



RORAIMA CONSULTING INC.

info@roraimaconsulting.com

www.roraimaconsulting.com

PARTNERS FOR HUMAN DEVELOPMENT

118-44 Guy R. Brewer Blvd.

Jamaica, NY 11434, USA

Phone: (877) 686-0396

Fax: (718) 723-6036

May 14, 2009

Thomas C. Congdon
Energy Coordinating Working Group
Assistant Secretary for Energy
Office of the Governor
Executive Chamber, 2nd Fl.
State Capitol
Albany, NY 12224

Dear Mr. Congdon,

Submission of Comments on New York State Energy Plan Interim Report, March 31, 2009

Roraima Consulting Inc. (RCI) is pleased to have the opportunity to submit comments on the 2009 New York State Energy Plan Interim report dated March 31, 2009.

We hope that in the development of the Final Energy Plan, the Working Group will consider the issues which we highlighted in the attached document concerning the needs of vulnerable communities and the role of environmental justice considerations in energy-related decisions.

The Plan when completed is intended to be implemented over ten years. New York State is at the cross-roads and justice demands that our present decisions and future policies are governed by inclusion and equity.

RCI looks forward to providing continued input into the development of the New York State Energy Plan. We welcome the opportunity to present additional information during the public hearings later in the process.

Sincerely,

ANDREA WATSON-JAMES
CHIEF EXECUTIVE OFFICER

Cc: Mr. Paul A. DeCotis
Deputy Secretary for Energy
Chairman, Energy Planning Board
Executive Chamber, 2nd Fl.
State Capitol
Albany, NY 12224

Comments and Recommendations on New York State Energy Plan Interim Report Submitted by Roraima Consulting Inc. (RCI)

Focus of RCI's Submission

Executive Order No. 2 directed that several elements be included in the proposed New York State Energy Plan including:

- (a) (iii) The needs of vulnerable communities;
- (m) The role of environmental justice considerations in energy-related decisions;
- (n) Recommendations for administrative and legislative actions to implement the policies, objectives, and strategies set forth in the Energy Plan, and;
- (o) Recommendations for the study of additional issues and/or for further study of issues addressed in the Energy Plan.

This submission by Roraima Consulting Inc. focuses on the above elements which in our opinion were not adequately addressed in the Interim Report on the NYS Energy Plan.

Comment 1:

Minority communities are vulnerable communities and their needs should be directly addressed in the NYS Energy Plan. The Interim report does not adequately and directly address the plight of Minorities, including people of color, persons with disabilities and teens and the poor.

Poverty and the Impact of Recession

It is widely recognized that since 1975, poverty rates in New York City have outstripped the national average.

While the current recession has resulted in the loss of 5.1m jobs since December 2007, including 1.1m in New York State, national unemployment in April 2009 reached 8.9%, the highest in 26 years, compared to 4.9% in December 2007, according to the Bureau of Labor Statistics.

Nationally, unemployment ratios for whites, Latinos, African-Americans and teens were 7.9%, 11.4%, 13.3% and 21.7% respectively for March 2009. In addition, in New York City, rates of in excess of 50% unemployment among African-American males have been cited.

According to United for a Fair Economy (www.faireconomy.org), African-American borrowers will lose between \$71-\$92B and Latinos between \$75 -\$98B as a result of foreclosures on sub-prime mortgages. Minorities have been disproportionately impacted by the recession and the downturn in real estate prices.

These impacts do not include the effects of the depressed housing market or the losses of investment and retirement savings.

These developments represent wealth transfers out of these communities and contribute to increased homelessness and poverty.

In addition, it is estimated that 340,000 working New Yorkers are living in poverty and represent 46% of poor households.

The New York State Energy Plan should include focused initiatives designed to ensure that the economic development opportunities and benefits of the new Energy Plan are shared equitably by the most vulnerable communities.

Comment 2:

The Energy Coordinating Working Group should review and consider for inclusion in the Final NYS Energy Plan, the recommendations of the First Report of the Renewable Energy Task Force submitted to the (then) Lieutenant Governor David A. Patterson in February 2008.

This report contains information and recommendations on:

- Building a sustainable market for solar Energy in New York State;
- Education, Green Jobs and Workforce Development;
- Expanding training programs to sustain a Green Collar Workforce;
- Use of creative financing to promote investment in the renewable energy industry;
- Financial incentives and their role in promoting economic development in the State; and
- Increased opportunities for Minority and Women-Owned businesses and businesses located in disadvantaged areas to participate in the New York State energy sector.

RCI supports the views of the recommended report as they address both the needs of vulnerable communities and the role of environmental justice considerations in energy-related decisions.

Comment 3:

On the basis of the review of the abovementioned Report and other research, the NYS Energy Plan should specifically provide a framework for effective

participation of Minority communities and small businesses in achieving its objectives.

The Interim Report on the NYS Energy Plan identified the following as its first preliminary finding:

“The growth of this sector will expand economic development opportunities across many industries and regions in New York. Energy investments create local jobs, reduce the outflow of dollars to pay for energy imports and make the State more energy independent and secure.”

While there may be temptation to posit that these opportunities will “lift all boats”, vulnerable communities have been so battered by poverty, particularly in New York City, and the recession that they need specially tailored initiatives to aid their participation in the new Energy Plan.

The NYS Energy Plan should create an equitable framework for minority participation in the energy sector and further development of advanced energy technologies, from concept to production, workforce training, including the provision of green collar training, consumer education, business attraction, and market penetration of clean energy technologies. Minority businesses should be given equitable access to adequate capital, both public and private, to help meet the State’s clean energy needs.

It is our recommendation that the following findings of the Interim Report should include provisions for minority participation in the Energy sector of New York State:

- *“Refocus New York’s existing manufacturing sector toward the production of advanced energy technologies and their component parts. Developing a new business attraction strategy to build capacity in advanced energy technology manufacturing should be a priority for economic development programs offered by the State, its authorities and utilities;*
- *Take steps to ensure that the State’s workforce can meet the needs of 21st century clean energy sector economic activity. The growth of the State’s clean energy sector can provide significant opportunities for skilled workers and for re-training new workers for these areas of job growth;*
- *Tap into the intellectual and professional resources that reside in New York’s universities and colleges, research and development organizations, trade unions, non-profit organizations, and marketing and advertising firms to support the growth of the State’s clean energy sector. This support can take the form of further development of advanced energy technologies, from concept to production, workforce training, consumer education, business attraction, and market penetration of clean energy technologies;*

- *Address access to adequate capital, both public and private, to meet the State's clean energy agenda. Where necessary and appropriate, the State may facilitate this access in order to target investments to realize strategic policies and programs;*
- *Ensure that policies and programs that generate demand for new energy efficiency and renewable energy products and services are secure and robust. Market development for these products and services are key components for meeting the State's targets. Energy market development programs can also provide a platform for the export of New York efficiency and renewable products to meet growing global demand."*

As indicated above, where necessary and appropriate, the State may facilitate this access in order to target investments to realize strategic policies and programs. In this regard, resources should be identified for grants to minority and woman owned businesses to facilitate their participation in the growth of the energy sector.

Comment 4:

The NYS Energy Plan should seek to enhance the level and equitable access by minorities to the State solar incentives.

Minority communities in New York City have contributed to the Systems Benefits Charge (SBC) and Renewable Portfolio Standard (RPS) to fund NYS renewable energy, environmental and other public policy programs.

The Interim Report stated that:

"Annual funding committed to efficiency programs by New York's utilities and energy authorities began with a modest \$25 million in 1984 and rose to approximately \$321 million by 2008. Approximately half of these funds are generated through a System Benefits Charge (SBC) collected from the customers of the State's jurisdictional utilities."

In addition, the First Report of the Renewable Energy Task Force submitted in February 2008 stated that:

"In the original instituting Order for the RPS, the Public Service Commission specified an annual collection schedule lasting through 2013 and totaling approximately \$741.3 million.⁵ Major investor-owned utilities collect these funds from ratepayers, and these funds are administered by NYSERDA for the purpose of achieving the RPS targets. Combined with estimated interest earnings of approximately \$40.7 million, total specified collections and estimated interest is approximately \$782 million. To date, approximately \$574.5 million has been committed to projects, leaving approximately \$207.5 million of the currently specified collections available for future program activity. Based on these estimates and commitments, the current RPS funding of \$782 million will not be sufficient to meet New York's targeted 2013 goal."

These significant sums of money have been collected through the SBC and RPS.

However, due to the initial cost of solar installations, both residential and commercial, minorities receive disproportionately fewer solar incentives than their contributions to the SBC and RPS. Typically, persons who install solar systems and qualify for New York State Energy Research and Development Association (NYSERDA) and other incentives are two income families with disposable income.

In addition, in February 2009, NYSERDA reduced the incentives payable for solar installations despite their expectation that between 2006-2011 energy usage will increase by 1.3%, energy prices will increase further and the SBC and RPS remain in effect.

Minorities cannot afford solar systems and consequently have almost no access to the incentives. In the light of the reduction in the incentives and the anticipation of their eventual removal, the chances of minorities ever qualifying for the incentives which their SBC and RPS charges fund, are being eroded.

The NYS Energy Plan should address this inequity in access to solar incentives.

Comment 5:

The NYS Energy Plan should incorporate an accessible, affordable partnership which allows minorities and the poor to take part in the green energy economy.

RCI is proposing that the NYS Energy Plan should include a system to improve the housing stock and the affordable use of renewable energy, along the lines of that approved by Babylon, Suffolk County, New York.

Babylon is using public money for energy efficient home improvements. The Town changed its law governing municipal waste fees charged to residents to redefine solid waste to include carbon emissions from heating systems. This change facilitated access to \$2m from the Town's Solid Waste Management Fund. In addition, the Town utilized the reserve fund in the waste program to finance energy retrofits in its housing stock, thereby reducing carbon waste and lowering energy costs simultaneously.

Under these arrangements, Babylon homeowners are eligible for up to \$12,000 in Energy Efficiency work on their homes, the cost of which is repaid from the resulting savings in their utility bills. The homeowner pays for the energy assessment which is approximately \$250 and that is deducted from the cost of the repairs which are conducted by Town approved contractors. The Town adds a 3% administrative fee to the cost of improvements and repayments of 80% of the consequential energy savings are paid by the homeowner to the Town for 8 years. In the event that the homeowner chooses to move before the assessed cost of the benefit is paid off, the cost stays with the property and will be paid down by the new owner.

The Babylon model is one example of a creative initiative which should be included in the NYS Energy Plan to facilitate more affordable access to energy efficiency and renewable energy by New Yorkers.

Comment 6:

RCI supports the 45 by 15 Plan which states that 45% of the State's electricity needs be met through improved energy efficiency and clean renewable energy by 2015.

In April 2009, the New York State House of Delegates approved the New York State Bar Association's proposals including raising the target to 30% by 2015 for the Renewable Portfolio Standard (RPS). RCI is recommending that this 30 by 15 proposal be included in the NYS Energy Plan.

Comment 7:

NYSERDA has contributed significantly to the creating more opportunities for the training of a green workforce through its partnership with the State University of New York (SUNY) and City University of New York (CUNY) colleges, Boards of Cooperative Education Services (BOCES), Association for Energy Affordability, unions and trade associations.

However, there is no focus on funding the training of minorities.

RCI recommends that the Final NYS Energy Plan should include funding provisions from NYSERDA for a green collar training center which focuses on providing pathways out of poverty for minorities.
