
Judge Won't Block New York Power Plants for Now

LCG, April 11, 2001—New York State Supreme Court Justice Joseph Golia, who last week ruled that the state's Power Authority illegally bypassed environmental rules when it approved a temporary mini-power plant in Queens, has given the NYPA another chance to follow the rules.

The New York Power Authority is seeking to have 11 small, natural gas-fired combustion turbines installed at six sites in New York City and one on Long Island in time for an expected summer power crunch. The small facilities are being opposed by neighborhood groups, even though they are to be located in industrial areas, close to power infrastructure, and will result in a net decrease in pollution.

In a similar case in Brooklyn, a local judge ruled last Friday that the NYPA had acted properly when it decided to build the 11 small plants. The Brooklyn ruling makes it more likely that an adverse ruling by Golia would be appealed.

NYPA lawyer Steve Kass said the authority is asking Golia to delay the effect of his decision so it can make an appeal to a higher court. New York City has filed a similar proposal.

Judge Golia said okay, you have until Monday. "I will definitely sign an order by Monday," he said, "One of these orders."

Judge Blocks New York City Summer Power Plants

LCG, April 5, 2001—A New York Supreme Court judge yesterday threw a money wrench into plans by Gov. George Pataki to have seven new, small power plants in service in New York City by this summer, saying the New York Power Authority must halt all work until it conducts a thorough environmental review.

Judge Joseph G. Golia in the State Supreme Court in Queens ruled only on a plant planned for that borough, but dealt with some of the same issues being considered in a Brooklyn lawsuit challenging all the plants.

The NYPA, pressed to meet an expected electricity shortage in the Big Apple this summer, decided that it did not need to prepare environmental impact studies for the mini-plants, because of the time required for such studies.

Judge Golia said the Authority was in error, and concluded that it had marshaled its facts to support its pre-determined position. He gave parties to the suit five days to work out a settlement for him to sign. In the meantime, work on the Queens plant went on.

The Power Authority plans to install 11 small gas-fueled combustion turbines at six sites in New York City, two in the South Bronx, two in Brooklyn, one in Queens and one on Staten Island. A seventh site is on Long Island.

New York Hospitals Back New Power Plants

LCG, March 21, 2001—The Greater New York Hospital Association weighed in on the side of new power plants yesterday in a letter sent to Joseph Seymour, chairman of the New York Power Authority which wants to build 10 small generating stations by this summer.

According to this morning's edition of the New York Daily News, the letter expressed the association's "general" support for additional gas turbine generating units in New York City, fearing possible brownouts and blackouts.

Kenneth Raske, the association's president, took no position on the specific sites identified by the authority, urging it to continue its work with community groups and others to ensure acceptance. "It is not our job to get embroiled in the politics of [choosing sites]," he told the paper.

Lawsuits have been filed in Brooklyn and Queens opposing new power plants in those boroughs and opposition has been expressed in the Bronx and on Staten Island. Opponents say the plants would create pollution in poor, mostly minority neighborhoods.

NYPA spokesman Mike Petralia told the paper "This letter is important because it shows that power issues can have a profound effect on the most vulnerable New Yorkers — those in nursing facilities and who need access to health care."

"Hospitals and continuing care facilities are particularly vulnerable in the case of power emergencies," Raske wrote. "Because our members need power 24 hours per day, seven days a week to operate high-technology, lifesaving and life-sustaining equipment, even a short disruption can have a serious impact."

New York Faces California-like Power Crunch

LCG, March 15, 2001--The New York Independent System Operator said yesterday that 8,600 megawatts of new power plant capacity must be constructed in the Empire State by 2005 or the state will face the same kinds of problems that have disrupted California's electricity industry.

The new generation would be a 25 percent increase over what currently exists, and about half of it would need to be built in the New York City area. Without the new generation, New Yorkers will face higher power prices and the possibility of blackouts.

"We really are at a crossroads with respect to reliability of the system and the viability of the wholesale market," said William Muesler, New York ISO chief executive. From 1995 to 2000, statewide demand rose by 2,700 megawatts, while less than 1,000 megawatts of new generation was added.

Like California, New York imports much of its power from neighboring states, and that resource is dwindling as those states experience growth. Also, between a third and half of the power consumed in New York is purchased on the spot market through its daily or day-ahead auctions. That's not as bad as California, where the electric

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restructuring law required all power to be bought and sold on the spot market, but it exposes New York to the effects of short-term supply and demand.

A spokesman for Consolidated Edison Co. of New York said the company agrees with the ISO's assessment. "Supplies are tight. We're hoping we'll be okay this summer, but we're in trouble next summer if nothing gets built."

A program to build 10 small combustion turbine plants in New York City is meeting with neighborhood opposition.

N.Y.C. may face power crisis, too -- It races to quench thirst for electricity

By David Whitney -Sacramento Bee (Washington Bureau) - (Published Feb. 26, 2001)

NEW YORK -- Along the East River in Queens, just south of one of the mammoth footings for the Queensboro Bridge towering above, a crane is lifting into place one of the pieces of a small power plant that plainly demonstrates that electricity is not just a California problem.

With soaring rates, cash-strapped utilities and threats of rolling blackouts as part of its deregulation legacy, California is getting most of the publicity. Here, against the backdrop of Manhattan, work is progressing at breakneck speed in a desperate race to keep the same issues from spinning out of control this summer.

Work started in January, just a few months after the New York Power Authority determined that if New York City was going to make it through the long, hot summer without power interruptions, a source for about 300 megawatts of new generation was imperative.

This is one of six sites where the power authority is installing turbines, on acre-and-a-half lots, that will be fired up with natural gas this summer to crank out that last bit of power to, as the popular California saying goes, "keep the lights on."

The units basically are jet engines -- like those that power Boeing 747s -- bolted to a generator capable of spinning out 44 megawatts of electricity. Of the 10 General Electric LM6000 units being installed in the power authority's \$500 million race against the summer heat, two are here.

Work proceeds 10 hours a day, six days a week, even though a state judge has preliminarily sided with the adjacent Silvercup Studios, where the cable television shows "The Sopranos" and "Sex in the City" are filmed, in a lawsuit to stop construction.

When the weather warms a bit and there is more daylight, a second shift will be added to the construction team in an effort to meet the June 1 operational target.

If this and its sister plants aren't running by June 1, when the weather typically starts turning oppressive, the New York Independent System Operator -- the entity that runs the state's newly deregulated wholesale electricity market -- predicts shortages.

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"These facilities are considered essential to bridge the gap between current capacity and projected demand this summer," said power authority spokesman Mike Saltzman. "Without these, there is palpable concern that there is going to be insufficient power in New York City to ensure reliable supply."

To speed the plants into operation, the power authority is toying with the rules. The two turbines here are capable of producing 88 megawatts together at full crank, but the authority promises they will not be run above 79.9 megawatts to avoid what Saltzman described as "more extensive regulatory procedures."

Plants generating 80 megawatts or more are required to go through an extensive environmental impact statement, which generally involves a detailed -- and time-consuming -- examination of alternatives.

And that's the problem, said Silvercup spokesman David VonSpreckelsen. The power authority never considered alternatives, including a different site that would not have further industrialized the Queens waterfront or jeopardized the studio's plans for expansion into adjoining lots where sound stages, apartments and a restaurant were planned, he said.

While the turbines are state of the art and will be hooked to scrubbers and baffles and stacks, VonSpreckelsen said "no one wants to live, recreate or eat next to a power plant."

Electricity deregulation arrived in New York differently than in California, where the 1996 law by the state Legislature is widely condemned as a failure. In New York, deregulation has been the result of administrative changes to the way electricity is produced and sold. But the results have been remarkably similar.

After the New York State Public Service Commission lowered consumer power rates in 1997, demand started to surge with a roaring economy. But there were no new plants coming on line.

Wholesale power rates soared 30 percent last summer, even though it turned out to be cooler than normal along the East Coast. And while new plants are being planned, it will be two years or more -- just like in California -- before they are operating with sufficient capacity to ease concerns about shortages.

"New York City, like other areas of the Northeast, the Midwest and California, is in a very serious situation," commission Chairwoman Maureen O. Helmer warned the New York Assembly's energy committee in August.

New York City's power problems are worsened by long-standing transmission bottlenecks. Even if there were sufficient power elsewhere, getting it wired into the New York City grid would be virtually impossible because there is not enough transmission capacity.

To deal with the transmission bottleneck, 80 percent of the power the city consumes is generated in the city. The new plants are being rushed into service because the city will be 300 megawatts short of its required 8,428-megawatt generating capacity this summer. The shortfall is expected to grow by another 200 megawatts by next summer.

The worsening situation has made New York utilities believers in the idea espoused strongly by California and most other Western states that federal regulators need to take steps to curb price gouging in the wholesale markets.

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Last month, Consolidated Edison, New York's largest electric utility and one that has sold most of its generating capacity because of deregulation, appealed to the Federal Energy Regulatory Commission for the same wholesale price caps that the agency has refused to grant in the West.

"Until new plants get on line, customers need additional protection from uncompetitive, inflated prices," Con Ed President Kevin Burke told the commission.

Like in California, said Con Ed spokesman Michael Clendenin, the worst is still ahead for New York, until there's enough power being generated to make deregulation and the free market work.

"We foresee challenges next year and the year after that," Clendenin said. "We need new power plants built not just to keep up with demand, but to create a competitive marketplace so we can stabilize."