We
10 support congestion pricing and call on the
11 Legislature to adopt policies that set fees
12 on vehicles entering the central business
13 district of Manhattan and to ensure that the
14 revenue collected supports the MTA.

15 The 2018-2019 budget must also contain
16 an agreement on a sustainable, long-term and
17 statewide mass transit support strategy. In
18 the Environmental Protection Fund, the
19 Governor has proposed a \$300 million
20 authorization for this year's fund. However,
21 the financial plan does not have the full
22 cash to back it. We urge the Legislature to
23 develop a sound EPF financing plan.

24 On plastic bags, since the Governor

1 failed to live up to his promise of proposing
2 a statewide solution, we call on the
3 Legislature to adopt a bag ban -- be a
4 proposal in the budget -- and to take those
5 fees and use them to support the EPF.

6 On climate change, Governor Cuomo
7 would like New York to be considered a
8 climate leader. His budget proposal does not
9 contain the type of comprehensive planning
10 and energy policy that other states have
11 embraced. The Legislature should act on
12 climate and include a bipartisan climate and
13 community protection act as a component of
14 the 2018-2019 budget. This is an opportunity
15 for the Legislature to really assert its
16 authority over energy policy here once again
17 in New York State.

18 On the Regional Greenhouse Gas
19 Initiative, for the fourth straight year the
20 Governor has proposed transferring
21 \$23 million in RGGI funds to the General Fund
22 to cover costs associated with certain
23 energy-related tax credits. This comes at a
24 time when the RGGI operating budget is

1 running deep deficits.

2 New Yorkers, as I think was suggested
3 by Chairman Englebright earlier, would be
4 better served if these funds were repurposed
5 to provide communities on the front lines of
6 climate change with access to energy
7 efficiency opportunities that are not
8 currently being offered up in NYSERDA or
9 other state programs.

10 Renewable power for the Empire State
11 Plaza. We're calling on the Legislature to
12 modify the proposed Executive Budget to allow
13 the Office of General Services to spend
14 previously appropriated funds for renewables
15 and to prohibit funds from being expended on
16 fossil-fuel-fired technologies for the Empire
17 Plaza microgrid. The energy supplied for the
18 central nervous system of state government
19 should be 100 percent clean, renewable power
20 and not dirty fossil fuels.

21 On tax credit deferrals, Part S of
22 Article VII, the revenue bill, is an
23 ill-advised deferral tax balloon credit
24 payment. Among these are credits for

1 electric vehicle charging infrastructure,
2 green buildings, brownfield remediation, and
3 brownfield redevelopment. The Legislature
4 should reject these deferrals.

5 On water quality improvements,
6 New York urgently needs to make more
7 substantial investments in water
8 infrastructure across the state. We urge the
9 Legislature to make that a priority again in
10 the '18-'19 budget by moving the Water
11 Infrastructure Improvement Grant Program to
12 the \$800 million level for this year and
13 next.

14 We're also asking that the budget
15 provide \$25 million from the Clean Water
16 Infrastructure Act for Hoosick Falls to hook
17 up to a new, clean water source as soon as
18 possible.

19 On the Diesel Emissions Reduction Act,
20 we are urging that there be no more delays to
21 this now 10-year-old law. The Executive
22 Budget does not include any further delay in
23 implementing. We urge the Legislature to
24 pass the budget without any further delays.

1 And then finally, on DEC staffing, the
2 budget to restore DEC staff levels to address
3 the losses sustained at the agency during the
4 recession from the last decade. Too many
5 laws are being inadequately implemented and
6 enforced for one simple reason: There aren't
7 enough cops on the beat.

8 In closing, Environmental Advocates
9 looks forward to working with the Legislature
10 to advance a final budget that is protective
11 of New Yorkers' health and environment. And
12 thank you very much for your time.

13 CHAIRWOMAN YOUNG: I think we're all
14 set. Thank you for participating today.
15 Thank you for being here.

16 MR. BAMBRICK: Thank you.

17 CHAIRWOMAN YOUNG: Our next speaker is
18 Patrick McClellan, New York State policy
19 director of the New York League of
20 Conservation Voters.

21 MR. McCLELLAN: Hi.

22 CHAIRWOMAN YOUNG: Hi.

23 MR. McCLELLAN: Thank you very much.

24 CHAIRWOMAN YOUNG: Thank you.

1 MR. McCLELLAN: So I want to thank you
2 for your patience and also your leadership on
3 environmental issues for the last few years,
4 in particular your support of \$2.5 million
5 for clean water in last year's budget.

6 We're pleased to see that the
7 Executive Budget funds the EPF at a record
8 \$300 million for a third consecutive year.
9 We're also pleased to see a proposed doubling
10 of the Farm to School program, \$1.5 million,
11 and new funds to increase the per-meal
12 reimbursement rate to 25 cents for school
13 lunch programs that purchase at least
14 30 percent of their food products from
15 New York State farmers and producers.

16 The Executive Budget proposal to
17 require large generators of food waste to
18 donate excess fulsome food and recycle food
19 scraps would help the state reach its climate
20 goals while also providing many millions more
21 meals per year to food-insecure New Yorkers.

22 The proposal's 2021 implementation
23 date, \$4 million in support funds, and
24 hardship exemption for generators who can

1 prove that recycling their food waste would
2 be more expensive than what they currently
3 pay for waste disposal, combine to make this
4 a reasonable proposal that proactively
5 addresses a lot of concerns that were raised
6 earlier this morning.

7 NYLCV supports a thoughtful expansion
8 of the Pine Barrens, and we believe that a
9 compromise is possible that allows for both
10 the expansion of the Pine Barrens and the
11 development of solar projects on Long Island.
12 We think that compromise is possible in this
13 session. We're encouraged that the Governor
14 included a compromise proposal in his
15 Executive Budget, and we look forward to the
16 Legislature working with the Governor to
17 reach that compromise.

18 NYLCV has long supported congestion
19 pricing in Manhattan's central business
20 district in order to reduce harmful
21 automobile emissions and raise much-needed
22 revenue for the MTA. We strongly urge the
23 Governor, the Assembly, and the Senate to
24 include a congestion pricing framework

1 similar to what the Fix NYC Advisory Panel
2 recommended in this year's budget. We can't
3 afford to put this off for another year.

4 Last year, New York City's 5-cent fee
5 on single-use bags was preempted by an act of
6 the Legislature before it could take effect,
7 and Governor Cuomo promised a statewide
8 solution to the crisis of plastic bag waste.
9 There are only two effective solutions here:
10 a fee on all single-use bags, or a ban on
11 plastic bags and a fee on all other
12 single-use bags. We strongly urge you to
13 include one of these options, the proceeds of
14 any fee to go towards an environmental
15 purpose, in the final adopted budget.

16 And we're very encouraged to see the
17 Legislature taking positive steps on this
18 issue this week. So thank you for that.

19 Finally, we urge the Governor and the
20 Legislature to include in the final adopted
21 budget legislation clarifying that farmland
22 preserved under General Municipal Law Section
23 247 may construct buildings or structures
24 necessary for bona fide agricultural

1 production.

2 Recent litigation threatens the
3 ability of farmers on preserved land in
4 Suffolk County to construct improvements that
5 may be necessary to their farms' continued
6 viability. This is contrary to how the
7 farmland preservation program has been
8 operated for many years and how farmers
9 understood the program to operate when they
10 sold their development rights, and NYLCV
11 believes that a legislative clarification
12 here is both urgent and warranted in this
13 year's budget.

14 CHAIRWOMAN YOUNG: Okay.

15 MR. McCLELLAN: Thank you.

16 CHAIRWOMAN YOUNG: Any questions?
17 Assemblyman.

18 ASSEMBLYMAN ENGLEBRIGHT: Thank you
19 for your testimony, thank you for waiting
20 through so many hours. The veto that you
21 asked for on the legislation that Senator
22 LaValle and I sponsored last year for a Pine
23 Barrens amendment -- you got your wish. You
24 got your veto.

1 It really doesn't bode well at the
2 moment; the developer got his permits this
3 week. So thank you for suggesting that a
4 compromise might be possible.

5 Are you willing to call up the
6 developer and ask him if he would -- now that
7 he has his permits, if he would defer
8 bringing the bulldozers in until we have had
9 an opportunity to at least see if there are
10 some suggested alternatives to scarifying
11 that piece of land and using properties that
12 are already scarred? Is NYLCV willing to
13 make that call?

14 MR. McCLELLAN: I can't commit to
15 specific actions this evening without
16 consulting our organization's executive
17 director, which I would be more than happy to
18 do.

19 We would very much like to play a
20 constructive role here, though, and so I
21 think that that's certainly within the realm
22 of possibility of something that we could do,
23 play a constructive role in evincing a
24 compromise.

1 ASSEMBLYMAN ENGLEBRIGHT: Historically
2 your organization has played a very
3 constructive role in the environment, so I
4 would ask that you continue that tradition
5 and explore making the call. You have a lot
6 of credibility with the developer, for
7 obvious reason.

8 But again, I see the green-on-green
9 divisions becoming very harsh, and I think we
10 need to break through that and try to find
11 ways to get back to basics, because we're
12 really all on the same team.

13 MR. McCLELLAN: I agree 100 percent.

14 ASSEMBLYMAN ENGLEBRIGHT: Thank you
15 for your testimony.

16 CHAIRWOMAN YOUNG: Thank you.

17 MR. McCLELLAN: Thank you.

18 CHAIRWOMAN YOUNG: Our next speaker is
19 Erin Tobin, vice president for policy and
20 preservation from the Preservation League of
21 New York State.

22 Thank you for being here.

23 MS. TOBIN: Thank you.

24 CHAIRWOMAN YOUNG: If you could just

1 summarize, that would be helpful.

2 MS. TOBIN: What was that?

3 CHAIRWOMAN YOUNG: If you could just
4 summarize, that would be helpful.

5 MS. TOBIN: Absolutely.

6 And thank you all for allowing me this
7 opportunity to speak with you today. We
8 really appreciate this chance to talk about
9 the budget for the New York State Office of
10 Parks, Recreation and Historic Preservation.

11 We testified on February 8 regarding
12 the New York State Historic Tax Credit. I
13 want to just add to that our appreciation for
14 the support for bills S7648 and A9882, and
15 again to ask that the language in those bills
16 be included in the one-house budget bills.

17 And I also wanted to note that since
18 that testimony, we've received feedback from
19 the historic tax credit developers and
20 investors about the Governor's proposed
21 deferral of tax credits over \$2 million.
22 Because we've heard that that's already
23 slowing investment in historic rehabilitation
24 projects, and developers are getting --

1 having uncertainty from their investors, who
2 are hesitant to contribute the necessary
3 capital for those tax credit projects. And
4 that's creating a funding gap, and that's of
5 great concern.

6 I also wanted to note in the budget
7 that the Executive proposed for the New York
8 State Office of Parks, Recreation and
9 Historic Preservation, we were pleased to see
10 continued support for the backlog of
11 maintenance and restoration for the hundreds
12 of historic buildings stewarded by OPRHP. We
13 appreciate that continued support.

14 And then for the Environmental
15 Protection Fund, as stated by colleagues of
16 other organizations, we applaud the
17 commitment to fully funding the EPF at
18 \$300 million. What I want to note is that
19 the EPF funds crucial historic preservation
20 projects, and that's outlined, but this is
21 one of the very few sources of state funding
22 for historic preservation projects for
23 buildings owned by nonprofits or
24 municipalities.

1 And we have a grant program that's a
2 partnership program with the New York State
3 Council on the Arts; it's Preserve New York.
4 And in a study that we did of Preserve
5 New York outcomes between 2005 and 2012, our
6 NYSCA partnership funds historic structure
7 reports, which is an architecture study of
8 buildings owned by nonprofits or
9 municipalities. And our 26 historic
10 structure report grants leveraged \$10 million
11 in project implementation funding. And of
12 that \$10 million of restoration projects done
13 by nonprofits and municipalities on historic
14 buildings, \$4 million came from the EPF and
15 \$6 million was privately raised.

16 So the Environmental Protection Fund
17 does such an excellent job of leveraging
18 private donations and leveraging additional
19 state support, and I don't want its role in
20 historic preservation to be overlooked
21 amongst the other very important roles that
22 the EPF plays.

23 Thank you very much for your time.

24 CHAIRWOMAN WEINSTEIN: Any questions?

1 ASSEMBLYMAN ENGLEBRIGHT: I would just
2 like to say thank you for the work you do.
3 I'm bilingual; I can speak historic
4 preservation and natural area preservation.
5 And your work is of critical importance.
6 We're certainly going to study your request
7 here today going into the budget process.

8 Thank you.

9 MS. TOBIN: Thank you, Assemblyman.

10 SENATOR KRUEGER: Thank you.

11 Oh, no, I was just going to say thank
12 you and move on. But I don't want to cut off
13 anyone else.

14 CHAIRWOMAN WEINSTEIN: Thank you, but
15 in case there are some people who are --
16 we're finished, thank you.

17 MS. TOBIN: Okay. Thank you.

18 CHAIRWOMAN WEINSTEIN: But before we
19 call the next speaker, if there are some
20 people who are -- we understand some people
21 left the building who are going to be
22 testifying later. If there's a way for you
23 to make yourself known to one of our offices
24 by email, we'll make arrangements to get you

1 back into the building.

2 SENATOR KRUEGER: I'm going to keep
3 going.

4 Ted Marks and Chad Hendrickson, from
5 the New York Wine and Grape Foundation.
6 Anybody here? I see movement in the back,
7 but I don't think they're heading this way.

8 Okay, we're keeping going. Alison
9 Jenkins, Parks & Trails New York.

10 And if the wine people come back,
11 we'll let them come on.

12 CHAIRWOMAN WEINSTEIN: Liz, why don't
13 I just announce the --

14 SENATOR KRUEGER: Please.

15 CHAIRWOMAN WEINSTEIN: So if in fact
16 someone who is slated to testify is
17 listening, you can come in through the
18 Vietnam War Memorial entrance, or you can
19 call the State Police for entrance, and that
20 number is 518-474-5330.

21 SENATOR KRUEGER: Thank you.

22 Okay. Alison Jenkins, Parks & Trails
23 New York. Hi.

24 MS. JENKINS: Yes. Hi. Thank you for

1 the opportunity to testify today.

2 My name is Alison Jenkins, I'm the
3 parks program director for Parks & Trails
4 New York. And our organization supports and
5 advocates for the New York State Park system,
6 state parks, historic sites, trails, and
7 green spaces for all New Yorkers across the
8 state.

9 I'm just going to hit on a couple of
10 key points to keep this moving. The first
11 thing is I want to say thank you for all of
12 your past support for state parks, for
13 capital funding for the Environmental
14 Protection Fund, for everything you've done
15 so far.

16 I want to say that we really like
17 what's in the Governor's budget for state
18 parks, and we want to thank the Governor and
19 we would encourage your support for some of
20 the things that are in there. The first
21 thing being the \$90 million for state parks
22 capital funding, and then the other big thing
23 being the \$300 million for the Environmental
24 Protection Fund. And within the

1 Environmental Protection Fund, included is
2 the \$500,000 for the Park and Trail
3 Partnership Program, which is a grant program
4 that we administer through our organization.

5 For the past seven years or so, the
6 budget has included significant funding for
7 parks capital, which has been really
8 important and has taken parks a really long
9 way from where they were -- being
10 dilapidated, not having the funds to just
11 keep up regular building maintenance.

12 A couple of examples of how this has
13 affected parks is this past year Niagara
14 Falls State Park has received a \$7 million
15 upgrade for the Cave of the Winds, which is
16 part of a total investment of \$70 million for
17 that park. The new facility will provide a
18 year-round attraction at the park and will
19 extend the tourism season. It's also going
20 to improve visitor experiences by updating
21 exhibits and by eliminating long waits
22 through timed ticketing. So just some
23 modernizations, making things a little better
24 for visitors.

1 Also, at Jones Beach State Park, as
2 part of the \$65 million investment, upgrades
3 in 2017 included \$8.8 million for reopening
4 the Marine Dining Room and opening a new
5 East Games Area. Other improvements included
6 restoring bus services to the park and
7 expanding cyclist and pedestrian access
8 through the Jones Beach shared-use path.

9 These are just a couple of examples.
10 There are a lot more out there. And we can
11 tell it's working, because there were
12 71 million visitors to New York State parks
13 last year, and this is up about 23 percent
14 since 2011, which is amazing. That's a lot
15 of people.

16 As part of the \$90 million this year,
17 we would ask you to support the \$15 million
18 for the new state park in Brooklyn. And
19 additional to the \$90 million, there's
20 \$50 million for the Hudson River Park, which
21 we would also ask you to support. And we
22 know these investments are paying dividends.
23 We can see by a report that was put out this
24 past fall that shows that state parks put

1 \$5 billion dollars back into New York State's
2 economy. So with a nine-to-one return on
3 investment -- and something that's
4 interesting about that is that \$1.6 billion
5 of those dollars, or 21 percent, is people
6 from outside of those state park areas. So
7 people that are coming from more than
8 50 miles away are coming to these parks and
9 spending their money, which is fantastic.

10 I do have to mention that the Office
11 of Parks, Recreation and Historic
12 Preservation's operating budget is not as
13 robust as we would like to see it. They were
14 cut disproportionately years ago during the
15 recession by previous administrations, and
16 they've had flat budgets since. So at some
17 point it would be nice to get some more
18 operations funding so they can continue to do
19 their good work.

20 As for the Environmental Protection
21 Fund, thank you for putting it at
22 \$300 million -- this is my first time
23 testifying for a few years ago now, and the
24 last time I'm pretty sure we were at like

1 \$143 million, and it was just not a good
2 time. So I'm really excited to be able to
3 say thank you, the \$300 million for the EPF
4 has been amazing.

5 And like I said, our grant program in
6 the EPF, the \$500,000 for the Park and Trail
7 Partnership program, our grants are for
8 grassroots organizations, or what we call
9 friends groups. And they are really just
10 volunteers who volunteer at the park and want
11 to do good things -- they lead tours, they do
12 educational programming and repair things and
13 do a lot of good work.

14 A couple of really great examples of
15 that grant program are at the Friends of
16 Chenango Valley State Park. They purchased
17 14 pairs of snowshoes with their grant and
18 created a program for kids to get moving,
19 even in the winter. In the Friends of
20 Schodack Island State Park, they used their
21 grant funds to install informational kiosks
22 that have information about park activities,
23 park amenities, and also local businesses if
24 someone wants to go to a local restaurant or

1 a laundromat or something like that.

2 SENATOR KRUEGER: You're at zero, so
3 you have one last --

4 MS. JENKINS: I have one last thing.
5 I just wanted to mention the Connected to
6 Parks program that's also in the EPF. It's a
7 million dollars this year again, and we think
8 it's a great program and it's working really
9 well. And if you don't know what it is, it's
10 transportation for kids to get to parks, and
11 we'd like to see that supported again.

12 And that's all. Thank you for this
13 opportunity.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 SENATOR KRUEGER: Thank you so much.
16 Any questions?

17 Our next speaker is Kevin Chlad of the
18 Adirondack Council.

19 And then if you want to get in line,
20 our next will be Empire State Forest Products
21 Association, John Bartow.

22 MR. CHLAD: It's good to be with you
23 all. My name is Kevin Chlad. I'm the
24 director of government relations for the

1 Adirondack Council.

2 The Adirondack Council is a
3 not-for-profit that is dedicated to insuring
4 the ecological integrity and wild character
5 of our Adirondack Park. We envision an
6 Adirondack Park with clean air and water,
7 healthy and abundant wildlife, and large
8 wilderness areas surrounded by working farms
9 and forests and vibrant communities. We do
10 not accept any public funding.

11 I'll just touch on a couple of things
12 very briefly. I understand we're trying to
13 move along quickly here, and I appreciate the
14 opportunity to testify given how much you've
15 taken in today.

16 First, I just want to thank you for
17 the \$300 million EPF that was approved in
18 last year's budget, and also for the
19 \$2.5 billion in capital funding for clean
20 water. Last fall the Adirondack Council
21 released its second report on clean water
22 infrastructure needs in the Adirondack Park,
23 and in that report we celebrated \$38 million
24 in clean water grants received by Adirondack

1 communities since 2015, when the Legislature
2 really took it upon themselves to start
3 investing in these grants for communities.

4 It also highlights roughly \$85 million
5 in currently identified clean water
6 infrastructure needs in Adirondack Park
7 alone. And I'll just mention that five major
8 watersheds, including the Hudson River, began
9 in the Adirondacks, making the needs of
10 upstream communities important.

11 We're really thrilled that the
12 Governor has proposed a \$300 million EPF in
13 this year's budget in his Executive Budget
14 proposal, and we strongly encourage the
15 Legislature to put the \$300 million in their
16 own one-house budgets and in the final
17 enacted budget.

18 And there are so many -- there are
19 really many items within the EPF that we're
20 thrilled about that are in the Governor's
21 proposal, too many to cite, so I'll just
22 touch on a couple of items.

23 One of those items is called the
24 Adirondack Diversity Initiative, and it's

1 really to ensure the longevity and
2 sustainability of the park and make the
3 Adirondacks a more welcoming and inclusive
4 place. The Adirondack Council is advocating
5 for a \$100,000 appropriation in the EPF for
6 the \$250,000 Adirondack Diversity Initiative.
7 Following a spate of unfortunate events in
8 the Adirondacks where derogatory remarks were
9 made towards visitors, the ADI intends to
10 provide quantifiable results in fostering a
11 more welcoming community in the park.

12 Another item that we wish to see
13 funded in the EPF this year is State Land
14 Stewardship, for which the Governor has
15 proposed an increase, and we support that.
16 Recently Governor Cuomo's Adirondack Park
17 Agency approved the classification of the
18 Boreas Ponds Tract, and it was a good
19 compromise between motorized advocates and
20 wilderness advocates. And not everyone got
21 everything they wanted, but that's the
22 essence of a good compromise.

23 The Boreas Ponds Tract is really
24 referred to as the jewel in the Adirondack

1 crown. At more than 20,000 acres, this tract
2 is similar in size to the island of
3 Manhattan, and it hosts one of the highest --
4 it actually hosts the highest-elevation
5 Class 1 wetland in our state that helps
6 comprise the headwaters of the Hudson River.

7 I just want to take a moment to thank
8 you for your role in supporting the
9 acquisition using EPF monies. You have
10 really given quite a gift to future
11 generations, and you should be really proud
12 of that. But now there's a subsequent
13 process that must occur, and what is needed
14 is a wild lands complex planning effort to
15 bring stakeholders together to really think
16 big when it comes to finding concepts for
17 visiting usage and resource protection, with
18 resource protection always being the
19 paramount consideration. And dedicated
20 funding in the state land stewardship
21 category could be quite a boon to that
22 effort.

23 Shifting gears, the Executive Budget
24 has proposed to shift the state's tax

1 payments on Forest Preserve lands in the
2 Adirondacks and Catskills from an ad valorem
3 tax to payment in lieu of taxes, and we're
4 deeply concerned with this proposal to break
5 with more than 125 years of history. The
6 state has long paid taxes on the Forest
7 Preserve to reflect the greater benefits to
8 its citizenry, and the change in tax payments
9 would threaten the viability of future land
10 purchases with the ability of the local
11 governments to veto land acquisitions. And
12 it also fails to acknowledge the important
13 contributions of our communities as hosts to
14 these spectacular Adirondack resources.

15 And communities and environmental
16 groups, you may take note when you read the
17 papers, we don't always see eye to eye on
18 things in the Adirondack Park. But you can
19 rest assured that this is one item we are,
20 you know, standing together with locked arms,
21 asking that this change not occur.

22 I also just want to take a moment to
23 flag -- a number of my colleagues have been
24 before you and will be before you a little

1 bit later to talk about the Empire Forests
2 for the Future initiative. And I just want
3 to make it very clear that the Adirondack
4 Council has been calling for forest tax
5 reforms for decades, and we think that that
6 should be passed in this year's budget. We
7 support that very much.

8 We have more detailed thoughts on
9 that, and we'd be happy to follow up with you
10 folks later on in session.

11 Also, I just want to quickly touch on
12 all-terrain vehicles, and that will be my
13 last point. In the 2016 New York State
14 Ranger Report, they identified ATV
15 trespass -- and you heard these compelling
16 stories from the Police Benevolent
17 Association earlier. Given all that they're
18 doing, those incredible stories we hear, they
19 still lead off their annual Ranger Report by
20 citing ATV trespass on state lands as the
21 most problematic activity that they face on a
22 daily basis.

23 I think that speaks volumes to the
24 task we have before us. We need to enact a

1 general ban on Forest Preserve and other
2 state lands, that needs to happen, and we'd
3 be happy to talk with anybody how to get that
4 done.

5 You'll also hear very soon from one of
6 my colleagues at the Adirondack Lake Survey
7 Corp., and I'll leave it at that and let you
8 know that we support that.

9 Thank you very much for your time.

10 SENATOR KRUEGER: Thank you very much.

11 Any questions? Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 SENATOR KRUEGER: Our next speaker is
14 John Bartow, executive director, Empire State
15 Forest Products Association.

16 And then Adirondack Mountain Club, if
17 you want to move front.

18 MR. BARTOW: Yes, good evening, and
19 thank you for your perseverance and your
20 leadership on these issues.

21 I have two issues that I will just
22 bring to your attention. We've given you
23 detailed testimony as well as very in-depth
24 position papers in our packet with you. I

1 just want to say as you're looking to the
2 agricultural budget and restorations that are
3 there, we encourage you to support the
4 Wood Products Development Council, which is
5 the only real marketing-driven thing for
6 supporting wood products development and new
7 wood products in New York State.

8 I'm going to devote the rest of my
9 couple of minutes on the Empire Forest for
10 the Future initiative. We're very excited
11 that the Governor has included this after
12 several years of discussion about how
13 property tax reform and other provisions
14 could begin to benefit New York's private
15 forests. We have a long legacy of sustaining
16 and advancing our public forests and our
17 wilderness forests in New York State, and we
18 think it's only apropos to start looking to
19 the 14 million acres of private forest in
20 New York.

21 The Governor's proposal includes six
22 major provisions; you will hear highlights of
23 those. We've detailed our comments in those
24 position papers. I just want to talk about

1 really two or three of those right now.

2 The first being the Forest Tax Law
3 reform, and we're extremely supportive of
4 that. In particular, it leaves the 480
5 proposals under the Real Property Tax Law the
6 same as they've always been. 480-a would be
7 grandfathered, and then new enrollments --
8 the only thing we have a concern about is the
9 hard deadline of March 1, 2019. We'd like
10 the new 480-b program up and running so that
11 owners have a real chance to analyze and
12 decide which program they want to go in.

13 And secondly, under the 480-a program,
14 there's some transfer under grandfathered
15 properties that we're suggesting be treated
16 just like they were under 480 in 1974. That
17 really will be a decision of the landowners
18 moving forward.

19 In terms of the property tax shift, we
20 think this is incredibly important that the
21 Governor has put in a formula under state
22 finance law to address the tax shift that
23 will occur here. This has been a huge
24 impediment for local taxing jurisdictions and

1 local governments. As we've been discussing
2 this, we think the formula is fair. It may
3 need some adjustments going forward.

4 We have additional information we can
5 give you about where that occurs and how it
6 would benefit, which I'm happy to go into
7 with you or your staff at any time as we go
8 forward.

9 There are a couple of amendments to
10 the Right to Practice Forestry law. One in
11 particular is a new regulatory approach for
12 the notification of a commercial timber
13 harvest. We have some concerns on that.

14 We've articulated in our comments --
15 we offer an alternative that we think would
16 give as good if not better information moving
17 forward for the concerns the department is
18 looking for, and it would be a nonregulatory
19 approach of getting that information. So
20 we're happy to get into the weeds on that
21 detail. We do want to work with you, the
22 Governor, and our stakeholders on a mutually
23 beneficial arrangement as this is going
24 forward here.

1 There are two grant programs under the
2 program, one for community forest and one
3 for -- they're calling it the Empire Forest
4 Incentive Program, but it's really geared at
5 private forestland stewardship. We support
6 both of those programs as being demonstrable
7 of the way forest practices can go forward
8 protecting extreme ecological and
9 environmental resources associated with our
10 forests that are out there, and for the first
11 time really giving some benefit to private
12 forestland owners on the costs that they
13 incur on an annual basis of keeping forests
14 sustainably managed and protecting incredible
15 ecological and environmental resources across
16 the state.

17 And lastly, the Governor has included
18 a state procurement preference for state
19 agencies. This has been tried on other local
20 foods, agricultural products -- we're curious
21 to see how that would work in New York.
22 Markets, at the end of the day, are really a
23 big factor in ensuring our private forests
24 remain private and productive, so if that can

1 help us in ensuring that at all, we'll go
2 forward with it.

3 And the last thing I want to say is we
4 have an incredible coalition -- you're going
5 to hear from a number of folks tonight, but a
6 coalition that represents industry, business,
7 agriculture, land trusts, environmental
8 groups from every corner of the state, that
9 have really signed on and want to work with
10 you to push this across the goal line. So
11 we're pleased at that kind of collaboration
12 we've been able to get and the demonstration
13 of support that shows for you.

14 CHAIRWOMAN YOUNG: Thank you.
15 Appreciate it.

16 ASSEMBLYMAN OAKS: Thank you. Good
17 information.

18 CHAIRWOMAN YOUNG: Next we have Neil
19 Woodworth, executive director and counsel for
20 the Adirondack Mountain Club.

21 Thank you for being here.

22 MR. WOODWORTH: Thank you very much
23 for hanging in there. I really appreciate
24 it.

1 Tonight you have heard -- starting
2 with Dan Stec and a few other people, you've
3 heard briefly some discussion about a tax cap
4 and PILOTs. And I'm going to focus on that,
5 because it really is a paradigm shift in the
6 way New York State has treated local
7 government with regard to state lands.

8 One hundred thirty-one years ago, in
9 1886, New York State government, the
10 legislature and the governor, made an
11 agreement with local government as the state
12 began to acquire what today is 5,300,000
13 acres of state land -- that's a huge amount
14 of land. I have maps of everybody's Senate
15 and Assembly district to show you --
16 particularly Senator Young, your district has
17 a lot of state land that's taxable.

18 CHAIRWOMAN YOUNG: Yes, it does.

19 MR. WOODWORTH: And what this would do
20 is, in a complete reversal of the agreement
21 back in 1886 -- the agreement was that local
22 government would value the land and determine
23 it based on the needs of the community. And
24 what revenue bill Item F does is it

1 completely changes that. Three governors in
2 recent times have tried to do that, and the
3 legislature has basically rejected that
4 attempt each time to give the control,
5 evaluation, and assessment to the state.

6 The Court of Appeals -- this was
7 challenged in court, the state challenged the
8 local assessment of state lands in what
9 became a landmark decision across the nation
10 in the Town of Shandaken vs. State. The
11 Court of Appeals reaffirmed that local
12 government should value, when the state made
13 that agreement in 1886, that state land would
14 be taxed in the same manner as any of us as
15 private individuals.

16 That agreement has paved the way for
17 local government support for the wonderful --
18 and this covers everything from the
19 Long Island Pine Barrens to the Forest
20 Preserve in the Adirondacks and Catskills.
21 And less known is the 750,000 acres of state
22 forest really from the Massachusetts border
23 down to Putnam County and all the way out to
24 Cattaraugus County and Lake Erie.

1 And these valuable forestlands are
2 basically -- put demands on local
3 communities' first responders. And frankly,
4 because they are undeveloped, they do cost
5 communities some revenue in the tax base.
6 And the payments made by the state are
7 critical.

8 And it's critical and I am asking both
9 houses to reject revenue Item F in the
10 Executive Budget. It's the fair thing to do,
11 it reaffirms -- and believe me, it affects
12 hundreds and hundreds of communities from
13 Long Island to Western New York.

14 So it is not just about the
15 Adirondacks and Catskills. It covers the
16 largest state parks -- Allegany, Harriman,
17 Storm King. All the great large state parks
18 are also taxable.

19 So this is a very important issue, and
20 I hope you will make it a priority not to
21 agree to the Governor's proposal for a tax
22 cap and for exchanging those regular tax
23 payments into payments in lieu of taxes.

24 I want to also endorse the Forest Tax

1 Law, 480, 480-b. This is a very inexpensive
2 way to really sequester a lot of carbon in
3 our forest and also extend the program down
4 to small forest owners, so all the way down
5 to people who own as little as 25 acres of
6 forest. When you aggregate all that land --
7 that's why 70 percent of the private forests
8 in New York State are owned by private
9 individuals.

10 I also want to put in a plug for the
11 Empire Forest Initiative. It's another good
12 way for us to not only preserve our forest
13 products industry, but keep an awful lot of
14 jobs in upstate New York.

15 Finally, I will echo what my colleague
16 Kevin Chlad said: All-terrain vehicles have
17 become a plague in New York State. And there
18 will be proposals that will seek to expand
19 all-terrain vehicles from one-person vehicles
20 to two-, four- and six-person vehicles and
21 actually create a program that would force
22 either Parks or DEC to create a program to
23 put all-terrain vehicles -- the Trail Fund
24 Program on all state lands, which frankly

1 would be a disaster.

2 The state, when its DEC studied this
3 issue, found that all-terrain vehicle trails
4 were not sustainable and had to -- after
5 experiments in six state forests, had to
6 completely cancel the program. And it has
7 not renewed that program.

8 So with that, I'll stop and see if
9 anybody has any questions for me. All right,
10 thank you very much.

11 CHAIRWOMAN YOUNG: I think we're good.
12 Thank you so much.

13 SENATOR KRUEGER: Thank you.

14 CHAIRWOMAN YOUNG: Thanks for being
15 here.

16 Next we have James Dukett, program
17 manager from the Adirondack Lake Survey
18 Corporation.

19 MR. DUKETT: Thank you, everybody, for
20 the opportunity to be here.

21 My name is James Dukett, I am program
22 manager for the Adirondack Lake --

23 CHAIRWOMAN YOUNG: Sorry I
24 mispronounced it.

1 MR. DUKETT: That's okay. I'm from
2 the Adirondacks. French-Canadian name.

3 I've been working for the Adirondack
4 Lake Survey Corporation for nearly 25 years.
5 The Adirondack Lake Survey Corporation was
6 formed in 1983 with a charge to help
7 understand this critical issue of acid rain
8 in the Adirondacks that was ravaging our
9 forests, our lakes, our fish, our brook
10 trout.

11 We set out in 1984 to do what was at
12 that time and still is the largest acid rain
13 study of its time, the Adirondack Lake
14 Survey. We collected and analyzed nearly
15 1500 small brook trout waters in the
16 Adirondack Park. That data has been used by
17 legions of researchers and policy makers. It
18 was used to help support the 1990 Clean Air
19 Amendment Acts. New York State policymakers
20 have used it for emission control policies.

21 And after 1990, we continued to do
22 long-term monitoring work for several years
23 to show the improvements from -- associated
24 with the Clean Air Act as well as New York

1 State emission policies. We have been the --
2 the work has been successful, and we're proud
3 of it.

4 Ironically, we currently have an
5 administration that in -- a federal
6 administration that's discussing subsidizing
7 coal to compete with natural gas. And I
8 assure you that if that does happen and acid
9 rain comes back to the Adirondacks, that
10 brook trout will -- mortality rates will
11 increase, aluminum will come out of the soil,
12 it will precipitate on the gills of brook
13 trout, and they will start to die again. And
14 the fishery is returning. Our friends in DEC
15 fisheries are telling us, we know this from
16 our own work as well too. We see it in our
17 data.

18 So we feel we're still relevant.
19 Although we've been successful, we feel we're
20 still relevant, especially now.

21 We also, with the success that we've
22 seen, we wanted to continue to help New York
23 State -- again, in particular DEC fisheries.
24 We feel we can help with a more proactive

1 opportunity. Our skill set can be used to
2 get out into the woods, to collect samples,
3 analyze those waters, provide data to
4 New York State DEC and other anglers to help
5 with brook trout restoration efforts.

6 I don't need to remind anybody here
7 that the brook trout is our state fish. And
8 we feel that our skill set is still relevant,
9 and we're asking that you continue to support
10 this work. We don't want to go backwards
11 with acid rain, and we think that we can
12 offer a proactive, positive opportunity for
13 the Adirondacks as well as that North Country
14 communities could also look at as a tourism
15 opportunity.

16 So I'll stop there, I know it's been a
17 long day. And if anybody has any questions,
18 I'll take them.

19 CHAIRWOMAN YOUNG: Thank you. And
20 thank you for being so patient.

21 MR. DUKETT: Thank you.

22 ASSEMBLYMAN OAKS: Thank you.

23 CHAIRWOMAN YOUNG: Next we have
24 Marilyn DuBois, board of directors of Protect

1 the Adirondacks. Is Marilyn here?

2 Okay, then moving right along, from
3 the Sierra Club, Roger Downs, conservation
4 director for Sierra Club in the Atlantic
5 Chapter. No takers?

6 Erik Kulleseid, senior vice president
7 of the Open Space Institute. Forgive me if I
8 mispronounced your name.

9 MR. KULLESEID: It's like Kool-Aid.
10 Kool-Aid and an "s". Kulleseid.

11 CHAIRWOMAN YOUNG: Kulleseid.

12 MR. KULLESEID: You know, I wouldn't
13 miss this moment. I always feel like we're
14 the last ones standing, still slinging it
15 out, and I appreciate all of you making it
16 through the day. I know it's long for you,
17 and really I'm stunned at your stamina. And
18 you're all very good to stay.

19 I am not going to read my testimony,
20 you'll be happy to know --

21 CHAIRWOMAN YOUNG: Thank you.

22 MR. KULLESEID: You all have copies.

23 So my name is Erik Kulleseid, and I'm
24 a senior vice president at the Open Space

1 Institute, and I also run our Alliance for
2 New York State Parks program.

3 Thank you, Chairman Young --
4 Chairwoman Young. Thank you, Chairwoman
5 Weinstein.

6 CHAIRWOMAN WEINSTEIN: It's late.

7 MR. KULLESEID: I give people grief
8 about messing up my name, and I'm doing it in
9 spades right now.

10 Anyway, thank you for letting me
11 appear today.

12 OSI is a 40-year-old land and park
13 conservation nonprofit in New York State. We
14 also have grant programs and programs up and
15 down the Eastern seaboard. I'm going to keep
16 it very brief and just really highlight the
17 things we support.

18 By and large, we are very supportive
19 of the Governor's budget, and we are here
20 just to sort of say thank you to you for
21 really going hand-in-hand on one of the most
22 remarkable runs for state parks that we've
23 seen in decades. What's happening in the
24 state park system is something we should not

1 take for granted -- it's extraordinary, and
2 wouldn't happen if you all weren't right
3 there.

4 And I hope you get a chance to get out
5 to a state park soon. Thatcher's very close
6 by; I'll take you on tours of the new
7 Thatcher Park Center anytime you'd like.

8 I think that also the DEC capital is
9 doing well. I'm also very happy about --
10 OSI, about a third year of \$300 million for
11 EPF. We very much appreciate the constrained
12 fiscal environment the state is in and lots
13 of risk coming at you from Washington, and
14 the commitment to that fund is truly
15 remarkable and transcendent. And I think it
16 just sets New York apart from so many other
17 places in this country.

18 I do want to say -- and I think I've
19 had conversations with Assemblyman
20 Englebright about this -- there is some
21 concern, I think, about the proposed drop in
22 the land conservation account under the
23 Environmental Protection Fund. It's a fund
24 that we use heavily to help the state to

1 expand and buffer its park holdings.

2 You know, I think the way the official
3 position seems to be is that the pipeline is
4 being satisfied with the funds at hand. And
5 I guess at some level we should be thinking
6 about where the gaps are in the conservation
7 sector today. And I think that with the town
8 governments and local governments having
9 dropped out to some degree because of the
10 2 percent property tax cap, I think that we
11 may need to have the state step up and do
12 more to promote some local conservation
13 measures as well.

14 And there are grant programs, but
15 maybe it's something worth thinking about for
16 the future. Because really the volume of
17 land conservation -- the need has not
18 dropped, and we need to keep that volume up.

19 I also, following my colleague John
20 Bartow, we are big -- usually supportive of
21 Empire Forests for the Future. You only need
22 to look at a map of New York and see how much
23 of this state's forestland is in private
24 hands. And if we can set up and make that

1 incentive program more effective so that more
2 lands are enrolled, it means more
3 conservation is being done at the state
4 privately without state resources needing to
5 go into buying the land.

6 So it's really -- it's a very
7 creative, updated program, and we truly urge
8 you to support that going forward. I think
9 it's really a very good bill.

10 That's really my main points. Again,
11 thank you for your partnership. This
12 chamber -- the Assembly and the Senate have a
13 lot to be proud of in this environmental
14 record, and we really appreciate it.

15 Any questions?

16 CHAIRWOMAN YOUNG: Well, thank you.

17 Any questions? Yes, Assemblyman.

18 ASSEMBLYMAN ENGLEBRIGHT: I know that
19 if Carrie Woerner was still here, that both
20 of us would want to say -- certainly she
21 would want to say thank you for the historic
22 role that OSI has played in the Hudson River,
23 and in particular in the Sword Surrender Site
24 which was made possible by the foresight and

1 vision of your organization to help protect
2 our national heritage in so many ways.

3 Thank you for the work you do.

4 MR. KULLESEID: Thank you, Steve.

5 It's a pleasure and a privilege.

6 CHAIRWOMAN YOUNG: Thank you.

7 Our next speaker is John Halsey,
8 president of Peconic Land Trust.

9 MR. HALSEY: Good evening.

10 CHAIRWOMAN YOUNG: Good evening.

11 MR. HALSEY: I have to echo Erik's
12 tremendous appreciation for your stamina and
13 dedication. It's also been interesting to
14 watch the proceedings today. So I'm going to
15 really hit the high points of my testimony,
16 not read through it all.

17 Again, my name is John Halsey,
18 president of the Peconic Land Trust. I'm
19 here today representing over 45 organizations
20 from Long Island and across the state. The
21 full list of organizations are listed in the
22 written testimony. Thank you for the
23 opportunity to be here.

24 In the 1970s, thanks to General

1 Municipal Law 247, New York was the first in
2 the country to have a farmland preservation
3 program through which a municipality could
4 purchase partial interest in the rights and
5 rights in land to protect privately owned
6 farmland from development. Many of the first
7 farms in this program were among the first
8 farms in New York State, dating back to the
9 1600s.

10 Unfortunately, a 2016 State Supreme
11 Court decision has effectively undermined the
12 credibility of the nation's first farm and
13 farmland preservation program and put at risk
14 bona fide agricultural production in
15 Suffolk County, with the potential of doing
16 so elsewhere in the state and beyond. Its
17 impact is far-reaching.

18 First, this decision nullifies rights
19 for agricultural buildings and structures
20 that farmland owners retained. As such, it
21 constitutes a breach of contract, with the
22 potential to unleash a flood of lawsuits.
23 The county could find itself renegotiating
24 each and every contract -- nearly 400 -- a

1 potentially long, arduous process with
2 uncertain results. This is what keeps me up
3 at night.

4 The last thing we want to see is the
5 unraveling of over 40 years of farmland
6 preservation and 20,000 acres of protected
7 farmland in Suffolk County -- not a good way
8 for the first PDR program in the country to
9 end.

10 Second, this decision constitutes a
11 breach of trust that undermines the integrity
12 of all purchase-of-development-rights
13 programs here and elsewhere. The longer it
14 takes to resolve, the greater the uncertainty
15 and the damage done.

16 Third, this decision hampers
17 agriculture by limiting the infrastructure
18 that it needs going forward. Agriculture is
19 constantly evolving as a function of what the
20 public wants and what the market will bear.
21 By prohibiting agricultural buildings and
22 structures, efforts to produce fresh,
23 healthy, locally grown food and other
24 products for New Yorkers, including our

1 children and families, are compromised.

2 So today we respectfully request that
3 the Senate and Assembly address the
4 situation. Please include statewide
5 legislation which was developed in
6 conjunction with the Department of Ag &
7 Markets in your one-house budgets. This
8 legislation makes it clear that agricultural
9 buildings and structures are essential to
10 bona fide agricultural production under
11 General Municipal Law 247.

12 This language will have no fiscal
13 impact on the budget, but it will support the
14 state's agricultural economy and economic
15 development goals that produce jobs, tourism,
16 and locally grown food and other products for
17 New Yorkers. It is our heritage, and it
18 began on Long Island. And we want to see it
19 continue.

20 Thank you very much for the
21 opportunity to testify.

22 CHAIRWOMAN YOUNG: Thank you very
23 much.

24 Any questions?

1 CHAIRWOMAN WEINSTEIN: Steve

2 Englebright.

3 ASSEMBLYMAN ENGLEBRIGHT: Yes, John.

4 Thank you for your 40 years of work. I
5 remember being in your office shortly after
6 you organized this extraordinary land trust
7 back in the early 1980s.

8 We hear your message, and I hope that
9 we are able to help. I find it ironic that
10 the Pine Barrens Society brought the lawsuit,
11 because they stand on your shoulders. Land
12 preservation was something that the Pine
13 Barrens Society made possible for obviously
14 the Pine Barrens, based in many ways upon the
15 model of respect for the land that your
16 initiatives began. But they are different,
17 and that difference should not divide. We'll
18 see what we can do.

19 Thank you for bringing the message
20 today. This is a priority. I know
21 Mr. Thiele was here before, but I know each
22 of us is hopeful that we can bring the two
23 kin together. You're both part of the same
24 family of conservation on Long Island. Both

1 the natural areas and the farmland areas
2 should not be divided. We'll see what we can
3 do.

4 MR. HALSEY: Well, I appreciate your
5 comments, Assemblyman Englebright. And we
6 share many passions and have lots of work to
7 do together, and anything that you can do to
8 keep our farms in farming and to keep
9 Long Island the great place it is -- the
10 agriculture, the natural resources that we
11 love so much. So thank you for your
12 dedication.

13 ASSEMBLYMAN ENGLEBRIGHT: We are the
14 crucible for much of the rest of the state.
15 When I go to Washington County, I see Teri
16 Ptacek and I realize that, my goodness, she
17 too is standing on the shoulders of your
18 work.

19 MR. HALSEY: Thank you.

20 ASSEMBLYMAN ENGLEBRIGHT: And the
21 great work they're doing in that upstate
22 county as well as elsewhere across the state.
23 We hear your message, we're going to go to
24 work on it. I hope we can find a way to

1 resolve these issues.

2 MR. HALSEY: Thank you.

3 ASSEMBLYMAN ENGLEBRIGHT: Thank you
4 for your testimony.

5 MR. HALSEY: Yeah. Thank you.

6 CHAIRWOMAN YOUNG: Thank you.

7 Our next speaker is Evelyn Powers,
8 executive director of the Interstate
9 Environmental Commission.

10 MS. POWERS: Thank you. Thank you,
11 Senator Young, Assemblywoman Weinstein,
12 Senator O'Mara, Assemblyman Englebright, and
13 members of the legislative fiscal and
14 environmental committees.

15 Thank you for this opportunity to
16 offer testimony on behalf of the Interstate
17 Environmental Commission in regards to the
18 Governor's proposed budget for state fiscal
19 year 2018-2019. Thank you for your stamina
20 and staying here late into the night.

21 Firstly, the Interstate Environmental
22 Commission would like to commend Governor
23 Cuomo for continuing to demonstrate, through
24 the Executive Budget, and in particular

1 through the \$300 million continued funding of
2 the Environmental Protection Fund, his
3 commitment to protecting New York's
4 environment.

5 For those of you who don't know, the
6 Interstate Environmental Commission is a
7 tri-state water and air pollution control
8 agency primarily focused on water issues
9 committed to protecting, conserving, and
10 restoring New York's environment -- as I
11 said, particularly in the area of water
12 quality and conservation.

13 IEC's jurisdictional waters, as it
14 relates to New York, includes not only the
15 waters of New York Harbor, all the waters
16 abutting the five boroughs of New York City,
17 but extends up the Hudson River to the
18 Bear Mountain Bridge, includes the
19 Westchester County shoreline, along the
20 North Shore of Long Island, out to
21 Fort Jefferson and along the South Shore of
22 Long Island to Fire Island Inlet.

23 Our entire district is either New York
24 or New York waters that are shared by

1 New York and neighboring states to New York
2 and New Jersey. Just as water knows no sea
3 boundaries, IEC is committed to taking a
4 regional approach to water quality management
5 and water quality projects, yet recognizes
6 that water quality protection needs vary
7 across our member states.

8 IEC's mission is to protect and
9 enhance environmental quality in the
10 Interstate Environmental District through
11 monitoring, cooperation, regulation,
12 coordination and mutual dialogue between
13 government agencies. The IEC aims to fulfill
14 this mission by strategically filling
15 geographical, temporal, and local gaps in
16 regional monitoring programs in coordination
17 with the states, the EPA, and our regional
18 partners.

19 I have a lot more details of our
20 monitoring programs in the testimony, but I
21 just want to highlight some programs and
22 resources that I think are particularly of
23 value to New York State. IEC has performed
24 water quality monitoring in western

1 Long Island Sound every summer since 1991.
2 We monitor dissolved oxygen and other
3 water-quality parameters relevant to hypoxia
4 to assess the onset and duration of hypoxia
5 in western Long Island Sound.

6 In addition, IEC has the capability to
7 perform short-notice monitoring work. This
8 is an area that has been expanding recently.
9 IEC performs sampling, monitoring, and
10 analyses in response to regional
11 environmental emergencies, concerns, and
12 environmental disasters. In the recent past,
13 IEC has assisted local environmental agencies
14 and state agencies to determine environmental
15 impacts after natural or manmade events --
16 bypasses of wastewater treatment plants,
17 hurricanes, extreme storms, et cetera.

18 In 2017, the summer of 2017, IEC
19 partnered with EPA, USGS, and New York City
20 Parks on a short-notice water-quality line
21 program along the Harlem River to assess
22 water quality in the vicinity of a proposed
23 public access site after a storm event.
24 IEC's ability to mobilize quickly and perform

1 sampling and associated analyses quickly at
2 the request of state, local, and regional
3 partners makes IEC a valuable resource in
4 New York State.

5 We couldn't do this without our
6 laboratory. Since 1994, the commission has
7 had a laboratory located on the campus of the
8 College of Staten Island. Since 2000, the
9 laboratory has been accredited through the
10 National Environmental Laboratory Approval
11 Program. The IEC holds primary NELAP
12 accreditation through the New York State
13 Department of Health's ELAP program. The
14 commission's laboratory is dedicated to
15 producing technically defensible
16 environmental data through sound science and
17 a comprehensive quality control and quality
18 assurance program.

19 IEC performs inspections at
20 SPDES-permitted wastewater treatment
21 plants -- also known as water resource
22 recovery facilities -- industrial
23 dischargers, pump stations, and combined
24 sewer systems throughout our district.

1 These inspections are planned in
2 coordination with the New York State
3 Department of Environmental Conservation
4 staff, include sampling and an inspection of
5 processes and equipment and a review of plant
6 records. IEC is frequently the only agency
7 to perform effluent compliance monitoring at
8 these permitted discharges. Thus IEC's
9 compliance monitoring is, in many cases, the
10 only independent verification of the data
11 reported by permittees on their discharge
12 monitoring reports.

13 One of the fastest expanding areas of
14 IEC is our Citizen Science program. This is
15 an area that has had great interest in and
16 around our jurisdiction. IEC promotes a
17 target area, such as the near-shore areas of
18 Staten Island, that are not routinely
19 monitored by regulatory agencies or other
20 established monitoring programs, and focuses
21 on parameters such as pathogens, which are of
22 particular concern to the public as they
23 relate to recreational water quality.

24 CHAIRWOMAN YOUNG: Could you

1 summarize?

2 MS. POWERS: Yes. Will do.

3 Okay, sorry. So while IEC funding
4 primarily comes from other sources, primarily
5 the federal Clean Water Act funds, state
6 funding is critical in order to enable IEC to
7 meet the federal match requirement of
8 \$214,000. IEC also receives federal funding
9 from the Long Island Sound site through EPA
10 Region 1.

11 New York had a long history of
12 supporting the work of IEC until 2009, when
13 financial stresses caused the state to reduce
14 the funding to \$15,000. We're appreciative
15 that beginning last year, our funding was
16 increased to \$41,006, where it remains. But
17 what we're asking for is for all of our
18 states to fund IEC and the match required to
19 receive our federal 106 funds, in accordance
20 with the Tri-State Compact of 1936, which set
21 forth a funding structure of 45 percent from
22 New York, New Jersey, and 10 percent from
23 Connecticut. This amounts to \$96,323 --

24 CHAIRWOMAN YOUNG: Could you please

1 finish up? We have the testimony, we got it
2 in advance. So if you could please finish
3 up, that would be great.

4 MS. POWERS: So that is what we're
5 asking, for the funding to come out to be
6 increased to \$96,323, which would be
7 45 percent of the required match to meet our
8 federal match requirements to receive our
9 Clean Water Act funding.

10 CHAIRWOMAN YOUNG: Thank you.

11 MS. POWERS: Thank you.

12 CHAIRWOMAN YOUNG: Thank you.

13 MS. POWERS: Sorry, I'm a little --
14 thank you for your patience.

15 CHAIRWOMAN YOUNG: Our next speaker is
16 Brian Shapiro -- oh.

17 ASSEMBLYMAN ENGLEBRIGHT: You're
18 probably feeling like you're getting the
19 bum's rush. Let me just say that you're not.

20 I just want to invite you to stop by
21 my office, and hopefully I'll be able to have
22 a couple of my colleagues listen to these
23 concerns. I know that there's a war taking
24 place on science generally in the EPA.

1 Scientists are being fired because it's
2 somehow chic to do that. I'd like to talk
3 with you in a little more detail about ways
4 that the state can help continue your legacy
5 of service as an interstate agency.

6 MS. POWERS: I would be happy to.
7 I'll contact your office.

8 ASSEMBLYMAN ENGLEBRIGHT: Thank you
9 very much.

10 MS. POWERS: Thank you very much.
11 Thank you.

12 CHAIRWOMAN YOUNG: Our next speaker is
13 Brian Shapiro, New York State director of the
14 Humane Society of the United States. Not
15 here.

16 Adrienne Esposito, executive director,
17 Citizens Campaign for the Environment.
18 Adrienne here? Not here.

19 Mark Dunlea, chairperson of Green
20 Education and Legal Fund. And he is here.

21 Thank you for being here.

22 MR. DUNLEA: Thank you very much for
23 staying for so late. My name is Mark Dunlea,
24 and I'm chairperson of the Green Education

1 and Legal Fund.

2 I bring you somewhat good news in that
3 the next speaker, Blair Horner, was unable to
4 access the building, and therefore will not
5 be speaking. So you free up some time.

6 I do know that Blair would have liked
7 us to have mentioned we support the work on
8 trying to deal with the issue of food waste,
9 which I know Mr. Englebright has been quite
10 active on. He certainly urges the state to
11 look at the issue of stopping or abandoning
12 plastic bags, which I know Senator Krueger
13 just introduced some legislation on. And he
14 has some additional information with respect
15 to water.

16 I'm going to primarily focus my
17 comments on energy. It was kind of hard to
18 stomach some of the testimony we heard from
19 the state officials. When we heard from the
20 Public Service Commission that they were on
21 track on renewable energy, when they claim
22 that they have managed to add 4 percent from
23 solar and wind to the state electricity
24 system -- many of us actually think it's

1 3 percent. But even at 4 percent, we're
2 talking about 15 years ago, Governor Pataki
3 set a goal of adding 11 percent so we'd get
4 to 30 percent renewable energy by 2015. So
5 that was the goal, and we've managed
6 actually, seven years into the Cuomo
7 administration, to add three years.

8 So we appreciated a lot of the
9 questions that Mr. Englebright, Senator
10 Krueger added. You know, California is going
11 to hit 50 percent by 2020, 10 years faster
12 than we're doing. Texas is at 18 percent of
13 its energy right now is coming from
14 renewable, 17 percent coming from wind.

15 New Jersey, the governor of
16 New Jersey, in his first two weeks, issued
17 executive orders that surpassed what New York
18 State had done on offshore wind and renewable
19 energy -- in two weeks. That doesn't give us
20 much faith that New York State is really
21 taking the steps that are needed to move us
22 to a goal of 100 percent clean energy.

23 We're a little bit disappointed to
24 hear once again the study that my

1 organization requested a year and a half ago,
2 and which the Assembly supported in its
3 budget resolution two years ago, on how fast
4 that we're going to get to 100 percent clean
5 energy. We were told by the end of last year
6 that it would be by January, February, and
7 now it's by late spring. And I know that the
8 state constantly misses all its targets for
9 studies on renewable energy, but we do hope
10 that the Legislature will hold hearings on
11 this.

12 One concern is that our poor
13 performance on renewable energy really
14 hinders job growth in New York State.
15 Right now, clean energy jobs produce 13 times
16 more jobs than the fossil fuel industry.
17 That's according to the United States
18 Department of Energy. And a recent study
19 showed that New York was to be -- with what
20 the Governor was talking about, 50 percent of
21 the state electricity from renewables by
22 2030, we would be adding 145,000 to
23 160,000 jobs per year. We cannot continue to
24 deprive our state of so many jobs.

1 I was a little bit concerned to hear
2 that they think we're going to solve our
3 problem by offshore wind, an issue that we've
4 been pushing for years. We support
5 40 percent of the state's energy coming from
6 offshore wind. A two-year power purchase
7 agreement for 400 megawatts of offshore wind
8 is not going to cut it.

9 And in Europe, you know, their last
10 RFP for offshore wind came in at 5.5 cents
11 per kilowatt hour. They didn't even need any
12 subsidy any longer. And the little project
13 we're doing in Long Island is coming in at
14 16.5 cents per kilowatt hour, after we look
15 at the subsidies.

16 And what Statoil was going to build
17 off Long Island, they're going to build it in
18 Europe, because we have not invested in the
19 infrastructure to build these type of
20 facilities. So we are transporting our jobs,
21 once again, to Europe.

22 One other local issue is you guys last
23 year allocated \$88 million to build two
24 fracked-gas turbines in the Sheridan Avenue

1 neighborhood, which is about three blocks
2 from here. This neighborhood for 100 years
3 has been getting air pollution in order to
4 power this building, or the State Capitol and
5 now this building.

6 If the state is committed to
7 100 percent clean energy, wouldn't this be a
8 good idea to make this a model program? Not
9 put this neighborhood for another 30 years of
10 dealing with burning fracked gas from
11 Pennsylvania -- I don't understand how
12 fracked gas from Pennsylvania is a local
13 energy solution -- but instead, explore
14 things like geothermal and solar and really
15 make this a model.

16 You know, we support 100 percent clean
17 energy by 2030. As I said, we do hope when
18 the long-delayed preliminary study from
19 NYSERDA comes out, that you in fact do a
20 hearing on it.

21 I will note that in 2009, where most
22 of the Governor's present policies come from,
23 an executive order by David Paterson, it was
24 required that the state establish a climate

1 action plan to set real benchmarks and
2 guidelines on how we're going to move to
3 clean energy. The Governor reissued that
4 executive order, there is a draft climate
5 action plan on the DEC website. We think
6 it's time to actually finish the work that we
7 started in 2009 and not have places like
8 Texas have six times as much action on
9 renewable energy than we are.

10 And I think -- I don't know if I
11 mentioned Senator Krueger's bill, which we
12 hope you put in the budget -- that it is time
13 to divest the state pension plan from fossil
14 fuels. It would be very nice to see
15 Governor Cuomo come out in support of that in
16 December. However, it's not his decision.
17 We wish he had put it into his Executive
18 Budget, but we hope you will -- each of your
19 one-house budget resolutions include it.
20 New York City has done it; it would be great
21 if New York State would do it.

22 Thank you very much for your time, and
23 thank you for staying so long for this.

24 CHAIRWOMAN YOUNG: Thank you. Thank

1 you for staying.

2 Any questions? Okay, thank you very
3 much.

4 Our next speaker is Executive Director
5 Libby Post, New York State Animal Protection
6 Federation. Welcome.

7 MS. POST: Thank you. I'm going to be
8 really brief. I know that sounds funny
9 coming from me, because you're going on to,
10 what, hour 11, I guess? So it's time to go
11 home.

12 So thank you all for staying. I
13 represent all the animal shelters in the
14 State of New York, all the dogs and cats and
15 puppies and kittens. And today we had a
16 great announcement by the Governor and by
17 Deborah Glick and Phil Boyle and the
18 commissioner of Agriculture -- the \$5 million
19 Companion Animal Capital Fund that was
20 included in last year's budget has been
21 awarded. And Senator Young, you'll be happy
22 to know that the SPCA in Cattaraugus County
23 got some money.

24 CHAIRWOMAN YOUNG: Yes, they did.

1 MS. POST: There are shelters from all
2 over the state that are getting money, but
3 this is the deal. There were 29 applications
4 for \$13 million. There was only \$5 million
5 in the fund. The reappropriation of that
6 money is in this year's budget, but we need
7 another \$5 million put into the budget for
8 next year. So the money that's in there now
9 just got awarded, and now we need to do
10 another \$5 million. I'm hoping that you all
11 will work to make that happen.

12 There have been letters that have been
13 circulated again by Deborah Glick in the
14 Assembly and Phil Boyle in the Senate. A
15 number of you have signed onto those letters,
16 and we're going to continue to work over the
17 next month to make sure that that
18 \$5 million -- and hopefully you will do that
19 as well -- gets put into the budget. Because
20 there is a need, there's a tremendous need
21 for capital improvement projects at animal
22 shelters.

23 And I invite you all in your spare
24 time to go down to Menands and see the new

1 shelter the Mohawk-Hudson Humane Society has
2 done. It's a beautiful facility, and it's an
3 example of what can be done with this kind of
4 funding.

5 Everything else in here, you can read
6 about it. The rest of our legislative
7 agenda, our folks will be here on Tuesday
8 walking around talking to you guys.

9 And so I appreciate your time. Now
10 it's time to almost go home. So thank you
11 very much, and have a great evening.

12 CHAIRWOMAN YOUNG: Any questions?

13 MS. POST: Anybody got any questions?
14 Good. Thank you.

15 CHAIRWOMAN YOUNG: Thank you. Great.

16 And our final speaker of the evening
17 is President Geoff Baldwin, New York Water
18 Environment Association.

19 MR. BALDWIN: And thank you all for
20 staying and for having me. I promise to
21 finish this strong, because I'm going to
22 touch on many of the topics that you've heard
23 on, and I'm going to do it much faster than
24 five minutes.

1 So first off, I want to thank you all
2 and really commend you for making New York
3 the national leader in clean water
4 infrastructure funding. Starting with the
5 Water Infrastructure Investment Act of 2015,
6 the \$400 million in grants over three years,
7 and the \$2.5 million over seven years, it's
8 amazing -- it really shows the commitment of
9 the Legislature and the Governor to clean
10 water.

11 What I'd like to do, though, is
12 reinforce a little bit that the need doesn't
13 stop there. That is going to make a great
14 dent in the \$80 billion of need for state of
15 good repair and known regulations that we
16 currently operate under, but what it doesn't
17 do is invest in other smart investments such
18 as human capital resource recovery, waste to
19 energy, net zero greenhouse gas reduction,
20 and resiliency of our facilities.

21 So we're going to need to do more.
22 The need is still there. We don't expect the
23 New York State Legislature to do it all. You
24 know, the communities are definitely willing

1 to put up their fair share. But we really
2 want to work with you and with your
3 counterparts in Washington on these issues
4 because, like I said, these needs are great
5 and there is a lot of benefit from doing many
6 of the things that we haven't really been
7 able to do yet.

8 All my normal facts and figures are in
9 the written testimony, so I won't go into any
10 of those. But I would just like to say there
11 are some few things that I'd like to touch on
12 that maybe we didn't write down too clearly.

13 There are some creative solutions that
14 go beyond just funding financing -- things
15 like easier access to public-private
16 partnerships, changes to some civil service
17 regulations and rules, the flexibility to do
18 contracting in more creative ways such as
19 design-build, reducing the need to follow the
20 Wicks Law, and other things of that nature.

21 And the ability to sell biogas from
22 treatment plants and other anaerobic
23 digestion facilities, you know, potentially
24 bringing in and mixing with some of these

1 clean energy needs as well as some of the
2 needs of our farmers.

3 So with that, I think I'll leave it,
4 unless there are any questions.

5 CHAIRWOMAN YOUNG: Any questions?
6 Well, thank you so much.

7 MR. BALDWIN: Thank you very much.
8 Thanks for staying.

9 CHAIRWOMAN YOUNG: That concludes our
10 hearing today.

11 I want to thank all the members and
12 all the speakers for staying so long, and
13 this concludes the hearings for 2018-2019.
14 So thanks, everyone.

15 (Whereupon, the budget hearing
16 concluded at 9:01 p.m.)

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