

## COMMENTS ON REFORMING THE ENERGY VISION

PSC Hearing in Buffalo, NY, January 29, 2015

The Public Service Commission and Governor Cuomo are to be sincerely thanked for their aggressive move in exploring how the imminent energy transformation will occur in New York through the REV (Reforming the Energy Vision) process, the Clean Energy Fund, the Green Bank and the Governor's Energy Plan. The current business model for centralized power production and distribution cannot continue and must, indeed, be reformed. The questions put before stakeholders in the last few months have been complex and concerned with how this might be changed. Today's question, the public question, is rather -- *what are the goals of this transformation?* To what end do we transform energy production, distribution, infrastructure, organization and financing? We know we must make significant changes to protect our families and the earth itself from the threat of worsening climate disruption. And given the potential and radical nature of the transformation, we must rethink the very nature of energy and culture itself.

Many of the technical questions are beyond the understanding of the public at large. But the public does understand the need to discuss and come to some agreement on the purpose and goals of this transformation, how it occurs, who benefits and who might be harmed, and the nature of the endless tradeoffs that need to be made. We know much more about the costs of our fossil fuel / nuclear energy system now than we did in the middle of the 20<sup>th</sup> century. We know that the wealth gained from the system has been sequestered into a small number of hands while the costs, both public health and environmental degradation, have been borne by the rest of us and disproportionately by a few. The public wants and deserves an energy system that is democratic in nature with shared wealth and a system that does not externalize the costs to the environment or the people.

These are our goals and to that end, we make the following proposals:

1. NYS should move immediately to clean renewable energy without any 'bridge fuel.' This means solar, wind, small scaled hydro and geothermal. [Note: Methane and nuclear are not clean energy. Methane is a fossil fuel and produces significant greenhouse gas. The public knows this, the PSC knows this and the governor knows this. We should not invest public dollars in an infrastructure that supports any fossil fuel. Nuclear is too expensive, too dangerous and we do not know what to do with the deadly waste nor can we even clean up our mistakes - witness Fukushima. ]
2. We need interim enforceable goals through the RPS and utilities should be held accountable and fined if they don't meet them: 50% of NY electricity should come from renewables by 2025 will lead us to 80% by 2050.
3. Energy efficiency and conservation are critical to cutting greenhouse gases. There should be aggressive programs to save energy across all sectors. The Energy Efficiency (EEPS) goal should be 20% by 2050.
4. The new energy system should incorporate many scales of projects - from individually owned decentralized rooftop solar to mega projects of offshore wind. Use the

appropriate mechanism, oversight and financial structures for different types of systems.

5. We need to create aggressive programs to install geothermal for heating and cooling; more greenhouse gases in NY come from conditioning buildings than making electricity. Geothermal rebates, tax credits, a sales tax exemption and easy financing will move toward the elimination of natural gas and propane.

The next big question is HOW a new energy system should be designed and operate within the state. Much of the REV conversation has promoted a “market strategy” as the way to produce and distribute renewable energy. It is true that we have not provided the private sector with sufficient incentives (nor disincentives for dirty energy). Yet it may be useful at this point to turn to Adam Smith, the father of neoclassical economic, for advice. “The proposal of any new law or regulation of commerce which comes from [the business and/or financial community] ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. “ Smith continues to say that the business interests are never quite the same as the public’s (and hopefully their elected officials) and that in truth, the business interest have been known “to deceive and even to oppress the public.” [\*The Wealth of Nations\*](#) (1776) Book I, Chapter XI, Part III.

We argue strongly for a diverse system of ownership and genuine public participation. A decentralized energy system and grid can have a decentralized ownership structure as seen in countries like Germany that have instituted a Feed-in Tariff. There should be an option for community -owned energy production and distribution networks to ensure good, local jobs and investments that keep energy dollars in local communities and provide collective control over energy choices.

In natural processes, stability rests in diversity and a balance of efficiency and redundancy. This model will avoid the ups and downs of the highly centralized systems we have now. The outcome of the REV should deploy the private sector for systems and projects to which it is suited, maintain public programs like NYSERDA has managed to ensure affordability and equity, and expand the use of non-profits as a bridge to implementation. Government support and subsidies for renewable energy and conservation should not be phased out but maintained to ensure fairness.

Access to energy in a modern post industrialized society is a public good and requires a strong public sector participation and oversight to ensure access and affordability in a democratic society. Remember the words of Adam Smith, “business interests are never quite the same as the public’s.”

We look forward to a continuing conversation on these issues.

Sincerely,

Lynda Schneekloth