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Federal

President's FY 2014 Budget Sets Aggressive Energy Goals

The President has released a \$3.78 trillion fiscal year 2014 budget proposal that attempts to reduce the deficit by \$1.8 trillion over ten years, and calls for doubling America's energy productivity by 2030. The President's plan arrives later than most expected and after the House and Senate have passed their budgets for FY 2014, creating uncertainty around whether components of the proposal will ultimately make it into the appropriations process for 2014.

The President calls for an 8% increase in the Energy Department budget to \$28.4 billion "to position the United States to compete as a world leader in clean energy....and enhance our energy security and respond to the threat of climate change." The programs included in the budget and listed below are designed to help meet the President's goals and reduce greenhouse gas emissions in the range of 17 percent below 2005 levels by 2020.

Race-to the Top for State Energy Efficiency and Grid Modernization - Includes \$200 million in one-time funding for Race to the Top performance-based awards to support state governments that implement effective policies to cut energy waste, support energy efficiency and modernize the grid. The program is modeled on the Race to the Top in the Education Department, a competitive grant program designed to encourage and reward states that have demonstrated success in raising student achievement.

Weatherization - Provides \$184 million for the Energy Department's Weatherization Assistance Program, which enables low-income families to cut their energy bills by making their homes more energy efficient.

Climate Change - Provides \$2.7 billion for 13 federal agencies in the U.S. Global Change Research Program to support research aimed at improving our ability to understand, predict, mitigate, and adapt to climate change as well as increase communication among scientific and stakeholder communities. In addition, the budget includes \$200 million for “Climate Ready Infrastructure” that will build enhanced preparedness to extreme weather and include other impacts of climate change in their planning efforts.

Energy Security Trust – Includes \$2 billion to transition cars and trucks off oil and onto electricity and homegrown fuels.

Clean Energy on Public Lands - To enhance energy security and create clean energy jobs in new industries, the budget proposes \$100 million for the Department of the Interior to review and permit new renewable energy projects on federal lands and waters.

Oil & Gas Subsidies – Calls for savings of \$4 billion by eliminating subsidies to large oil and gas producers.

Clean Energy Technologies – Increases funding for clean energy technologies to \$6.2 billion, a 40% increase over the 2012 enacted level. This includes \$615 million to increase the use and decrease the cost of clean power for solar, wind, geothermal, and water energy.

Low Income Home Energy Assistance Program (LIHEAP) – Calls for cutting LIHEAP funding to \$3.02 billion, a \$340 million decrease. This would result in New York State receiving \$72 million less to assist low-income families with their energy bills in FY 2014.

Permanent Tax Incentive for Renewable Energy Production and Energy Efficiency; and Tax Credits for Advanced Energy Manufacturing - includes \$23 billion of incentives for renewable energy production and energy efficiency over the next 10 years.

- Makes permanent the tax credit for the production of renewable electricity to help double generation from wind, solar, and geothermal sources by 2020
- Makes the Production Tax Credit refundable to enable growing firms with no tax liability to benefit and provide renewable electricity generation
- Reforms and makes permanent the deduction for energy efficient commercial property
- Proposes an additional \$2.5 billion in credits for investments in advanced energy manufacturing projects, such as energy equipment and facilities for clean energy manufacturing.

State

Governor Cuomo Announces Completion of \$88 million in Energy Efficiency Projects

The New York Power Authority (NYPA) completed 83 energy efficiency projects in public facilities throughout New York State last year. NYPA financed more than \$88 million worth of upgrades which are estimated to result in more than \$6 million in annual savings and reduce greenhouse gas emissions by nearly 34,000 tons a year. In addition to the projects completed, NYPA invested \$247 million for energy efficiency projects in various stages of development.

In his 2012 State of the State address, Governor Cuomo announced a Master Plan for Energy Efficiency in State Facilities to make a substantial investment in cost-effective energy efficiency measures in state buildings over the following four years. Later that year, Cuomo signed an Executive Order directing state

agencies to increase energy efficiency in state buildings by 20 percent over seven years and launched [Build Smart NY](#), a plan to strategically implement the order by prioritizing and accelerating energy efficiency improvements.

More information regarding NYPA's energy efficiency projects can be found [here](#).

Governor Cuomo Announces the Installation of Electric Vehicle Charging Stations

Pursuant to the [Charge NY Initiative](#), more than 360 electric vehicle (EV) and plug-in hybrid charging stations will be installed across the state. Originally announced in January's State of the State address, Charge NY is an initiative to create a statewide network of up to 3,000 public and workplace charging stations over the next five years and to put up to 40,000 plug-in vehicles on the road during that period. Governor Cuomo has proposed investing \$50 million over the next five years to stimulate demand for EVs and investments in infrastructure, including funding from New York State Energy & Research Development Authority (NYSERDA), New York Power Authority (NYPA), and tax credits that were contained in the final 2013-2014 State Budget. Cuomo has also called for increasing the State's EV readiness through reforming regulations to facilitate EV charging, utility rate incentives, educating consumers about EVs, and demonstrating advanced EV technologies.

NYPA recently issued a Request for Proposals for the installation of 100 EV charging stations equipped with smart charging capabilities to reduce EV charging demand on the electric grid at periods of peak demand. The charging stations will be located at 36 locations, including transportation hubs, as well as other public and private parking lots, primarily in the Metropolitan New York City area. They are expected to be in operation by 2014. NYSERDA also recently awarded \$3.6 million for the installation of more than 260 EV charging stations across the state. Most stations will be dual charging stations, with the ability to accommodate two vehicles at once.

More information regarding these projects and Charge NY can be found [here](#).

\$13.5 million for Solar Installation and Education Available through the NY-Sun Initiative

\$13.5 million has been made available through the NY-Sun Initiative for projects aimed at reducing the overall cost of installing photovoltaic (PV) solar electric systems and streamlining the inspection and permitting process for local officials. NY-Sun uses primarily RPS money to fund the deployment of solar in New York State. \$10 million will be dedicated to lowering the cost of non-module PV systems and \$3.5 million will fund a two-year statewide effort to educate local officials and first responders.

The \$10 million will focus on projects that reduce PV balance-of-system (BOS) costs, which are the upfront costs of the PV system except the module. BOS costs can account for more than half of total system costs including equipment and installation. The program will seek to maximize private leverage and demonstrate business models that could be adopted at scale by the marketplace. In addition, this program will streamline the procedures for permitting and interconnection to reduce BOS costs. In the 2013 State of the State address, Governor Cuomo announced an extension of the NY-Sun program through 2023 at the existing annual funding levels - \$150 million annually. It is anticipated that \$50 million will be directed toward reducing PV BOS costs.

NYSERDA will provide the \$3.5 million to support education and training on PV for local officials who might have a role in the permitting, inspection or approval of a PV system and for first responders who

might encounter PV systems while fighting fires. Funding will go to projects which focus on (1) hands-on training and workshops, technical assistance services and train-the-trainer sessions; or (2) educational campaign and development of a PV BOS internet-based toolkit for local officials, as well as other materials.

More information on these awards and the NY-Sun Initiative can be found [here](#).

Governor Cuomo Announces the Public Trust Act

Due to the recent indictments of several lawmakers for bribery and other related charges, Governor Cuomo announced new legislation, the Public Trust Act, which creates a new class of public corruption crimes and enhances New York prosecutors' ability to combat public corruption. Cuomo argues that the laws defining public corruption in New York are obsolete and far less effective than federal statutes for prosecuting individuals who commit public corruption crimes.

The Public Trust Act creates a new class of Public Corruption Crimes which would include bribing a public servant, corrupting the government, and failing to report a bribe or a bribe attempt. The law would also impose tougher jail sentences on individuals that misuse public funds and permanently bar those convicted of public corruption offenses from holding any elected or civil office, lobbying, contracting, receiving state funding, or doing business with the state, directly or through an organization. Additional information regarding the Public Trust Act can be found in the Governor's [press release](#).

NYS Comptroller DiNapoli Releases Preliminary Report on 2013-2014 Budget

Comptroller DiNapoli recently released his preliminary report of the enacted 2013-2014 Budget. According to the report, the timely completion of the budget sends a positive signal to bond markets and taxpayers; however, New York continues to struggle to meet serious fiscal challenges. "The recently passed state budget restrains spending growth, but it also contains temporary resources and revenue assumptions that may fall short. Instead of reining in the state's reliance on backdoor borrowing, it expanded the use of public authority debt," DiNapoli said.

The report also noted that while timeliness improved, transparency was compromised. Major new provisions, some with multi-year cost implications, were not openly discussed before enactment, including \$385 million in new public authority debt for state and local facilities and \$750 million in public authority debt related to unspecified transportation needs.

More information on the report's findings can be found in the Comptroller's [press release](#) and the full report can be found [here](#).

DiNapoli Reaches Agreement With Five Companies To Disclose Political Spending

DiNapoli also announced last week that he has reached agreement with five Fortune 500 companies, Southwest Airlines, Dr Pepper Snapple Group, Plum Creek Timber Company, Harley-Davidson and Noble Energy, to disclose political spending made with corporate funds. His press release announcing the agreement can be found [here](#).

City

City Council Approves Geothermal Study

The New York City Council approved legislation last week that requires the Office of Long-term Planning and Sustainability to study and issue a report on the development of geothermal energy and the associated costs. The Office of Long-term Planning and Sustainability is also conducting a study on the undergrounding of electric infrastructure in New York City following Superstorm Sandy.

The goal of the study is to explore and determine the feasibility of developing geothermal energy resources in the city. Geothermal is the process of using the stable temperatures of the earth to heat and cool buildings.

The proposed legislation can be found [here](#).