

Other Correspondence Received in Response to the May 7, 2007
Federal Register Notice on the
Draft National Interest Electric Transmission Corridor
Designations

Other Correspondence: Batch 6

From:
Sent: Thursday, May 24, 2007 10:09 AM
To:
Subject: FW: request to testify in Pittsburgh, PA re. NIETC

May 14, 2007

Secretary Samuel W. Bodman

U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Bodman:

As the Pennsylvania House Majority Leader, I would like to thank you for responding to requests to hold a public meeting in the Commonwealth regarding the draft National Interest Electric Transmission Corridors designations, particularly the Mid-Atlantic Area National Corridor.

I would submit that in addition to your planned June hearing in Pittsburgh, you also should schedule another public meeting in the Northeast region of Pennsylvania, since one of the proposed lines is slated to serve New York and New Jersey.

On April 25, I testified in Washington, D.C. before the subcommittee on Domestic Policy of the U.S. House of Representatives' Committee on Oversight & Government Reform regarding the NIETC issue. I am opposed to the draft proposal that would designate most of Pennsylvania as a "National Interest Electric Transmission Corridor." Draping these patriotic words over the effort to take virtual possession of our sovereign state does not make it any less of a power grab.

On behalf of the 60,000 residents who I represent as the House Majority Leader for the Commonwealth of Pennsylvania, I respectfully request that my name be added to the list of those testifying at the Pittsburgh hearing.

I thank you in advance for your prompt consideration of the above requests and await your response.

Yours in public service,

Bill DeWeese

House Majority Leader

Commonwealth of Pennsylvania

cc: Poonum Agrawal

Tom Andrews

Press Secretary

To House Majority Leader Bill DeWeese

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From: Darwell, Wendy [mailto:Wendy.Darwell@mail.house.gov]
Sent: Monday, July 02, 2007 2:23 PM
To: Tuttle, Robert
Subject: Transcript of NIETC Hearing

Hi Robert,

As Jeff Lieberman discussed with you last week, I am attaching a copy of the transcript from the hearing Congressman Hinchey hosted in New York's 22nd Congressional District on the National Interest Electric Transmission Corridor (NIETC), specifically the Mid-Atlantic Area National Corridor (Docket No. 2007-OE-01), for submission as public comment. I would appreciate your confirmation that you've received this message and are able to open the attachment.

If you have any questions, please do not hesitate to contact me or our energy staffer, Anne Georges.

Thanks,

Wendy

Wendy D. Darwell

Chief of Staff

U.S. Rep. Maurice D. Hinchey

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PUBLIC MEETING

**PROPOSAL BY THE U.S. DEPARTMENT OF ENERGY
TO DESIGNATE MOST OF NEW YORK STATE AS A
NATIONAL INTEREST ELECTRIC TRANSMISSION CORRIDOR**

**Saturday, June 9, 2007
12:00 Noon - 4:00 p.m.**

**Sullivan West High School Auditorium
6604 State Rte. 52, PP Box 309
Lake Huntington, New York 12752**

Hosted by: U.S. REPRESENTATIVE MAURICE D. HINCHEY

CONGRESSMAN HINCHEY: Good day, ladies and gentlemen. We're running a few minutes late so I don't want to waste anymore of your time so I want to get started here right away if it's okay with you. We are going to be here until about 3:30 this afternoon. We have to be out of here by roughly around 3:30, so everybody here will get an opportunity to make a statement if they wish to and I hope they will, hope you will and it's a very important activity here today because what we're doing is filling in for the Federal Department of Energy.

I have an opening statement that I'd like to read. I'd like to begin today's public meeting by thanking Sullivan West High School and Superintendent Alan Derry for allowing us to use their auditorium this afternoon. I'd also like to thank Communities Against Regional Interconnect, Say No to NYRI and the Upper Delaware Preservation Coalition for generous assistance for making today's event a success.

Thank you for coming out today to express your opinions regarding the United States Department of Energy's proposal to include most of New York State in the proposed Mid-Atlantic Area National Electric Transmission Corridor.

As I'll discuss more shortly, this is an issue that directly impacts our region since the proposed National Corridor includes all of the counties that are in the path of the massive power line proposed by New York Regional Interconnect, known as NYRI.

This proposed Corridor also includes the Upper Delaware Scenic and Recreational River, which is protected under the Wild and Scenic Recreational River federal law, a law that specifically prohibits the construction of major power lines that adversely impact designated rivers and recognizes this river for its very important national significance.

The Department of Energy has scheduled only two hearings in New York, as you know, two hearings on this very important matter. The first took place a couple of weeks ago in New York City during the day when most people could not attend. At the request of myself and other Members of Congress, the Department added one additional hearing and that will take place next Tuesday, but they chose to locate that hearing in Rochester, New York which is many hours drive from most of the areas that would be most impacted by the National Corridor designation and the proposed NYRI power line, which would be assisted or actually provided for by that designation.

Along with other federal officials, including Senators Clinton and Schumer, I urged the Department of Energy to hold additional hearings in this region so that there would be meaningful public input and meaningful public participation in this major federal decision. After the Department showed that they were not interested in doing this, I organized this hearing to make sure that our region is heard clearly in the halls of the federal Department of Energy.

The Department of Energy was invited to join us, but they have decided not to attend. However, today's meeting will be recorded and I will make sure that the transcript and video recording of this meeting are forwarded to the Department of Energy for inclusion in their official public comment.

I personally commented to the Department of Energy at their first public meeting on May 15 in Arlington, Virginia. At that meeting I urged the agency to suspend all action on the designation of National Corridors until the Congress can reconsider and revise this process and do so in a manner that is consistent with existing federal law and respectful of the rights of states and private citizens and also respectful of the federal Constitution.

Before we get started today, I'd like to briefly summarize a few of the points that I've raised at the Department's hearing explaining why I have opposed this designation.

The National Corridor designation process was set in place by the Energy Policy Act of 2005, passed obviously two years ago, that's a deeply flawed law that I at the time and strongly opposed and voted against and continue to strongly oppose. (applause) Section 1221 of this Act enables the Department of Energy to study and designate National Corridors, also referred to as National Interest Electric Transmission Corridors.

Typically, power line plans like the one proposed by NYRI, would be exclusively a state issue. That's normally the way this process works as we know; states have this jurisdiction, since electric transmission line proposals are traditionally under the authority of states, in our state, specifically under the authority of the Public Service Commission.

However, this proposal has now been jettisoned into the federal arena due to provisions contained in that Energy Policy Act of '05. These new regulations allow the Department of Energy and the Federal Energy Regulatory Commission, otherwise known as FERC, to intervene in permitting the construction of power lines that are proposed within designated National Corridors.

After the final designation of one of these proposed National Corridors, the Federal Energy Regulatory Commission has the authority to permit power line applications if a state fails to approve an application within one year denies an application or requires alternatives or mitigation that the project sponsor considers economically "infeasible." That may be not particularly clear, but what that means is that the Federal Energy Regulatory Commission has the power to authorize these applications. If a year goes by and they're not satisfied with the decisions that have been made, final decisions have not been made by the state or if the state has put in certain kinds of requirements that they're not consistent with or if its been done by the state in a way that they feel is not proper from their particular point of view, so you see, this law gives this Federal Energy Regulatory Commission of the Department of Energy some very outrageous authority on activities that go on within individual states and that disrupts the whole federal process which is organized and protected very clearly in our federal Constitution and that's one of the main reasons why we're opposed to this.

This process is geared toward expediting the construction of transmission lines rather than assuring the reliability of our electricity system. It allows the federal government to usurp traditional authority of states and impose a heavy-handed centralized one size fits all approach to dealing with our electricity needs.

The federal preemption of authority for siting and permitting transmission facilities contradicts the longstanding balance of power between the federal government and states that was so wisely crafted and placed in our Constitution and embodied in our federalist system.

This law gives private corporations the opportunity to run roughshod over states, permitting processes and also infringes upon the rights of private property owners who may now be subjected to eminent domain proceedings by the federal government on behalf of private corporations.

Through these corridor designations, FERC can use the power of eminent domain to seize private property from unwilling landowners when these properties are in their opinion needed for projects that FERC has permitted - even in cases where projects have been denied by individual states because of questionable need or the severely negative impacts that they impose upon those states and their communities.

As everyone here knows, this would tear apart communities and radically impact peoples' lives as well as their properties. Such a process is completely unacceptable and is something that I am committed to fighting in the Congress. (applause)

I believe that these National Corridor designations heavily tilt the playing field towards private corporations that want to construct new transmission lines while undermining the ability of states to implement comprehensive electricity reliability solutions that are more effective, more environmentally sound and, of course, less intrusive.

We need to keep in mind that new transmission lines are not the only or certainly not the best solution to electricity reliability. Alternatively, including demand response measures, energy efficiency and conservation, development of new, clean electricity generation near high demand

areas and efficiency and capacity upgrades to existing transmission lines, all of these are more cost effective and have far less adverse impacts than new massive transmission lines crisscrossing over our and other regions.

This National Corridor designation process is another step in the ongoing drive towards deregulation and so-called "market" control of our electricity system, which thus far has led to a much less reliable system that fails to address critical public needs, such as consumer protection for residents and businesses, environmental conservation, protection of local community interests and investments and upgrades to basic existing infrastructure.

The Corridor designation will serve to limit the much-needed development of new generation close to high demand areas, particularly those cleaner, renewable sources. In fact, the New York Public Service Commission has indicated that this designation in New York could discourage the completion of new generation projects already in the planning process near to those places which need the greatest amount of energy.

This process encourages the construction of new transmission infrastructure that will likely be obsolete before its time, infrastructure that is of dubious necessity which imposes an out-dated 20th century temporary fix on a problem that is begging for a 21st century long-term solution. (applause)

These designations threaten to crowd out more innovative and sustainable solutions to our electricity needs while trampling the rights of the communities along the paths of these proposed power lines.

I am committed to stopping the National Corridor designations (applause) and stopping the NYRI power line project. (applause) I have written and sponsored and co-sponsored several pieces of bipartisan legislation in the House of Representatives amending the Energy Policy Act to either severely limit or completely remove the Department of Energy's ability to designate these corridors.

As some of you may have read recently, I also offered an amendment to the Energy and Water Appropriations Bill - this was last week - well, actually really this week, since we're in the same week - now making its way through Congress. This was an effort to strip the Department of Energy and FERC of funding to implement National Corridors and/or permit proposed transmission projects.

While that effort was narrowly defeated in the Appropriation Committee, I'm encouraged by the growing level of support for this effort as an increasing number of members of Congress begin to understand the devastating impacts of these policies on their congressional districts. Sometimes it takes a little while before people get it and they're starting to get it more and more everyday down there.

Next Wednesday my colleagues and I will take this fight to the next level. I'm going to bring this amendment to the floor of the House of Representatives when this Appropriations Bill comes before the full Congress and we will continue to fight these designations and NYRI's

proposal at every step of the way. (Applause) We know that this is not going to be an easy fight.

I saw the way in which some of my colleagues and friends on the Appropriation Committee were influenced this past week by the pressures that were being put on them by big energy companies and also the fact that big energy companies have now enlisted the support of at least one labor union in this issue as well, so we're up against some powerful opponents here, people who just want to run roughshod over states' rights and people's private personal property rights. That's their purpose and intention and these transmission power lines traveling over long distance like this are totally inefficient. The estimation is they would probably lose at least 20 percent of the power from the time it's put into the transmission lines to the moment it gets out at the bottom. We can't afford to be throwing away 20 percent of our electric generation in this very careless way just because some people from Canada have generated a huge amount of investment in a back-door, closed-door operation. Of course, we don't even know who these investigators are - they're keeping it secret. We can't allow them to come in and impose these kinds of transmission corridors proposed by NYRI on our communities. (applause)

We are determined -- I'm feeling more and more confident we're going to be successful, but it's not going to be easy, it's going to take a lot of drive, a lot of determination, and a lot of energy and so I want to express to all of you my deep gratitude and appreciation for your taking the time to be here today. It's a beautiful day outside and I know that all of you have a lot of other things you would much rather do than be here, so I know you're giving up that opportunity, but what you're doing is important, and again, I thank you, express my deep appreciation to you for working with us on this subject and now we'll begin this operation today. Thanks very much. (applause)

MRS. LAUGHLIN: Our first speaker is me. I am the moderator. My name is Susan Laughlin and my role is keeping this meeting on task and keep it on time, so I'll apologize in advance if I have to signal any of you to complete your remarks.

This public meeting is in response to the U.S. Department of Energy's proposal for the designation of the "Mid-Atlantic Area National Corridor". As you've heard our Congressman state, the officials from the Department of Energy were invited to attend this forum, but have unfortunately decided not to. All written and oral comments submitted during this public meeting will be recorded and transcribed and will be forwarded by Congressman Hinchey to the Department of Energy. It will be included in their official 60-day comment period.

We ask that you please keep in mind that these comments should be directed toward the Department of Energy on their recent proposed designation, which includes most of New York State in the Mid-Atlantic Area National Corridor.

We will begin by asking registered officials, registered or elected officials and their representatives to speak first. We will then invite those who have signed up to speak on behalf of organizations and next, to those of you individuals who have registered. If you would like to speak and have not yet signed up, you may do so at the table in the rear of the auditorium.

Sullivan West has been kind enough and generous to allow us to use this facility until 4 p.m., but we will need to conclude our program at 3:30 to enable everyone to have time to clean up and close the building.

In order to allow for the greatest number of people to have a chance to speak, we will be allowing two minutes per speaker. We will try to be more flexible with our elected officials, but will remind you all to please try to keep your comments brief. If you would like to submit any written comments today in lieu of or in addition to oral remarks, please leave a copy of those at the registration table and they will be submitted as well to the Department of Energy.

We will call the names of three speakers at a time and ask you to please come to the microphone at the front. At the beginning of your comments, we would appreciate your stating your name, affiliation, if any, and the community you are from. Our timekeeper will keep an eye on the time. She will hold up a yellow card that you have 30 seconds left in your time and a red card when your time has expired.

Thank you very much in advance for helping us keep in our tight timeframe so that will give everyone a chance to speak, and with that I'd like to introduce our first speaker, Tara Sullivan on behalf of Governor Eliot Spitzer. (applause)

TARA SULLIVAN: Thank you, Susan, and thank you to the community of Lake Huntington and Fosterdale in hosting this critical hearing today in this beautiful community and great thanks to Congressman Hinchey for your courageous leadership and bugle call to unite all New Yorkers on this issue of profound importance.

The Governor has asked me to read into the record a letter to Secretary Bodman.

"Dear Secretary Bodman:

I am writing to express my opposition to the Department of Energy's draft designation of 47 counties of the State of New York as a National Interest Electric Transmission Corridor.

There simply is no need for this designation. New York already has an effective transmission facility siting law. Article VII of the New York Public Service Law gives the New York Public Service Commission jurisdiction over the siting of major transmission facilities and establishes a remarkably efficient one-stop process for reviewing applications to build transmission facilities.

This established process works well. Seventeen transmission projects have received approval under the Article VII process over the past 10 years, and several more projects are presently under consideration. In addition, during the first six months of my administration, New York, with substantial public and industry support, has been moving resolutely to improve the reliability of an electric grid within the state.

If this designation is finalized, the Federal Energy Regulatory Commission will be able to preempt in certain circumstances New York's long-established statutory siting process. It is

unnecessary and will be counterproductive to upset this established process.

New York has had a proven, familiar transmission facility siting process in place for the past 37 years. The Article VII process ensures that New York can expeditiously site transmission facilities that are needed and provides a forum for stakeholders to express support for or opposition to proposed projects. Thus, I urge the Department of Energy to exclude the State of New York from its designation.

Sincerely, Eliot Spitzer." (applause)

MRS. LOUGHLIN: For Senator Hillary Clinton, Enid Weishau.

CONGRESSMAN HINCHEY: Before you start, if you have written statements, please submit a copy of those written statements to us so we make sure that we get all the words accurately, so if we could have a copy of that letter, that would be good, and any other written statements if we could have copies of those. Appreciate it. Thank you.

ENID WEISHAU: Thank you very much, Congressman Hinchey and Mickey Morey for hosting us today. I'm very proud to be here on behalf of Senator Clinton. I'm the Regional Director from Rockland and Putnam Counties and here instead of Tracy Gross who is the Regional Director for this area.

I, like many of my constituents, have repeatedly voiced very serious concerns regarding the economic and environmental impact of the proposed New York Regional Interconnect Route. It is important that the Department of Energy hear our concerns today because many of those who are concerned about the NYRI project are also concerned about the Department of Energy proposed National Interest Electric Transmission Corridor because DOE designation of such a corridor could lead to use the federal eminent domain authorities.

As far back as June 22nd of last year, I wrote to the Chairman of the Federal Energy Regulatory Commission, Joseph Kelliher, requesting that he schedule a series of town hall meetings in the affected counties for the citizens of those counties to voice their concerns about the NYRI route, and I have called upon the Department of Energy several times to hold additional public hearings on the proposed Mid-Atlantic National Interest Electric Transmission Corridor.

I have previously raised concerns about the NYRI proposal in a letter to FERC. The proposed route for the NYRI has a number of problems, including that it cuts through a portion of the Delaware River Valley that is federally recognized under the Wild and Scenic Rivers Act. In addition, it runs through historically designated sites and significant habitats, residential and high traffic recreational areas and will certainly have a detrimental affect on the ability of communities to attract business and foster economic development.

With these environmental and economic concerns in mind, I urge the DOE to reject NYRI's request for designation as an NIETC.

The question of whether to build a transmission line within New York State should be decided

by the State using its very comprehensive permitting process. The use of the federal eminent domain's authority on this project as currently proposed will have a profoundly negative affect on the regions of the State. As you know, NYRI filed a request sometime ago with the United States Department of Energy to have this route designated as a National Interest Electric Transmission Corridor. Designation as an NIETC by the DOE would trigger new authorities provided in the Energy Policy Act of 2005 that empowers FERC to override NIETC's position made by the New York State Public Service Commission. Designation as an NIETC would enable FERC to exercise federal eminent domain authority in connection with the project.

While I am pleased that everyone is here today, I also remain very concerned by the Department of Energy's attitude toward residents and communities in upstate New York who stand to be directly impacted by NYRI. Neither of your scheduled hearings for the National Corridor proposal is in areas along the NYRI route. Whether this is a deliberate decision on DOE's part or simply incompetence, it is unacceptable. I believe it is imperative that additional meetings by NIETC proposal be held in the counties along the NYRI Route. This project could have profound impact on the lives of many of my constituents and they deserve to have a forum in which to express their understandably serious concerns. Further consideration of this project must not proceed without thorough and appropriate public consultation. I continue to oppose their proposed NYRI Route. I support the ongoing review process within New York State and will continue to push the DOE and FERC to respect it. NYRI should not be allowed to short circuit the State's rigorous review and siting process. Thank you very much. (applause)

MRS LOUGHLIN: Thank you. The next speaker will be New York State Senator John Bonacic. (applause)

SENATOR BONACIC: Thank you. Congressman Hinchey, thank you very much for organizing this forum for the people. My back to you, I apologize.

Couple of things that I would like to stress is that the elected officials of the State of New York have the vision and responsibility to take care of the energy needs of the State of New York. If New York City needs additional energy capacity, they are capable of making the courageous decisions to make sure that New York City and other parts of the State of New York will meet -- will have a supply for their energy needs.

The problem is this NYRI project is bad policy for the State of New York for a variety of reasons. Number one, eight counties and eight county legislatures and county executives have spoken one voice, "No" to NYRI. Every constituent for the most part has said "No" to NYRI. The Public Service Commission of the State of New York has rejected the application of NYRI. Unprecedented. The State Legislature with the Governor has taken away the power of eminent domain from NYRI. To allow NYRI to go to Washington and steamroll our state's rights is morally, ethically wrong. These are a bunch of foreign investors coming into the State of New York that have shown nothing but arrogance. They're motivated by greed, not the concern of our constituents. I can talk into this camera, but I don't think FERC is listening. Why?

Because number one, they're in Rochester, they're in New York City. They didn't come into the district and look into the eyes of the people and tell them (applause) today is not about rhetoric,

it's an action plan. I congratulate Congressman Hinchey. He's trying, he's doing some positive acts in Washington to take away funding to stop FERC and I applaud him. Governor Spitzer has said the project is dead. Senator Schumer has said, "We're not going to let this happen" and you know what, it's still breathing, breathing heavier and heavier. I have been sued individually by NYRI and I've gone to the mediation hearings with NYRI and the PFC. There is no common ground, there is none, and if our legislation is deemed to be unconstitutional, we will put additional legislation in. We need a war chest, a war chest in the event that the courageous actions of Congressman Hinchey and some of his colleagues if they're not successful we have to have a plan in place and like I said a year ago in Callicoon, we will not go away.

This is what we're prepared to do: Individual constituents are putting up money, counties are putting up money in the affected areas, the Senate Republicans put up a million dollars. The ageing President Bush, the Senate Republicans put up a million dollars to stop this project. (Applause) If Congressman Hinchey is not successful in Washington and his colleagues, there's got to be a call to arms for money at federal level, the state level and we will go to war to kill this NYRI project. Thank you, Congressman Hinchey. (applause)

CONGRESSMAN HINCHEY: Thank you, Senator Bonacic. We very much appreciate your being here today and we appreciate all the efforts that you put forward on this particular issue and we look forward to continuing to work with you on it. Thanks very much for being here. (applause)

AILEEN GUNTHER: Thank you, Congressman Hinchey. I am very happy you're able to schedule this important meeting today for the benefit of the House Energy Committee regarding the designation of the National Interest Electric Transmission Corridors and the impact on the citizens and interest of New York State.

When Congress passed and the President signed the Energy Policy Act of 2005, it was promoted as a comprehensive approach to the growing energy needs of our country and debt designed to encourage development of domestic fuel production and energy supply; E-Pac it was advertised with help and the United States dependence on foreign oil. Of course, our country needs a comprehensive energy policy which has been sorely lacking as we face increasing fuel cost, greenhouse gases and global warming.

Unfortunately tucked into E-Pac under Title 12 is a provision which preempts what have long been fundamental powers of state and local governments. Section 1221 transfers the authority to approve the siting of certain transmission lines from state governments and their political subdivisions to agencies of the federal government. It also directs the United States Secretary of Energy to conduct periodic nationwide studies of electric transmission congestion and designate any geographical area experiencing electrical energy transmission capacity constraints or congestion that adversely affects customers as a National Interest Electric Transmission Corridor or National Corridor. The law then gives the Federal Energy Regulatory Commission, FERC, the authority to issue permits for construction or modification of electric transmission facilities situated in or proposed to be situated in this National Interest Electric Transmission Corridor. This law allows FERC to override the authority of New York Public Service Commission to approve and locate a transmission line in its Department of Energy designated National Interest

Electric Transmission Corridor.

This is unacceptable. Few issues have given rise to such concerns and a sense of disempowerment than this political exercise of the federal preemption. This central loss of local power strikes directly to public fears that voices of individual citizens will be lost to corporate interests, that profit motives will trump the rights of individuals to enjoy private property.

I have little confidence that the federal government officials who are far removed from the physical and socio-economic locations of these proposals will be able to fully appreciate the environmental, the economic and social impact of long-range high voltage transmission lines in local communities.

The designation of National Interest Electric Transmission Corridors in the State of New York will diminish or eliminate the role of the New York Public Service Commission, the administration agency of the state already best able to make the decision and determination regarding electrical transmission in New York. Indeed, the threat of federal preemption over state decision-making may result in the state agency avoiding altogether the difficult political decisions regarding such projects and let a remote Washington agency bear the responsibility.

The designation of a National Interest Electric Transmission Corridor and FERC's accompanying back-stop authority will also diminish or eliminate the role of other administrative agencies of New York that were established for the express purpose of protecting New York's economic, natural and historical, cultural and recreational resources, including the Department of Environmental Protection, Conservation, Agriculture and Transportation.

Furthermore, the designation of a National Interest Electric Transmission Corridor in the State of New York will undermine, in some cases, eliminate the state's ability to determine, manage and control land use policies, including land use policies on agricultural lands, forest reserves, recreational areas, game lands and other natural and environmentally sensitive areas.

New York is best situated to understand the energy needs of New York. New York is best situated to determine the environmental, conservation, agricultural and health impacts of an energy transmission and determine for itself how and where a suitable energy transmission corridor should be.

I believe all of us who are here today, are fully aware of energy and environmental challenges facing the State of New York and the United States as a whole. Demand for energy continues to be a concern nationwide, especially in major population centers like New York City. An effective national energy policy must include increased emphasis on conservation, renewable energy and energy efficient alternatives, demand-side management, innovation, new technologies while simultaneously providing incentives to increase domestic production and supply, but a national energy policy should reflect the traditional state and local authority over environmental and energy matters.

I support the legislation to repeal 1221 of NIETC and thereby preserve the fundamental rights of New York State and people to determine the future of the land use policies.

I applaud the effort of Congressman Hinchey, his colleagues to repeal this section of NIETC and thank you for inviting me here today to say a few words and participate in this important meeting. Thank you. (applause)

CONGRESSMAN HINCHEY: I want to thank you very much for joining us and for your continued participation and leadership on this issue. We need you and you've done a very good job and we deeply appreciate it. Thanks very much. (applause)

CHRISTOPHER CUNNINGHAM: Good afternoon. I am Chris Cunningham. I am Chairman of the Sullivan County Legislature and also Chairman of Communities Against Regional Interconnect, otherwise known as CARI. CARI is a coalition of eight New York State counties and six New York State community interest organizations that have joined together in opposition to the proposed construction of the New York Regional Interconnect transmission line, also known as NYRI, a 190-mile overhead transmission line that will stretch from Marcy, New York to New Windsor, New York.

On behalf of Sullivan County, I thank Congressman Hinchey for convening this hearing. It's wrong that the Department of Energy officials aren't sitting there in seats to listen to what people have to say, but we're lucky that people in Sullivan West High School like you make sure that people in Washington hear what people have to say.

CARI recognizes the need for improvements to energy infrastructure. However, CARI believes that there are still many options to be explored in finding smart solutions to New York's energy needs, solutions that will benefit the State as a whole. The recently proposed Mid-Atlantic Corridor threatens the efforts of New York State and its communities towards developing a sound energy policy. It encompasses 47 of New York State's 62 counties. The implications of this designation are far-reaching and should not be taken lightly, and unfortunately it appears that they are.

The adverse impacts of the draft Mid-Atlantic corridor are widespread within and outside of its boundaries, yet DOE failed to comply with the National Environmental Policy Act when drafting the corridor designations.

It is obvious that there will be a multitude of environmental and social impacts associated with the designation of the NIETC's, no matter what county, state or region it encompasses. However, DOE has indicated that the designation of a NIETC does not require compliance with the National Environmental Policy Act; rather, NEPA review will be undertaken when the FERC determines whether to grant permits to site specific transmission lines within the NIETC. In the eight counties represented by CARI, the construction of just one transmission line threatens active farmland, viewsheds, property values, utility rates and protected lands. The impacts will be far more serious and widespread as the number of transmission projects increase. Cumulative impacts of such projects must be considered.

In my own community of Sullivan County, 36 ½ miles of land, varying in uses, is threatened with the potential to host a transmission line. Approximately 15 miles of that transmission line

will fall on previously undeveloped land. If the project were to have, on average, a 100-foot cleared path to house the transmission line, over 180 acres of previously undeveloped land would have to be clear-cut. Included in this acreage are tracts of land that run adjacent to the nationally protected Upper Delaware Scenic River, an area that was just recently placed on the American Rivers' national list of most endangered rivers. It also includes tracts of land within the Mongaup Wildlife Management Area, an area that is heavily protected due to the number of bald Eagle nests and the large wintering eagle population. Underground cables have been proposed for a 1600 foot section of the NYRI project that goes through the heart of Mongaup Wildlife Management Area in order to mitigate potential impacts. However, being that the entire line is not underground, this proposal will require the construction of two transfer stations where the overhead lines switch to underground cables, and then from underground cables to overhead lines. That means nearly an acre of land would be clear-cut within the Mongaup Wildlife Management Area for the construction of any structures, and it is highly unlikely that a Bad Eagle will restrict its flight patterns to a 1600-foot corridor.

The boundaries of the Mid-Atlantic corridor do not appear to be based on congestion, but rather on specific transmission projects.

According to EPA Act, the corridor designations are supposed to reflect areas with energy transmission capacity constraints or congestion that adversely affects consumers. The corridors are not supposed to be based on specific proposals. If this is how the DOE came to their conclusions on the proposed boundaries of the Mid-Atlantic Corridor, is it merely coincidence that the boundary happens to fall in the Town of Marcy, the same town that would play host to the beginning substation of the NYRI project. There is no evidence that the Town of Marcy, New York is currently experiencing electric energy transmission congestion. Including communities such as the Town of Marcy in these draft corridors is unjustified.

So on behalf of CARI, on behalf of Sullivan County, I thank you once again, Congressman Hinchey, for your wonderful efforts. The NIETC Corridor designations need to be rethought. They're based on faulty premises, they're wrong for New York State, and I thank you for your consideration. (applause)

CONGRESSMAN HINCHEY: Thank you very much. Thank you for your leadership and for organizing this operation and we want a written copy of your statement, please.

MRS. LAUGHLIN: Thank you and we're going to ask our commenters to get a little closer to the pedestal. Next we have our federal representative, Superintendent, Upper Delaware Scenic and Recreational River, National Park Service, Dave Fourney, we'd like to invite you. (applause)

DAVID FOURNEY: Thank you, Congressman Hinchey, for conducting this session for the public to hear and also have a voice for your government voice to give this opportunity to make comments. We'd also like to thank too all the organizations and individuals who have stood up and be accounted for to help protect their homes and also the Upper Delaware.

America's national parks. America's national parks are truly a gift to America. They're an American idea given then to the world and this was created and done in 1916. Our grandfathers

had a vision. They had a vision of national parks to be icons for America, places of inspiration, places where people can come and experience America as it is in its true life. Our vision is simply clear, I think it's elegant and I think it's very direct and I think DOE needs to listen to what the mission of the National Park Service is, and that mission is simply to service scenery, national historical objects and wildlife therein and provide for the enjoyment of the same and in such a manner and by such needs that leaves us unimpaired for the joint of future generations.

This is a guiding light that has been for the 20,000 employees of the national park system. Our laws, our policies are imbedded in these simple 30 words that we have here originated in 1916.

Now, the proposed draft Mid-Atlantic Corridor, I have a map here that we're going to give to you so you can utilize in any form you need. It includes 29 Mid-Atlantic parks within the northeastern region of the National Park Service. These 29 national parks receive an annual visitation of 60,266,511 visits and also generate for the local economies \$267,806,000 that contribute to gateway communities and communities that surround the national parks. This was done by the University of Michigan study in 2005.

Congressman, I think we all agree with you that our national parks historic sites, wild scenic rivers, heritage areas, civil war battlefields, all those parks that are incorporated within the national park system should not become industrialized corridors for transmission acquisition in certain areas. DOE needs to identify within our national park system within the designated corridor, they should identify which national parks are there, not only state parks but also national forests, state forests, state historic sites that are important to the people of this country. DOE should also clarify that this act does not supersede existing legislation and should adopt a policy that exempts the national parks from designation of transmission corridor.

There's many things too I'd like to make comment about, but with this limited time. There's also an inspiration I had with myself that was done by President Kennedy which I would just like to read, and it's something that provides I think that has a lot of motivation for myself and I think can possibly assist others in this continuing experience that we're having right now.

"It is our task and our time and in our generation to hand down undiminished to those who came after us as was handed down by those who came before, the natural wealth and beauty which is ours."

I'm wondering what the National Park Service will look like in 2016 when we celebrate the centennial of the National Park Service and what that experience will be and how we will celebrate that in '16 with the outcome of the Energy Policy Act. Thank you very much.
(applause)

CONGRESSMAN HINCHEY: Thank you for your service and for being here. Thank you very much. (applause)

MRS. LOUGHLIN: We do regret that we can't afford more time for all of you. We have put a box in the front where you can leave a copy of your written statement. Additionally, in the back when you leave there is an instruction sheet that tells you how to submit any written testimony or

further documents that you would like to submit to the Department of Energy by various methods, internet, mail, so please take one of these; and lastly, anyone that has lost a set of looks like a set of very important keys, car keys and otherwise, so please see me in the back of the auditorium.

FRANK ARMSTRONG: Thank you. My name is Frank Armstrong and I represent Sullivan County Legislative District Number 5, which covers the Towns of Freemont, Callicoon, part of Delaware and Liberty, and in the interest of keeping things short so we can hear many more voices, I'm gonna just say this: That this has been my home long before it became my responsibility and as part of my responsibility I can only say no, I do not intend to see my home spoiled by NYRI. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you. (applause)

MRS. LOUGHLIN: The next three speakers are Greg Willems from the Town of Hamptonburgh, Samuel Rowe, Jr. from the Town of Hancock, and Stanley Woodford from the Town of Deposit.

MR. WILLEMS: Hi, my name is Greg Willems. I'm a Councilman from the Town of Hamptonburgh. First I'd like to say thank you, Mr. Hinchey, for hosting us here today.

The 2005 Energy Act is not good for America. This is what happens when major policy is formulated in secret by a select group of individuals whose only goal is to advance the interests of business over the interests of America and the consumer. It allows legal authority by business, both foreign and domestic, over states and their residents. It did not use an unbiased cross-section of our energy experts to decide the best energy policy, one which would send this country into the future as a leader in the use of new and emerging technology. We need to set a standard for the world in energy policy, not fall behind. Our fall would not be surprising. We have let America fall from grace in so many areas we once led.

The Commission has the opportunity to be true American patriots. It can help right the wrongs of the 2005 Energy Act and take a greener path. It should strike down these unnecessary corridors. Instead of leaving a scar on the land to honor greed, it could leave a big green footprint on the land.

This could be accomplished with a more localized approach using alternative technology which will truly benefit consumer and country.

We the People are hoping that the Commission will do the proper thing and help America to chart a better, greener course. Thank you.

CONGRESSMAN HINCHEY: Thank you. (applause)

SAMUEL ROWE, JR.: My name is Samuel Rowe, Jr., Supervisor and a member of the Delaware County Board of Supervisors.

Thank you, Congressman Hinchey for this forum and all the work you've done to this point. Proposed electric lines in its alternate route scene of beauty our environment, our economic sustainability. These proposed routes are in historic sites, drinking water supplies, trout fly-fishing, eagle nest habitat and other species.

These proposed lines will increase costs upstate New York while decreasing costs for downstate. As far as Delaware County we know what sacrifice is, we're home to two of the largest reservoirs in New York State cities, drinking water system. We have the Marcy South power line that already cuts through our town. We have the largest transfer station in the world in Hampton Hills, New York transferring power to New York City. We've made the sacrifice; we've done what's right for everybody else. It's time that we take care of our own and I hope the countless speeches today will help change the energy bill for 2005. Thank you. Behind line Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you. Leave a copy with us. Thank you. (applause)

STANLEY WOODFORD: I'm Stanley Woodford, Supervisor of the Town of Deposit and also a part of the Supervisors of Delaware County.

The People of the Town of Deposit oppose the Route that they're talking about, the determined power line and we believe that they need to keep the power closer to home. We also object to any power line through Delaware County.

I thank you very much for allowing us to speak on this very important issue. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LAUGHLIN: Wayne Decker, Orange County Legislator, and George Belcher from Port Jervis.

WAYNE DECKER: Thank you, Congressman Hinchey, for providing this opportunity for all the voices who are here today that the Department of Energy made no provision for local communities. It's unconscionable to be holding hearings in areas other than the proposed corridor, and also thanks to my Congressman, Congressman (Hall), joining you in this fight.

I want to also mention that this has served the Orange County Legislature authorizing \$50,000 towards the funding of Carey to help. (applause)

New York State and New Yorkers should determine the path of power lines in New York State. The State Constitution gives the right of home rule to all of our municipalities and we take that right very seriously, and the fact we're being usurped by this federal legislation is unconscionable. The fact it is a corridor, and when you think of a corridor you think of a narrowly and well-defined path. A corridor encompassing 47 of something like 65 counties in New York means a power line can be sited virtually anywhere. It tells me that this supposed corridor was not well thought out by any sense of reason, taking into consideration the communities' benefit, the welfare of the community and how to mitigate hazards in power areas.

One of the points that the NYRI proposal makes, as an example as it works in this proposed corridor, is that their proposal follows many existing rights-of-way and that's just a red herring. What they're really talking about is paralleling some rights-of-ways but increasing their width, doubling their width, putting in much higher towers, and in the end as a result of going from the centers of the right-of-way to property that is owned by this corporation, we will be creating thousands and thousands of landlocked parcels, parcels that would no longer have legal access to the roads on which they formally had access, creating a nightmare for private landowners, but the municipalities will (inaudible) in how to incorporate this type of zoning and regulation.

The previous speakers have addressed the broad issues very well. I just thank you for providing this opportunity to hear from us and to hear from all the rest of the citizens in the corridor. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you and thank you for the good points you've made.

GEORGE BELCHER: My name is George Belcher. I'm a Councilman for the City of Port Jervis, New York and I'm here to represent the Mayor and the citizens of Port Jervis, so he asked me to read a letter and I have a statement of my own.

I'd like to thank Congressman Hinchey for all his efforts in fighting this NYRI thing. I've been in this thing since the start and I'd like to read now the Mayor's statement.

"My name is Gary W. Lopriore and I'm the Mayor of the City of Port Jervis representing approximately 9,000 residents. I feel compelled to speak out against the NYRI project's proposed route and what construction of this project will do to our communities. I'm tired of feeling like a "second class citizen" because I live upstate of the "Big Apple". (applause) I have no axe to grind with the people in New York City. I enjoy visiting the city with all it has to offer and I know many folks of New York City who enjoy coming to our neck of the woods. Why, then, might I ask, do we in our neck of the woods, have to take a back seat when it comes to such things as water for New York City or electricity for New York City?"

I fully understand this electricity project is proposed by a private company, but the beneficiary is New York City. The New York City residents will be assured of an ample supply of electricity while the residents of those communities along the proposed route will be assured of losing property, possible ill health, unsightly structures, diminished property values and a myriad of other negative things.

Taking property from one person to benefit another is theft, not eminent domain. Placing people in jeopardy of ill health is inhumane.

This project cannot be allowed to be constructed. The affected residents and communities along the proposed NYRI route deserve to be treated with dignity and respect. After all, this is the United States of America. And that's "Respectfully submitted by Gary W. Lopriore, Mayor of the City of Port Jervis".

I'd like to make a few statements of my own too, if you don't mind. I have strongly been opposed to this NIETC thing. Things like splitting Otisville in half, these people will tell you is crazy. There are places upstate, New York Mills, the power lines that run between Main Street and Commercial Drive, past many businesses and backyards. In Clayville people have worked 35 years of their lives, paid their taxes, tried to live a decent life and now they are going to lose everything.

There are two enormous problems here as far as I'm concerned. The NYRI is a matter of public interest and another is a bizarre story of incompetence in my opinion. By proposing to both construct and operate 200 miles of high voltage power lines, NYRI has sacrificed the objectivity required to make energy decisions on behalf of the public interest. We are living in an era when sound energy decisions require objectivity and transparency. NYRI has proven its incompetence by beginning its proposed public work project by infuriating the public. Were it not so clearly routed in arrogance, the bumbling would be a point of amusement. However, there is nothing amusing about the potentially devastating impact this project would have on the route through New York. This will be a visible eyesore and would devalue so much property.

NYRI has been glib and condescending to property owners and local officials. They have sought to usher in their agenda on rhetoric and scare tactics by relying on the report on the energy policy of 2005. Jonathan Pierce said that the Energy Act of 2005 makes them and their developers a little more comfortable because of this threat of eminent domain and I think the Department of Energy ought to be holding hearings here locally in the Middletown, the Utica area, and the Norwich/ Oneonta area and I'd like to thank you again. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: The next three speakers are Nadia Rajsz, Councilwoman from the Town of Lumberland, Terry Hess from Sullivan County Chamber of Commerce and Mr. Ned Sullivan from Scenic Hudson.

NADIA RAJSZ: Thank you, Congressman Hinchey, for all of your efforts and for allowing us to speak today. I am Nadia Rajsz from the Town of Lumberland. The Town of Lumberland is a small town which resides along the beautiful Upper Delaware Scenic River, along the Mongaup Wildlife Management Area and for which also runs the New York State Scenic Byways along 97.

The NYRI power lines are slated to run through our corridor which would ultimately pollute our beautiful and lovely (inaudible) shed and have a negative impact environmentally, on our historic sites and also impact on our life force economy for our town and our region.

The Town of Lumberland is opposed to NYRI's power line which will not aid any of our area at all. It will benefit areas outside our region and also have a financial benefit to energy entities outside our country. We are not against energy, we're not against providing energy, and we're not against advancing energy. However, we are against having it shoved down our throats by the Department of Energy without our approval. We must stop the designation of NIETC and NYRI and again, I thank you for all of your efforts and your hard work in helping us to fight this and

fight for us. Thank you again. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

TERRI HESS: Good afternoon. Thank you so much, Congressman Hinchey, for calling this special meeting.

My name is Terry Hess and I'm the President and CEO of the Sullivan County Chamber of Commerce.

I come to you today not only as the President of the Chamber, but as a concerned homeowner. Construction of my new home was finished last year on the Scenic Byway of 97.

The Board of Directors and the nearly 700 business members of the Sullivan County Chamber of Commerce and Industry vehemently oppose the National Interest Electric Transmission Corridor, which would help pave the way New York Regional Interconnect power line plan in upstate New York.

The negative impacts of projects such as NYRI on our region would be so severe as to put hundreds of small businesses out of business and displace even more workers. Sullivan County businesses rely heavily on tourism to keep them alive. People come here to enjoy our rich natural surroundings, our Scenic Byways, and our unmarred landscape. The proposed power lines of NYRI would scar our scenic views and detour visitors from our area as well as our very important second homeowner population.

Before irreparable damage is done, the businesses of Sullivan County demand that action be taken to stop this proposed corridor and put an end to the NYRI power line project. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you.

MRS. LOUGHLIN: Ned Sullivan, Scenic Hudson.

NED SULLIVAN: Good day, Congressman Hinchey. I'm Ned Sullivan, President of Scenic Hudson, environmental advocate for (inaudible) thousand members.

44 years ago a handful of citizens, our founders, stood up to Con Edison, the Federal Power Commission, and other authorities to oppose a power plant proposed for Storm King Mountain on the Hudson Highland. Through their litigation they won the right for all citizens of this country, everybody here today, millions of people, to stand up and involve themselves in decisions of government that affect our environment. That led to the National Environment Policy Act and a whole body of environmental laws. It gives citizens a right to be heard on critical decisions of government affecting the environment and led to a whole body of environmental laws and safeguards, those precious natural resources of this country.

Ironically the NYRI transmission lines terminus is in Orange County virtually at the foot of

Storm King Mountain that was rejected by the Scenic Hudson through that 17-year path. The proposed designation of 47 counties of New York State apart from the Mid-Atlantic corridor as designated by the U.S. Department of Energy to facilitate this NYRI project represents a frontal assault on the principals of citizen standing and on the state and federal laws that exist now to safeguard our treasured natural resources.

Scenic Hudson strongly and unequivocally opposes this designation. We recognize the need for new transmission lines to certain locations as part of a comprehensive energy plan that give priority to conservation renewable and clean energy systems. However, the Federal Energy Policy Act of 2005 which authorizes the Secretary of Energy to designate electric transmission corridor and then to preempt the state and federal proceedings in designation that protect our environmental resources is fatefully flawed.

I thank you, Congressman Hinchey, for sponsoring legislation and budget amendments for vacating the pending provisions of this highly misguided law and thank you for all your leadership on the environment throughout your district.

I call on Governor Spitzer, Attorney General Cuomo and Mayor Bloomberg to create a coalition of state and cities who will wage a campaign to overturn this law right up to the Supreme Court if that's what it takes.

The Mid-Atlantic corridor is overly broad and threatening to areas that have been federally designated as wild and scenic areas. The Hudson Valley would be affected and included in this designation and has been declared a national heritage area, thanks to your leadership.

The President has designated the Hudson River as an American Heritage River. Designation of the Mid-Atlantic corridor would negate these federal designations, violate the National Environmental Policy Act and strike a crippling blow to the principles of citizens' standing.

All citizens of New York, country, and all elected officials should join forces to oppose this and other designations under this flawed system and support Congressman Hinchey's legislative initiatives to vacate it.

The Department of Energy should, as Congressman Hinchey has asked, deny this designation and suspend its proceedings under this flawed law. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you for being here and joining us today and thank you for your leadership.

MRS. LOUGHLIN: John Tomlinson, representing Upper Delaware Preservation Coalition, Paula Medley, Basha Kill Area Association, and Gina Guenste, Say No 2 NYRI.

JOHN TOMLINSON: Thank you for giving me this opportunity to speak. My name is John Tomlinson. I'm a homeowner in Barryville, New York. I'm a professional artist active in the arts

community of the Upper Delaware River Valley and the director of the New York Studio Program in Manhattan.

I'm also a board member of the Upper Delaware Preservation Coalition and of two regional Cultural organizations. I'd like to speak today, though, more as a citizen than as a board member of UDPC. I am outraged that corporate interests have federal governmental support to despoil an entire region of exceptional natural beauty and richness at the expense of the majority who treasure it and who seek to protect it for present and future generations.

I am appalled that private corporate interests can take and destroy private property and entire communities and override the Wild and Scenic Rivers Act for their own profit while claiming that it's in the national interest to do so.

We can all see that this region is experiencing unprecedented economic revitalization and cultural renaissance. It is a unique moment where talented professionals and business people are moving to this region from urban areas and working with long-established citizens to start business and media enterprises, begin beautifying towns, form cultural organizations, restore homes, protect nature, pay school taxes, employ local people and look for energy alternatives.

If this great moment in the region's history were to be halted, it would be a moment lost and a tragedy. The tragedy can be avoided by all of us weighing which is more important, the revitalization and renaissance of a region or the despoiling of a region and destruction of communities for corporate gain. For me there is no contest. I want to believe that my voice as a citizen among many will be listened to and taken seriously. This hearing sustains my faith in representative democracy, and I thank Congressman Hinchey and your allies in the U.S. Congress for this opportunity. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

PAULA MEDLEY: My name is Paula Medley and I'm the current president of the Basha Kill Area Association, BKAA, a 500 member environmental organization committed to protecting a 3,000-acre Basha Kill Wildlife Management Area and its surroundings located within the New York Regional Interconnect, NYRI's sphere.

As an environmental group the BKA strongly protests creation of a National Interest Electric Transmission Corridor, NIETC, in New York. We contend that such construction fosters waste rather than encouraging conservation and promoting local power generation. We further believe that an NIETC designation which usurps states' rights, awards an immense long distance power line company like NYRI carte blanche to modify, eradicate or otherwise tamper with myriad habitats such as rivers, lakes, wetlands, mountains, animals and plants in order to expedite financial gains.

Most importantly, however, an NIETC classification empowered by its eminent domain authority may modify or eradicate our friends, neighbors or relatives' environs, and in some cases even ours.

I thank you for this opportunity and for everything that you do on our behalf.

CONGRESSMAN HINCHEY: I thank you very much. Thanks for your remarks.

NINA GUENSTE: Good afternoon. My name is Nina Guenste. I am here today speaking on behalf of Say No 2 NYRI. We are a not-for-profit corporation registered in the State of New York and comprised of New York State residents.

Although the Department of Energy scheduled public hearings, they have not scheduled them where the majority of residents live that will ultimately give back to (inaudible) proposed corridors. This is true, not only here on the east coast, but on the west coast as well, where only one hearing has been scheduled in the State of California.

We would like to thank and applaud Congressman Maurice Hinchey for having this public hearing in Sullivan County today.

Say No To NYRI is vehemently opposed to the designation of National Interest Electric Transmission Corridors. We must emphasize that our position is not one of upstate versus downstate or not in my backyard. It is a position that mitigates problems of global warming and the search for clean, renewable energy. We must work together looking for solutions to our ever-increasing energy demands.

To emphasize our position, we have been handing out energy efficient light bulbs at various functions where we're speaking.

The Department of Energy should be working on solutions such as new technology and mandating the use of solar energy for all new construction. The Department of Energy should consider incentives for (inaudible) in the states and require greater town building, maintenance and upgrading of existing transmission facilities instead of wasting the taxpayers' money on studies and reports in order to be compiled by the states themselves.

The Department of Energy must listen carefully to the testimony being presented in these hearings and be accountable to the citizens of the United States. When 100 residents offer valid reasons not to designate NIETC corridor and three states with that idea, two of which owners of the proposed transmission lines, the only decision that can be made by the Department of Energy is to not designate New York State as a National Interest Electric Corridor. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: The next three speakers will be Mike Edelstein, Orange Environment, Dick Riseling, Sullivan Alliance for Sustainable Development, and John Leap, Industrial Green Power.

MICHAEL R. EDELSTEIN: Thank you. I'm Mike Edelstein. I'm President of Orange Environment, Incorporated, an organization that for the past 25 years has worked to protect Orange County and its communities and the integrity of this region.

We have to understand that part of the changes to the Energy Act has been to undermine and also the tradition of public participation that has been part of all of our environmental laws, and it's for that reason (inaudible) in hearing from us and it's also for that reason that I join in with all of us and thank Maurice for having this hearing and really standing up for us and our right to be heard. Thank you, Maurice. (applause)

Now, I teach environmental studies at Ramapo College in New Jersey where I head the environmental program and I teach environmental (inaudible) which is something that I learned out of many battles we fought in Orange County and in this region, and it occurred to me that if we look at the New York framework which is being partially subterfuged here, we realize that the key issues here that need to be addressed are first of all, a full and complete impact assessment of all the adverse impacts that are associated with this project and with this corridor and that really threatened communities in our region and the integrity of our ecological systems, and those need to be addressed completely and they need to be mitigated and if they can't, and if they can't, we need to stand against the approval of this project and we believe, in fact, this project cannot be supported under those grounds.

We need to further realize that neither requires that there be an examination of the cumulative affects and examination of long term as opposed to short term issues, an examination of irretrievable and irreversible impacts and an examination of the energy issues and that brings us to the question of what the alternatives that need to be examined are. This isn't an issue of one transmission corridor alternative versus another, it's really a question of how we can figure the energy future of this region and our nation and here are fundamental errors imbedded which is incurring that must be corrected. By designating this corridor and trying to circumvent and preempt the kinds of planning and the kinds of consideration that need to go into these decisions would take us further away and makes you ask the question what kind of energy do we usually need to create? (Inaudible) spoke to this and others have as well, but it's very clear that what needs to happen now is that rather than only reacting against this bad project and the bad policies that are promoting it, we need to take this as an opportunity to create a proactive approach to creating a sustainable region, to really introducing renewable energy, to ending sprawl, to making sure that when buildings are built in this region they are zero energy or energy positive buildings; to really taking a proactive approach that turns us around and addresses the energy future of this region in a way that not only ends this project, but hopefully prevents other projects that are preempted in the future. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: Dick Riseling, Sullivan Alliance for Development.

DICK RISELING: Good afternoon everyone. Thank you, Congressman Hinchey, for all the work you've done.

I'm from Sullivan Alliance for Sustainable Development, a local Sullivan County based group that features community benefit financial models for sustainable economic and socially and environmentally responsible economic development projects revolving around renewable energy in rebuilding technologies.

The NYRI project is to be rejected because it's based on a business model from the '70's - that is, the 1870's and the 1970's. The NYRI project is way old and extremely irresponsible. This is the 21st century, a time of taking responsibility for what happens.

NYRI may have some new technology, but it is still unsafe technology and inefficient technology, but we know from bitter experience that this is not sufficient grounds to defeat the NYRI project. Terribly flawed billion dollar projects with tremendous community flaws are being built with new technology every week. Therefore, we must provide an additional and more powerful action to defeat NYRI and we can do this here and now, if we organize a positive alternative program. How?

Here it is: We simply give them the power that comes to us from the north and generate our own energy through renewable energy projects. We stay connected to the grid, of course, but we seldom take any of the power and often sell it, some home-grown electricity. NYRI gets defeated because there is no need for it. NYRI disappears because they cannot make a buck from it.

How do we do this? The purpose of NYRI is to deliver 12,000 megawatts of electricity to the south. Sullivan County we know - it's not hypothetical - we know we can generate between 3 and 4,000 megawatts and another at least 1 megawatt additional solar electric energy and we can complete this entire process before NYRI ever starts building.

Three wind developers are already doing feasibility studies on new resources in Sullivan County and the solar resources in the county are well known. That gets us 25 to 33 percent of the way to eliminate the reason for NYRI's existence and we simply ask the counties around us to generate the mean balance of needed energy, and two things happen: One, 12,000 megawatts of electricity and more are delivered without NYRI. And our towns, schools, houses of worship, industry, tourist attractions, farms, all other businesses, and our homes are powered with renewable energy that comes from projects owned by the towns and other private and public local corporations will provide the following benefits:

- 1: Electric rates do not ever rise, and in fact they're cheaper.
- 2: The Sullivan County economy of one billion dollars becomes a two billion dollar economy of plain, sustainable, controllable economic growth.
3. We now power ourselves with clean, inexhaustible energy that saves lives, health and hundreds of millions of dollars.
- 4: These savings are joined by foreign net profits from local renewable energy generation for lowering taxes, enhancing school budgets, retired municipal debt, preservation of open spaces and farmland and hundreds of good paying jobs, a market platform for the manufacturing and technical companies that we need, so we also save a lot of energy secured, reliability and (inaudible). so we should dedicate ourselves to forming a working partnership and to organize ourselves to positive alternatives and we do it right here. Developing a home-grown energy

alternative to NYRI, then NYRI disappears because their market dries up like a skeleton in the sun.

SASD asks all to dedicate the next few months to creating the organizational and support systems to achieve the simultaneous defeat of NYRI and the provision for a clean, sustainable, healthy and finally responsible economy for this beautiful, magnificent place we call home.

You can contact us at sasdonline.org or 482-4764. Thank you so much. (applause)

CONGRESSMAN HINCHEY: Thank you.

MRS LOUGHLIN: Ramsey Adams, Executive Director of Catskill Mountain Keeper, and he will be our last speaker on behalf of organizations.

JOHN LEIP: Thank you Mr. Hinchey, for allowing me to speak today. My name is John Leip. I am the present CEO for Industrial Green Power out of Binghamton, New York. I know the power line does not run through my county. What my company does is produce 2 megawatt power points and it's a streamline affect that does not cost or take up the three-year minimum for New York megawatts. We currently have 5 projects in the process in upstate New York and my company could put anywhere between 100 and 200 of these in affect within the next year which would produce a couple thousand megawatts that would help stop the NYRI project. Thank you and good luck. (applause)

CONGRESSMAN HINCHEY: Thank you. Thanks very much. (applause)

RAMSEY ADAMS: I'm Ramsey Adams, Executive Director of Catskill Mountain Keeper, and I'd like to applaud Congressman Hinchey for holding this hearing. As others have said today, this is a wonderful example of representatives of a public meeting.

This is a New York regional (inaudible). Catskill Mountain Keeper is a new organization based on (inaudible) and our organization exists to combat exactly these kinds of proposals. Our goal is to bring the hamlets and towns and counties of the Catskills together and New York Regional Interconnect would literally cut the Catskills apart. Again, Congressman Hinchey, we are here to support your opposition to NYRI and we're here to follow your lead. Thank you.

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: In the spirit of mother nature we welcome you to take a 5 minute break so our reporter can have a little time and I'd like to announce the next three speakers so you come back promptly in 5 minutes. Demetra May Grosseto, Emmanuel Argiros, and Herbert Wolff. Thank you.

(Recess taken at 1:40 p.m.)

DEMETRA MAY GROSSETO: I am going to represent Pennsylvania, but I have several other organizations and we had worked with the upper Delaware Counsel on the siting of

(inaudible).

I am an elected official to the U.S. Agriculture in three counties in Pennsylvania. I'm on the board of directors for the Damascus Ambulance Corps, all volunteer. Also the board of directors for the Damascus Manor Community Center, so I better not take too much time, but we do not want the towers because it affects everybody. Every county, anybody whose near this river and I have a beautiful tree farm and another neighbor has hundreds of acres of farmland. This is all that just borders on the Delaware River, so I appreciate you coming because I know this has to be for all the people. You've got to get everyone to sign. We've had signatures, we've had petitions and let their voice be heard. I was invited today but I am concerned about our environment, about our agriculture, our people with the ambulance corps, problems with health that they could have with these towers. They are a health hazard. Plus, I mean we're trying to raise another generation. We've got to be able to speak up and work for the families, whether in Pennsylvania, New York or any other part of the world and country, we have to listen. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you very much. If you want to provide any other documentation, you can just do so through the Middletown office if you'd like or leave them here.

EMMANUEL ARGHIROS: Good afternoon, Congressman. My name is Emmanuel Argiros. I'm president of the Family Foundation School in Hancock, New York and I'm here also to represent a group called the Hancock Partners and to support the Hancock communities concerned with the NYRI project.

The Family Foundation School began almost 30 years ago and for the past 20 years we've been operating a first rate college prep boarding school serving teenagers considered "at-risk". Our purpose is to help these young people with the difficulties, to get them through those difficulties on toward responsible adulthood. What makes us unique at the school is our integrated milieu where we combine academics with a series of therapeutic opportunities.

Our current enrollment is 260 students. Nearly 100 percent of those students are accepted in college in each graduation. This is an awesome achievement in and of itself, particularly when you consider the history of their difficulties.

The problem today is the path of the NYRI power line, particularly the one along the pipe line. The path that follows the pipe line cuts right through our campus. If it gets built the school will go, period. A big part of our curriculum takes place outdoors, and we could never function with the power lines in our front yard. Parents will be extremely reluctant to enroll their children having concerns, among other things, that their children will be exposed 24 hours a day to the electromagnetic fields for nearly two years. If the school closes, Hancock will have lost its largest employer with over 120 full-time highly paid employees.

And this brings me to the issue of Hancock as a community. As I said, we're a member of the group called Hancock Partners. For the past four years we have worked with many to revitalize the town and its economy. We have worked with many concerned citizens, community

organizations, local and state officials, particularly John Bonacic who you saw earlier. We've managed to secure a \$200,000 downtown revitalization project, a \$50,000 sidewalk grant. There's a new 40-room hotel built as a replica of a turn-of-the-century hotel known as the Hancock House, and there's a medical center that's open and is now expanding. There's a village square on the way in the planning.

Hancock's future is all about the Delaware River, fishing and tourism. The newly proposed power line will cut through the village devastating Hancock's financial future, just as it will the Family Foundation School.

On behalf of the school, the Hancock Partners, and the Hancock community, we urge you to stop this project dead in its tracks. Thank you. (applause)

CONGRESSMAN HINCHEY: Thanks very much.

MRS. LOUGHLIN: I would like to just acknowledge a representative in our audience; Carman Dubality is here from the 97th District. (applause)

HERBERT WOLFF: Thank you, Congressman. Are you aware of a directive for an opportunity by the President which was completely unnoticed by the media and given no scrutiny by Congress recently? I want to read something to you.

"This directive completely unnoticed by the media and given no scrutiny by Congress literally gives the White House unprecedented dictatorial powers over the government and the country, bypassing the U.S. Congress and obliterating the separation of powers. The directive also placed the Secretary of Homeland Security in charge of the domestic security." This is scary, because of homeland security and Bush having dictatorial powers.

Next, I'm glad to see a couple of people mention about the health benefit dangers of a power line. I want to relay a story about my son selling real estate. He related a story of a developer who was interested in the proverbial 250 acre farm for development. He showed great interest until he heard that there was a power line bisecting the property. Then he went on to explain that as an electrical engineer he built a contraption that would take enough power off the ground underneath that power line to supply his house and when he started selling it to the neighbors they stopped him, but can you imagine if this power line stretches the railroad tracks from Port Jervis to Middletown Commons, everybody would be sitting on a microwave oven riding to work every day. That needs to be addressed. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: Noel Arnold, Lee Runnalls and Stephen Duugan.

NOEL ARNOLD: Congressman Hinchey, thank you for your past and ongoing efforts to rectify this travesty. My name is Doctor Noel Arnold. I'm a retired educator. I live in the Town of Hamptonburgh and I'm directly impacted by this power line. I hope I can get through this. If my students had had this time, I would have been in real trouble.

I want to go through just three points; the first point, during my research for this power corridor, I haven't seen anything other than emulation of the big lie of the Austrian corporal in the 30's, that's the first thing.

The second thing that the hearings down in New York City on the 23rd, I believe, of May, I had a chance to speak with a Deputy Director of the Department of Energy, who is responsible for siting and he made me feel really good. He said, "As of this time we have no idea for any siting or any plans and if we do, these rights will go to the State of New York." That made me very happy, really happy.

The last point, and I haven't heard it mentioned here, but I've noticed there are some young people here and some older people. We have a whole run of people here, and I have to assume that the young people that are here are here doing projects, either on civics or history, and I hate to see us practicing things that George Orwell mentioned in Animal Farm or 1984. We're having something done that there doesn't seem to be a real need for, for the benefit of a small group of people and forgetting what's out here, the people of this country. Thank you very much. (applause)

CONGRESSMAN HINCHEY: You characterized it very well. Thank you very much. Nicely done.

LEE RUNNALLS: Thank you for holding this hearing, Congressman Hinchey. My name is Lee Runnalls. I'm from the Village of Otisville in Orange County, New York, and one of the best things about this particular meeting today is that it reminds me of a time in history, not that I was there, but a time in history a little more than a hundred years ago when we had a concern for the environment and we had an activist who was concerned with the influence that big business had upon the government and the government policy and I am happy to say that the spirit of former New York Governor Teddy Roosevelt is alive and well and it's here today with us.

I had a number of remarks I was going to make that I culled down because I wanted to get the essence of it out. I want to focus on subsection of part of the Energy Policy Act that is Section 216, the siting of Interstate Electric Transmission facilities. The wording that seems so high in expectation, but is so inconsistent with the realities of today and that is in subsection E which gives a statement of justification for NIETC'S, and the wording that I refer to is this:

The designation, meaning the designation of NIETC's, would enhance national defense and homeland security. This wording is especially problematic, for it assumes that we are living in a far simpler world and ignores today's realities when fewer than two dozen determined individuals can cause the havoc and death we saw on 9/11. What would it take to disrupt the current power grid, our essential services, and our communication? The 2003 blackout was caused by negligent maintenance on a power line in Ohio. What could happen to an independent grid with cascading failures when one person or a group of determined individuals decide to sabotage our electrical network? Yesterday's disruption of air traffic because of a computer problem demonstrated that our many interconnected systems are vulnerable to failure. Long range electric lines are subject to those failures in my way of thinking, likely are preferred

targets for terrorists, be they international or homegrown terrorists like Timothy McVey.

NYRI's proposal is to build this line through railroad rights-of-way. Many miles of this route still carry freight. The lower section of the proposed route also carries hundreds of commuters. Given that there are train derailments caused by accident and negligence and given the disruption of grassroots is a likely hold for terrorists. It seems that NYRI through closely paralleling the tracks would become a goal for a committed terrorist formed organization. It is delusional to think that an NIETC designation would enhance national defense and homeland security.
(applause)

CONGRESSMAN HINCHEY: You make a very good point. Thank you very much.
(applause)

MRS. LOUGHLIN: Mr. Duugan?

STEPHEN DUUGAN: Thank you, Congressman Hinchey. I really applaud your efforts and I wish you best of luck in all of your work and efforts towards getting NIETC public legislation changed and enabling legislation and as you put it so eloquently, killing NYRI.

I come today as a private citizen. I'm overlooking what used to be the west branch of the Delaware River. Now it's turning towards electric supply for New York City. I'm a lifelong resident of Delaware County. I grew up in Hancock, returned to Hancock after college and graduate school. I've had the great honor of serving as the county mental health director for 16 years and also served as a town councilman and first planning board chairman, so I'm familiar with all (inaudible) processes and things like this. This process in the Department of Energy is based on (inaudible) upon us is a travesty and since your hearing or meeting here today is for their ears, please convey my personal disgust at their contempt of the citizens of our area here.

We're no strangers in Delaware County to eminent domain. In the 1950's New York City's drinking water (inaudible) took the West Branch of the Delaware River -- or east branch. In the 1960's they took the east branch. In the 1990's we had Marcy South thrust upon us that split our county in half.

I'd like to call these abuses of eminent domain government sponsored terrorism because that's what it feels like in Delaware County (applause), and true, nobody died, but a lot of people died of broken hearts, let me tell you, and in Delaware County countless families and family farms were displaced or ended. A way of life ceased to exist for many of us. As Mr. Argiros pointed out, we're in revitalization towards tourism and the use of our river and our beautiful resources. That will end if this goes through, so I commend you in your efforts.

I am reminded, though of those three losses about eminent domain that we incurred in the past. I am reminded that that took place in the 70's. Some of you might remember ERORAT. ERORAT is in nearby Pennsylvania. Pennsylvania power and light and some investigators were proposing to create an energy park like that term. They were going to build five (inaudible) plants and five whole plants. They were gonna essentially put a plume, a whole wall of water from the Susquehanna River into the air, and make us a tropical rain forest (inaudible). I

remember being in the high school auditorium like this in Blue Ridge, which was packed and standing room only, by the way, and everybody there made it clear that that was not going to happen and (inaudible). Thank you.

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: Ellen Bay, Hancock, Lauri Ramie from Upper Delaware Council, Narrowsburg, and Greg Stiles from Middletown.

ELLEN BAY: Thank you for my fellow audience members for hanging in so long. I think you're wonderful. I'm very blessed. I'm a resident of both Hancock and New York City.

Recently a child broke into a candy store and he sat down and he ate everything he just wanted and he just stuffed himself. He left the candy store, which had been left unlocked, and he got a little sick, he went home and he started telling his mother about his stomach ache, etc., and she took him to the doctor and he gave him medication and he was fine, he got over his stomach ache. Now, what's the response to the child accidentally getting into the candy store? Do you worry about putting locks on all candy stores? Do you decide childhood obesity is spreading and that's the way it is? So if it is, and we're going to go with (inaudible) in our free market economy, let's open more candy stores or we have another choice; we should educate ourselves about nutrition and how there should be limits for candy, etc.

I think we have the same situation with electricity. We can't simply keep bringing in more electricity. We have to educate ourselves, we have to learn how to use electricity, and we have to look at the alternate forms. I think that's extremely important and I think we really have to look at this as a diminishing natural resource and that's what I hope -- well, what we all do as individuals is think about what our energy needs are and why and I say this as a New York City resident having lived through several blackouts, etc. We have to do things ourselves. I got up this morning and without thinking I reached in my cabinet, medicine cabinet, and I took out an electric toothbrush. Now, what the hell do I need an electric toothbrush for? Doesn't my hand work well enough to clean? Absolutely, so I think all of us need to look at the issue of energy, but in the meantime thank you, we've got to fight the corridor. (applause)

CONGRESSMAN HINCHEY: Thanks.

LAURI RAMIE: My name is Laurie Ramie and I'm offering comments on behalf of the Upper Delaware Council, incorporated in New York and in Pennsylvania.

The upper Delaware counsel accepts that everybody needs energy and that it is wise to plan for future growth. However, it greatly troubles us that the designation of National Interest Electric Transmission Corridors could possibly circumvent state and local jurisdictions and ultimately leads to the use of eminent domain on private property by the Federal Energy Regulatory Commission and/or private or public, profit driven corporations, for new transmission lines which may not be in the best public interest. We believe that the Energy Policy Act of 2005, and the entire process for selecting NIETCs, is flawed and that the federal government has overstepped its bounds in this situation.

The siting of new transmission lines is traditionally a state government responsibility and we believe that it should continue as such. Certainly the federal government can assist the states with energy projects, but the federal government should not override the states' policies and actions. The states are well aware of where congestion areas are and what needs to be done to address them, and we are confident that they will address them. We believe that the state governments would be more sensitive to the wishes of their citizens and responsible to them.

It appears that the Congestion Study looks at new transmission lines as the only solution to our nation's energy problems without considering other options. Other alternatives must be considered, such as siting new power sources where the need exists, upgrading existing transmission corridors, using new technologies, and conservation, the construction of new major transmission lines should be a last resort, if at all.

And in conclusion, we are dismayed that the Department of Energy has not scheduled any public hearings in the areas that would be most adversely impacted by the proposed corridors. It lends credence to the belief that the decisions have already been made and that the DOE is just going through the motions and trying to avoid local public participation.

In conclusion, we strongly recommend that the congressionally-designated Upper Delaware Scenic and Recreational River Corridor should absolutely not be included in any designated National Interest Electric Transmission Corridor. Thank you. (Applause)

CONGRESSMAN HINCHEY: Thank you.

GREG STILES: Good afternoon. My name is Greg Stiles. I'm from the Town of Mount Hope. Thank you, Congressman Hinchey.

The Department of Energy is asking us for our comments on the National Interest Electric Transmission Corridor. What I see as the worst part of this NIETC designation is showing up in NYRI's proposal. This designation is going to encourage further poorly planned, poorly executed projects. NYRI's project was 140-foot towers; literally eight feet off (inaudible). Locomotives, 200-ton locomotives at 60 miles an hour, tragic. The (inaudible) allowed to do this without this federal intervention. The New York City Public Service Commission when they reviewed these projects would be looking at future expandability. NYRI's project has usurped future expandability. They're running along such a narrow corridor that they can't even put (inaudible) on the top or side of their tower.

It's one circuit and can't even expand. Reliability, you lose one circuit, you've lost everything that's been provided. Using DC energy, DC energy attracts (inaudible) degradation, replacing (inaudible) trains, locomotives and (inaudible) diesel fuel. If you're looking at reliability as an issue, unreliable. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you very much. Very nicely done.

MRS. LOUGHLIN: The next three speakers: Cynthia Pagano, Otisville, Jerry Cook, Mt. Hope,

Adrienne Eisenberg, Lackawaxen, and while they're walking to the podium I would just like to also acknowledge two other representatives in our audience, Jim Shootzow from the Town of Delaware, and Jim Greier from the Town of Fremont, Supervisor.

CYNTHIA PAGANO: Hello. My name is Cynthia S. Pagano. I'm an artist, painter, and teacher. I live in Otisville, and I really didn't want to say this, my husband says, "Uh oh, Don't be saying all this stuff," but I hear the word, "heartbroken". I have felt heartbroken, so worried. We live right in Otisville, our church is the Otisville Mount Hope Presbyterian Church. The parking lot, these awful horrible monster things would go right up over the parking lot. Who would ever come to our church again? When it was Maundy Thursday and we crossed the parking lot and went into the little woods right next to the railroad tracks and we enacted the agony in the garden and that's what it feels like to me the agony in the garden and I was so upset I wake up at night and I was just so upset and I finally went to the doctor and got antidepressants and then I said to myself what the hell am I taking these things for? I got to fight this thing, I got to do everything I can to save our way of life and to save our children and our grandchildren. Those people in the red shirts, they have worked so hard for the past I don't know how long it's been, and they don't take any credit.

Greg Stiles who just spoke, you could see how much they understand, Dan Jensen, Liz and Lee Runnalls, Gail Heatherly, whose associated with the Columbia Law School, she's just worked and worked and worked meeting after meeting. Neil Pessen, Nancy Craig, Lori Seymour, Liz and Lee Runnalls, Elaine Allen, they go out they stand in front of the supermarket and get signatures for all these things, and we've just got beat this thing and Mr. Hinchey, you're like our guardian angel. We just pray for you and we just have to beat this thing. (applause)

One more thing. The Basha Kill, we were out there painting yesterday, this gorgeous wetland and Paula has worked for years and years and years saving the place. Same thing for fighting the proposed mushroom factory. Thank you. (applause)

JERRY COOK: I'm Jerry Cook, I live in Mount Hope, Orange County, New York and thank you, Congressman Hinchey, I really appreciate this.

My problem with this is very simple.

One, this proposal is backed by one industry, the coal industry, that's the pressure talking about (inaudible). I feel that the future holds this for us: Just as the oil companies have us and we're paying so much money for a gallon of gas and they're making outrageous profits and claiming there's shortages due to refinery problems. I think one industry is in control of electric is the same scenario all over again, future (inaudible) coal.

Why is the federal government involved? It's involved for money reasons. You see, there's enough private money in the private sector to do this thing, but they need the federal government for billions of dollars. How come either industry is not involved in this? Just to pay for this whole thing? Because there's no demand. It would not work; people would not invest in it. That's why (inaudible).

I was on spacing committee for our high school that we had to determine as the population grew a new school. We had to build a new school, how many kids per class, how many classes in each grade level, etc., etc. There are corridors in the school, that's where people come in. I want our federal government to redefine the word corridor. It looks to me like instead of having a hallway if they were on the space needs committee, they would have the parking lot, the baseball field, the football field and everything in this corridor. I mean let's redefine it. The Department of Energy has to be more exact. This is a fiasco.

I want to make these three promises that will help you out: Every member of Congress who is applauding this, let them know the next election we will remember. (applause)

CONGRESSMAN HINCHEY: Amen.

MR. COOK: My second promise is: I'm angry and upset, but I will not push back. You might be surprised, but that's because of my third promise. My third promise is: Come election time I'm not going to push back, I'm going to Bush back. (applause)

CONGRESSMAN HINCHEY: Thank you.

ADRIENNE EISENBERG: Hi. Thank you, Congressman Hinchey, for this opportunity. My name is Adrienne Eisenberg and I live in Lackawaxen, Pennsylvania. I am here today to express my outrage regarding the Department of Energy's NIETC designations allowing for-profit private corporations the use of eminent domain to rape our environment and pillage our communities is unconscionable.

Usurping states' rights in order to fast-track projects such as NYRI's is unprecedented and will have disastrous consequences, as the federal process seems largely unconcerned with the environmental impacts and human suffering that will undoubtedly ensue, should such a project be permitted.

Specifically, the NYRI project if allowed would: Increase electric rates in upstate New York. The very communities forced to house the power lines would be paying more. Set a precedent for the abuse of eminent domain as a tool to maximize profits. Degrade environmental, historic, cultural and archeological resources. Destroy local tourism-based economies. The project is not likely to be green as NYRI talks wind, but walks coal. In fact, NYRI's parent company, Colmac Energy operates waste-coal burning plants, which are much more polluting than just regular coal. So we need not operate under the assumption that NYRI could ever be part of an enlightened energy policy.

The power lines would put our people at risk. There is a statistical link between EMFs from power lines and childhood leukemia, brain cancer, Lou Gehrig's Disease, and miscarriage.

These power lines would not enhance national security. 200 miles of above ground power lines seem extremely vulnerable, and this plan would not allow for viable alternatives to be explored before irrevocable damage is done. NYRI's concept and technology are soon to be outdated. If FERC were to grant permission to NYRI, that would betray a profound failure of vision.

In the upper Delaware River Valley, as in all of the communities affected by this monumentally ill-conceived plan, we are angry, we are very angry. We have been locked out of meaningful participation in a process that will have its greatest impact on our lives, more so than any others. I fear that this process of determining our future has less to do with public welfare and more to do with corporate politics and an insatiable energy industry. Meanwhile our lands and livelihoods and our very homes are under siege, not for the greater good, but for the greater greed.

We plan to fight. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you.

MRS. LOUGHLIN: Joan Glase, Cohecton, Lamira Bowles, Otisville, Bill Coughlin, Campbell Hall, New York.

JOAN GLASE: I'm Joan Glase from Cohecton, New York, just down the street, basically.

The designation of the State of New York as a National Interest Electric Transmission Corridor would permit special treatment to greedy, inexperienced companies to build transmission facilities that are totally out of step with the current worldwide trend of reducing our electrical usage. Their ultimate goal is not to bring responsible energy to New York, but rather to make billions of dollars. By doing so it's a step backwards in the development of our country.

It will give these companies carte blanche to rape and scar our countryside, ruin thousands and thousands of people's lives through eminent domain, displacing them from their homes, as well as destroy the entire economies of many upstate towns, which rely on the beauty of our landscapes and rivers for their existence. It will also be an ecological nightmare in countless ways.

Moving power to New York City is a serious issue that should not be as simple as drawing a line on a map from here to there. This type of decision needs to take into consideration all the lives it will affect along the route, a decision with the least amount of impact to the people and the environment. This should be a decision made by and for the citizens of all of New York State, not the federal government.

If indeed New York City does need more power, it need not be on the backs of the State of New York's own citizens. There are options available to benefit everyone. Just because there are more people living in New York City, who says their lives as human beings are more valuable than those of us who live in upstate New York, and most of us have visited New York City, by the way. We too are teachers, professionals, doctors, lawyers, artists, on and on, and we have individual rights to live our lives where and how we choose. This is the 21st century. We are a modern country. We can make it work for everyone.

Please put a stop this madness and do not permit New York to be named as a National Interest Electric Transmission Corridor. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: Miss Bowles, Lamira Bowles?

LAMIRA BOWLES: Thank you very much for having this meeting for us today. My name is Lamira Bowles. I'm from Otisville, New York. I am with a group of registered people who are here. We are saying no to NYRI and we definitely don't want the DOE to come in and tell us where these power lines are going to be.

I am a homeowner, property owner; I am a registered voter in the State of New York and a taxpayer, and I think most of these people here are also.

We applaud you in your effort to try to stop this bill and change it so that DOE cannot have the power of eminent domain in our area and to allow the power line to come through, and in that part I say we as taxpayers and voters owe it to you to give our support and find out who the people are who are not in favor of this so that we might be able to have the opportunity to encourage them to back your bill and so in this way I hope that all of us can look into the internet, find out who the people are who exist and perhaps with gentle persuasion to convince them that they are representing us and this is what we want. They should be representing us, not big industry and not the federal government. The federal government is supposed to be representing the people, so therefore the people need to let the government know what we want.

Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

BILL COUGHLIN: I'm Bill Coughlin from the Town of Hamptonburgh. Congressman, thank you for giving us this forum to speak for the Department of Energy which is (inaudible).

As a former politician I find two minutes too short a period of time to say what I want to say, so my immediate comments I'll say everything that was said before me, ditto.

Now on behalf of my other issues, unfortunately on September 11th, 2001 this country was subject to attack, a successful attack by outsiders. Prior to that, New York City our country sort of grow up in the city, but we found that we were subject to attack by internal people.

Designating corridors of interest for electrical power is fine if they're needed, but those corridors should be totally self-sufficient in localized regions. Putting a single power line in any one of the (inaudible) intended to be designated throughout the United States is extremely dangerous. Any one of those lines taken out that supply a community that becomes self-reliant or totally reliant or greatly rely on that power line, can suffer tremendous loss of power with one power outage, whether it be mechanical, technical or a terrorist attack.

I ask the Department of Energy to reconsider all of their corridors; turn the corridors into localized projects; bring those projects in with multiple facilities within them, so that if any one

facility goes off line the region's supplies is not at a total loss. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you.

MRS. LOUGHLIN: Next three speakers, Nancy Lee from Callicoon, Paul Sheehan, New York City, Jim Rodgers, Long Eddy.

NANCY LEE: Hello. My name is Nancy Lee. I'm here as an artist and as I look out in the audience there are many fellow artists.

One of my life's goals has been to work with the art and the beautiful. If the transmission lines come, that would be the art of the ugly.

I'm also here as an American. I'm an immigrant. When my family left China we lost our property because communism had taken over. I do not want that to happen in this country. I think this is a greater country than just a few people who need to make the money. I don't feel that it's necessary to have the energy from the transmission lines, but I think it's a matter of greed. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you.

PAUL SHEEHAN: I'm Paul Sheehan from New York City. We also own property here in Pennsylvania, so I'm looking at this from a couple of perspectives. I definitely don't want to see this go through.

The point about the vulnerability of the power lines of terrorist happening is really one of the most important things here, so this is not about national security. That can't be true. It's about the Bush/Chaney energy cartel which is in charge which Jim didn't say about that. And I wasn't going to speak, but I have a personal antidote which could help with your perspective.

I sort of suffered through the current passport crisis and I don't know if any of your constituents have been calling your office to get the (inaudible). The incompetence the administration displayed with the passports I think is so indicative of the incompetence they displayed on so many other issues. The demand -- this administration created the demands for the passports and they did not do the proper planning to make sure that they could process the passports. I had to wait 15 weeks. I was lucky I didn't have to cancel a vacation or lose that money, but the incompetence is really -- they take it to all levels, the real (inaudible). You really have to stand back in awe and just admire it because they take incompetence to such incredible levels. And the other thing the passport crisis indicates is how so many of the decisions the administration makes is about if you're rich, your fine because if you pay the additional levy for expedited service, then you can get the passport in four, five, six weeks, which is, of course, ridiculous. You should normally get the passport in two, three, four weeks if you pay \$60 additional, so that perfectly (inaudible) what the administration is about.

And the only other thing I would say is about eminent domain and the very unpopular Supreme Court decision that everybody hated a couple years ago and they said well, in London you can do

whatever you want. I think a lot of people miss the point of that decision and that is, eminent domain is a local issue. Look at the Supreme Court Justices who voted on it. They were saying eminent domain is not the business of the federal government, it is a local issue, so there you have it and it's up to us, not the federal government. Thank you.

CONGRESSMAN HINCHEY: Amen. Thank you.

MRS. LOUGHLIN: The next three speakers will be Edna Calkin, Sandra Schultz and Celeste Britt.

JIM RODGERS: You would think the Department of Energy could share some water with me.

Thank you. (applause)

CONGRESSMAN HINCHEY: If anybody wants a little water, there's plenty here.

JIM ROGERS: Okay. Good afternoon. My name is Jim Rodgers and I live in Freemont Center, New York, the northwest corner of Sullivan County where I resided with my wife for over 30 years.

What is the problem with National Interest Electric Transmission Corridors besides being a tongue twister?

This corridor is not about the national interest, this is about moving cheaper energy to far away markets that are willing to pay higher prices, thus boosting the probability not reliability of the electrical energy that's crossing New York City. Con Edison and the New York/New Jersey Public Service Commissions stated as much at the May/June hearing in New York City. There is simply enough supply currently for the New York City metro area. These corridors are still operating from outdated model of supply and demand for electricity that does not project a 21st century forward thinking approach with an eye for conservation, alternatives and emerging new technologies.

These transmission corridors are the offspring of a flawed Energy Act of 2005, an act that I feel further erodes our democratic and constitutional principles that this nation was founded on.

Our founders declared that we possess the "inalienable rights of life, liberty and the pursuit of happiness". The "pursuit of happiness" includes the rights of citizens to own and keep their property for themselves and for their heirs. The Constitution states that all powers not expressed to the national government are reserved back to the states.

The Energy Act of '05 drastically threatens New York State's authority to site power lines, protect its citizens from corporate abuse, and safeguard its natural resources. The Energy Act allows the transfer of the extreme power of eminent domain, and therefore condemnation, to private interests and corporations, entities that are not elected by and for the people. Corporations exist and survive by serving the interests of their shareholders and not the general welfare of the public.

I just want to make a comment about something because I was disappointed to see that you didn't get that rider on the 30 to 35 vote.

Recently a representative from the south Bronx in New York State stated people upstate should not object to a few wires running over the top of their trees. NYRI's proposed project is hardly a few wires over some trees. It is massive transmission towers splitting towns right over villages, schools, playgrounds, businesses, and farms. It is a direct conflict with the management plan of the Upper Delaware River, and my time is up and my full statement is in there. (applause)

CONGRESSMAN HINCHEY: Thank you.

EDNA CALKIN: My name is Edna Calkin and I'm from the Town of Cohecton. I live right here. I've lived here for 50 years.

We think you're great. I would like to just mention something that Congressman Hinchey brought out. Why on earth are we permitting the people who own this power line that they're trying to put through, why are we permitting them to hide under a rock? You indicated that they would not let their names be released. That is ridiculous. We need to know who is trying to destroy our country. We need to know why these people are so slimy. We may find out that they're living right in Washington. I think we ought to check that through the Freedom of Information Act. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you.

SANDRA SCHULTZ: Thank you very much for having us here and giving us the opportunity to speak and I realize two minutes goes very quickly so I'll try to speak quickly.

I have to agree with what a couple of previous speakers had to say, but I want to thank you, Congressman Hinchey, for the clarity of your opening statement because it made me think about more of the investment in NYRI and what they're trying to do here and it makes me think about the whole NYRI designation process and the Energy Act and how people are fundamentally exploited. Personally I think it would go up to the Supreme Court because of the states' rights issue. And then taking in condemnation, and I don't want to repeat what was said before, but I feel that sometimes thinking about things and one of the things that has caught my attention is the idea that what the NIETC designation action does is enable outfits like NYRI to create a commodity that can be bought and sold and that commodity is the designation of a corridor or a power line right away in the corridor. NYRI may never turn a shovel of dirt. They could sell what they've acquired which the right to condemn property with FERC is being the handmaiden in that process.

They would have the right to just condemn people's property and they could sell that to the highest bidder like the Port of Dubai and wouldn't that be something if you think about offshore people controlling and being involved in energy process of this country and to me we're giving away or selling off to the highest bidder our very patrimony. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: The next speakers will be William Gagu from Williamstown, Pennsylvania, Richard Cocchiara from Washingtonville, New York, and Maria Paola Sutto from Pond Eddy.

CELESTE BRITT: Congressman Hinchey, thank you from the bottom of my heart. My name is Celeste Britt. I live in the Town of Hamptonburgh on a cul-de-sac where there are a total of nine children, 6 children under the age of 9 years of age, so the health risk associated with an EMF field is of extremely paramount, of utmost (inaudible) to all of us. Our children are older, but it doesn't matter.

May 19th at the public rally which you held in Middletown I asked a question of everyone of the age I am about the percentage of use of an already existing Marcy South lines. I have raised this question numerous times in the past year. No one can come up with a specific answer. No one can give me a concrete number that says the already existing Marcy South lines are being used to this extent or to this percentage.

I think what we need to do is to have the money the Department of Energy has put into a public awareness and to use -- I meant to bring the light bulb with me. I'm not a scientist, but I've heard figures that if these new bulbs that are energy efficient were utilized by only 10 percent of the people that are in Orange County, there would be another 40 or 50 years before any new power or any new electricity would need to be called for.

My bottom line is, let's not overlook simple solutions to the proposed power lines and the complex problems in the negative impact that will be connected with anything New York Regional Interconnect wants to do in our state. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

SANDRA SCHULTZ: I just would like to announce on Tuesday, June 12th, the Family Foundation School in Hancock is sponsoring a free bus trip to the Department of Energy here in Rochester, that's Tuesday June 12th. Anyone who would like to join them to support the hearing, please contact Jim Rogers who has the sign-in sheet in the lobby, a lady is over there, or you can call the Family Foundation School at 887-5213.

WILLIAM GAGU: Good afternoon. My name is William Gagu, but I've been called other, so that's fine. I am Chairman of the Board of Supervisors from Damascus, Pennsylvania, right across the border from here. We have 28 miles of river frontage in the Delaware River Corridor and I've attended several of these meetings and we're in full support of your fight against this, and as a matter of fact, we passed -- I fought for and we adopted a resolution in our town against this proposed power line, so if there's more we can do, kindly let us know. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you very much. What you've done is very helpful and the continuation of that is very important and I really appreciate you and others from

Pennsylvania coming up here today.

MR. GAGU: Well, I've lived here, worked here all my life along the river and I know what it means.

CONGRESSMAN HINCHEY: Yes, indeed. Thank you very much.

RICHARD COCCHIARA: Congressman Hinchey, my name is Richard Cocchiara. I'm a Councilman for the Town of Hamptonburgh. I arrived late today because I was attending a boy scout function. We teach our boys a couple of things; respect the environment, teach them history of our country, teach them civic duty.

Two hundred and thirty years ago our founding fathers declared our independence from England. These intrepid men and women did so for reasons that are as applicable today as they were then. They did not wish to be governed by a power far away that did not understand or even comprehend the impact of their actions over the population. They did not wish to have land and property seized for unjust reasons and without due process. They believed that all men were created equal regardless of how rich or poor they were or where they lived. The Bill of Rights reflects the concerns our founding fathers had with excessive power granted to a distant federal government regarding issues best deemed handled by local governments. The Constitution clearly states that "those powers not expressly granted to the federal government shall reside with state and local government". It also states regardless of race, religion or where they live, everyone is treated equal and that people are secure in their homes against unreasonable seizure.

This means, among other things, that local governments should control issues that affect a town such as zoning and property development and that we all must be treated equally and that we do not worry about taking our land unless absolutely necessary without just compensation. Our founding fathers would turn over in their graves if they knew about what was happening today with regard to NYRI. Officials in far away Washington, yourself excluded, have granted NYRI the power to seize land or impact property values in the name of cheap power for New York City. Local elected officials, such as myself, have spent countless hours agonizing over zoning issues such as requiring electrical lines be underground having superseded and been told that NYRI would mar our town with overhead power lines. NYRI could run their lines underground or under the Hudson River, but they have deemed this too expensive even though the development costs of these lines will eventually be passed onto all New Yorkers and cost NYRI nothing. This could also run down the New York State Thruway, but this was nixed by the New York State Thruway Authority because they did not wish to ruin the "scenic vistas" that motorists see while driving. It seems that the costs to bury the lines are too expensive as long as it does not affect the property values or violate the zoning in New York City. It seems that the New York Thruway's Authority has more rights to scenic vistas than we do. We the people of Hamptonburgh want the same rights as New York City and the New York Thruway Authority to have our scenic vistas and property values protected. We do not want our land seized in the name of cheap power. Our founding fathers fought a war to guarantee our rights and will not let a company like NYRI, owned by a Canadian, take our land, take our property or trample our rights. One last thing. Our Constitution does not guarantee the right to cheap power, but it does guarantee equal rights regardless of where we live. (applause)

CONGRESSMAN HINCHEY: Thank you.

MARIA PAOLA SUTTO: Congressman Hinchey, thank you very much for giving us this opportunity today. My name is Maria Paola Sutto. I'm a board member of the Upper Delaware River Coalition and I'm a freelance journalist covering the energy policy and the climate change policy for New York City. I also own a house along the Delaware River, so I'm a perfect example of these two worlds. On one side I understand the beauty and the need to preserve history, and the meaning of life for the next generation. On the other side I understand the need of economic growth and I am here to intervene for a more balanced energy approach.

The plan of establishing a National Interest Electric Transmission Corridor doesn't take into consideration the climate change factor and doesn't address the magnitude of the changes that the New York region will experience.

In the light of climate change Mayor Bloomberg is trying to give New York City a framework acknowledging that mitigation is not a strategy. He's creating a business taskforce to help attract and retain business in New York City that will design and build new energy infrastructure and climate-neutral energy solutions. The Department of Energy should give us the same - and this is one point - the climate change factor, the same point is the Department of Energy should give us citizens the same weight in the decision process as the energy companies. The energy companies have a role as private energy providers and they are part of the decision-making in the energy process. Their influence on the government is enormous. However, these institutions have intense financial pressures that are legally binding their senior management to make short term decisions for economic gain on behalf of their shareholders and NYRI is one of them. It's a frontrunner that espouses the desperate need of Canada to sell their surplus energy with the present projection brought in from the same energy advisors.

We know for sure the blackout of 2003 was caused from poor management of the present infrastructure. They want us to believe New York City needs more electricity. This is simply not true. (inaudible) (applause)

CONGRESSMAN HINCHEY: Thank you.

ANDREW TUTKO: My name is Andrew Tutko from the Town of Hamptonburgh. I had nothing planned. I'll just speak from the heart; that as a former resident of New York City for 35 years and moving up here 15 years ago through the development which we have just made our home; I want you to understand the total relocation.

I work for the City of Newburgh at St. Luke's Hospital. My wife is a teacher in the Florida School District and my daughter is going to turn 16 years old and is a sophomore in Washington High School.

We live under the specter of not knowing whether or not our property ultimately will be taken by eminent domain. This is an issue that we faced from about two years ago when we found this out, and having done projects on the property and we don't know what to do at this point. We

feel that the living in the shadows of the Rock Tavern Power Station that is in current existence and also living in the project of Stewart Airport only eight miles away gives us a double whammy of not knowing what's going on in our community, so with that being said, I would like to be filled in at some point in time what eminent domain means to my community because I note that we have a bunch of people in the audience right now who don't know if their house falls under that element of surprise, and whether or not they're going to be bought out, taken over, do whatever, at fair market value, whatever that means, so let us know if we should be putting in that new kitchen or doing a little bit more landscaping. Should I keep putting on Scott lawn treatment or just let the property go? You know, let us know.

And real quick, 1970's eminent domain Governor Nelson Rockefeller, Stewart Airport 6,000 acres taken, 1200 people were displaced, over 200 homes, farms and businesses taken over for a project for Stewart Airport. That project was finished in 1980 incomplete and is now Stewart forest and you can still see the remnants of homes, businesses and farms. Thank you very much.

BARBARA YEAMAN: Thank you, Congressman Hinchey. I admire your fortitude in listening to this testimony, all of it not negative, but against the proposed power line.

I'm Barbara Yeaman, a Director and founding member of the Delaware Highlands Conservancy. We're a land trust working here in Sullivan and Delaware Counties in New York and Wayne and Pike Counties in Pennsylvania.

Twelve years ago we started a land trust in order to help preserve the watershed region of the Upper Delaware Scenic and Recreational River. Our mission is to protect the forests, farms and waters of this exceptionally scenic and eminently recreational river watershed. Nothing quite like it exists anywhere here in the northeast of the U.S.

Today we have over 450 active members and have conserved, by working with willing landowners, over 10,000 acres of land. All of this was accomplished with conservation easements; all of this land is still in private ownership and remains on the local tax rolls.

With these easements landowners give up the right to subdivide and develop their lands in order to preserve them forever as open space. These landowners have given up the right to make a fortune by converting them into large residential and commercial uses. These are landowners who, like our own members, value the priceless scenery, wildlife habitat and water quality found here in the Delaware River watershed.

If this proposed NYRI power line is allowed to follow the Upper Delaware Scenic and Recreational River along the railroad from Hancock to Port Jervis, all this work, all these donations by landowners wishing to preserve their farms and forests, all the money raised in grants, from foundations, and indeed from individual landowners, will have been in vain.

This power line will change this river valley from agriculture and silviculture to a commercial scene. Without question it will reduce the federal Wild and Scenic River designation for the Upper Delaware River to one that will no longer legally qualify for that designation. All this

loss for commercial profit to a few stockholders.

The energy needs of the great US cities must be met, but not by the destruction of the exceptional scenic beauty and valuable recreation opportunities that thrive here.

Conservation must be given serious consideration to supply the power needs of a growing urban region. Thank you. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

LARRY A. RICHARDSON: My name is Larry Richardson and it's my privilege to serve as Chairman of the Upper Delaware Scenic Byway. I'd like to thank you, Congressman Hinchey, for arranging this whole hearing.

As you know the Upper Delaware Scenic Byway encompasses most of New York State Route 97 from Hancock to a small section of Route 6 in Port Jervis.

It's estimated that there are 111,000 miles of state and local roads in New York State. The traveling distance from Hancock at the northern entrance to Port Jervis at the southern terminus of the Byway is approximately 73 miles. When taken in perspective, the importance of this designation becomes more apparent. From the Upper Delaware Scenic Byway, the Upper Delaware Scenic Byway will highlight has already made an exceptional (inaudible) regions in the field (inaudible) and alike, the highway itself. The most significant and attractive aspects of the Byway will continue to be its spectacular scenic vistas, access to the Delaware River and its resources and uniqueness of the communities along the Byway. The economic climate will be enhanced with character and quality of life while wreaking economic benefits of tourism promotion and further opportunities for residents to earn a living wage. The Byways communities will have revitalized main streets, but this experience will be heightened through attractive facilities like turnoffs and overlooks, restrooms and (inaudible) areas. The Byway itself would be (inaudible), but will remain open for commercial travel. This (inaudible) will have an exceptional year round (inaudible) abundant lodging and (inaudible) recreational choices available.

As stated in the mission statement, this designation is a vital economic tool for an area that encompasses parts of three counties.

To date the UDSB has secured more than \$1,330,000 in federal and state grant funding to use as economic tools to promote this area. Much of that is through your efforts and we thank you for that.

We cannot allow this project to degrade our precious environment that nature has given us. Let the people who are most affected decide for themselves. I thank you and I would also like to say as Deputy Supervisor of the Town of Cochection the Board is strongly opposed to this project. Thank you. (applause)

CONGRESSMAN HINCHEY: Thanks very much.

DURGEN WEKERLE: Good afternoon, Congressman. Thank you for giving the Sierra Club the final word on the National Interest Electric Transmission Corridor. I'm pinch-hitting this afternoon. My name is Durgen Wekerle. I'm a volunteer for the Sierra Club. I'm representing the Atlantic Chapter of New York City's chapter of the Sierra Club.

NYRI is a symptom of the old NYRI Energy Act. The Energy Act itself is the disease. Homeland Security has been mentioned today. If you look around, every headline Homeland Security is mentioned for a reason to everyone, from the (inaudible) X-ray to the NYRI project.

In 2003 the Sierra Club, together with Judicial Watch, the unlikely (inaudible) filed suit against the Vice-President Dick Chaney's energy task force. The premise was that citizens had a right not only to know what laws were being enacted, but what the methodology was, what the advice was, and how those laws were active; who benefited, who's going to pay the cost? Just (inaudible) secret valuation.

The Supreme Court fast-tracked that lawsuit. We lost on a technicality. The result was the '05 Energy Act. From that '05 Energy Act was a contested study that was produced in August of '06 and from that contested study we are now in the 60-day timeframe regarding the designation of these energy corridors. The premise is that there is a need, that there's congestion, that there are constraints. Nobody in the lower Hudson, mid-Hudson, New York City, Long Island, north Jersey area agree that there is a need. Yet somehow we're told there is a need. We have to go back to the definition of congestion. When you look at the Energy Act and the comment heard from the Department of Energy, congestion restraints mean whatever they want it to mean. There's a new definition that we normally don't consider and that is the excess supply in search of a market. That is a constraint. Normally we can see a need locally and we try to meet that need and demand with a supply source. That is not the case here.

There is an issue of constraint, a major constraint, and that is very local. The regional networks, regional grids, neighborhoods, the meltdown in Queens of two summers ago or last year had to do with the lack of maintenance and upgrade by Con Ed. The same with trees falling on Con Ed's lines in Westchester. We do not need long distance transmission supply to respond to problems that are local. The Lovid plant in Rockland County is a very good example. That is closing. How is that electricity going to be supplemented next year when the last unit goes off line? Orange and Rockland upgraded their substations and rewired their power entry line and their connections. That upgrading alone would replace the loss of Lovid.

The comments within the Department of Energy's response to the congestion study more than adequately explained what is going on. This makes great sense if the answer has been identified and the whole act of these hearings are really to justify that answer. And one thing and let me just conclude with that, on page 25,897 of the Congressional Register, "The Department of Energy selected as source area locations of substantial amounts existing underused economic generation capacity. The existing underused economic generation capacity could readily insure adequate supplies of reasonably priced power if additional transmission capacity remains available. In addition, increased access to this underused economic generation capacity, which is predominantly coal fired, would help diversify supply in increased energy independence for the

Mid-Atlantic congested area". That was the starting point of everything we're going through and the transmission lines are the answer to that. There is no market based decision, there is a parallel supply that will be coming our way under public support and public financing.

We'll be submitting other written comments with also written recommendations. Thank you very much. (applause)

CONGRESSMAN HINCHEY: Thank you very much.

MRS. LOUGHLIN: Last, but not least, Congressman Hinchey.

CONGRESSMAN HINCHEY: Well, ladies and gentlemen, thank you very much. I very much appreciate your being here and I want to express my special appreciation to all of you who stuck it out over the course of this process here this afternoon.

Contributions that you've made are very important. As you know, all of this is recorded, it's stenographically recorded and it has been audio recorded and audio visually recorded and these recordings will be transmitted to the Energy Department and they will be part of the Energy Department's efforts to reach out to people and hold hearings and see what sentiments are being expressed by people in various places that might be effected by this. And as you know, if we hadn't held this hearing today there would be very little opportunity for people to participate here because there is one in Rochester. There is an invitation for people to go to that hearing in Rochester. You're free to do so on Tuesday. I think that would be very useful and helpful and I would encourage you to do that.

As has been pointed out here today by a lot of us who have spoken on this, and I appreciate everything that you've said, there's a lot of duplicity involved in this situation and a lot of actions that are less than honest and straightforward. There is no particular shortage of electricity in New York City. People have said that there was a brownout in Queens and then there was that blackout that occurred, I guess it was a couple of years ago, but in both of those instances the one, the big one that occurred was because of some mistake that was made up in Ohio and the brownout in Queens had nothing to do with the lack of availability of power. There was plenty of power available. The City of New York also has a great ability to generate enormous amounts of electricity itself, in addition to amounts that could be saved, as was pointed out here today on several occasions, simply by using much more energy efficient uses of energy, even light bulbs. If those light bulbs, as people have said, were used broadly, a lot less energy would be consumed, but the City of New York has the ability to produce a whole host of energy. Just think about it in ways in which they could produce energy, solar production. We are not doing anywhere near what we should be doing in that regard. We just passed an energy interior appropriation bill which deals with the energy shortage. For the first time in the last 12 years increases the amount of money that is made available for research and development and for the actual production of energy through solar production and the potential for that is enormous.

Germany is now the top country in the world in terms of alternative energy, principally solar energy. We have companies here in the United States, including companies right here in New York, that are struggling to try to get enough funding out of the government to generate the

production of solar energy. We have one right here in the Hudson Valley. The potential for that is very, very substantial. If we could just get the government to focus on it, which we are struggling to do and I hope we can, there will be a huge amount of jobs produced and a great deal of energy that would be produced through solar energy and the City of New York can use that in a broad way to generate enormous amounts of energy there. There's also the capacity of the use of tidal waters that run through the city in a variety of directions. You can imagine, as you probably know, that can produce huge amounts of energy, so all of the situations here has a great deal of falsity to it and the NYRI project is the project generated out of Canada and the financial backers of which have been operating as I said, behind closed doors.

All of this just brings you inevitably to the conclusion that we're dealing with a situation here that is fabricated and is fabricated to a large extent based upon the energy policy which was developed by Vice-President Chaney behind closed doors back in 2001 and continues right on up to today, so we're going to be fighting this, we're going to be fighting it in every way we can. We'll be fighting it on the floor of the House of Representatives next week and we will continue to fight it through the law-making process in the Congress. We're also going to be addressing this issue through legal processes because there is I think a very broad foundation upon which legal suits can be brought against both the NYRI proposal and the National Interest Electric Transmission Corridor proposal, particularly in the way that Energy Policy Act of 2005 articulates that need and the way it's to be carried out, so we're involved with a big struggle here with some powerful elements, but I am determined to follow through to fight it every single day and frankly, there's part of my nature that kind of enjoys this, and I feel very confident that we're going to be very successful this year. I'm not saying it's going to be easy to do it, but I know we have all the rights on our side and we will continue to employ that in every way possible and I'm confident that we're going to be victorious. You need to stay involved. I know you will because I could feel the understanding, the knowledge and the intensity of the testimony which was provided today, so I know that you're going to be there and together all of us working in this way will be victorious on this issue.

Thank you very, very much for attending. (Applause) I want to give thanks to Suzanne Loughlin, who was our moderator here tonight, for Julian Laughlin, who did such a great job in timing you, and to Robert Hantman who has recorded all of the testimony given today. Thank you all very, very much. (applause)

* * * *

From: Giancamilli, Frank [mailto:Frank.Giancamilli@mail.house.gov]

Sent: Friday, July 06, 2007 2:51 PM

To: Tuttle, Robert

Subject: Public Comment on Behalf of Congressman John Hall on Mid Atlantic NIETC Proposal

Importance: High

Mr. Tuttle,

On behalf of Congressman John Hall's office (NY-19) we are submitting public comment on the Mid Atlantic NIETC proposal.

Please confirm that you have received this information.

Thank you.

Frank Giancamilli

District Representative

U.S. Representative John Hall (NY-19)

(845) 291-4100

frank.giancamilli@mail.house.gov

Sign up for Congressman Hall's E-newsletter at: <http://johnhall.house.gov/emailjohn.asp>
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<<Public Written Comment Provided in Otisville regarding NIETC.doc>>

Public Written Comment Provided by Attendees of
Congressman Hall's Mid-Atlantic NIETC Proposal Public Meeting
Otisville, New York – July 2, 2007

Hon. John Bonacic, New York State Senator 42nd District

"I don't think that ever before that we have had a State Legislature and a Governor come together to sign a bill that became law taking the power of eminent domain away from a private, mercantile transformer of Electricity Company. It is unanimous with eight Counties. What they don't talk about in addition to the environmental concerns and the health concerns is that this is an energy tax on the people upstate because the power is cheaper upstate. They want to take that cheap power and run it through eight Counties where there is a greater demand for power – New York City, predominantly. You say well why are the rates going up upstate? They testified, NYRI, as the PSC hearing that the upstate rates would go up five to seven percent to be accommodating to the NYRI line and do you know why? Because in the spot market, in the heat of the summer, when you need air conditioning, and a greater demand on energy, the people upstate have to go on the spot market and buy it because the cheap energy power they had is not there. So it amounts in a tax of about five to seven percent of the people of upstate to accommodate New York City. Here we are giving them a greater supply and their rates are lower. This is bad public policy. I would like to thank Congressman Hall, Congressman Hinchey and the other Congress-people that are fighting this in Washington but I think they are outgunned. I hope they are going to fight hard and have some success but if they do not, believe me, we will build a war chest and we will take them to court and we will not allow the federal to trample State's rights. Five States, five Governor's are with us in opposing this bad policy of NYRI and FERC and I don't know if you know it or not but Texas is exempt from this legislation. So the fight continues. We are all together. We will continue to be supportive. We have given written comments in Rochester but I believe that we are going to have to continue to raise money at all levels to fight this to the end, in the event that Congress can't get it done for us. Thank you very much."

Hon. Annie Rabbitt, NYS Assembly 97th District

"Good Evening everyone. I will only take a moment of your time. I thank the Congressman for calling this important hearing. Everyone in this room knows more about power lines than they probably ever thought they'd want to know. I know how many times you leave your family. You run out for a meeting. Your message is heard. New York, without Senator Bonacic and that message that we delivered last year when session ended, and the Assembly, we would not be able to continue the fight. Now we need Congressman Hall, who I know is going to help us and deliver that message. I thank you all again for giving up the night and a great fight."

Hon. Aileen Gunther, New York State Assemblywoman, 98th Assembly District

"Thank you Congressman Hall..."

I'm very happy that you were able to schedule this important hearing today for the benefit of the House Energy Committee regarding the designation of 'National Interest Electric Transmission Corridors' and the impact on citizens and interests of the State of New York.

When congress passed and the President signed the Energy Policy Act of 2005, it was promoted as a comprehensive approach to the growing energy needs of our country and designed to encourage development of domestic fuel production and energy supply. Epact, it was advertised, would help end the United States' dependence on foreign oil.

Of course, our country needs a comprehensive energy policy which has been sorely lacking as we face increasing fuel costs, greenhouse gasses and global warming.

Unfortunately, tucked into Epact under Title XII are provisions which preempt what have been long fundamental powers of state and local governments. Section 1221 transfers the authority to approve the siting of certain transmission lines from state governments and their politic subdivisions to agencies of the Federal Government.

This law allows FERC to override the authority of the New York Public Service Commission to approve and locate a transmission line in a Department of Energy designated national interest electric transmission corridor.

This is unacceptable. Few issues have ever given rise to such concern and a sense of 'dis' empowerment than this potential exercise of the Federal pre-emption. This sense of loss of local power strikes directly to public fears that the voices of individual citizens will be lost to corporate interests; that profit motives will trump the rights of individuals to enjoy private property. I have little confidence that Federal government officials – who are far removed from the physical and socio-economic location of these proposals – will be able to fully appreciate the environmental, economic and social impacts of long-range, high-voltage transmission lines in local communities.

The designation of national interest electric transmission corridors in the State of New York will diminish or eliminate the role of the New York Public Service Commission, the administrative agency of the state already best able to make the decisions and determinations regarding electric transmission in New York.

Furthermore, the designation of national interest electric transmission corridors in the State of New York will undermine and in some cases eliminate the state's ability to determine, manage, and control land use policies, including land use policies on its agricultural lands, forest reserves, recreational areas, game lands, and other natural and environmentally sensitive areas.

I support legislation to repeal section 1221 of EPact and thereby preserve the fundamental rights of the State of New York and its people to determine the future of its land use policies.

I applaud the efforts of Congressman Hall and his colleagues to repeal this section of EPact and thank you for inviting me here today to say a few words and participate in this important hearing.

Thank you.”

Hon. Melissa Bonacic, Orange County Legislator

“I will make this very brief because I know this is for the people to talk tonight. It is very important that the elected officials do also and we have been doing that. Please know that on behalf of the County Legislature, we have done our part in Orange County, passing a resolution opposing NYRI. As David mentioned earlier, we have appropriated money needed for the legal fight. I really want to thank all of you because you’ve been in the fight, in the trenches since the beginning. You will be the one that has defeated this proposal. You should be very proud of that. I am confident that we have a lot of good people on our side. I would like to thank Congressman Hall for being here in Otisville. Unfortunately, it has been mentioned that a lot of people making these decisions have probably never heard of Otisville or these parts of Orange County. This is a tragedy because if this line goes through it will be devastating. I would like to thank all of you and of course, all of the elected officials because it is a partnership – team work. I want to thank our Mayor and Bill Novak, Supervisor and all of you for all you have done. Thank you for having me here tonight.”

Hon. Wayne Decker, Orange County Legislator

“Thank you. When Congressman Hall first spoke tonight, he talked about the misguided Department of Energy. If I thought that the Department of Energy was only misguided, I’d be sleeping a lot more comfortably than I am right now. What really concerns me is who is guiding the Department of Energy. When they schedule their hearings out of reach of people who are affected, it is certainly not the people of the Country that they are getting their message from. I think that is what we need to be very afraid of. A real example of what a bad policy it is to allow land use decisions to be ultimately be made by a corporation, which is what is happening here – they proposed a power line on a specific route and if New York says no, the Feds will say yes. Because there are so many Town Supervisors and Mayors here tonight from all over the County, I am going to bring up a little bit of an arcane point maybe but it really points out to me another example of why this is such poor policy. Along this almost two hundred mile route, there are hundreds, possibly thousands of parcels of property. One of the claims to fame that NYRI is making is that they are following existing rights-of-ways. It is a whole other issue whether they are following them or paralleling them – making them twice as wide and towers twice as tall. The real issue is many of those existing rights-of-ways are rights-of-ways. You still own your property but the power company or the gas line has a right to go on the property to maintain their line. With eminent domain, you will no longer own that property. Potentially thousands of parcels of property are going to be, in effect, subdivided. Listen to that Mayors and Supervisors. You just ended up with hundreds or thousands of possibly land-locked parcels in your community. You have tremendous zoning issues to deal with now as people want to develop their property that no longer has road frontage. The people that own that property just lost a tremendous amount of

value to the property that is untouched by the power line but the power line has cut off from public roads and services. I just throw this out as just one example as to why corporations should not be in charged of making public policy. That is not what this Country is based on. It is based on folks like you in this room, coming out to meetings like this, being heard and working together, stopping this power line. Thank you.”

Hon. William Novak, Jr. – Town of Mt. Hope Supervisor

“I would like to first thank Mr. Darwin for taking half of my speech so I won’t have to say it and you all could thank him for that too. Everybody here has heard this and everybody has been fighting the fight all along. A lot of things I had to say, he has already said. The problem is that the people that should be listening to this prefer to hold their hearing in Rochester and New York City; not here where the people that are going to be impacted are. For a municipality in New York State, to even disturb the smallest stone or smallest tributary or the tiniest part of a stream, you go through months of red-tape, permits, and run-around and not only are there things that are forbidden that we can’t do and if you do any of that without any of this stuff, you face huge fines. For a big business, not even a local business, one financed by foreign investors, the Federal Government could allow them to completely ignore common sense local consensus, binding rules and regulations, historic and conservation sanctuaries and the welfare of effected communities. They may circumvent all home-rule consensus, opinions, rules and regulations and go directly to self-serving national boards, many with self-serving motives and goals. I would like to thank Congressman Hall for taking the time from his busy schedule to bring our opinions and concerns regarding a national electric transmission corridor through such pristine and prestigious lands, to Washington D.C. to continue the fight that we’ve already been doing. That is what we need. I have said from the beginning of this thing, this is not going to be done by the local elected officials. It should be done by grassroots – the people out there that are bringing that message to Washington and that is what you are doing. The local elected officials have been right on board with this from the beginning and now we have the nationals with us and that is the important thing. Most of all I want to commend you for continuing to fight and to keep right on going. In summary, our answer in a nut-shell.... Not here, not now, not ever!

Hon. Brian W. Wona – Mayor, Village of Otisville

”Good evening everyone. I am Brian W. Wona, resident and Mayor of Otisville. I would like to thank everyone for the opportunity to speak tonight on the subject of New York Regional Interconnect. The feeling I get from NYRI is an impersonal one in nature. NYRI does not understand nor do they care what this community is all about. The family roots of the people of this community and the sweat equity put into the village businesses is the real issue here. The people of NYRI care only about their way of life and what the dollar can do for them. They definitely haven’t considered who they must step on to preserve it. The feelings of the families of the communities of Orange County and especially Otisville are not being considered. If these power lines are approved for the proposed corridor, it will completely devastate homeowners, shop owners and the residents’ pursuit of happiness. The people of NYRI enjoy the fruits of their labor without

infringement, so why can't we? This power company must have alternate plans to be considered without disrupting so many lives. I am asking for NYRI to do the right thing. Find an alternative route that will not impact any communities as these communities being affected will not benefit from this at all."

Hon. John Ward, Town of Wallkill Supervisor

"I am glad to be here. I missed the meeting in the Town of Wallkill, as I was out of Town when it was held. When this project first came about, I contacted the State Senators and Assembly people in the area and they invited me up to Albany to attend the meeting with the Public Service Commission and Senators and other elected officials from Hamptonburgh on up to Utica. The room was packed. There was nobody supporting the project. Everybody was against it and nobody wanted this. Since then, I have spoken with people from my Town, neighbors, other people and I haven't heard anyone say that they like this project. Everybody is against it and we should have the ability to be able to speak to the Department of Energy personally to be able to express the views of the people who live here have concerns about it. I am glad to hear the Congressman and Senator Hilary Clinton and Schumer are going to be involved in this. Senator Schumer will be coming to the Town of Wallkill tomorrow to have a press conference to talk about the bill that he will have before the Senate on this matter. Personally, I am against this and I believe that every resident in the Town of Wallkill is against this as well as every resident from Hamptonburgh on up to Utica. Thank you very much."

Hon. Mark House, Town of Deerpark Supervisor

"Is it a little lonely on your side of the table Dave (Darwin)? (referring to an empty chair left for the Department of Energy representative that was not present) I have a statement here that was sent to Congressman Hinchey when he had one of these meetings. I would like to reiterate it for you, hitting on the high points. The proposed power line dissects and thereby causes irreparable harm to the D&H Park, a national historic landmark. The power line traverses directly over the Hamilton Bicentennial Elementary School in Cuddebackville. That is my son's school. I take this very personally. The location of the proposed power line goes directly through the upper Delaware River scenic by-way, an agreement forged between the Federal Government, the State Government and the communities involved. I just can't believe this – the deeper we get folks. There is no justification for this power line. Why anyone would even think to do this, I cannot understand. I love my town. I like my kid's school. I like the hardware store that my friend bought that he's always wanted to own and I want it to be here. It is that simple. We all have to be that passionate about this or we will not be able to see this through. Get involved, stay involved, and support the people that support you. Congressman Hall, thank you very much."

Hon. Michael Sweeton, Town of Warwick Supervisor

"This is only going to take a minute. This doesn't really affect my Town. It doesn't go through it. I thought that it was important to be here to show solidarity with our Towns and Villages in Orange County. My Town does have experience with a federally approved project which is the Millenium Pipeline. They are very difficult folks to work with. They go through the motions of hearings, taking input. When they compromise, it

is only a little bit and for what they feel is important. It has been very frustrating for me as an elected official, to deal with these folks and I would encourage you to do whatever you have to do to keep this as a local issue. It is important for two reasons. First of all, the concept that the Federal Government can somehow do planning better than localities is really absurd. The second thing is, this just seems like a bad idea that hasn't been thought out right and it is just another example of arrogance of downstate with poor country upstate's cousins. You need to stay involved and understand that all the municipalities in Orange County are with you in this. Thank you."

Hon. Robert Freehill, Orange County Judge

"I am really only here along with my wife because we are residents of Howells. We are within close distance to this power line. I have been at most of these meetings in the past and will continue, even though my elections are over for a good number of years, I intend to be visible and be supportive as much as I can in somewhat of a limited capacity. Thank you."

Hon. Viola Sinsabaugh, Town of Deerpark Councilwoman

"I am only going to say one thing. Ditto to what everyone has said here, so that I am not in repetition of what everyone else before me has said. You are the grassroots. You have to keep fighting. Congressman Hall, I commend you for what you are doing. I wish you the best, I really, really do. I wish everyone that is here for the fight the best and I will say this: God help the person who comes on my property and wants it for eminent domain."

Hon. Diane Loeven, Village of Otisville Trustee

"I would like to take just a minute to speak to all of you not with words of a prepared speech of an elected official but with the heart of someone who is someone who is your friend and neighbor. The Village of Otisville and the Town of Mt. Hope are truly a grassroots community. If you look around the room you know that most of us grew up here, raised our children here, our grandchildren and we share a vision not to maintain this quality of life for the generations to come but to leave them with an even better one. The proposal that NYRI is making will not allow us to do that. While we'd like to think that we are special, we are not unique. New York State is made up of hundreds of communities just like ours - people who are having their rights taken away. The New York State Legislature understands and has for a long time that the vitality of this State is closely tied up with the vitality of our local communities and our downtowns. The Village of Otisville has partnered with the County of Orange for the last five years in working on downtown revitalization initiatives because we know that this is the future of our community. Each and every person in the room has been on Main Street and knows what will happen to our downtown if this power line is to go through. If this power line is to go through, we won't have any downtown revitalization because we will not have a downtown. The entire economic livelihood of the Village would be destroyed and that would have a ripple effect throughout the extended community and in all the communities throughout New York State. It is beyond my comprehension and it should be beyond yours that the Federal Government would even entertain legislation that would take the power away from the State. It is the State that knows the communities within it. It is the

State who knows their people. It is the State who should be empowered to set long range goals for the good of their communities and follow through with those plans – not the Federal Government.”

Nina Guenste, Say No to NYRI

“On behalf of Say No to NYRI, we want to thank Congressman Hall for bringing the meeting here because the residents of this Town are the reason why Say No to NYRI exists – because you refuse to give up and let a corporation and Government come in and take your homes. We are fighting for you. You may not see it all the time. The Record is not friendly with us. When we were in Manhattan, we had twenty four people with that we took down besides the other groups. For some reason they took a picture of one person holding a sign. That is not how it was. We were there and we intimidated them. We’ve gone to the mediation. We’ve gone up to Albany. Now with Congressman Hall and Congressman Hinchey fighting beside us, we are going to stop them. Everyone that belongs to Say No to NYRI, which is everyone in this room, you are all affected. Thank you again.”

Mary Lou Bosland, Otisville resident

“Hi I am Mary Lou. Some of our history of Otisville goes back a long, long time. My grandfather came from Italy and helped build the tunnel and then worked over at the Antitoxin Lab. My mother lived eighty six of her ninety years in the house she was born in on Main Street. She lived with me for the last four years. My sister used to take her every other weekend. One weekend her health failed quickly and all that she said to me was that she wanted to go back to Otisville. That was it. She came back to my house and two weeks later she was dead. She loved Otisville. She loved the Village and she really loved the people. You can’t buy that. I keep saying that oppression reduces the quality of life and the dignity of the individual. This is oppressive. Again, it crosses over people and it is wrong. I hope John Hall could be the head of the Department of Energy. I would applaud that. And why is Texas off of the grid? They are self-sustaining and on their own grid, not luck us that when one goes, we all go. I have two kids that live in the Village. We all do. Three out of four grandchildren were born in the Village. It’s a generational thing. You can’t buy it. We are rooted here. Thanks.”

Ann Priest, Greenville resident

“I’ve lived in Greenville for twenty two years and this is the first public meeting called by a Congressman in any subject whatsoever. I would like to thank Congressman Hall for that – you are a breath of fresh air. I just want to say that I’m against it. Everyone else has said so many wonderful things and I don’t need to add to it. I just wanted to add my voice that I am against it even though I’m from Greenville and won’t be directly affected by it but we are all affected by it. It’s a County-wide thing and a State-wide thing. Let’s kill it.”

Elaine Allen, Campbell Hall

“I too would like to thank Congressman Hall for having this very important meeting. In my opinion in the next several years, I expect there will be laws which forbid outside interests from taking your property and mine by eminent domain but until that time, I

guess we have to fight the fight. I hear the words for the good of the people being used. I would like to know just what that means. Is it that there are more people downstate than there are upstate? If that is what it means, then I would like to see some figures to see how many of the downstate people cross over the George Washington or Tappan Zee Bridge each weekend, holiday or vacation time, to our green land. They come by cars and they come by busloads but they are people that are over here in our upstate land. Where do the majority of our people come from in our lakes, our parks and our roads? Who rents so many of the summer bungalows that dot our land as you drive further upstate? For the good of the people – to me that would mean for the good of all the people of these United States not just New York City and not just New York State. For the good of the people it would mean keeping America Green for us, our children and our children's children. It would mean that all of us including New York City and its.... learn the meaning of the word conservation and practice it. It would mean energy efficient light bulbs and energy efficient appliances. It would mean sealing off drafty areas in the homes and apartments and turning lights off as you leave a room. It would mean not leaving the TV on when you are out of the room. It would mean less holiday lights. It would also mean that the oil industry would have to look very seriously into cars that could give you more miles per gallon. It would mean short showers with cooler water, we could go on and on and I'm sure you get the gist of what we are saying. Anyway but most of all, let us think of putting energy producing plants where they belong – in the city where they are needed. I would like to ask anyone that hasn't signed our letters on the back desk to do so before they leave. Thank you very much.”

Wendy Dong, Otisville

“I am Wendy Dong and I just moved here from Massachusetts. I am sure that you will be successful in having no power line here because I was in China and the Government comes and tells you orders. You have to do this and you have to do that. Here there are no big orders. They listen to what the people need so they work together. Thank you.”

Charles Elms, Town of Wallkill

“This project would me in a big, big way. For those of you who know, we have a large farm and we built a lot of large fields and have public events there – charity events. This would destroy everything we've done in the past ten years. I think that New York needs the power. That is for sure. There should be other ways of looking into it. Power plants could be put closer to the city. You need to look into terrorism if you have long power lines. You mentioned methane gas, which could be done. There are power plants in the city that aren't beyond utilized that could be put back on line. I just think that they need to look at other alternatives. Maybe burying the cable, bury it. They are putting a power line in New Jersey. They are going under the Long Island Sound. There are lots of alternatives. They could go down the Thruway or maybe down Route 17. These are areas that have already been affected. Let's not say no to the power for New York City but let's look at alternatives then destroying the Town and the whole country side.”

Lucia Armellin, Otisville

“I just moved into Otisville six months ago from Boston. I am a U.S. citizen, Italian, from Italy. It is wonderful to see a meeting like this because everybody agrees. There should

be no problems. What I understand is that a corporation is trying to control everything and that should not be. I come from Italy.....corporations are controlling the government. We fight that. We don't want that. That's the first thing. When the corporation is controlling the government it is not good. Just some words of encouragement that the corporations don't have that much power. There are many, many examples that people organizing themselves have stopped corporations. The corporations only look at the bottom line. We here tonight can stop the corporation. There are many examples I can use. Home Depot was selling rain forest wood and people organized themselves and they made an announcement that customers should go to aisle number 8 to appreciate the wonderful wood from the rain forest but be careful because there is blood on the floor, you might hurt yourself. Home Depot stopped with the rain forest wood. In India they stopped Coca-Cola Corporation by organizing themselves....So actually the corporation doesn't have that much power. They only have power if we don't organize ourselves. Thank you for listening."

Nicholas Alagna, Lumberland

"I used to come and visit the Creamery in OtisvilleOne thing that I haven't heard any speak about yet was is how much is this going to cost in taxpayer dollars for the diminished real estate taxes. It is going to cost the local people....It is going to take money out of the pockets of the people in the communities, where we.....No one is bringing this up. This is going to hurt us from the first day in our pocket book in our tax bills. Thank you very much."

Najim Chechen, Town of Mt. Hope resident

"I am an artist, sculptor and originally I was born in Iraq. I came to the United States to get my education. I have seen actually what you talk about here. I lost my citizenship under Saddam Hussein because of principals. I lost my scholarship. I lost my wife. I lost my Country. I lost my family. I just didn't want to be on the wrong side of the fence. I believe that if you really believe in a good cause, you need to move forward. I believe in good causes too. I know what corporations and governments do. Usually they try to manipulate peopleIf we are together and stronger with the help of Congressmen and the other good people here I assure you of one thing that I want to do. If they are going to put power line, I am going to bring my own concrete and my own tent and I am going to dig a big hole. They are going to have to bury me there.....God Bless America and thank you."

Mary VanStrander, Greenville

"Our government needs to remember it is by the people and for the people and we are all people that stand to lose another freedom that we can't afford to lose. We need to protect the rights of all the people here because as long.....they will just keep going."

Lee Runnalls, Otisville

"I would like to speak briefly about section twelve twenty one. A couple of passages that were used to justify the adoption by Congress. One of the goals of the Energy Policy Act was energy independence for the United States which would be served by the NIETC

designations. As I see this problem unfolding, I do not energy independence at all. I see more dependence on old ways of generating electricity and old ways of transmitting it. The second passage that I want to speak to is something that someone touched on briefly just a moment ago and that is that NIETC designations would enhance national defense and homeland security. As I see NYRIs line, I see a one hundred ninety mile bulls eye or target for anybody who is a little bit discontented with this Country. I urge you all to continue the fight. I know that input can be given to the Department of Energy online so if you haven't submitted anything until tonight, please go on the DOE website to make a comment. Please keep up the fight and thank you Congressman Hall for holding this meeting."

Susan Conklin, Otisville-Mt. Hope Presbyterian Church

"I attend the Otisville-Mt. Hope Presbyterian Church and since no one from the Church has said anything yet, I will. I would like to remind everyone in Albany and elsewhere, we have a Church directly across the street from the proposed power line is. It will come up on our parking lot and half way across. There are three hundred twenty some members of the Church. We don't know where we will park. We don't know how safe it will be to be in the Church. We serve more than just our Church parishioners. We also serve the community through, Boy Scouts, Alcoholics Anonymous, Garden Club, Seniors and many more that I have not mentioned that are in and out of the Church building daily – six days a week not counting Sunday services. Thousands of people come through that Church in the course of a year. This is a big problem for us at the Otisville-Mt. Hope Presbyterian Church. Thank you."

Mike Conklin, Otisville-Mt. Hope Presbyterian Church

"Husband of Susan Conklin and also a member of the Otisville-Mt. Hope Presbyterian Church. I would like to lead you all in song right now with the help of my fellow Church members. This is a song we sang in Church yesterday. It's called My Country 'tis of thee:

My country, 'tis of thee,
Sweet land of liberty,
Of thee I sing;
Land where my fathers died,
Land of the pilgrims' pride,
From every mountainside,
Let freedom ring!"

Helena Chiou, Mt. Hope

"I have lived in Mt. Hope for thirty five years. My favorite show on TV is Suzy Says. At the end of her show she always says to put people first and money second. When these corporations want to be successful they need to remember what Suzy says.

Vane Lashua, Beacon

“John Kennedy had a great phrase. He said “Eich Bein Ein Berliner.” Eich Bein Ein Otisvillian. I am from Beacon and live at 95 Liberty Street. I use that and the address means a lot to me. One of the things is that I very much supported John Hall for his run for Congress and I very much support your efforts to keep the power lines from going through and taking away the beautiful area over here in Otisville. I just want to say that I don’t want it to happen in Beacon either. We have a beautiful place there too.”

Laurine Seymour, Otisville

“I would like to thank you for coming that is all I want to say.”

Sue Eggleton, Wurtsboro

“I am glad that I am not the first person from our Church to speak. I already wrote in my letter but I do feel compelled to say that I came from Rockland County in 1981 and I found this community and this Church – the Otisville-Mt. Hope Presbyterian Church. Coming here I learned what community is and what Church family means. There are just some things that you cannot replace. There are some things that you can’t find somewhere else. Anything that affects that Church affects me and everyone else in it and everybody around it. So please stick together and Say No.”

Greg Stiles, Howells

“Many of you have already heard me since I am a bit of a broken record. A life-long resident of the Town of Mt. Hope and are property owner, family man, my kids are over here in the corner. I am doing my own part to explain the abuse of electricity with my daughter’s bedroom being left on all day. I am not trying to split the electrical industry itself. For twenty five years I have been an estimator, project manager for electrical contractors and I am a contractor myself now. I’ve seen designs many, many times over the years, that policy invites bad design. Many of the points that Jurgen brought forth. You have the designs here for a power line that would never pass the salt of the New York State Public Service Commission. Running the power line through the center of a Town, a much smaller power line was constructed a few years ago completely bypasses Slate Hill if you ever drive out that way. It goes down an old abandoned railroad bed but when it approaches Slate Hill it goes out and around. Good design allows for future expansion. Bad design is as big as it will ever be. If you look at the NYRI design it is one circuit and cannot be expanded. You look at the design of the towers – the towers are one hundred thirty feet tall. That is the size of Marcy South, for one circuit. Why are they so tall? Because the clearances that they are trying to accomplish between the wires has to be vertical? Why do they have to be vertical? Because they are trying to crowd into the railroad right-of-way. So these towers as they go down the pipe line are only eight five feet tall but there are communities that they are going to tower up so that they can crowd the railroad, which brings to another bad design point. When you put railroad tracks and you put power with four hundred kilovolts of electricity a mere forty five feet away at the base, the centerline of the wires is right over top of the train. Even a minor derailment, particularly when a train is carrying passengers, could be come a major catastrophe. This is a white elephant in the room that no one is paying attention to. We want to keep any kind of a minor derailment, minor. A couple of months ago Metro North backed one of their own cars into each other and sent on into the station.

This didn't even make the news – it was a minor incident. You look at the design. They are using D.C. energy. One of the faults of D.C. attracts and accumulates dirt – on the insulators and wires. Dirt on insulators causes failure. Where is the last place that on the face of the earth that good design would place D.C. energy? Right over top of diesel locomotives when you have 25 trains a day, not counting freight. I could go on and on and I'm not. You are all hot and tired. When I came up here to set up tables and chairs yesterday, we set up about a third as many, so I am excited to see the large turn out. The Department of Energy wants our comments on the national interest electric transmission corridor. My comment is bad policy is going to invite bad designs like NYRI's. Thank you very much."

Hon. George A. Belcher, City of Port Jervis Councilman, 2nd Ward, 5 Kingston Avenue, Port Jervis, New York 12771

"In the 1931 Delaware River Diversion Case, U.S. Supreme Court Justice Oliver Wendell Holmes said that 'A river is more than an amenity, it is a treasure.'

Charles Kuralt has said that 'America is a great story and there is a river on every page. Let us remember that and dedicate ourselves to the great work of restoring our rivers to health.'

I strongly oppose both routes proposed for the NYRI [New York Regional Interconnect] power line.

The Delaware River Route NYRI is requesting to build their power line is not an appropriate area for consideration of a power transmission corridor for many reasons. To begin, the negative visual impact of the power lines along the Upper Delaware River valley will destroy the scenic beauty of the river for generations to come. The Upper Delaware River Corridor is protected by the Wild and Scenic Rivers Act enacted by Congress in 1968 (annexed by the Carter Administration in 1978) which clearly states:

'It is hereby declared to be the policy of the United States that certain selected rivers of the Nation which, with their immediate environments, possess outstandingly remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values shall be preserved in free-flowing condition, and that they and their immediate environments shall be protected for the benefit and enjoyment of present and future generations.'

I feel that the construction of this power line across the proposed river route constitutes a clear violation of the Wild and Scenic Rivers Act.

We all certainly understand the importance of providing secure and cost effective electrical power to the residents of Southeastern New York and New York City. But is it necessary for the power lines and huge transmission towers standing high above the tree line along the river banks to blight the scenic views offered by this U.S. Congress mandated national park, and by the roadside of New York's recently designated scenic byway, State Route 97? This area is one of the major nesting grounds for bald eagles in

the Northeastern United States and is a treasured resource for millions of canoeists, rafters, fishermen, and families seeking the beauty and peacefulness of this natural wonder. Alternate routes to those presented should be considered including but not limited to existing highway rights of way. There are existing corridors and rights of way in the region where transmission lines and towers are already present and could be engineered to handle additional circuits. Studies must be conducted to determine the impact of the NYRI project on the environment, the local economy, and health before allowing any project of this magnitude to be undertaken.

I feel that construction of power lines along the railroad rights of way next to the Delaware River should not be allowed without considerable improvements to the railroad infrastructure. The number of train derailments, including one as recent as the fall of 2005, suggests that such a large scale project could further destabilize the railway bed, jeopardizing the public safety in a high use recreational area. There was a dangerous derailment in the Utica, New York region a few months ago which caused evacuations and danger to the surrounding area.

In addition, I believe that such a project, which clearly states its impact on the security of our Nation, must disclose all funding sources and active involvement of all individuals in the project to assure the people of this nation that the project does not include the interests or involvement of any person who may negatively affect our national and regional security.

The rights of way needed for a project of this size would fully encompass several historic river towns, landmarks, and archeological resources of significant importance including those in Port Jervis, New York which is at the entrance of the Scenic Byway of Route 97.

The NYRI route impacts views from scenic byways located adjacently to the proposed corridor. The use of these byways would be negatively impacted further harming our local economy. Route 97 is one of the northeast's most beautiful scenic routes and the proposed transmission corridor is in direct view of its scenic overlooks. Port Jervis, New York is at the entrance to the Scenic Byway and depends on the tourist traffic to help its economy. This scenic byway also traverses the Town of Deerpark and a power line would have an adverse economic impact on the Town of Deerpark as well. The economic impact on the residents and businesses of the Town of Deerpark who may face the potential loss of their homes and property to the prospect of eminent domain contained within this proposal is unconscionable particularly in the face of devastation from the recent flood damage to homes located within the Town. The power line would run right down the Main Street of Otisville, New York causing irreparable harm to the Village. The Village has been working with the Orange County Planning Board to improve its Main Street and is trying to get grants to build new sidewalks.

If the NIETC designation is approved, hundreds of small businesses up and down the river valley who rely on the visual qualities of the region for their livelihood will face economic hardship due to lower property values and lost business.

NYRI's proposed routes along the Wild and Scenic Delaware River, through our National Park and along our scenic byways is not only insensitive to this nation's valuable recreational, scenic and historic resources, but completely inappropriate. We need to take advantage of our region's rural character and tourism potential to strengthen our local economy.

I encourage you to hold public hearings in the Middletown, New York area, the Norwich/Oneonta, New York area, and the Utica, New York area on any proposed route being presented by a private company so that the impact of such corridors can be fully investigated before causing irreparable harm to our valuable historic and recreational resources.

This power line means one thing. Continued exploitation of Upstate New York to serve downstate interests. My continued message will be, 'Not here, Not now, Not ever.'

Please help us to ensure that the Upper Delaware National Wild and Scenic River and the rest of our area will remain the highly sought-after source of recreation and tourism to our state as it has always been. I ask that you reject the NIETC designation for a power line along the proposed routes until the New York Public Service Commission finishes its hearings and investigation."

Hon. Greg Williams, Councilman, Town of Hamptonburgh, New York

"There are many reasons why our current energy policy should be changed. First and foremost if this protected corridor is granted, it will allow a foreign entity, NYRI, the power of eminent domain over U.S. citizens.

No foreign entity, no matter how friendly, should have legal authority over Americans. This alone should be enough to stop this process until this legislation is rethought and rewritten to prevent this from happening.

This is what happens when major policies like the 2005 energy act are written in secret, without the benefit of input from all sectors of society to examine unbiased new technology which will lead us into the future instead of rewarding business as usual.

We do not have to ruin hundreds of miles of transmission lines to solve New York City's energy problems at the expense of so many who will never benefit from it.

In Europe, there is a more open discussion on energy policy. They are finding a more localized energy policy is cheaper, more reliable, and less evasive than projects like NYRI.

New York City could use a host of alternatives like gasification plants to turn their garbage into cheap electrical output and solve two environmental problems at once.

We have alternatives to old technology like NYRI. We should use them to leave a big green footprint on the land instead of the scar NYRI will leave dedicated to greed.

Let's stop the negligent policies NYRI would have our government embrace. Instead, let's use the new green technologies to ensure America's future energy needs.

Thank you."

Ms. Tracy Brooks, representative from Senator Hilary Clinton's office

"Thank you very much for having us. Congressman Hall, we appreciate you holding this hearing in Orange County. Senator Clinton's office has testified at all hearings held by the Congressional Representatives, as well as appearing at the DOE at two different hearings in New York City and one in Rochester. I am reading a statement from Senator Clinton who is sorry that she cannot be here in person to speak with you:

I, as many of constituents have repeatedly voiced very serious concerns regarding the economic and environmental impact of the proposed New York Regional Interconnect NYRI route. Even though the DOE's hearings were held far from the proposed NYRI route, it is important that the Department of Energy hears our concerns loud and clear today because many of those who are concerned about NYRI are also concerned about the Department of Energy's proposed National Interest Electric Transmission Corridor, which I will now refer to as the NIETC. Because of the DOE's designation as such corridor would lead to the use of federal eminent domain authority. As you know, NYRI has filed a request with the Department of Energy to have this route designated as an NIETC. Designation as an NIETC by the DOE would trigger new authorities provided in the Energy Policy Act of 2005 that empowers the Federal Energy Regulatory Commission (FERC) to override a sitting decision made by New York State's Public Service Commission. Designation as an NIETC would enable FERC to exercise federal eminent domain authority in connection with the project. I have previously raised concerns about the NYRI proposal in a letter to FERC. The proposed route for NYRI has a number of problems including that it cuts through a portion of the Delaware River Valley that is recognized in the wild and scenic river's act. In addition, it runs through historically designated sites, environmentally significant habitats, residential and high traffic recreational areas and most certainly would have a detrimental effect on the ability for communities to attract business and foster economical development. With these environmental and economic concerns in mind, I urge the DOE to reject NYRI's request for designation as an NIETC. The question of whether to build a transmission line in New York State should be decided by the State using its very comprehensive permitting process. The use of federal eminent domain authority on this project as currently proposed will have a profoundly negative affect on the regions of this State. While I am pleased that everyone is here today, I also remain very concerned that the DOE's attitude towards the residents and communities in New York that stand to be directly impacted by NYRI. Neither of their scheduled hearings for the international corridor proposed were in areas along the NYRI route. Whether this is a deliberate decision of DOE's part or not is unacceptable. Committees up and down the proposed NYRI route are justifiably outraged that the Department of Energy has remained so unwilling to hear their concerns. This smacks of

arrogance on the part of DOE that is extremely disappointing. I am very pleased that my colleagues have been holding their own public hearings but we need to know that the DOE hears the full strength of the opposition to this proposal. As far back as June 22nd of 2006, I wrote to the Chairman of FERC, Joseph Kelleher requesting that a series of town home meetings in the affected communities so that citizens of those Counties to voice their concerns about the proposed NYRI route. I have called on the Department of Energy many times to hold additional public hearings on the proposed mid-Atlantic national interest electric transmission corridor. I believe it is imperative that the additional meetings be held in the Counties along the NYRI route. The project could have a profound impact on the lives of my constituents and they deserve to have a forum in which to express their understandably, serious concerns. This project must not proceed without thorough and appropriate public consultation. I continue to oppose the proposed NYRI route. I support the ongoing review process within New York State and will continue to question DOE and FERC to respect it. NYRI should not be allowed to short circuit the State's rigorous review and planning process. I have made my opposition to the plan very clear and will continue to work with all communities concerned, to fight it.

One last thing that I would like to let you know, Senator Clinton is working together with Senator Schumer to support legislation and draft legislation to stop the NYRI plan from going forward. Thank you very much.

David Darwin, Attorney for the County of Orange

"Thank you Congressman Hall. On behalf of myself and the Orange County Executive Edward Diana, I would like to thank you for sponsoring this forum and allowing us, the citizens of the County, to be heard on this very important issue. I would also like to take this opportunity to thank you for your efforts, along with Congressman Hinchey and Congressman Arcuri, on the federal level for advancing legislation to repeal portions of the Energy Policy Act which would usurp the functions and the powers of the State of New York. We appreciate those efforts and your help in that regard. Before I address the proposed DOE corridor, I would like to let everybody know, if you don't know already, that Orange County is a member of a coalition of eight Counties and five citizens groups known as Communities Against Regional Interconnect. This is a historic and unprecedented coalition of governments and citizens groups united for a common cause and we have been in operation for about fourteen months now. We have raised over six hundred thousand dollars. We have retained counsel, who is involved in the fight against the proposed NYRI power line on both the State and Federal levels. We also have a commitment from the State Senate for funding up to one million dollars if we continue that fight. I'd like to thank the Orange County Legislature for agreeing to the County Executive's request for one hundred thousand dollars towards that effort. The Legislature has appropriated that money to the County Executive's budget to be used for the CARI effort.

There are a couple Legislators here that I would like to thank – Melissa Bonacic and Wayne Decker – thank you for your efforts. The proposed power line if approved would

have profound impacts on Orange County and the region of communities and our citizens. It will take away what the State of New York tried to determine whether and under what conditions a one hundred-ninety mile, above ground electrician transmission should be permitted. It will permit privately owned transmission companies to seek approval from the Federal Government rather than the State or Local Government. It will provide companies such as NYRI with federal eminent domain power to take private property for right-of-way over the objections of private property owners. There are several reasons why this corridor should not approved as proposed:

- 1. Under section 216A of the Federal Power Act – The Department of Energy’s authority to designate a corridor is strictly limited to only those areas where consumers are currently experiencing adverse effects of actual electric transmission congestion and constraints. The proposed mid-Atlantic area national corridor is a cloud cover. It involves two-thirds of New York State, including Orange County and seven neighboring Counties to our north without and rational or supporting information that our region should be included in the congestion corridor. Our region is not New York City. Orange County is not Washington, D.C. The Department of Energy has exceeded it’s authority by failing to distinguish our region from those actually experiencing transmission constraints or congestion that affect consumers.*
- 2. The Department of Energy’s drastic conditions is the first step in giving private transmission companies like NYRI the right to come into any private property within the corridor that can provide a right-of-way for proposed transmission line. The DOE has failed to consider the impact of eminent domain on the County’s natural resources.*
- 3. The Corridor designation was done without the assessment of environmental, economic and health impacts the proposed designation will have on our County and this region. The potential environmental, land use, socio-economic and regulatory impacts must be considered. We believe that the failure to conduct this assessment is in violation of federal law. For example, the proposed NYRI alone, will run through eight New York Counties; thirty-eight municipalities; will cross or run along side approximately one hundred fifty four streams; ninety eight mapped State wetlands; one hundred fifty six potential Federal wetlands; two hundred sixty five archeological sites; sixty six properties listed on the national register of historic places; a national heritage corridor; and a federally designated wild and scenic river. The proposed NYRI route will cross or run parallel to the federally designated protection management area, a seventy three point five mile wide river corridor, home to numerous threatened and endangered species.*
- 4. Finally, the DOE has failed to assess the potential economic impacts on the County, our communities and our region. The designation of the mid-Atlantic national corridor will allow for the construction of power lines that will adversely effect the economic development of our area.*

The DOE must clarify that the designation encompasses only those areas from the immediate metropolitan New York City south; that are shown to experience persistent capacity constraints and congestion. The Department of Energy must modify its

designation route to eliminate the inclusion of Orange County and seven upstate Counties and we hope that they do consider the comments that the Congressman is making; that I am making and that you will make today; and make that modification. Thank you very much.

Mr. Jurgen Wekerle, Representative, Sierra Club Atlantic Chapter

“Good evening. My name is Jurgen Wekerle. I am a resident of Walden, NY, and am a native of Middletown, one train station away from this meeting. I am speaking on behalf of the Sierra Club’s Atlantic Chapter which consists of over 47,000 members who reside throughout New York State. The Sierra Club is a national, state, and local grassroots membership organization committed to protecting the natural and human environment which we share.

Thank you, Congressman Hall, for conducting this public hearing on the proposed National Interest Electric Transmission Corridors, and for forwarding these comments to the Department of Energy.

This meeting, and last month’s meeting in Sullivan County hosted by Congressman Hinchey, are the first opportunities for the public in our area and for Congress itself to evaluate and discuss the Energy Policy Act of 2005 which authorizes National Corridors.

I support and empathize with all of the comments made here tonight about the consequences of the New York Regional Interconnect (NYRI) transmission line project that would divide the Village of Otisville in half. Understand that the NYRI private venture did not just happen because we don’t have enough power lines. NYRI is a creature of federal policy which not only created National Corridors, but also will fund the costs of NYRI’s construction.

Make no mistakes, the National Corridor legislation does not just affect those caught in the path of NYRI or some other power line proposal. It affects every village and town in every county in every state including Texas, since everybody will pay for the consequences and for the expenses from out of the federal and state and the local treasury. We were told that NYRI would be the Corridor. Who would have thought that a Corridor could be larger than an entire state, let alone metastasize into more than eight states?

Don’t condemn the U.S. Department of Energy for making ill-informed decisions. The National Corridors and the NYRI project were designed by the best and brightest engineers, promoters, and lobbyists that money can buy. The proposals are great for the special interests who will benefit, but catastrophic for the public interest and for communities like Otisville.

Local efforts against NYRI during this past year have focused on the actions of state officials, but the origin of the trouble was born in Washington, D.C., where the Secretary of Energy takes his marching orders from his boss in the White House. It was President

Bush and Congress who breathed life into the National Corridor concept. NYRI is just the tip of the iceberg.

I would like to provide some policy background and then comment on the flaws in the objectivity and content of the Energy Policy Act of 2005, which authorizes the designation of National Corridors.

Background

During 2001, Vice President Dick Cheney's Energy Task Force (the National Energy Policy Development Group) crafted national energy policies with the advice of industry officials whose identity, influence, and recommendations were concealed from the public. The Sierra Club and co-plaintiff Judicial Watch, filed suit due to the lack of transparency and the presumed right of the public to know how public policy was determined. The U.S. District Court ordered the Task Force to produce information about the advisors and the U.S. Supreme Court ruled against the suit based on 'Executive Privilege.' Conceived in unusual secrecy and fast-tracked through Congress with little or no debate or public discussion, the resulting Energy Policy Act of 2005 (EPAAct) was signed into law by President Bush on August 8, 2005.

Section 1221(a) of EPAAct modified the Federal Power Act (FPA) by creating a new FPA section 216 which

- 1) required the DOE within one year to study and submit a report by August 8, 2006, detailing nationwide electric transmission congestion (the Congestion Study); and,*
- 2) authorized the DOE, based on the conclusions of the above noted Congestion Study, to designate as a National Interest Electric Transmission Corridor (NIETC or National Corridor) any geographic area which may experience electric energy capacity constraints or congestion that may adversely affect consumers.*
- 3) Following any such DOE NIETC designation, the Federal Energy Regulatory Commission (FERC) is authorized to pre-empt traditional State permit and siting approval such as the authority exercised by the New York State Public Service Commission, regarding the construction of an electric transmission facility by a private applicant:
 - (a) whenever the State fails to approve the private project within one year from the date the application was filed; or,*
 - (b) whenever a State rejects the application, even when that rejection is lawful; or*
 - (c) whenever the State fails to evaluate the project in an objective, good faith manner any time after the project application is filed; or,*
 - (d) whenever the State grants conditional approval to a project in such a manner that congestion will not significantly be reduced or the project will not be economically feasible as determined by the applicant.**

- 4) *Following any such pre-emption of State authority, FERC is authorized to approve the private project and, further, to grant government powers of eminent domain to the private developer to take public and private lands for the construction of the transmission facility.*
- 5) *On February 2, 2006, prior to the completion of the Congestion Study, DOE solicited industry to submit project applications for 'early designation' as a National Corridor. Then applications were received including that of NYRI submitted on March 6, 2006.*
- 6) *On May 31, 2006, NYRI submitted an application to the NYS Public Service Commission. That application is under review.*
- 7) *On August 8, 2006, the DOE submitted the 'National Electric Transmission Congestion Study'*
- 8) *On April 26, 2007, DOE issued two draft NIETC designations based on the conclusions of the August 8, 2006 Congestion Study. The proposed Mid-Atlantic Area National Corridor includes counties in Ohio, Virginia, most of West Virginia, Pennsylvania, New York, and Maryland, and all of New Jersey, Delaware, and the District of Columbia. The proposed Southwest Area National Corridor includes southern California, southern Nevada, and western Arizona.*

Shift in Power from State to Federal Government

EPAct does not affirmatively require that DOE to designate a NIETC. Nor has the FPA transferred general jurisdiction to issue permit approval for site-specific transmission lines and substations from the States to FERC, except under discretionary circumstances of emergency proportions noted in EPAct. DOE has discretionary authority to designation National Corridors, and FERC has discretionary authority to pre-empt State jurisdiction to approve private projects.

The potential use or abuse of that discretion, however, especially the extreme ability of FERC to transfer State powers of eminent domain to a private developer upon the petition of that developer, is unprecedented and unwise. Such ability radically changes established relationships of federalism and dramatically shifts legitimate State authority and decision-making responsibility from the State to the Federal Executive Branch. That is especially unnecessary in a state like New York which has well-established permit and siting procedures firmly in place.

Of special concern is the appearance that DOE initiated the study process having already decided that the only goal was to promote coal-fired generating plants and to promote the construction of long-distance transmission lines as an end in itself rather than one aspect of a comprehensive national energy policy. The DOE Congestion Study and commentary serve only to reinforce that suspicion as do the comments by a FERC member who prejudged the NYRI project during the summer of 2006, calling NYRI approvingly, a 'no-brainer,' without knowing the details and in advance of the Congestion Study and the Corridor announcements. (Arizona Daily Star, July 20, 2006.)

Role of Deregulation

Compounding the relationship between State and Federal jurisdiction is the evolving role that deregulation of both the electric utility industry and the energy commodity trading industry has had a pre-condition and catalyst for the troubling features of National Corridors.

Normally understood definitions of 'physical energy congestion' are commingled with newly introduced terms of 'private and contract congestion.' Both are factors in DOE decisions to designate Corridors. Further, section 1815 of EPCRA mandated FERC and the Electric Energy Market Competition Task Force to study competition of price manipulation by third party financial speculators who are independent of electric energy merchants presents an extraordinary element in the decision to site transmission facilities.

Vertically integrated utilities always hedged cost and resources to provide adequate and reliable supply to customers in their respective service areas. When a supply need existed, the utility could meet that need either through new transmission, new generation, or Demand Side Management (DSM). Each option or any combination of options was under the control of the utility. Deregulation after 1995 required a separation of ownership of generating facilities from transmission and customer distribution facilities. The theory was that separate ownership would increase market competition, and that less governmental oversight would allow the private sector to take advantage of perceived free-market efficiencies to increase profit and lower consumer expenses that otherwise could not be accomplished by a regulated utility monopoly.

Two problems quickly emerged which have distorted the ability of a free-market to regulate itself. First, separate generating facilities have little incentive to employ conservation, alternative supply, or Demand Side Management. They have a primary goal to stimulate demand, to increase sales, and to capture market share at the expense of their competitors. Second, financial interests which have no direct role in generation or in distribution of electricity can purchase highly leveraged futures contracts and bet on anticipated price fluctuations independent of reliability concerns. They can influence and control energy by financial contract without ever taking physical possession of the energy product itself. That third party trading is what public companies like Enron, and private equity hedge funds like Amaranth Advisors did. Deregulation theory, however, does not take human nature into account and did not recognize the skullduggery and fraud of Enron which diverted and withheld energy delivery which precipitated the California electricity crisis of 2001. Nor does deregulation theory anticipate the "mistake" of Amaranth which lost \$8 billion in two weeks last September, 2006, because it placed the wrong bet on the price of natural gas. Had it won, its huge exposure would have cornered the natural gas market allowing it to increase prices by dominating trading in natural gas futures contracts.

The result of combining deregulation with NIETC's pre-emption and eminent domain features present the absurd role reversal of government no longer regulating private business, but private business now having the opportunity to regulate government.

The Impossible One Year Approval Deadline

Once DOE designates a National Corridor, a State must grant an applicant a favorable decision within a one year deadline or FERC may pre-empt State jurisdiction over the project. The one year time frame for such review either under the National Environmental Policy Act or the NYS Environmental Quality Review Act (SEQRA) is outrageously short and unrealistic. Even under the best of circumstances, a five year time line for any major project is the least that can be expected. The states have been presented with a Hobson's choice that appears to satisfy due process but is preordained for failure or for a really poor project decision. The arbitrary requirements designed to compel State approval or trigger FERC pre-emption are egregious violations of legitimate State responsibility and of common sense.

Failed Consultation with States

EPAAct mandated DOE to conduct the Congestion study, "...in consultation with affected states." (72 Federal Register, 25850, May 7, 2007.)

That "consultation" categorically did not take place. DOE excuses this most serious omission by saying that consultation could not take place within the one year deadline in which to complete the Congestion Study due to the immensity of the task. However, States, pursuant to the same NIETC mandate, are required to approve an applicant's project within the same time frame of one year or suffer the consequences of federal pre-emption...

DOE makes the astonishing claim that it could not consult with the affected States about any congestion within those States because, "It is difficult to know which States are 'affected' until the conclusions of the congestion study are known." But is not the purpose of consultation with the States to arrive at a joint understanding about possible congestion within those States? It appears that DOE was only willing to share its predetermined "conclusions" with the States after-the-fact, not to arrive at objective findings in partnership with "affected" States. This further cements the notion that the ultimate conclusions were arrived at prior to the Congestion Study "findings" and that the Study was tailored to support those preconceived "findings."

The Single Solution: Coal-Fired Generation Plants and Long-Distance Transmission Lines as the Only Goal

On April 26, 2007, the DOE announced two draft National Corridor designations based on the "findings" of the Congestion Study previously released on August 8, 2006. The announcement also stated that the purpose of the Study was, "...to encourage a full consideration of all options available to meet local, regional, and national demand, which includes more local generation, transmission capacity, demand response, and energy efficiency measures." The Sierra Club very well could have written that press release.

That DOE statement of purpose, however, was an incredible and immediate disconnect from the actual DOE commentary contained in the Study itself. DOE shifted, shaded and expanded traditional definitions to mean something not readily understood.

DOE cavalierly reled out all energy alternatives except possible wind farms and those promoting coal-fired electric generating plants located in Ohio, Indiana, Kentucky, West Virginia, western Maryland, and western Pennsylvania, and transmission lines from those States. The fine print reveals, "...DOE selected as source areas locations of substantial amounts of existing, under-used economic generation capacity...", which, "...could readily ensure adequate supplies of reasonably priced power if additional transmission capacity were made available. In addition, increased acces to this under-used economic generation capacity, which is predominantly coal-fired...would help diversify supply and increase energy independence of the Mid-Atlantic Critical Congestion Area." (72, Federal Register, 25897, May 7, 2007.)

And further, "...the Department believes that FPA section 216(a) gives the Secretary the discretion to designation a National Corridor upon a showing of the existence of a constraint, including the total absence of a transmission line, that is hindering the development or delivery of one or more generation sources that is in the public interest, regardless of whether there is congestion and without the need for any additional demonstration of adverse effects on consumers." (72 Federal Register, 25844, May 7, 2007.)

That seems to mean that DOE can designate a Natioanl Corridor and FERC can permit any application wherever they want...

Those transmission lines would deliver an existing over-supply of electricity from long distanced into the vast Metro NY- NJ market which DOE has declared to be a "Critical Congestion Area" even though NY and NJ officials, regulatory agencies, distribution merchants and industry oversight entities like the New York Independent Systems Operator (NYISO) all clearly state that additional long-distance transmission is not the problem. The primary Metro NY-NJ concern is maintaining and upgrading local and neighborhood distribution facilities that interconnect with all generation sources including those at long-distance.

There are always new demands for more supply, but there are always solutions anticipating those needs that are being prepared in an ongoing planning cycle of from five to ten years out into the future. The local area problems involve aging infrastructure which was the cause of the Queens, NYC, power outage crisis during the summer of 2006. No amount of extra, outside supply could have changed those events.

Currently, the Hudson Valley has six major power plants using a mix of gas, oil, coal and nuclear fuel. Two north-to-south long-distance transmission systems also serve the region. The NYS Power Authority Marcy-South line from the EDIC/UTICA substation to the Rock Tavern substation in Orange County is located west of the Hudson River. The

Central Hudson to Con Ed. Complex from the Albany area to the Bronx is located east of the Hudson. All systems interface with the Metro NY load zone.

Most of the above plants are operating below capacity and/or are frequently off line. Also, seven proposals in recent years for new generating facilities in Rockland and Orange Counties alone never materialized due to unfavorable market conditions that did not justify the return on investment because additional supply could not be absorbed by the market and because of competition from existing sources including Demand Side Management achievements.

The above noted coal producing states are among the same states whose existing coal-fired plants transport polluted air emissions to the East Coast. That exhaust provides the main source of greenhouse gas emissions related to climate change. They cause respiratory illness, mercury-poisoned drinking water, acid rain, and agricultural degradation here in New York State where that pollution descends to ground level. Then Attorney General Eliot Spitzer successfully filed suite because of that uncontrolled pollution. Concern exist because of EPA's failure to enforce pollution measures on existing as well as on expanded coal-fired plants, and EPA's reluctance to enforce clean air standards in general. Alarm exists if untold additional coal fired plants are constructed upwind as envisioned by National Corridors.

The Lovett Coal-Fired Generating Plant: An Example to Trigger FERC Pre-Emption, or an Example of Efficiency and Alternate Solution

Operated by the Mirant Corp. in Stony Point, NY, the Lovett coal-fired plant was in violation of air pollution standards and signed a consent decree with then Attorney General Spitzer to upgrade its pollution controls. Mirant subsequently deemed the cost too high and elected to close all but one unit of the plant effective May 7th 2007. The final unit was shut down one year later.

The bad news is that since Lovett is located within a proposed NIETC, Mirant would have had the ability to petition FERC to keep a dirty coal plant operational, even in violation of EPA standards since NYS regulatory action would have made the cost of doing business to expensive and "not economically feasible" in Mirant's judgment.

The good news is that Orange and Rockland Utilities, the retail distribution merchant, upgraded local substations and the related distribution lines in anticipation of Lovett's closing. The increased efficiency allowed access to electricity upstate grid via the Mercy-South transmission line. The electricity had previously been available to O & R but could not be used due to the inadequate local infrastructure. The improved local substation capacity has made up for the loss of the 400 megawatt Lovett plant. (The Journal News, May 23, 2007)

Think of the savings and the increase in reliability if all of the local substations and consumer distribution lines in the Metro NY-NJ region were also upgraded. This real life

example demonstrates how bogus the DOE single long-distance transmission solution really is...

Tortured DOE Definitions and Interpretations

If all of the affected state officials and agencies and stakeholders who manage electricity usage on a daily basis say that there is no need for an additional long distance transmission and no need for NIETC designation, how then can the Federal Government declare by fiat that a critical need does exist and that the National Corridor designation and long-distance, coal fired electric generation is the only solution?

Unnoticed, the DOE has cleverly expanded and confused the traditional definition of “congestion” from that of increased consumer use (demand) that cannot be satisfied by available supply, to no also mean the exact opposite. DOE includes the over-supply and excess real or even potential capacity of a producer who has no means or outlet in which to sell that supply in the definition of “congestion”.

And demand can only be further reduced if alternate supply, increased efficiency and conservation efforts are embraced, all of which would interfere with increased production and consumption. Other than lip service, the DOE is promoting a rush to coal fired generation instead of promoting smarter energy use and Demand Side management in conformity with other federal and state policies. In fact, DOE designation of national corridors conflicts with any number of other federal policies.

To the consumer, excess supply is a good thing that can only improve reliability and drive down unit costs. However, DOE cynically claims that, “...any congestion can adversely affect at least some consumers...” and thus justify the NIETC designation. (72 Federal Register, 25844, May 7 2007)

And that interpretation can mean anything that the DOE and FERC want it to mean and justify any action in the name of the consumer protection. Under those perverted definitions and interpretations, a perpetual “congestion crisis” will exist that can never be satisfied no matter how many national corridors are designated or how many long distance transmission lines are constructed within those corridors.

Flawed Design of Proposed National Corridors, Critical Congestion Areas, and NYRI

The proposed Mid-Atlantic Area National Corridor is an overly broad geographic area comprising all or parts of eight states and the District of Columbia. The good thing about such an expansive area is that any number of multiple solutions and combinations of strategies can be employed to address supply and demand issues. However, the DOE contrived definitions and single coal/long distance transmission solution regulates all other alternatives meaningless. A map of the entire USA would have been equally appropriate.

On February 2, 2006 the DOE requested that industry submit transmission projects for early national corridor designation well before the congestion study was completed. Ten such projects were submitted. Nine were conceptual, but the New York Regional Interconnect (NYRI) was the only concrete project ready for permit application. As such, the NYRI proposal is instructive as a prototype for all national corridor designations and for proposals yet to come.

DOE ground rules for the current hearings, however, specify that specific projects such as NYRI, are to be excluded from consideration, that only generalized comments about national corridor designation are to be accepted. The two, however, cannot really be separated, of its own premature solicitation of Feb. 2, 2006, which artfully crafted the shape of the proposed corridors that were finally announced on April 26, 2007.

In the case of NYRI, the private corporation wants to construct and operate a 190 mile-long electric transmission line between existing substations located at Edic, near Utica, NY, and Rock Tavern bordering Stewart State Forest, Orange County, NY. However, a transmission line with adequate capacity already connects the same two substations,

The NYS Power Authority operates the Mary-South transmission line that serves the same market as proposed by NYRI. NYRI would duplicate the function of the Marcy South line, but would take a different longer route to the west through the Upper Delaware River Corridor between Hancock, NY and Port Jervis, NY. That portion of the Delaware River is a National Park Service protected wild and scenic river.

NYRI is neither a generator of electricity, nor a retail distributor. Its only purpose is to operate this one long distance transmission line connecting Hydro-Quebec and nuclear facilities from northern New York and Canada, which flow into Edic substation, with the Metro NY-NJ market. However, the NYRI project ends in Orange County, not in NYC. That does not achieve its stated objective. Unless the intent of NYRI is to connect with other NIETC projects proposed from West Virginia which could interface on the PA side of the Delaware River in that same Wild and Scenic River protected Area.

NYRI claims that it does not need to justify “need” because the Congestion Study and EPCAct have already done that for them. They have no concern regarding alternate supply or conservation since that would be the responsibility of the generators and distributors at either end of their project. Nor is an alternate route their concern since they have options on part of the route and feel confident that FERC will intercede and grant them powers of eminent domain to acquire the balance of their route. The DOE comments appear to support NYRI's interpretations.

The Mid-Atlantic Area is not a “critical congestion” zone as DOE would have one believe through its questionable definitions. Rather, it is a critical business enterprise zone, an opportunity zone that the National Corridor designation will exploit by supporting a favored industry at the expense of business competitors and the consumer alike.

It appears that the draft National Corridors and critical congestion areas announced this April were not the objective product of the Congestion Study, but that they were designed to conform to the requirements of the ten earlier applications. It is submitted that the early designation solicitation by the DOE on Feb. 2, 2006, corrupted any objective conclusion in the August 8, 2006, congestion study.

Summary and Recommendations

The conclusions of the August 8, 2006, Congestion Study and subsequent DOE comments, support a single solution and promote the increased use of coal as an energy source in general, promote the construction and/or expansion of coal fired electric generating plants, and promote the corollary construction of long distance transmission facilities to deliver that electricity to high use, densely populated markets, whether or not those markets actually need electricity.

The Mid-Atlantic Area has been decreed by the DOE to be a “Critical Congestion Area” which in turn provides the justification for the Secretary of Energy to designate that area as a national corridor. That designation would place extraordinary legal requirements on the states which also would impair the necessary review and deliberation required to implement sound public policy for which they have a fundamental obligation and responsibility.

Those NIETC legal requirements are arbitrary and onerous and seriously hamper the states from implementing local and regional energy solutions, and unreasonably limit the choices of consumers. Those legal requirements significantly intrude on the traditional role and relationships between the state and national governments. The power shift in favor of the federal executive branch will set a precedent that will effect future federal-state relations far beyond the details of EPAct and the National Corridor designation.

The Study conclusions ignore all alternatives that conflict with the DOE single solution, and reject and the call for a logical cost-benefit analysis regarding DOE conclusions. DOE ignores the primary need to upgrade local and neighborhood distribution facilities and to employ alternate supply-demand strategies before long distance transmission lines are even considered. Further, the DOE conclusions interfere with market determinations and impose command decisions on the states and on private enterprise by favoring one competitor at the expense of all other competitors and choices contrary to the public interest. It further appears that the policy decisions had been made before the Study was conducted, and that the Study was spun from invalid conclusions already in place.

Because the study and resultant draft Corridor conclusions are seriously deficient for all the reasons cited in this response, we recommend against any designation of the Mid-Atlantic area as a NIETC. We are fully in favor of a comprehensive national energy policy consistent with all other national environmental policies. To that end, we also recommend that the reasons for EPAct be debated and analyzed – this time in an open and public forum. As the April 26, 2007, DOE press release states, we need”...full consideration of all options...”

Respectfully submitted on behalf of the Chapter Energy Committee,

Jurgen Wekerle”

Dr. Michael R. Edelstein, Ph.D., President, Orange Environment, Inc.

“I am here on behalf of Orange Environment, Inc., a non-profit, tax exempt organization in Orange County this year serving our 25th anniversary.

Over our 25 years, OEI has fought and often won some of the biggest and most significant battles in our region. We do not shy away from difficult fights. Nor have we shied away from this one. We early on joined a coalition formed by the Upper Delaware Preservation Council which has intervened in the permit hearings for this project in opposition.

I might also note that during my own span of Hudson Valley Activism, I go back to the battle against the Marcy South power line. We have been on this battle field before. OEI's and my experience also include intervention in the Calpine Power Plant hearings in Wawayanda and consultations on other power plants hearings. We have also been in administrative court in the matter of hazardous industries (RSR) and numerous times on issues relating to solid waste, the most famous being our successful, but protracted efforts to bloc expansion and shut down both the Orange County and Al Turi Landfill, Inc. landfills in the Town of Goshen.

We also litigate in civil court, using the Clean Water Act as a framework, as we have on matters such as Orange County Landfill, the Harriman and Wallkill Sewer Treatment Plants. We currently have joined with NRDC in the battle to assure the impacts of the Monticello Casino are fully considered and mitigated before such a facility is approved.

I also want to note my own expertise as a professional as relevant to these proceedings. I am an Environmental Psychologist whose career work has been on the victimization of people due to environmental change, particularly environmental contamination. I do social impact assessment. I have served as an expert witness in toxic torts. And I regularly publish books and articles relating to the ways that people are victimized by environmental change and the difficulty our system of decision making and justice has in addressing these issues. Most of us are here today for fear of just such victimization and out of concern for just such a lack of representation in the process of decision making.

Among the courses I regularly teach in the Environmental Studies faculty at Ramapo College of New Jersey, where I have been a professor for 34 years, is a course on Environmental Assessment. I also regularly teach courses on sustainable communities that include consideration of the potential for renewable energy.

All of these factors help inform my perspective on the NYRI siting issue and that of my organization.

The NYRI case is a prime example of the disastrous consequences of our failure to do serious energy planning aimed at reducing our dependence on imported and long distance energy in favor of a policy based upon local renewable energy combined with maximum conservation and avoided use, avoidance of air pollution and green house emissions, decentralization of the grid and greater security, and involving a full integration of sustainable land use planning with energy use. Such planning is effectively mandated by NEPA and SEQRA, as well as the CAA, but rarely addressed. It has been systematically avoided at local and county levels, as well as by New York State. And the Federal government, guided by a short-sighted perpetuation of the current energy model, has abjectly failed to introduce a path toward comprehensive energy planning for this millennium.

The NYRI process follows a path set forth by the federal government to evade a meaningful assessment of impacts, alternatives and mitigations, and to avoid making significant changes in our energy path. As a result, it threatens to victimize American citizens directly affected by the transmission corridor as well as those who depend on the Federal and State governments to execute intelligent and responsive public policy that addresses public interest rather than the welfare of a privileged few.

The NYRI battle must be fought on multiple fronts. First, there is the need to assure that the environmental impact statement and permit review offers a full and thorough assessment of the project's public benefit versus its adverse environmental impacts, the ability to mitigate those impacts, its alternatives, and the irreversible and irretrievable long as well as short term and cumulative as well as specific consequences. We look to our Governor as well as our representatives to assure that the legal obligation to weigh such issues is fully addressed. And with the full participation of the public.

As a social impact assessor, as well as a community leader, I want the laws of our state and nation to be followed explicitly, allowing for a full hearing and weighing of such impacts. Is it appropriate, for example, to sunder a community in two, as this project will do here in Otisville? Well, this empirical question is a matter for due and full consideration, not a matter to be brushed aside.

Second, there is the battle over the ability of FERC to preempt state and local decision making on this and similar issues. Few of us would disagree that FERC preemption represents not only a threat associated with NYRI, but a fundamental threat to the constitution and our whole system of government. This battle must be fought in Washington, and we are fortunate to have representation of the like of John Hall and Maurice Hinchey to represent us.

The final battle I wish to address follows from the above. This is the battle within our own counties and communities to make a fast and decisive shift toward local renewable energy and a decentralized grid. This battle demands that we block sprawl, require of all new buildings maximum energy conservation plus net energy gain, and that we adopt other sustainable planning goals that dramatically shift the shape of our future

communities to diminish energy demand and to meet demand from local sources. The building of the future will be such a net energy plus building. But the buildings of today promise to create a major negative drain on the energy grid, and other energy resources, throughout their entire service life. Energy embedded in building use is our largest source of demand. We must remake this source of problems into a means to solution.

With local rule, our municipalities and their regions – the counties – must take the lead in instituting this change through local plans, laws, code enforcement and incentives. We need to forge a transformation in how we do energy and we need it fast. If our communities take the lead, our ability to argue against NYRI, reauthorization of Indian Point and whatever other energy surprises are headed our way, will dramatically strengthened.

Managed properly, given the level of mobilization on the NYRI issue, this is an opportunity for social learning about how to address the fundamental underlying problems that feed the current project and a whole host of other ills.

Yes, we must react against NYRI. But, in the end, our best defense is the strong offense of making extended electrical grid decision making passé. We must think clearly about what we want to do, not just what we do not want to be done. Orange Environment has been deeply involved in offering a sustainable alternative vision and empowering its achievement over its 25 years. We are committed to making these changes a reality. Legislation from Congress that funds and enables this effort will pay off in winning and eventually avoiding battles such as the one that brings us all here this evening.

Next November 30th and December 1st, I am chairing a regional conference and expo at Ramapo on how we create a sustainable region, simultaneously moving to green alternatives, including renewable energy, while addressing climate change. I invite you to join this exploration.

In short, I am saying that it is not enough to oppose NYRI. In order to insure against such impositions, we need to take the challenge to make our regions sustainable, to implement renewable energy and to drastically cut our unnecessary uses of energy, to put in place planning that prevents sprawl and promotes community, to develop mass transit and patterns that allow us to use it, and to become empowered and powered at the same time.

This alternative path must be considered as a viable option to NYRI. NEPA, mirrored in New York by SEQRA, requires that issues of energy, long run and cumulative impact, and irreversible and irretrievable consequence be considered in weighing alternatives for this project, and should be considered for all actions that we weigh in our local decision making as well.

In conclusion, we are mobilized, we are networked, and we are organized. The best way to fight NYRI is to use this mobilization, with the help of Congress, to change course to

really promote alternatives to the situation in which we find ourselves today. Our power is in not just opposing, but in promoting needed change.

Mr. Jon Reed, Board Member, Basha Kill Area Association

“My name is Jon Reed and, as a board member of the Basha Kill Area Association, BKAA, I am representing that 500 member environmental organization tonight.

At an earlier hearing, the BKAA outlined its objections to the proposed creation of a National Interest Electric Transmission Corridor (NIETC) in New York State.

Nevertheless, this evening before our neighbors, and in a community that will be ravaged by an NIETC designation, it is right to once again declare our unyielding opposition to such an action.”

Mr. Tim Seymour – 98 Main Street, Otisville, New York 10963

“My family has owned our property since the 1850’s. It is very painful to think that it could be taken away. I just built my house 2 years ago on this family land. Also, I don’t think that the new power line is even needed.”

Ms. Kelli Brink – 479 Galley Hill Road, Cuddebackville, New York, 12729

“#1: Why has the government of the state & nation abandoned and betrayed the middle class/working class? They only represent the interest of the rich. How dare they allow a for profit company declare eminent domain? Where do they foresee this ending? It is not for the ‘good’ of the people, but for the good of their bottom line. They question why not many show at their meetings (New York Regional Interconnect) but – they hold them 2 hours away during the week when most of us are either working 2 jobs or tons of overtime just to make ends meet, couple that with gas prices and it makes it impossible for those most affected by this.

This power line will destroy not only our homes and community, but people’s lives. Some of us have everything invested in our homes & towns with no way to re-start. How dare they call this a democracy and yet dictate to us who can take our homes and lives away from us. This power line in no way will benefit anyone around here.”

Ms. Wendy Fisher, 129 Mill Pond Road, Otisville, New York, 10963

“Corporations should not be able to take private property via eminent domain, period!”

Mr. Gennaro Cibelli – 237 Greenville Turnpike, Middletown, New York 10940

“To the Department of Energy: I am opposed to NYRI proposed project. I have spent & worked for many years in Canada. Believe me, there is no way a project like this would ever be proposed in Canada. The people and politicians simply would not allow it!

Why here then?”

Ms. Kathy Braun – 316 Burroughs Lane, New Windsor, New York 12553

“If NYC wants more power, either they can turn off the neon or build a power plant in Central Park! Leave our farm lands and towns alone!”

Ms. Irma L. O’Connell – 161 Shoddy Hollow Road, Otisville, New York 10963

“If this electric line is necessary, find a different route. This would destroy our town & church.”

Ms. Patricia LaBagh – 571 Route 17M, Middletown, New York 10940

“Stop eminent domain!”

Mr. Wayne Umstetter – 230 Jersey Avenue, Port Jervis, New York 12771

“I feel that the NIETC proposal is ill-advised, unwarranted, un-necessary; and considering the infringement on individual property owners constitutional rights; un-American in concept and design to deprive citizens of their inherent right to personal liberties, freedoms, and choice.”

Residents in attendance that gave no specific comments but being against the Mid Atlantic NIETC proposal

Ms. Catherine Consaga – 4 Devans Drive, Otisville, New York 10963

Ms. Phyllis Scherf – 10 Valewood Drive, New Windsor, New York 12553

Ms. Elaine Allen – 81 Day Road, Campbell Hall, New York 10916

Mr. Jurgen Wekerle – P.O. Box 287, Walden, New York 12586

Ms. Carole E. Union – 4 Devans Drive, Otisville, New York 10963

Ms. Lauri Glasgow – 55 State Street, Otisville, New York 10963

Mr. Dometre Bove – P.O. Box 126, Cuddebackville, New York, 12729

Mr. Luis Aruellini – 102 White Bridge Road, Middletown, New York 10940

-----Original Message-----

From: Bill Powers [mailto:bpowers@powersengineering.com]

Sent: Sunday, April 15, 2007 8:24 PM

To: Agrawal, Poonum

Subject: BPPWG comment letter - DOE NIETC designation - SDG&E's Sunrise Powerlink

Ms. Agrawal:

Please find attached the Border Power Plant Working Group (BPPWG) comment letter on San Diego Gas & Electric's request for National Interest Electric Transmission Corridor (NIETC) designation for the proposed Sunrise Powerlink transmission line. BPPWG urges the DOE to deny the SDG&E request for NIETC designation.

Regards,

Bill Powers, P.E.

Co-Chair, Border Power Plant Working Group

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www.borderpowerplants.org <<http://www.borderpowerplants.org/>>



April 15, 2007

Ms. Poonum Agrawal
Office of Electricity Delivery and Energy Reliability, OE-20
U.S. Department of Energy
Forestell Building, Room 6H-050
1000 Independence Avenue, S.W.
Washington, DC 20585
tel: (202) 586-1411
Poonum.Agrawal@hq.doe.gov

Subject: Request that San Diego Gas & Electric's Proposed Sunrise Powerlink 500 kV Transmission Line Not be Designated a National Interest Electric Transmission Corridor

Dear Ms. Agrawal:

I write to request that San Diego Gas & Electric's request that its proposed 500 kV Sunrise Powerlink be designated a National Interest Electric Transmission Corridor (NIETC) be denied by the U.S. Department of Energy (DOE). The intent of the NIETC designation per the Energy Policy Act of 2005 is (Section 368) *to designate corridors for . . . electricity transmission and distribution facilities on Federal land in the eleven contiguous Western States, taking into account need for transmission and distribution facilities to improve reliability; relieve congestion; and enhance the capability of the national grid to deliver electricity, and (Section 1221) the facilities to be authorized by the permit will be used for the transmission of electric energy in interstate commerce (among other attributes).*

The proposed Sunrise Powerlink transmission line is an intrastate transmission line which will have no impact on enhancing interstate transmission capability. Superior alternatives exist to address issues of reliability and relieve congestion in SDG&E service territory. These alternatives are discussed in the body of this letter. The proposed Sunrise Powerlink should not be advantaged over other alternative solutions by receiving the NIETC designation.

Congestion in SDG&E Territory Is Being Artificially Generated by Parent Company Sempra Energy

The DOE's August 2006 National Transmission Electric Congestion Study identified Southern California in general as a critically congested transmission area. Southern California's primary electric load centers are the Los Angeles area and the much smaller San Diego area. Only SDG&E and the California Energy Commission (CEC) are cited in the Congestion Study as making the case for more transmission into San Diego. The DOE quotes from the CEC's 2005 Integrated Energy

Policy Report (IEPR) stating:¹ “*the San Diego region’s transmission problems are acute and graphically illustrate the importance of adequate transmission SDG&E’s transmission situation is very precarious.*” The CEC is the cooperating agency in California working with the DOE on identifying NIETC candidates. The source cited by the CEC in the 2005 IEPR for these statements is Jim Avery, SDG&E Senior Vice President and project manager for the Sunrise Powerlink application currently before the California Public Utilities Commission (CPUC). Mr. Avery’s opinion should be given relatively little consideration by DOE, given he is SDG&E’s primary public spokesman and advocate for the construction of the Sunrise Powerlink.

A primary source of the congestion on existing SDG&E transmission lines is the parent company of SDG&E, Sempra Energy. Sempra has been fined and admonished for abusing its 10-year, \$7 billion dollar contract the company has with the state.² The contract was signed in 2001 at the height of the California “energy crisis” and will expire in 2011.

Sempra was assigned Southern California Edison (SCE) as its customer under this power delivery contract. Sempra is also allowed to determine which power plants in its fleet provide power to SCE. The company is provided congestion mitigation payments under the contract if transmission congestion prevents delivery of power from the plants of its choosing. Sempra owns power plants in Mexicali, Baja California, Mexico (600 MW), western Arizona (1,250 MW), Kern County California (520 MW), and Boulder City, Nevada (500 MW). See Figure 1. Sempra has apparently been “gaming the system” by attempting to route power from the Mexicali export plant over SDG&E’s existing 500 kV Southwest Powerlink along the border to SCE, claiming congestion prevents delivery to SCE, and collecting congestion mitigation payments as a result.

The April 22, 2006 San Diego Union Tribune article on the \$70 million fined levied against Sempra for abusing the contract terms states:³ *The three-judge panel also concluded that Sempra acted in bad faith by delivering the electricity to congested points on the power grid, a practice that increases costs to the state and could boost profits for Sempra. It awarded no damages for the bad faith ruling but ordered Sempra to cooperate in minimizing congestion and cease deliberate deliveries to congested points.*

The SDG&E system was not designed to serve as “pass through” for power generated in Baja California, Mexico to be delivered to SCE. The opportunities for Sempra to create this artificial congestion on SDG&E’s transmission system will end with the expiration of the 10-year state contract in 2011. The DOE has an obligation to thoroughly investigate claims by SDG&E that it will rectify regional transmission congestion by constructing the Sunrise Powerlink given: 1) parent company Sempra has been ordered to stop artificially congesting the Southwest Powerlink, and 2) the ability of Sempra to artificially congest the Southwest Powerlink will end in 2011, about the time the Sunrise Powerlink is projected to enter into operation.

¹ CEC 2005 Integrated Energy Policy Report, http://www.energy.ca.gov/2005_energypolicy/index.html, p. 92-93.

² San Diego Union Tribune, *Sempra told to pay California \$70 million*, April 22, 2006. See **Attachment A**.

³ *Ibid.*

Proposed Sunrise Powerlink Is an Intrastate Transmission Line

The ultimate goal of Sunrise Powerlink is to interconnect a border substation in Imperial Valley with SCE territory in the Los Angeles area. SDG&E makes this clear in its March 6, 2006 letter to DOE requesting NIETC designation for the Sunrise Powerlink.⁴ This interconnect with SCE territory is also a primary reason the CEC expressed support for the Sunrise Powerlink in the 2005 IEPR report, stating:⁵ “A potential northern interconnection to the proposed project could strengthen the CA ISO grid by providing a 500-kV interconnection between the SDG&E and SCE service territories.” The proposed project will occur in its entirety within the borders of the state of California. There are no known plans to link the proposed project to an expansion of the existing 500 kV segment of the Southwest Powerlink between the Imperial Valley substation and the Palo Verde, Arizona substation where the line begins. This is clearly an intrastate transmission line that will not increase interstate transmission capacity.

The proposed Sunrise Powerlink will not “be used for the transmission of electric energy in interstate commerce” as required by Section 1221 of the Energy Policy Act of 2005, nor will it increase the capacity of existing transmission lines, specifically the Southwest Powerlink, that are used for the transmission of electric energy in interstate commerce.

Proposed Sunrise Powerlink Will Facilitate Power Imports from Sempra’s Export Power Plant(s) in Baja California

This transmission project will however facilitate power imports from Baja California. SDG&E parent Sempra Energy operates a 600 MW export power plant, a natural gas pipeline, and has a LNG import terminal under construction in Baja California. See Figure 2. The Sempra export plant is not interconnected with Baja California’s transmission system. It is only interconnected to SDG&E’s transmission system. Additional export power plants can readily be built in Baja California to take advantage of the available infrastructure and fuel supply. Mexico’s utility monopoly *Comisión Federal de Electricidad* (CFE) has indicated a second 600 MW Sempra plant is expected to be constructed to interconnect with the Imperial Valley substation, as shown in Figure 3. The NIETC process should not be misused to facilitate the strategic business plan of a single unregulated energy company.

The SDG&E Sunrise Powerlink project manager, Jim Avery, was clear in public statements in 2005 that the purpose of Sunrise was in part to import power from Mexico, stating:⁶ “The transmission upgrade SDG&E proposes to tap the potential wind resources, along with other possible green power projects in the desert and supplies of conventionally produced power from Arizona and Mexico, could cost \$1 billion or more, he said.”

More recently in public forums in San Diego and Imperial County SDG&E describes the purpose of the Sunrise Powerlink as exclusively to move Imperial Valley renewable energy and that Sunrise

⁴ J. Avery, SDG&E, letter to DOE Office of Electric Delivery and Energy Reliability, *Considerations for Transmission Congestion Study and Designation of National Interest Electric Transmission Corridors*, March 6, 2006, p. 10.

⁵ CEC 2005 Integrated Energy Policy Report, p. 100.

⁶ San Diego Union Tribune, *Whither the wind?*, July 3, 2005.

must be built if SDG&E is to meet the “20 percent by 2010” state renewable energy mandate. Imperial Valley Press, March 29, 2006: *James Avery, an SDG&E senior vice president, told a reporter SDG&E, of which Sempra Energy is the parent company, is not looking to access Mexican energy but tap into renewable energy resources, much of which would come from Imperial County. Regarding the possibility of moving power from Mexico, Avery said: “I am willing to contractually and verbally commit to only work with renewables.”*

However, SDG&E has made clear in its Sunrise Powerlink application to the CPUC that it can meet the 20 percent by 2010 renewable energy requirement without the Sunrise Powerlink. This is at odds with the CEC statement in the 2005 IEPR that “*Without the proposed project, it is unlikely that SDG&E will be able to meet the state’s RPS goals.*”⁷

SDG&E’s parent company Sempra has also made clear it has no intention of seeing SDG&E go beyond the 20 percent by 2010 mandate. As stated in the CEC’s 2006 IEPR Update:⁸ *According to a June 18, 2006, article in The San Diego Union - Tribune, “[Sempra Chief Executive Officer Donald] Felsing says he’s reluctant to invest in renewable energy technologies beyond what the state requires. ‘I will deploy our dollars in a way that is less controversial,’ Felsing said.” This position is difficult to reconcile with SDG&E’s comments indicating its intent to exceed the 20 percent goal.*

Sempra Energy and SDG&E are working hard to convince regulators and the public that the fundamental objective of the Sunrise Powerlink is renewable energy transmission, and not to enhance the value and export capability of Sempra export power plant(s) located just over the border in Baja California. However, numerous contradictory public statements by SDG&E and Sempra have undermined this public relations effort. The fundamental objective of the proposed Sunrise Powerlink is to enhance the value of Sempra export power plant(s) in Baja California. This objective does not come close to meeting the standard defined in Section 368 for NIETC designation: *necessary to improve reliability; relieve congestion; and enhance the capability of the national grid to deliver electricity.*

Proposed Sunrise Powerlink Is Not Most Cost-Effective Solution to Meeting Regional Power Needs

The statement made by SDG&E to DOE in its March 6, 2006 letter requesting NIETC designation for the Sunrise Powerlink, that it takes a much larger capital investment to achieve the same level of energy benefits using in-area combined-cycle plants, is based on outdated information and is wrong.⁹ SDG&E’s own transmission modeling in the Sunrise Powerlink CPUC proceeding has shown it is less expensive to modernize San Diego’s aging boiler plants than build Sunrise. “*Avery added that while building modern power plants in the county might be cheaper overall than building Sunrise, the economics are different for SDG&E customers,*” quoted the San Diego Union

⁷ CEC 2005 Integrated Energy Policy Report, p. 100.

⁸ CEC’s 2006 IEPR Update, <http://www.energy.ca.gov/2006publications/CEC-100-2006-001/CEC-100-2006-001-CMF.PDF>, p. 11.

⁹ J. Avery, SDG&E, letter to DOE Office of Electric Delivery and Energy Reliability, *Considerations for Transmission Congestion Study and Designation of National Interest Electric Transmission Corridors*, March 6, 2006, p. 13.

Tribune in a Jan. 26, 2007 article on SDG&E's most recent Gridview transmission modeling results.¹⁰ SDG&E has further "refined" the transmission model results since the Union Tribune article was written.

Replacement of aging coastal boiler plants with modern combined-cycle power plants has been a long-time objective of the San Diego Area Governments (SANDAG).¹¹ A stated goal of the SANDAG *San Diego Regional Energy Strategy 2030* is to increase in-area generation from 65 percent of peak summer demand in 2010 to 75 percent in 2020.¹² This option, again citing SDG&E's own transmission modeling, would allow the delivery of a spectacular amount of renewable energy imports from Imperial County. SDG&E's modeling demonstrated that 21,260 gigawatt-hours (gWh) of renewable energy could be delivered, more than 100 percent of SDG&E's projected total retail electricity sales of 19,076 gWh in 2015, without Sunrise and with no significant change in the market price of power in the San Diego area.^{13,14,15} In contrast, the construction of the Sunrise Powerlink and increased reliance on power imports as proposed by SDG&E would take the San Diego area in the opposite direction.

Proposed Sunrise Powerlink Would Unnecessarily Despoil Anza Borrego State Park

The proposed pathway of Sunrise Powerlink would take it through Anza Borrego State Park. This route would not only compromise the purpose of Anza Borrego, but also set a negative precedent for California state parks as "paths of least resistance" for a variety of industrial projects. The granting of an NIETC corridor on federal lands that adjoin both sides of this state park would put tremendous pressure on state officials to "step in line" with the federal NIETC designation and allow the proposed transmission line to pass through Anza Borrego.

Other Transmission Alternatives are Available for Moving Renewable Energy and Meeting Reliability and Congestion Relief Objectives

SDG&E has effectively blocked any study of transmission alternatives to the proposed Sunrise Powerlink, in contrast to claims made to DOE that the Sunrise Powerlink route has been thoroughly

¹⁰ San Diego Union Tribune, *SDG&E slashes project savings*, January 26, 2007. See **Attachment B**.

¹¹ San Diego Regional Energy Office, *San Diego Regional Energy Strategy 2030*, July 16, 2003. See: http://www.sdenergy.org/uploads/Regional_Energy_Strategy_Final_07_16_03.pdf

¹² *Ibid*, p. 3.

¹³ Sunrise Powerlink Project, CPUC A.06-08-010, SDG&E 12/8/06 response to UCAN date request No. 8, response 35. Combined-cycle Case 104: assumed Imperial Valley 2015 solar resource production 1,520 gWh, assumed 2015 geothermal resource production 19,740 gWh, total renewable resource production = 21,260 gWh.

¹⁴ Sunrise Powerlink Project, CPUC A.06-08-010, SDG&E 01/11/07 response to UCAN 12/15/06 list of items. UCAN data request #8, question 27. SDG&E response – SDG&E estimates 2015 bundled customer retail sales of 19,076 gWh.

¹⁵ Sunrise Powerlink Project, CPUC A.06-08-010, SDG&E 12/8/06 response to UCAN date request No. 8, response 30, (c). No significant difference in "locational market price" (LMP) at Miguel substation in San Diego between Sunrise basecase (Case 101) and local combined-cycle plants without Sunrise (Case 104).

vetted in regional transmission planning forums.¹⁶ Documentation of SDG&E's failure to seriously consider any alternative transmission routes is provided in **Attachment C**.

One example of this is SDG&E's failure to consider the impact of the proposed Green Path North 500 kV line on the need for the Sunrise Powerlink to move renewable energy from Imperial County. Green Path North is proposed by two public utilities, Los Angeles Department of Water and Power (LADWP) and the Imperial Irrigation District. This line would pass to the north and west of Anza Borrego State Park. Green Path North is on schedule to be online by 2010 according to David Nahai, president of the LADWP Board of Directors.

CPUC President Peevey stated before the California Senate Energy, Utilities, and Commerce Committee on February 22, 2006 that "*Sunrise Powerlink from the Imperial Valley to San Diego won't be needed if the IID and LADWP build their parallel Green Path.*"¹⁷ Yet SDG&E makes no mention of the proposed Green Path North transmission line in the March 6, 2006 letter to DOE.

Conclusion

The DOE should deny SDG&E's request that the proposed Sunrise Powerlink be accorded the NIETC designation. Such a designation in this case would distort the intent of the NIETC process by advantaging an unregulated parent company, Sempra Energy, that is operating aggressively in the service territory of its wholly owned subsidiary SDG&E.

Best regards,



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cc: Senator Dianne Feinstein	CEC Chairwoman Jackalyne Pfannenstiel
Senator Barbara Boxer	CEC Commissioner John Geesman
Congresswoman Nancy Pelosi	CEC Commissioner James Boyd
Congressman Henry Waxman	CEC Commissioner Arthur Rosenfeld
Congressman Bob Filner	CEC Commissioner Jeffrey Byron
Congressman Duncan Hunter	

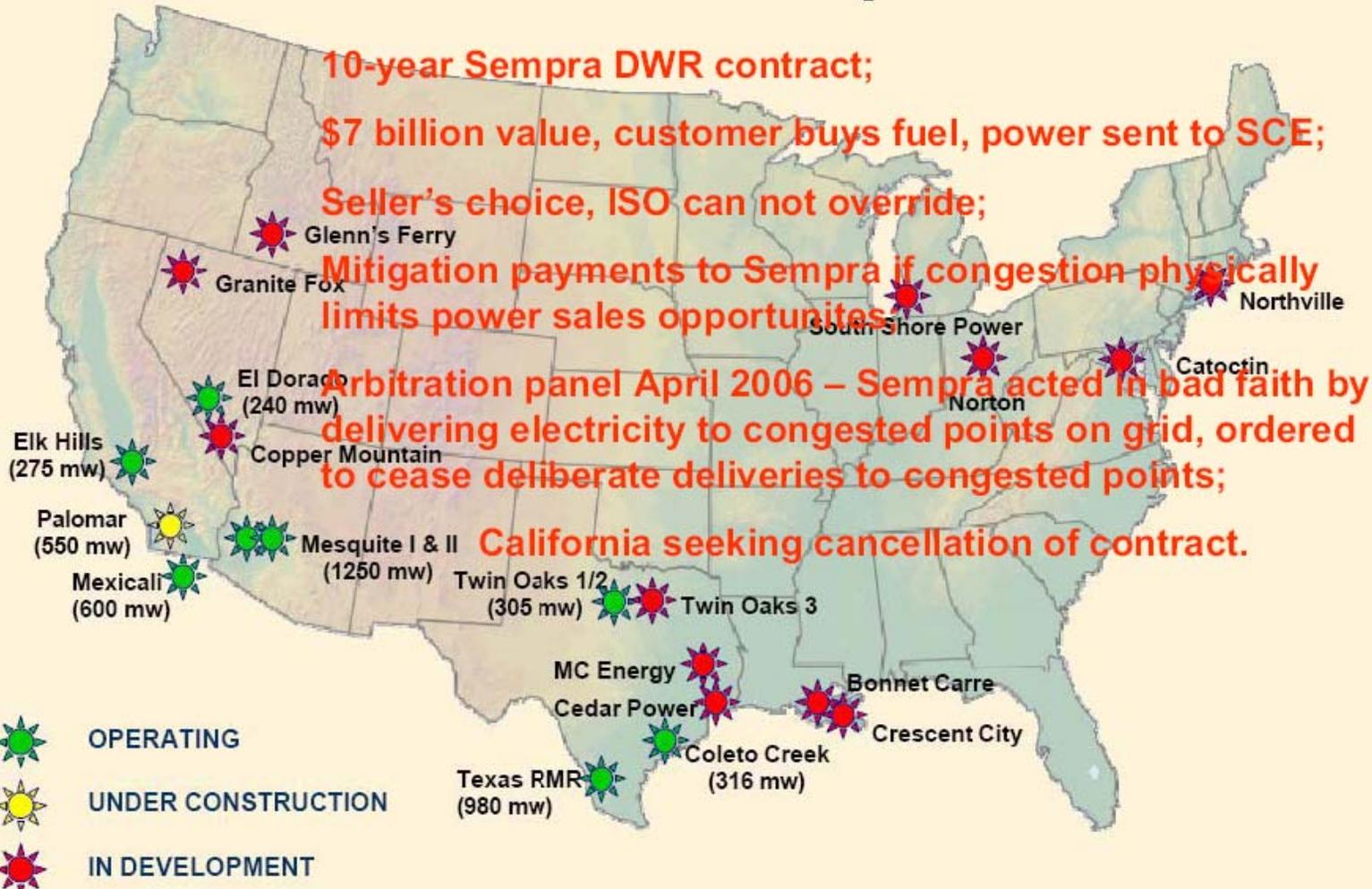
¹⁶ J. Avery, SDG&E, letter to DOE Office of Electric Delivery and Energy Reliability, *Considerations for Transmission Congestion Study and Designation of National Interest Electric Transmission Corridors*, March 6, 2006, p. 11 and p. 13.

¹⁷ California Energy Circuit, *Lines on a map*, February 24, 2006, p. 3.

Figure 1. Location of Sempra Energy Power Plants

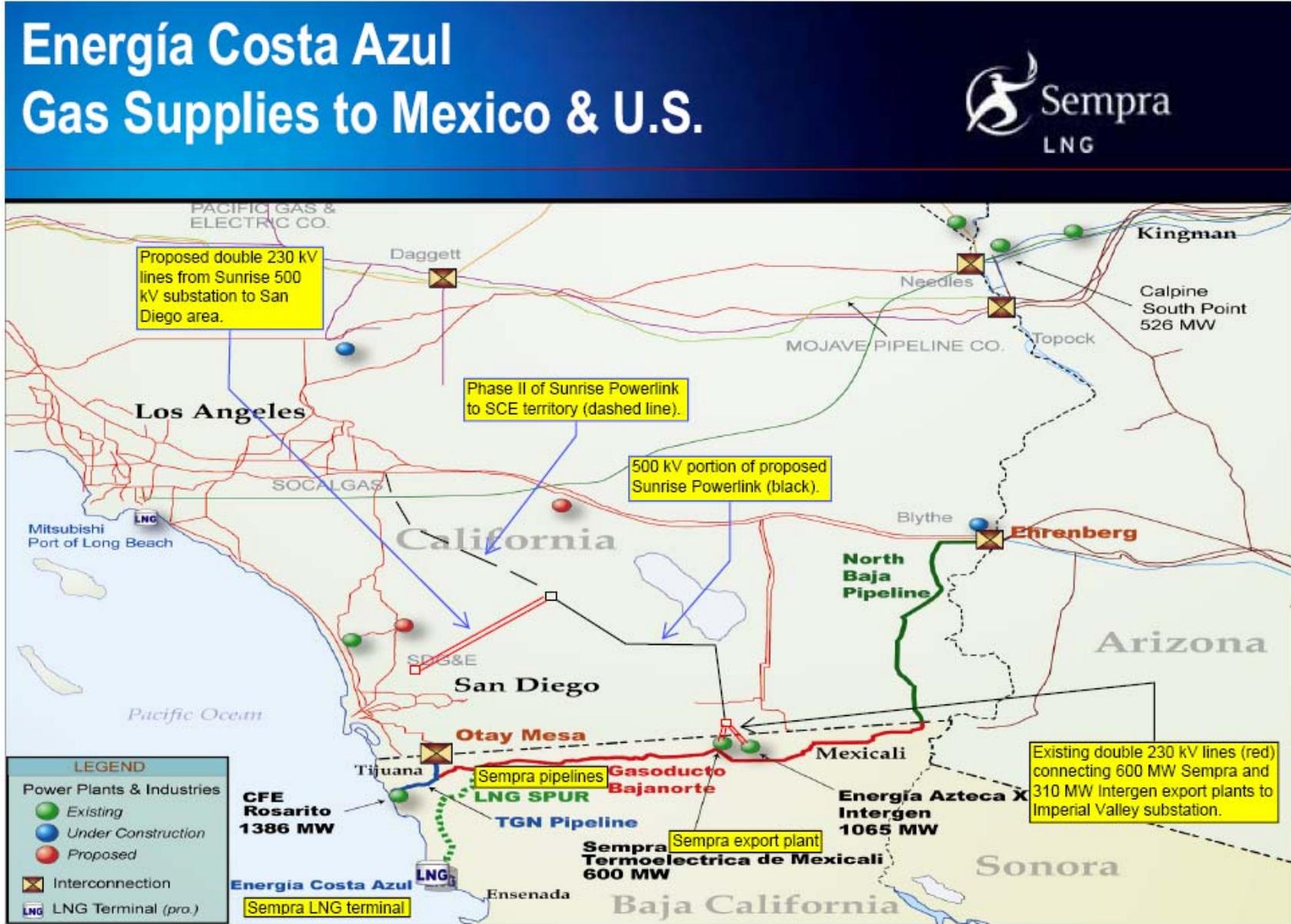


Generation Footprint



Source: Sempra Energy presentation, CEO Don Felsing, Institute of the Americas, San Diego, May 16, 2005. Text overlay by B. Powers, P.E.

Figure 2. Location of Sempra Energy Infrastructure in Baja California and Pathway of Proposed Sunrise Powerlink

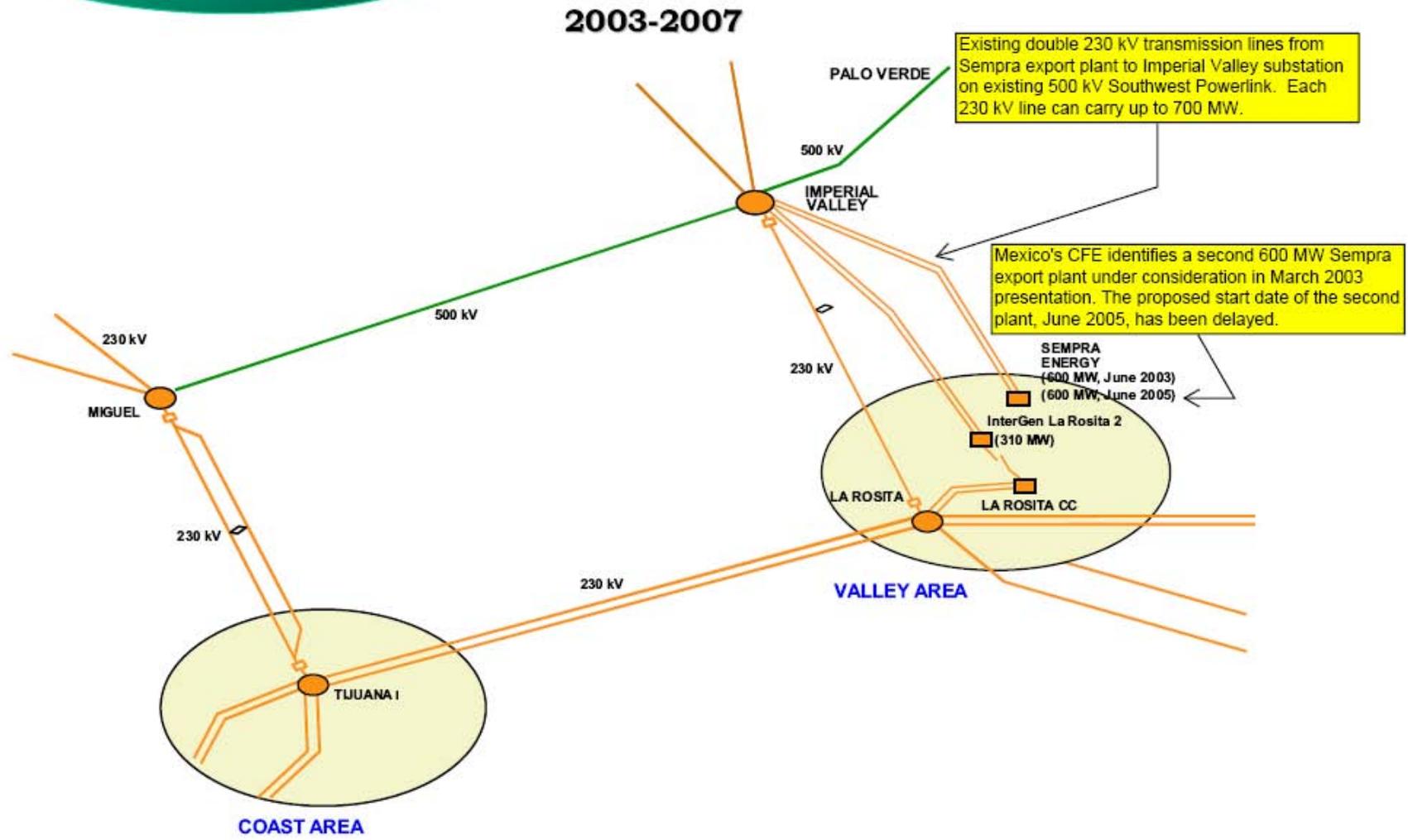


Source: March 8, 2007 Sempra LNG briefing presentation to California Energy Commission

Lines and tags added by B. Powers, P.E.

Figure 3. Mexico Utility Monopoly CFE Forecasts Addition of Second 600 MW Sempra Export Power Plant in Mexicali Area

CFE **US/Mexico Border Joint System Impact Study**



Sempra told to pay California \$70 million

Arbitrators say company breached 2001 contract

By Craig D. Rose

STAFF WRITER/SAN DIEGO UNION TRIBUNE

April 22, 2006

An arbitration panel has ordered Sempra Energy to pay the state of California about \$70 million for breaches of a controversial electric supply contract.

The 10-year, \$7 billion contract at the center of the dispute was signed at the peak of the electricity crisis in 2001 and quickly became a source of contention.

As terms of the Sempra contract became known, consumer groups alleged it was the most overpriced among dozens of agreements signed to stabilize the electricity market during the crisis. The state also sought to revise or terminate the agreement, alleging it was improperly induced into signing it and that it violates federal law requiring just and reasonable electricity pricing.

In a ruling issued Tuesday but made public yesterday, arbitrators found that Sempra breached the agreement by failing to abide by delivery plans and by billing the state for impermissible charges, as well as other technical violations.

The three-judge panel also concluded that Sempra acted in bad faith by delivering the electricity to congested points on the power grid, a practice that increases costs to the state and could boost profits for Sempra.

It awarded no damages for the bad faith ruling but ordered Sempra to cooperate in minimizing congestion and cease deliberate deliveries to congested points.

But the arbitrators rejected the state's request to cancel the contract.

State officials nonetheless called it an important award and noted they continue to seek to overturn the contract at the Federal Regulatory Energy Commission and in state court.

"This is an important win for California and electricity ratepayers who have to absorb the unfair high cost from energy companies like Sempra," said Nancy Saracino, chief deputy director of the California Department of Water Resources, which signed the supply contract during the power crisis five years ago. "Sempra's performance has been less than admirable."

Sempra spokesman Art Larson said the San Diego company was also pleased with the ruling.

"The arbitration centered on different interpretations of the contract," Larson said. "The panel upheld our contract and for the most part accepted our interpretation of it. On a few issues, the panel agreed with CDWR."

Sempra has said the agreement is a good one for the state and emphasizes that it has invested about \$1 billion in new electric generating plants to fulfill the contract.

Michael Shames, executive director of the Utility Consumers' Action Network, said the arbitration wouldn't lead to significant relief for state electricity customers but called it a good effort on the part of the state for recovery.

“All the efforts are long shots,” said Shames, who has been a critic of the agreement.

■Craig Rose: (619) 293-1814; craig.rose@uniontrib.com

SDG&E slashes project savings

Estimates for Powerlink dropped by \$362 million

By Craig D. Rose

STAFF WRITER

January 26, 2007

San Diego Gas & Electric has slashed the estimated savings it says would result from the proposed \$1.4 billion Sunrise Powerlink, the controversial transmission line it's seeking to build into the region from Imperial County.

In its most recent filing with state regulators, SDG&E said it incorrectly estimated that the proposed line would provide an annual benefit of about \$447 million. Correcting for its errors, the utility now says, yields an estimated savings of \$85 million per year.

The utility also said in the filing that building modern power plants within the county would be cheaper for meeting regional electricity needs than building the power line.

But SDG&E maintains that the Sunrise Powerlink is the best choice to ensure electric reliability and provide access to renewable sources of electric generation that are planned in Imperial County.

As an additional benefit, SDG&E has said the project would provide savings to utility customers by eliminating the need to run inefficient older power plants in San Diego to ensure reliability.

In its filings to the California Public Utilities Commission, the utility says additional savings would be gained from moving conventionally generated electricity from plants outside the state.

As proposed by SDG&E, the 150-mile-long power line would cross Anza-Borrego Desert State Park and pass through a host of North County communities.

It falls to the PUC to approve or reject the project, with a decision scheduled for later this year.

The project is facing opposition from an array of environmental, community and consumer groups.

The opponents say Sunrise is too expensive, would damage the desert environment and would be used to move power generated from conventional natural-gas burning power plants – including those owned by Sempra Energy, SDG&E's parent company.

The critics also argue that reliability could be better ensured by building additional electric generating resources within San Diego County.

Jim Avery, a senior vice president for SDG&E, said that even with the reduced savings estimate from the project, Sunrise still yields an economic benefit. And he emphasized that saving money was never the primary reason to build the line.

“First and foremost, we need to build this line to ensure electric reliability,” Avery said. “And as an added benefit, Sunrise will bring us access to renewable energy and this added savings.”

Avery added that while building modern power plants in the county might be cheaper overall than building Sunrise, the economics are different for SDG&E customers.

Under state regulations, the cost of transmission projects like Sunrise are shared by all utility customers statewide, he said. That means SDG&E customers would pay just 10 percent of the project's cost.

“But we get the lion's share of the benefits,” Avery said. The SDG&E vice president added that yet another revision to its projection, which it expects to file today, would again change cost projections for the project.

Michael Shames, executive director of the Utility Consumers' Action Network, which raised questions about SDG&E's earlier savings projections, said he had not seen the utility raise the issue of local savings versus cost to the state overall in its filings with the PUC.

“That will be an interesting argument – that the state pays 90 percent of the project and loses money while SDG&E customers pay 10 percent and get a benefit,” Shames said.

A spokesman for the San Diego Regional Chamber of Commerce said SDG&E's reduced savings projections wouldn't affect the group's support of the project.

“The fact that Sunrise isn't going to save as much money as originally claimed is disappointing,” said Greg Parks, a policy coordinator for the chamber. “But it's still economical and it will still provide reliability and access to renewable energy.”

But Diane Conklin, coordinator for the Community United for Sensible Power, a community coalition opposing Sunrise, characterized the lower cost savings as a blow to the project.

“The economics of this project played a big role until it did not work out for them,” Conklin said.

She added that the community coalition also did not believe the reliability argument would hold up.

“Reliability does not come through transmission alone,” Conklin said. Building new generation in the area is a better guarantee, she said.

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of San Diego
Gas & Electric Company (U 902-E) for a
Certificate of Public Convenience and Necessity
for the Sunrise Powerlink Transmission Project

Application No. 05-12-014
(Filed December 14, 2005)

**RATEPAYERS FOR AFFORDABLE CLEAN ENERGY COALITION PROTEST
TO SDG&E'S APPLICATION FOR CPCN FOR THE SUNRISE POWERLINK
PROJECT**

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Bill Powers/Border Power Plant Working Group
Rory Cox/Pacific Environment

On behalf of RACE Coalition

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February 17, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902-E) for a Certificate of Public Convenience and Necessity for the Sunrise Powerlink Transmission Project

Application No. 05-12-014
(Filed December 14, 2005)

Pursuant to Article 12 of the Commission's Rules of Practice and Procedure, the Ratepayers for Affordable Clean Energy (RACE) Coalition submits its Protest to San Diego Gas & Electric Company's ("SDG&E") Application for a CPCN filed on December 14, 2005. SDG&E proposes (1) to set an expedited and bifurcated schedule for processing the application, and (2) to limit discussion of project alternatives to the preferred transmission route or slight variants of the preferred route.

The protest period has been extended until February 17, 2006. This protest letter is therefore timely.

RACE protests SDG&E's application on the following bases:

1. SDG&E has not offered sufficient justification for the bifurcation;
2. The original eighteen transmission alternatives evaluated by SDG&E were culled to a few variations of the basic Sunrise Powerlink concept and route without any substantive reasoning.
3. The evaluation of the in-basin generation alternative is woefully inadequate and misleading.

I. SDG&E'S REQUEST FOR PROCEDURAL BIFURCATION VIOLATES COMMISSION RULES AND STATE LAW.

RACE concurs with the position of UCAN, Center for Biological Diversity, and the Sierra Club on the issue of bifurcation as described in the protest letters already filed in this proceeding by those organizations.

II. SDG&E HAS LIMITED THE ALTERNATIVES TO ESSENTIALLY THE PREFERRED PROJECT OR A DERIVATIVE OF THE PREFERRED PROJECT WITHOUT SUBSTANTIVE REASONING.

The CPCN application alludes to eighteen transmission options that were originally evaluated by SDG&E in its internal assessment of transmission options. No details are provided by SDG&E in the CPCN application on the majority of these alternatives. However, the CPCN implies that the elimination of alternatives was done in a deliberative fashion by a highly qualified Technical Working Group. As stated in the CPCN at p. II-2:

The proposed project scope evolved out of work performed in an outreach effort aimed at interested stakeholders and led by a Technical Working Group in coordination with the Statewide Transmission Expansion Plan (“STEP”). The STEP was formed in November 2002 as an ad hoc voluntary organization to provide a forum for participating in the planning, coordination, and implementation of transmission systems between the Arizona, Nevada, Mexico and southern California areas. Membership in STEP is open to all interested stakeholders and the organization’s goal is to facilitate the development of transmission infrastructure capable of supporting a competitive, efficient, and seamless wholesale electricity market while meeting established reliability standards.

The Technical Working Group was formed in October 2004 and included representatives of the CAISO, CEC, SDG&E, SCE, IID, CFE, APS, LEAPS, Intergen, Coral Energy, and Sempra Energy Resources. The Technical Working Group forum was managed as an open process and reported to the regional planning meetings of the STEP. Its goal was to review the technical merits of a high voltage transmission line that would serve San Diego. The Technical Working Group completed a comprehensive screening study which reviewed eighteen transmission alternatives. Each alternative was evaluated based on its various merits and a “short list” of the best four was developed.

The RACE coalition participated in STEP meetings represented by the Border Power Plant Working Group. The San Diego Chapter of the Sierra Club was also present. It is the opinion of these participants that the elimination of alternatives to the Sunrise Powerlink was driven almost exclusively by SDG&E and potentially Sempra Energy

Resources. No other entity, not CAISO, CEC, SCE, IID, CFE, APS, LEAPS, Intergen, or Coral Energy, appeared to have had any involvement in the selection or rejection of alternatives to the Sunrise Powerlink. This should not be unexpected in an ad hoc voluntary group like STEP.

At the April 27, 2005 STEP meeting SDG&E gave a presentation on the original eighteen Sunrise Powerlink alternatives and the methodology used to eliminate fourteen of these eighteen options. A number of probing questions were asked by the APS representative and power consultants in attendance that called into question some of SDG&E's most basic assumptions. Despite SDG&E's implication in the CPCN application that these representatives had been substantially involved in the screening study completed by *Technical Working Group*, the commenters appeared to be seeing the study results for the first time at the April 27, 2005 STEP meeting based on their questions and observations. SDG&E's reaction to these observations was to abruptly end the question-and-answer period. The CPCN summary of the screening study effort misrepresents the participation of entities outside of SDG&E and Sempra Energy Resources in the elimination of alternatives. The elimination of alternatives appears to have been conducted by SDG&E and Sempra Energy Resources with little or no outside input or review. No STEP meeting records are made public or posted on the CAISO STEP website.

It is important to underscore that SDG&E does not identify any of the eighteen alternatives as technically infeasible or cost prohibitive. It is simply stated that the final four options selected in the screening study were "better" on purely technical grounds than the options eliminated. Other factors that should have influenced the rank ordering of options, such as the impact of running a 500 kV line through Anza Borrego State Park or the impact on many landowners of the proposed Sunrise Powerlink route, were never considered in the *Technical Working Group* screening study before eliminating fourteen of the eighteen original alternatives.

The CEC formed the Imperial Valley Study Group (IVSG) in November 2004 to examine transmission expansion options for moving geothermal energy from the Imperial Valley via San Diego to coastal load centers. At the first meeting of the IVSG on November 18, 2004 the attendees determined that any transmission out of Imperial Valley must be

capable of carrying the entire 2,000 MW remaining “probable” geothermal reserves by itself. In its first few minutes of existence the IVSG essentially eliminated any option but the Sunrise Powerlink from consideration based on the very suspect premise that all probable geothermal reserves in the Salton Sea area would be developed, that this development will take place quickly enough to justify the expense of a 500 kV line to San Diego, and that there would be no other way to move this geothermal energy to San Diego or the coast as the SCE queue was full and there would be no available capacity for additional geothermal power in the SCE system.

IVSG meetings were held at Sempra Energy headquarters in San Diego. Meeting minutes were kept by SDG&E staff. The upgrading of the 230 kV lines operated by Mexico’s CFE as an alternative to proposed Sunrise Powerlink route was discussed extensively at the April 12, 2005 IVSG meeting. It was the understanding of the BPPWG representative at the meeting that the IVSG had agreed to investigate the Mexico transmission upgrade option in more detail as a result of the discussion. However, none of this discussion was captured in the meeting minutes that were issued by SDG&E a few days following the meeting. This lack of inclusion triggered a series of e-mail exchanges between the BPPWG representative and other IVSG meeting attendees regarding what should have been in the meeting minutes. Ultimately IVSG members agreed to include this e-mail traffic in the meeting notes for the April 12, 2005 meeting. The amended meeting minutes are available online at www.energy.ca.gov/ivsg.

Ultimately RACE member organization BPPWG and UCAN determined that the report prepared by the IVSG was predetermined to recommend the Sunrise Powerlink as the only option for moving renewable power from Imperial County to San Diego. For this reason UCAN and BPPWG chose to write an alternative letter report that also served as UCAN and BPPWG comments on the CEC’s draft 2005 Integrated Energy Policy Report. The UCAN/BPPWG comment letter is provided as an attachment to the RACE protest letter.

The rationale for the IVSG requiring a minimum transmission capacity of 2,000 MW on a single line was discussed in some detail at the CEC’s May 18, 2005

Committee Workshop On California - Mexico Border Energy Issues in San Diego. The meeting transcript (see especially pp. 106 – 146) is available at (scroll down several pages): http://www.energy.ca.gov/2005_energypolicy/documents/2005_index.html In essence the IVSG adopted at its first meeting an absolute requirement that the transmission line from the geothermal fields in Imperial County to San Diego must carry a minimum of 2,000 MW on single line based solely on a rough estimate of the maximum geothermal reserves available in Imperial County. This is a capricious approach to justifying a \$1.5 billion dollar investment in transmission infrastructure.

SDG&E concedes in the CPCN application that it can meet a 20 percent renewables target in 2010 without the Sunrise Powerlink at p. V-36: *"The 20% renewable goal in 2010 can be met with imports "even if the Sunrise Powerlink were not built."* SDG&E goes on to state (p. V-36) that: *"With respect to congestion it should be noted that energy from renewable energy sources has relatively low variable operating costs and is therefore unlikely to be physically curtailed in the event congestion arises. Instead congestion will typically be managed by curtailing gas-fired boiler and combined cycle generation with relatively higher variable operating costs."* The existing 500 kV Southwest Power Link (SWPL) is now rated at 1,900 MW. Gas-fired boiler and combined cycle generation will have highest variable costs during periods of peak demand. SDG&E's analysis of how renewables can be moved from Imperial Valley to San Diego with existing transmission infrastructure is common sense – curtail fossil generation on SWPL and displace it with renewable generation. This approach would effectively address the maximum potential geothermal power export requirement described in the IVSG process without the Sunrise Powerlink.

RACE also concurs with the protest letter filed in this proceeding by the Imperial Irrigation District that SDG&E has simply chosen to ignore the LADWP-IID Green Path transmission project in the CPCN application. The Green Path provides a lower impact alternative route out of the Imperial Valley for renewable power that would substitute for the Sunrise Powerlink to the extent Sunrise would be used to move renewable power from Imperial County.

CPCN alternatives discussion: Six alternatives are discussed by SDG&E in the chapter on alternatives (Chapter VI). Four of the six alternatives are essentially variations of the proposed Sunrise Powerlink or an expanded version of the project (Full Loop, 500 kV Sunrise Powerlink, 230 kV Sunrise Powerlink, Serrano/Valley Northern Route).

The two alternatives identified in the CPCN that do not comprise some aspect Sunrise Powerlink route are 1) a second 500 kV line parallel to the existing 500 kV SWPL, and 2) a double-circuit 230 kV lines in the Comision Federal de Electricidad (Mexico utility monopoly) right-of-way (ROW) that parallels the SWPL just south of the border.

These alternatives are summarily rejected by SDG&E for the following reasons:

- 1) Second 500 kV line parallel to the SWPL:
 - a) reliability issues with two lines in one ROW;
 - b) congestion at the Miguel substation terminus near San Diego.

As stated on p. VI-v of the CPCN application, “*The alternative of building a second SWPL was not evaluated because placing two high voltage lines in the same corridor raises significant reliability concerns.*” Yet in a separate CPCN application proceeding, SCE is proposing to build the 500 kV Devers-to-Palo Verde 2 (DPV2) transmission line in the same ROW as the existing 500 kV Devers-to-Palo Verde 1 transmission line. SCE is also proposing to upgrade the Devers substation to avoid the congestion that would inevitably result if the substation is not upgraded to handle the increased powerflow from DPV2. In light of the reality of the DPV2 proposal, SDG&E’s decision to not even evaluate the second SWPL alternative appears misinformed and baseless.

- 2) Double-circuit 230 kV in Mexico parallel to SWPL:

As stated on p. VI-ix of the CPCN application: “*It did not make the short list of final four alternatives because of its poor technical performance and limited access to sources of renewable energy, however, SDG&E describes it herein in response to inquiries made during the study process.*” Yet in the alternatives analysis prepared for the 500 kV Valley-Rainbow CPCN application in 2003, SDGE states that “*this alternative meets most technical requirements*” and the challenges are described as jurisdictional, not technical. What happened between 2003 and 2005 to degrade the technical

performance of this option so dramatically? This question was put to SDG&E transmission planners at a transmission workshop hosted by SDG&E for the San Diego Area Governments Energy Working Group (EWG) Resources Subcommittee on May 24, 2005. RACE member organization Border Power Plant Working Group is also a member of the EWG Resources Subcommittee and participated in the May 24, 2005 transmission workshop. SDG&E committed verbally at that meeting to provide the Resources Subcommittee with a table that would compare the 2003 and 2005 performance criteria for the Mexico alternative. This comparison table has not been provided by SDG&E to the EWG Resources Subcommittee as of February 16, 2006.

SDG&E again raises the concern with this alternative that it would add to congestion at the Miguel substation. Yet the Sunrise Powerlink option preferred by SDG&E involves the construction of a new 500 kV substation. Clearly upgrading the Miguel substation or building a new substation is also available for the Mexico alternative.

III. SDG&E'S EVALUATION OF THE IN-BASIN GENERATION ALTERNATIVE IS WOEFULLY INADEQUATE AND MISLEADING.

A fundamental tenet of the July 2003 *San Diego Regional Energy Strategy 2030* (www.sdenenergy.org) is the emphasis on in-basin generation. This is described explicitly as the modernization of the 700 MW South Bay Power Plant in San Diego and the 1,000 MW Encina Power Plant in Carlsbad. SDG&E assumes in the CPCN application that South Bay will be retired in 2009. SDG&E estimates a 700 MW reliability deficit in 2015 as justification for the Sunrise Powerlink. Yet the modernization of South Bay, as agreed to as a common goal by San Diego energy stakeholders including SDG&E in 2003, would delay the need for the transmission capacity represented by the Sunrise Powerlink until at least 2015.

The industry rule-of-thumb cost for a gas turbine combined-cycle power plant is ~ \$500/kw. This equates to a power plant modernization cost for South Bay of \$350 million for the 700 MW plant. Yet on p. VI-9 of the CPCN application, SDG&E states:

"The in-area generation alternatives are not economic compared to the "no project" reference case and clearly less economic than the Sunrise Powerlink. While the in-area

combined cycle alternative reduces net energy costs for consumers within the CAISO controlled grid, it takes a much larger capital investment to achieve the same level of energy benefits as the Sunrise Powerlink: \$1.884 billion for the in-area combined cycle alternative versus \$1.015 billion to \$1.437 billion for the Sunrise Powerlink.”

The cost of in-area generation stated by SDG&E at \$1.884 billion is not credible.

IV. CONCLUSION

For the reasons stated above, RACE respectfully requests that: (1) that the Commission order SDG&E to submit a complete application; (2) that the Commission require SDG&E to analyze all eighteen original transmission alternatives as well as the LADWP-IID Green Path in the complete application; and (3) that the Commission require SDG&E to conduct a credible analysis of in-basin generation costs in the complete application.

Respectfully Submitted,

Dated: February 17, 2006

Aaron Quintanar/Border Power Plant Working Group
Bill Powers/Border Power Plant Working Group
Rory Cox/Pacific Environment
On behalf of RACE Coalition

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PROOF OF SERVICE

I, Aaron Quintanar, declare: I am employed in the City and County of San Diego, California. I am over the age of 18 years and am not a party to this action. On February 17, 2006, I served the Protest of RACE upon the utility and the assigned ALJ by sending a true and correct copy thereof, addressed as shown on the parties listed on the following page via e-mail. Pursuant to Rule 44.3, I have sent a copy of this protest via e-mail to each person the service list for A05-012-14 on February 17, 2006.

Aaron Quintanar

From: Louise Russell [lrussell@binarylabs.com]
Sent: Sunday, May 20, 2007 2:46 AM
To: The Secretary
Subject: I OPPOSE the proposal to designate a Southwest Corridor as a crucial transmission corridor.

I OPPOSE the proposal to designate a Southwest Corridor as a crucial transmission corridor.

The State of California, California Public Utility Commission, should be the authority who makes decisions for California areas of this region.

.....

Louise Russell

From:
Sent: Tuesday, May 29, 2007 5:08 PM
To:
Subject: FW: The National Priority Electric Transmission Corridor
Follow Up Flag: Follow up
Flag Status:

From: A.S. [mailto:ans_1026@yahoo.com]
Sent: Thursday, May 24, 2007 5:47 PM
To: Agrawal, Poonum
Subject: The National Priority Electric Transmission Corridor

Poonum Agrawal,

I was unable to attend the public hearing meeting in NY yesterday and I was told that you would be someone I could contact to express my opinion of the transmission corridor.

This is a completely backwards idea. Today everyone is trying to turn away from coal fired power plants and the idea should be energy conservation, not increasing energy consumption. Installing these power lines will be the same as providing an alcoholic with alcohol. Instead of destroying the earth with power lines and more power plants the same money could be put to better use installing solar panels and energy saving devices.

There is enough energy generated in the existing power grid to supply the growing demand for power if more people were to make the necessary changes. Enough studies have been done to show that power consumption can be drastically reduced enough so that additional power plants and high voltage lines would not be necessary.

The money for this project would be better spent in offering a rebate program for homes and businesses to invest in solar power and lighting upgrades. Or use it to pay someone to install it, anything but the wrong idea of chopping the states forests up and building more power plants to pollute the earth.

Sincerely,
Anthony Sciolino

Yahoo! oneSearch: Finally, [mobile search that gives answers](#), not web links.