Written by MICHAEL GORMLEY, Associated Press Writer
Friday, April 20, 2007

ALBANY, N.Y. (AP) — In the coming years, New Yorkers could have lower home utility bills, more jobs to retrofit buildings with energy conservation measures, more wind farms and less of a role in turning up the heat on global warming, according to Gov. Eliot Spitzer's environmental plan detailed Thursday.But can it work?Efforts to create an effective energy policy have been stalled in Albany for more than a decade in a clash of environmental concerns and business needs for more reliable energy production. In March, the New York Independent System Operator reported that electric demand is growing 2 percent annually, and at this rate power deficiencies could begin in 2011 with an acute shortage by 2016.

New York also has the highest electricity prices in the continental U.S.

"We can spend billions of dollars to build every single one of the power plants needed to meet this demand," Spitzer said. "Or we can invest far less money to cut the demand for energy by 15 percent — and, on top of that, increase our power-generating capacity to lower energy bills. "Common sense says we should take the second approach — that we should both build and conserve," Spitzer said.

The broad plan that melds several interests and initiatives is becoming Spitzer's pattern in which he promises a better result while saving money. For example, he would require state government — with its $700 million annual utility bill — to use more wind power and other renewable energy. He says that investment will drive demand and generate jobs and power through alternative sources — especially upstate where he is focusing his economic revival proposal.

The plan he outlined Thursday in Manhattan covers plenty, including environmental and business lobbies and the Republican-led Senate and Democrat-led Assembly, which would have to support most of measures.

"We applaud the governor for recognizing the need to make electricity-cost reduction a key part of New York's energy and environmental policy," said Matthew Maguire of the state Business Council. "We look forward to working with him to shape policy changes that ensure lower electricity costs, increased generating capacity, improved transmission infrastructure, and continued reliability."

Gavin Donohue, president of the Independent Power Producers of New York, said this is the first time a plan has come out of Albany that will equally balance the need to build more plants and related facilities with conservation and increasing energy efficiency.

The New York Public Interest Research Group also supported the plan.

"We think the governor made the right choice," said Jason Babbie, an environmental policy analyst for NYPIRG. "This plan not only would stop our growth (in energy consumption) and demand, but reverse it. That's what's dramatically different from what other states have been doing and what we have been doing."

The Assembly's Democratic majority and the Senate's Republican majority said they supported much of Spitzer's plan, some of which has been in legislative bills for years.

The state Public Service Commission took steps this week to reduce energy consumption, implementing a policy that will provide a fiscal incentive for utilities to conserve energy — instead of losing profits when less energy is consumed. The PSC also started helping utilities and power plan developers to enter long-term contracts, critical to building new, cleaner operating plants.

Spitzer also called for:

—A 15 percent decrease in power demand by 2015 through efficiencies and conservation, while increasing the supply of power from cleaner power plants and renewable sources including wind and solar power.
—Making buildings and appliances more energy efficient. Spitzer said he will propose energy guidelines for the manufacturing of home furnaces, walk-in refrigerators, freezers and other big users of power.
—A Clean Power Supply Board that will coordinate various state environmental and commercial reviews to speed the building of new, cleaner power plants.
—$295 million for 21 contracts to encourage clean, renewable power facilities that is supposed to leverage $1.4 billion in private investment upstate.
—A Climate Change office to implement a multistate effort to reduce carbon dioxide emissions from power plants blamed in part for global warming. He said New York, with 0.1 percent of the world's population, produced 1 percent of its carbon emissions which is similar to Sweden.
"By implementing this clean, efficient energy strategy, we are not only changing the status quo and addressing a chronic issue that plagues Albany for years, we are implementing a practical strategy that will lower energy bills, address climate change, and create jobs," Spitzer said.