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# New York Association Of Public Power

## Watts Up for Public Power in New York State



### Officers Elected

At its first meeting in December of 2004 a group of 10 Municipal Utilities and 3 Cooperatives from New York State agreed to form a new Public Power Organization which was named New York State Association of Public Power. (NYAPP) The organization was formed in an effort to provide more information to its members and to address key issues with potential impact to Utilities and Cooperatives at the Federal and State levels. The objective of this Association as stated in it's Constitution is to foster and advance the efficient operation of publicly owned and operated electric utilities and cooperatives to achieve public service goals. NYAPP will support the production, distribution, conservation and prudent use of electric power and energy and for these goals with the State and Federal governments, participate in the New York Independent System Operator (NYISO) and generally promote the interests of consumer-owned utilities and the economic development of our communities.

The following Officers were elected by the members in attendance:

Chairman/ President—Paul Pallas—Village of Rockville Centre

First Vice President— Wayne Sherwood— Oneida-Madison Electric Cooperative

Second Vice President / Treasurer — Walter Haase— City of Jamestown

Third Vice President Treasurer / Secretary —Dave Barker— City of Sherrill

At that same meeting Association members selected Duncan Weinberg Genzer and Pembroke as that Associations Legal Council and Susan Stohr of SJS Associates as the Associations lobbyist both in Washington and in Albany.

**Committees : The following Committees were formed:**

**By-Laws Committee:**

- Hubert Bianco, Freeport Electric (Chair)
- James Brundage, Salamanca Board of Public Utilities
- Richard Moyle, Steuben Rural Electric Cooperative

**Government Affairs Committee**

- Jack Brown, Green Island Power Authority (Chair)
- William Acee, Village of Sherburne
- Hubert Bianco, Freeport Electric
- Walter Haase, Jamestown Board of Public Utilities
- Andrew McMahon, Massena Electric

**Recruitment Committee**

- William Acee, Village of Sherburne (Chair)
- Hubert Bianco, Freeport Electric
- Jack Brown, Green Island Power Authority
- Wayne Sherwood, Oneida-Madison Electric Cooperative

### Unique Assessment Process for Members

Recognizing the diversity of its members and the diversity of issues facing those members NYAPP adopted a two tier assessment policy to cover expenses. 1) **Basic Services** (all members must participate); and 2) **Optional Services** (each member may choose to participate). Basic Services include representation before the NYISO, advocacy, and the incidental costs of operating the Association. The annual assessment for Basic Services shall be determined for the ensuing Fiscal Year in accordance with the Budget, as approved by the Members at the Annual Meeting or any other meeting. There

are some exceptions to this since the Cooperatives have other agencies performing some of these functions. Should the Cooperatives use all of the basic services the assessment will change.

Optional Services include any activities deemed appropriate by a Utility Members and that Member has the right to participate in any actions in their sole discretion.



## Legislative Update Albany by Susan Stohr

During meetings held in February and March with NYAPP state legislators and the Chair of the Assembly Energy Committee, Assemblyman Paul Tonko, NYAPP members discussed policy priorities and the New York State energy agenda. In follow up discussions with Assemblyman Tonko and his staff, NYAPP members discussed the pending Assembly hearings on “subsidized” NYPA power programs, examining economic development power programs in NYS

During ongoing discussions in April with NYAPP State legislators and staff, Assemblyman Tonko, Assembly Energy Committee staff, Senator Wright and the Senate Energy Com-

mittee staff and leadership staff of the Senate and Assembly, NYAPP members focused on developments and impacts related to the Preservation Power bills; Replacement Power bills; Power For Jobs; Economic Development Power bills; Article X bills; and miscellaneous other bills of relevance. NYAPP has continued to monitor and participate in stakeholder discussions regarding potential policies to provide low cost power to New York State manufacturers as well as ongoing discussions on a “global plan” for New York State economic development power allocation.

## Legislative Update Washington By Susan Stohr

During meetings held in February between NYAPP members and Reps. McHugh; McNulty; Boehlert; Higgins, McCarthy and Senators. Clinton and Schumer to discuss the pending energy bill; the rewrite of the Telecommunications Act of 1996 and energy incentives to benefit public power to the electric Utility Industry

**ENERGY BILL:** In follow-up discussions with those Congressional members and their staff, NYAPP members provided background on the issues and urged support for a number of specific provisions including the stakeholder hydrolicensing reform provision and the consumer protection provisions of the comprehensive energy bill (H.R. 6) considered by the House of Representatives. Other issues of concern in the energy bill including the mandatory participant funding provisions and the reliability standards were also discussed with the New York Congressional offices.

The language that was ultimately considered and passed by the House was significantly improved as a direct result of the discussions between public power and the Members of the House Energy Committee. Additionally, discus-

sions with the members of the House Rules Committee favorably influenced the amendments that were offered during floor consideration, including the disallowance of a hydro licensing amendment that would have been a detriment to public power in New York State.

As we go to press, the Senate Energy Committee is marking up the draft energy bill language. A lack of agreement regarding language to repeal of the Public Utility Holding Company Act (PUHCA) with stronger merger review provisions and other consumer protections has resulted in the decision to exclude these provisions from the draft bill. Those provisions and the Renewable Portfolio Standard provisions are expected to be raised during the amendment process. Other contentious issues include the inclusion of the MTBE liability provisions and the ANWR language in the House-passed bill. The Senate has previously opposed the inclusion of these provisions in the package.

## Telecommunication For Public Power—Not so fast— By Susan Stohr

The Congressional rewrite of the “Telecommunications Act of 1996” presents an interesting challenge for the public power community. Preservation of “local control” is a longstanding policy priority for public power in this country. Language to prohibit municipalities and municipal power entities from entering the marketplace is expected to be considered during the debate on the telecommunications package. Indeed, members of the telecommunications industry sector are already putting significant resources into the effort to secure the municipal prohibition language in the draft bills.

APPA and other national associations that represent public power and municipal interests have executed an intense education and communications campaign to provide Congressional Members and staff with a rebuttal to the industry arguments that localities have an unfair competitive advantage and should be prohibited from competing against the private sector companies that they regulate. NYAPP members are actively engaged in this important campaign. The objective of public power in this debate is to preserve (and clarify) the right of municipalities and municipal power to provide these advanced telecommunications services, and preserve the right of local control..

## Niagara Re-licensing - by Tom Rudebusch

On March 9, NYAPP representatives participated in a all-parties stakeholder meeting to discuss NYPA's progress towards a Niagara settlement. These settlements are confidential. While supportive overall, NYAPP has concerns about some aspects of the settlements. On March 30, NYAPP members met with NYPA CEO Eugene Zeltmann to discuss these concerns and other issues.

NYPA has released its draft Application for a New License to stakeholders. Comments are due on May 27. NYPA intends file the Application with FERC by August 2005.

## NYISO Update— by Tom Rudebusch

On March 1, the NYISO successfully implemented its new energy management system. The new system was expensive and required the NYISO to agree with market participants on a 5 year financing plan, as well as overall NYISO budget targets. NYAPP was cautiously supportive of the new system, however, because it was said to benefit operations and reduce overall costs. To date, based on the first two months, the new system has resulted in sharply reduced NYISO "uplift" charged to all customers. Uplift refers to a variety of payments that the NYISO makes to generators in dispatching the bulk power system.

On April 1, the NYISO acquired a new President and CEO, Mark Lynch, who is taking over from Bill Museler, who has retired. Mr. Lynch was formerly with the Mirant companies, which owns generation assets around the country, including in New York. NYAPP members will meet with Mr. Lynch on June 6, to discuss NYISO issues important to public power.

NYAPP representatives on the NYISO committees are monitoring issues related to errors in billing associated with Transmission Congestion Contracts, which affected charges to customers; reports of increased volatility in energy prices; and disputes over the NYISO's role in certain tax issues.

## Telecom Support at Local and National Level by Hub Bianco

The American Public Power Association (APPA) article in Public Power Weekly May 2,2005 quoted Mayor Billings of Provo, Utah saying that Congress should "recognize the important role that public power systems can play" in telecommunications. APPA is taking a strong position in trying to insure that any entity, including Municipalities can provide telecommunication services in their communities. This is truly a local control issue that should not be decided in Washington. The ability to provide telecommunication services is important to NYS municipal as the State continues to mandate services and reduce subsidies to local government. Telecommunication services may provide some Municipalities with an additional revenue source, reduce overall telecom costs and provide a higher level of telecom services to their communities.

Recently members of NYAPP received a letter form NYAPP's President Pallas requesting their respective system Mayor's support and or jointly present a resolution at the upcoming NYCOM meeting. The resolution would preserve the right of municipalities to provide telecommunication services in their communities. The resolution focuses on maintaining local control as telecommunication companies lobby in Washington in an attempt to prevent Municipalities from providing telecommunication service. While there have been bills presented in Congress on both sides of this issue it is imperative that NYS Municipalities take action to insure that their rights as municipalities are preserved. Mayor Murray of Rockville Centre and Mayor Glacken of Freeport have agreed to present the resolution at the NYCOM meeting in June. Those wishing to sign on to the resolution in advance may contact Hub Bianco at 516-377-2220

The letter also request that the Mayors recommend that a resolution be sent on to the US Conference of Mayors for their support. NYAPP is coordinating this effort with APPA who was pleased to hear that NYAPP was taking on this initiative and is more than willing to work with NYAPP on the Federal Level. If you have any questions or need additional information on this matter please contact Hub Bianco at 516-377-2220.

## Note From The President

Welcome to our inaugural edition of “Watts Up” the official newsletter of the New York Association of Public Power. This newsletter, like our association, provides a wealth of information designed not only to inform our members but to provide the tools necessary to make good business decisions. NYAPP, an advocate of public power, not only in New York but Nationally, is well positioned and represented to be a force for keeping the Public Power agenda at the forefront. The variety of issues reported here clearly shows the diversity of issues that NYAPP is focused on. And we go beyond traditional public power issues. Some of our members are deeply involved in telecommunications as an economic development tool and potential source of revenue. We are actively entering the debate on this issue as it relates to “local control”, preserving our rights to establish these services for the benefit of our residents and businesses. Many of our members are also active in economic development and the association is seeking ways where we can be of service in this area. Of course, we continue to be very active at the NYISO ensuring that our rights are protected and minimizing the cost impact of NYISO policies and rules.

Again, welcome to our association and we look forward to a productive future.

**What is the difference between Mechanical Engineers and Civil Engineers?  
Mechanical Engineers build weapons and Civil Engineers build targets.**

### Do you Know what this is?

You may be installing these in the future or something close to it if your system or community is going to use Power Line Barrier for telecommunications. There are many names for this item depending on the manufacturer. Some call it a coupler others a jumper regardless it is used to transfer the telecom signal from the primary to the secondary lines and visa versa



Freeport Electric celebrates the one year anniversary of the commissioning of a new LM6000. The Project went commercial in April 2004. The overall project included a second unit built by a developer and the installation of 1.5 miles of gas transmission lines and 3 miles of 69 KV underground electric transmission cable.



## Upcoming Meetings

**Understanding Engineers —To the optimist, the glass is half full. To the pessimist, the glass is half empty. To the engineer, the glass is twice as big as it needs to be.**

General meeting—June 14th and 15th - Hosted by Green Island Power Authority in Green Island — Contact Jack Brown for Hotel information - As part of this meeting members will be meeting with State Legislative members