



New York City
Economic Development
Corporation

110 William Street
New York, NY 10038
212.619.5000

www.nycedc.com

June 25, 2007

Hon. Leroy G. Comrie, Jr.,
Chair, Consumer Affairs Committee
New York City Council
250 Broadway
18th Floor
New York, NY 10007

Dear Chairman Comrie:

On behalf of Mayor Bloomberg, I would like to thank you for inviting the administration to testify at the June 26th joint hearing before the Committee on Consumer Affairs and the Committee on Environmental Protection. The subject of that hearing - Con Edison's capital investments, network stability, demand reduction and clean distributed generation - is, however, premature for us to state a specific position on beyond what is detailed in *PlaNYC*, and what we have testified to earlier before both your committees. The eleven month Public Service Commission process to review Con Edison's rate filing has only just begun, and we are at the very early stages of analyzing the case. I would like to reaffirm the Administration's commitment to address the critical issues in the pending Con Edison proposal and in several other proceedings before the Public Service Commission.

The City intervened in the electric rate case proceeding as an active party shortly after the rate filing by Con Edison last month. As has been our practice in all matters that affect utility service in the City, we have retained outside counsel and numerous consultants who will provide us with extensive analytical support. I can assure you that we intend to vigorously pursue the interests of all our citizens - and of the City itself as a very large electricity consumer - in seeking an outcome that best ensures system reliability and that provides just and reasonable electric rates. In addition, the City will review Con Edison's plan to address the need for significant investment in its energy infrastructure. The electric rate case will also be a critical forum in which we can advance a number of the energy goals and the objectives described in *PlaNYC*. Accordingly, the City will carefully analyze the documents supporting the company's filing, conduct extensive discovery, and will submit expert testimony addressing those issues that we view are important to ratepayers and to the interests of the City at large.



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As the rate case progresses and the City develops its position, I would be happy to brief you and your staff at appropriate intervals when more substantive progress can be reported. Once again, I appreciate your interest in this important matter and look forward to working with you in the near future.

Very truly yours,

A handwritten signature in black ink, reading "Gil C. Quiniones". The signature is written in a cursive style with a large initial "G".

Gil C. Quiniones
Senior Vice President

Energy & Telecommunications Department
Chair, New York City Energy Policy Task Force



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June 25, 2007

Hon. James F. Gennaro,
Chair, Environmental Protection Committee
New York City Council
250 Broadway
17th Floor
New York, NY 10007

Dear Chairman Gennaro:

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Gil C. Quiniones
Senior Vice President

Energy & Telecommunications Department
Chair, New York City Energy Policy Task Force

**Oversight Consolidated Edison's Capital Investments & Long Term Strategy for
Network Stability, Including Demand Reduction and Clean, Distributed Generation**

Committee on Consumer Affairs & Environmental Protection

NYC City Council – June 26th, 2007

**Anthony O. Pereira
President & CEO**

**altPOWER, Inc.
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Tel: 212-206-0022
www.altpower.com**

Board Member – New York Solar Energy Industries Association (NYSEIA)

Board Member – Alliance for Clean Energy - New York (ACE-NY)

About altPOWER®, Inc.: Local company founded by Anthony O. Pereira in 2002, 8 full time employees work out of the headquarters at 125 Maiden Lane, Manhattan. altPOWER is responsible for all of the solar projects in Battery Park City and has worked under contract for the NYC EDC and the NYPA including the recently installed a 36 kW PV array at Bronx High School of Science

About the New York Solar Energy Industries Association (NYSEIA): A state wide not for profit organization of over 100 members ranging from manufacturers, installers, advocates, engineers and electricians working to promotes the use of clean renewable solar energy. Anthony O. Pereira served as President of the Board of NSYEIA from 2002-2006.

About the Alliance for Clean Energy – New York (ACE-NY): A state wide not for profit organization promoting the use of clean renewable energy technologies including solar energy and also wind, sustainable, biomass and hydro technologies.

Solar Energy As an Option

- Major Studies show that Photovoltaic (PV) peak production and NYC's Peak Demand coincide, solar electric systems can shave NYC's peak without producing air pollution (see Exhibit A)
- Studies show that enough solar energy falls on the surfaces of NYC to provide 2.5 times the energy generation produced by Con Edison (See Exhibit B)
- Other studies show that NYC roof tops alone could provide 6000 MWs of energy production through PV (Solar Electric) generation, current capacity is nearing the 2 MW range, far short of potential (See Exhibit C & ~~D~~)
- Solar electric system installations are amongst the largest job creators for any energy production source worldwide (See Exhibit E)
- The PV industry is experiencing tremendous growth locally and worldwide with average global growth of 35% (See Exhibit ~~F~~)
- PV generation should be allowed to participate in the local Demand Response program as it has been proven to be more effective at lower cost and without pollution (See Exhibit A)
- Recently local and national solar groups have called for 500 MW to be installed within the 5 boroughs over the next 10 years

What is Needed

- Lobby the PSC to seize the current phase of negotiations with ConEdison to allocate a percentage of their penalties for incentives on Grid Tied PV systems within the 5 boroughs, similar to the July 6, 1999 Washington Heights settlement with ConEdison which provided funding for clean air projects like solar electric system installations through NESCAUF/Clean Air Communities
- Expand on the studies by Columbia University and SUNY Albany to identify actual PV potential for specific buildings overlaying that data with data showing the ConEd network's highest demand and those locations best suited to benefit from disbursed grid tied PV systems
- Customers willing to invest in solar electric systems should not have to pay for load evaluations for their facilities in order to understand what capacity system can be interconnected without causing any harm to ConEd's network system..

What is Needed (continued)

- Also, help the industry and environmental community with local policy goals including:
 - Commercial PV System Net-Metering
 - Commercial PV System Sales Tax Exemption
 - Pressure the PSC to follow the statutes when developing interconnection and net-metering rules
 - Eliminate engineering review charges from utilities for commercial systems
 - Work to make the interconnection rules more logical considering the advantages PV systems provide to Con Edison
 - Initiate a 3rd party review of the Network Grid system maintained by ConEd to identify portions of the network which can allow for supplying the grid with excess PV power produced at locations with operating PV systems

Exhibit A

Benefits of PV to New York City

PV is coincident with peak-power demand & shaves system peaks - July 6, 1999

Perez et al., ASRC

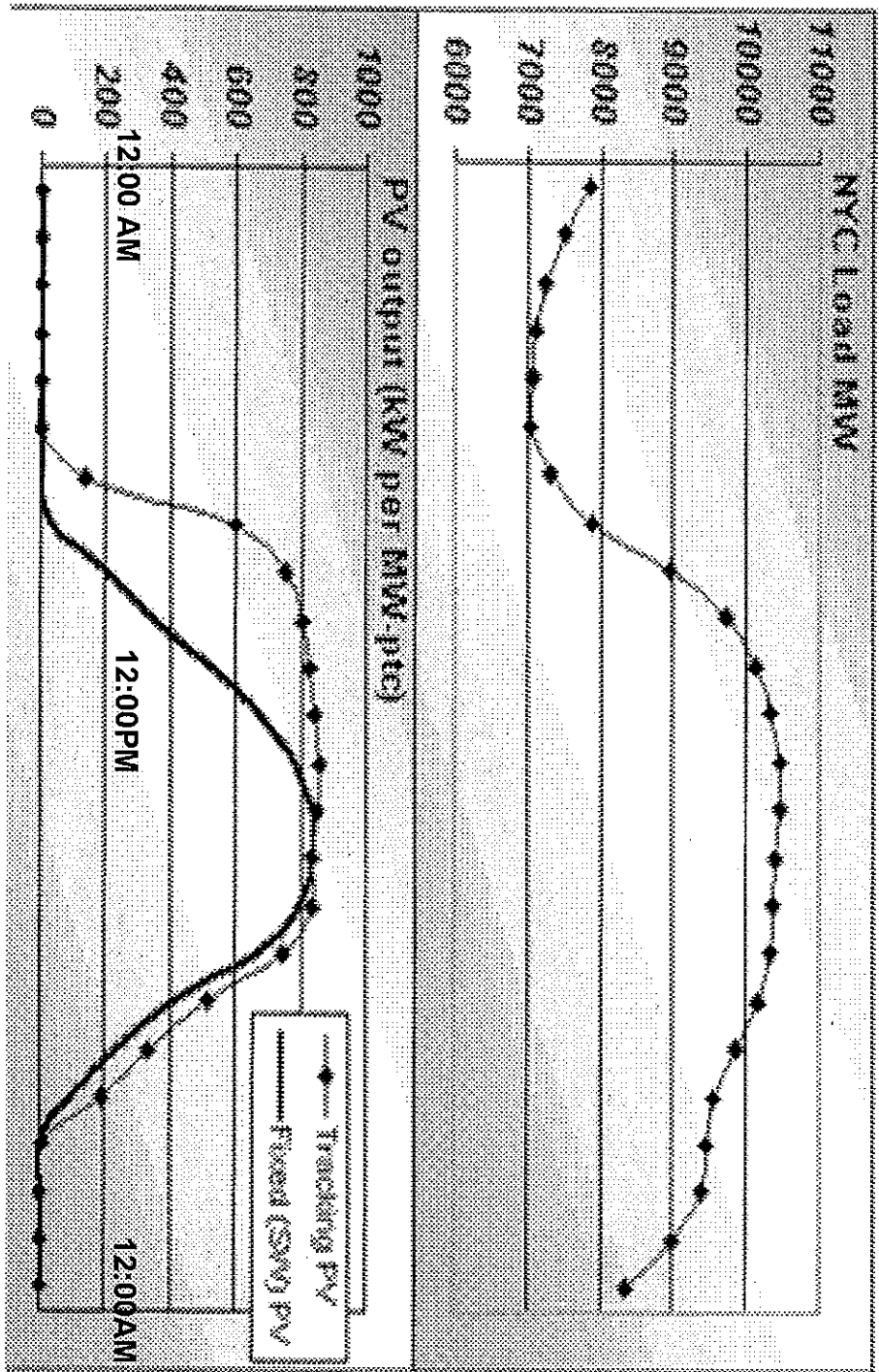
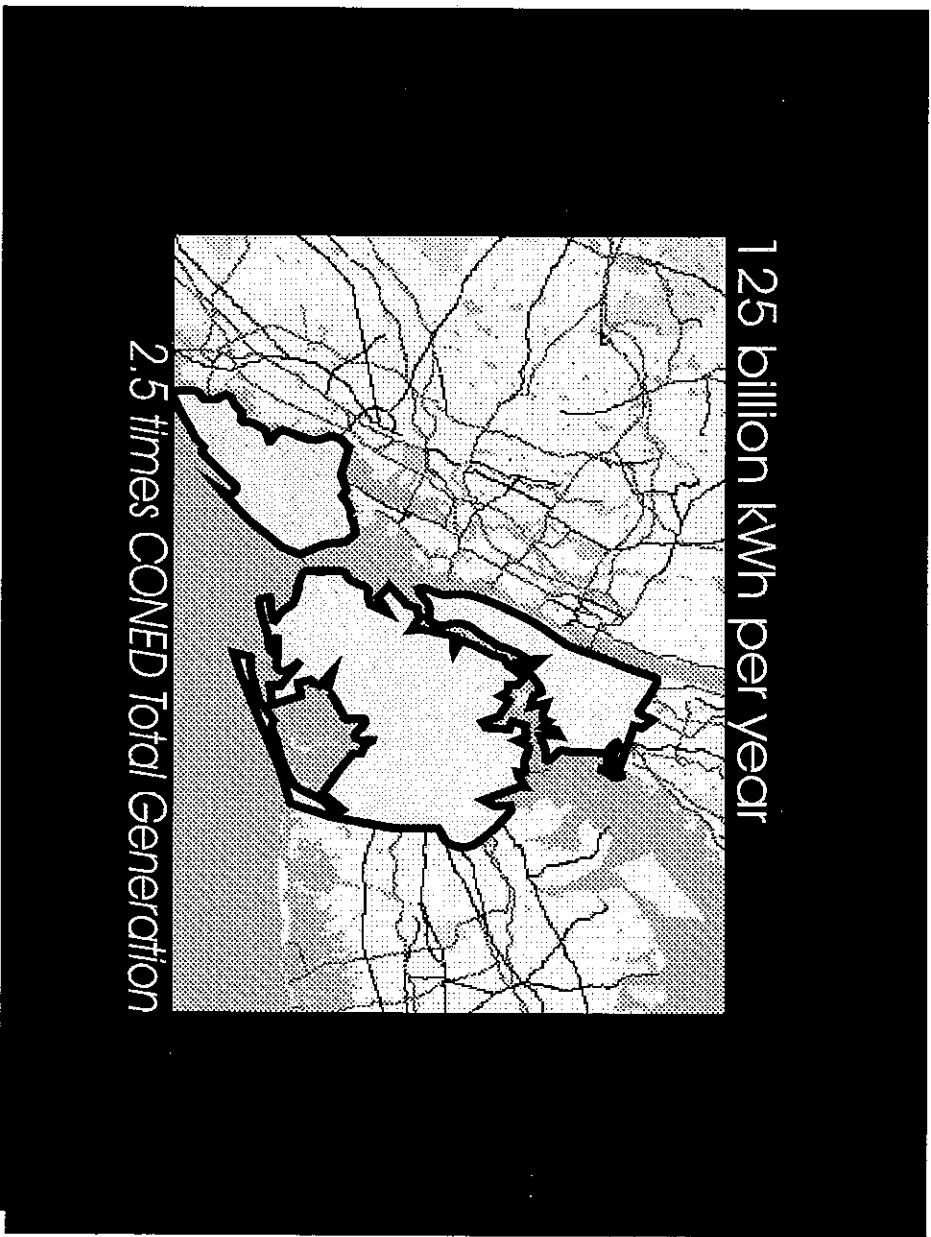


Exhibit B

And if we cover NYC with PV ...!



Perez et al., ASRC

Exhibit C

NYSEIA: NYS's Solar Potential

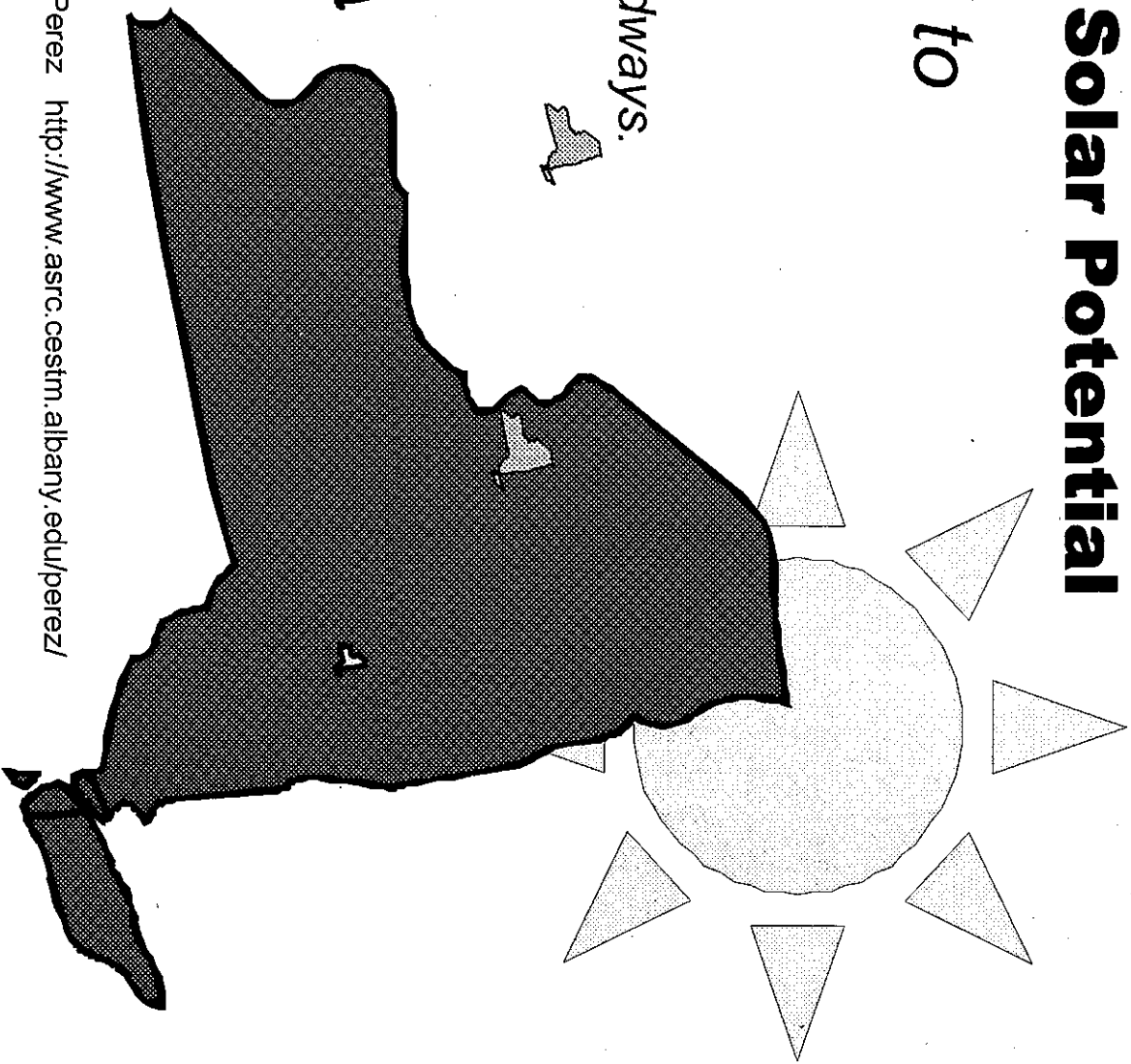
Space Required to Power NYS

*TODAY: Almost 3% of NYS is
buildings, parking lots and roadways.*

*Richard Perez et al. 75% of NYS's
area needed to produce all
the electricity NY'ers use!*

USA Total = 25,000 km² PV

Richard Perez, et al.

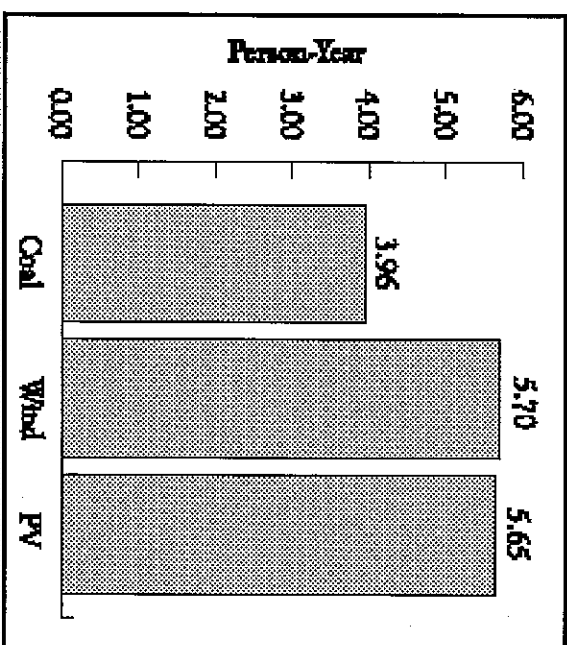


Graphic Courtesy of R. Perez <http://www.asrc.cesim.albany.edu/perez/>

Exhibit E

Solar Power as an Economic Development & Job Growth Engine

- Investments in Solar Electric System installations generate 42% more job-years per dollar invested than comparable investments in coal power plants
- Solar Electric System Installations are one of the largest job creators per installed MW, per \$1 Mill invested
- The NY RPS is projected to create 43,000 Renewable Energy Jobs across the State over the next decade (Hevesi et al., 2005)



Comparison: Coal, Wind and PV (Person-Years of labor Per \$1 Million in Cost Over 10 Years Including Capital and Construction)

Source: Renewable Energy Policy Project, Nov. 2001c

To learn more visit us on the web at

www.altpower.com

www.nyseia.org

www.aceny.org

Solar Energy – Utilize It!