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Federal

House Energy Committee Holds Hearing on Electric Reliability

On July 29, the House Energy & Power Subcommittee held a hearing on “FERC Perspectives: Questions Concerning EPA’s Proposed Clean Power Plan and other Grid Reliability Challenges.” All five Federal Energy Regulatory (FERC) Commissioners testified.

In her opening statement, Acting Chairman Cheryl LaFleur said that although she believes the Environmental Protection Agency’s (EPA) proposed carbon rules for existing power plants will impact electricity markets, FERC will work to ensure that reliability is maintained. Commissioner Phil Moeller voiced a number of concerns about the draft rule, including the challenge of a state-by-state approach, while electricity markets are regional and interstate in nature. Commissioner Moeller was also concerned that many parts of the country will not have access to sufficient pipeline capacity due to an increased reliance on natural gas for electricity.

Commissioner Norman Bay, who is President Obama’s latest appointee to the Commission and chairman-in-waiting, has not been involved in the EPA rulemaking. Bay stated that FERC has an important responsibility to promote the reliability of the bulk-power system and to have strong working relationships with the EPA, the Department of Energy (DOE), the North American Electric Reliability Corporation (NERC), individual states and other stakeholders.

To read the complete witness testimony, FERC responses to preliminary questions, the archived webcast, and other background information, click [here](#).

House Passes Cyber Information Sharing Bill

On July 28, the U.S. House of Representatives passed the National Cybersecurity and Critical Infrastructure Protection Act (H.R. 3696 or NCCIP). The bill would formalize the Department of Homeland Security's (DHS) lead role in federal cybersecurity policy, strengthen public-private cybersecurity partnerships including the National Institute for Standards and Technology (NIST)-private sector engagement in cybersecurity standard setting, and bolster private sector cybersecurity liability protections.

When the bi-partisan bill was first introduced in December, Con Edison submitted a letter to the House Homeland Security committee in support of the measure. Whether or not the NCCIP passage in the House will spur similar efforts by the Senate to move corresponding legislation is an open question. Regardless, this is a positive development.

Senator Gillibrand (D-NY) Introduces Cyber Tax Incentive Bill

Just before the beginning of the August Congressional recess, Senator Kirstin Gillibrand (D-NY) introduced the [Cyber Information Sharing Tax Credit Act of 2014](#), legislation [related [press release](#)] that would establish a tax credit for costs associated with participating in an Information Sharing and Analysis Center ([ISAC](#)), a trusted sector-specific entity that accepts, analyzes, interprets and shares critical security (cyber and physical) information with sector participants, other industry ISACs and the government.

Covered ISAC costs include:

- Membership dues
- Personnel participation costs
- Product and service costs directly related to the sharing of information with an ISAC
- Other amounts – excluding travel – associated with participating in an ISAC

The legislation touches on a vital issue and aims to reduce the financial burden of participating in an ISAC. Perhaps more importantly, the bill incentivizes cybersecurity information-sharing, a core priority for Con Edison as well as the industry at large. Given that the measure is not paid for, it is very unlikely that it will make much progress in this Congress.

Congress Passes Temporary Highway Fix with Pension Accounting Language

On the evening of July 31, the U.S. Senate approved the H.R. 5021, the Highway and Transportation Funding Act of 2014. The measure provides for a 10-month patch for the highway trust fund. Included as a pay-for is language that would provide for a 5-year extension of the pension funding stabilization or "smoothing" provisions that were included in the last transportation reauthorization: MAP 21. The utility industry has been supportive of these pension smoothing provisions in the past as they allow companies to employ historical data when calculating pension contributions which are beneficial during times of extremely low interest rates as they ease pension obligations. No Pension Benefit Guaranty Corporation (PBGC) premium increases were included in the final legislation.

The legislation now heads to the President's desk for signature.

State

Governor Cuomo Signs Con Edison-Supported “Joint Bidding” Bill

Earlier this week Governor Cuomo signed a bill into law that will decrease the cost of interference work for the company in New York City. Con Edison helped draft and strongly supported the bill during the 2014 legislative session. Many of the City’s public works projects require utility companies to relocate their infrastructure or support and protect the infrastructure in place. These projects can prove expensive, especially if the price of that work is negotiated with city contractors outside of the public bidding process, causing project delays. Joint Bidding allows the cost of interference work to be included in the City’s public bid, lowering the cost to the company, avoiding project delays and proving more efficient.

The City of New York was provided with the ability to use joint bidding after 9/11 in certain designated areas of Lower Manhattan. The use of joint bidding in lower Manhattan provided positive results relative to cost, construction time, and the impact on the community and local businesses. The new law will permit the City of New York to use joint bidding for public works projects throughout the City.

Thruway Authority Approves Tappan Zee Bridge Loan

The New York State Thruway Authority recently voted to accept a \$256 million loan from the Environmental Facilities Corporation's Clean Water State Revolving Loan fund for construction of the new Tappan Zee Bridge.

The loan’s approval has not been without controversy. Environmental groups have opposed the loan, arguing that funds intended to support local water and sewer systems should not be used to pay for the bridge.

Thruway Authority officials claim that the loan will save \$35 million in financing, which can be used to minimize toll increases. However, the Thruway Authority has not yet released a complete financial plan for the \$3.9 billion project, nor has it given any indication how much tolls are expected to increase once the bridge is complete.

Assembly Corporations Committee Holds Public Hearing on MTA’s 2015-2019 Capital Plan

The Assembly’s Committee on Corporations, Authorities and Commissions recently held a public hearing to review the Metropolitan Transportation Authority’s (MTA’s) 2015-2019 Capital Program. The Capital Program is expected to be approved this fall. Highlights include work on the East Side Access project to bring the Long Island Rail Road to Grand Central Station, and Phase Two of the Second Avenue subway project.

MTA President and CEO Tom Prendergast testified that the final 2015-2019 Capital Program will reflect the recommendations of the MTA’s Transportation Reinvention Commission. The Transportation Reinvention Commission was created at the urging of Governor Cuomo to ensure that the MTA’s capital investments are consistent with changes in climate, regional demographics and MTA ridership.

The hearing also focused on funding with several witnesses and elected officials questioning how the MTA would pay for the Capital Program. Prendergast acknowledged that the MTA will unlikely be capable of paying for the Program in its entirety, and that the MTA will either need to find new funding sources, or borrow the money.

Additional information regarding the Transportation Reinvention Commission can be found [here](#).

Governor Approves Legislation Authorizing New York City to Lower Speed Limits

Governor Cuomo approved legislation enabling New York City to lower its default speed limits from 30 to 25 miles per hour in areas of the City where speed limits are not posted.

The legislation was introduced at the request of Mayor de Blasio as part of his Vision Zero Initiative aimed at reducing traffic-related accidents in New York City.

"Speeding is a citywide problem, and lowering the speed limit is a citywide solution. This is another vital step toward making New York City streets safer for every family. Our Vision Zero initiative's mission is to save lives, and that is precisely what this legislation accomplishes. We are thankful to have a strong partner in Governor Cuomo, and look forward to working with our state partners as we move to implement this vital law" Mayor de Blasio said.

A copy of the Governor's press release can be found [here](#).

City

NYC Council Expands Participatory Budgeting for 2014-2015

New York City Council Speaker Melissa Mark-Viverito has announced the expansion of the participatory budgeting process. Launched in 2011 by Council Members Brad Lander, Melissa Mark-Viverito, Eric Ulrich, and Jumaane D. Williams, the participatory budgeting is a process in which community members directly decide how to spend the part of a public budget allocated as discretionary funds.

There are two types of discretionary funds. Expense funds are used to pay for salaries and services. Capital funds are used to pay for physical infrastructure or so-called "bricks and mortar" projects.

This year, 22 Council Members are participating in the process, giving their communities decision-making power over more than \$25 million in taxpayer money.

Participatory budgeting is a yearlong process of public meetings, which allows community members the time and resources to make wise decisions regarding local needs and to develop proposals to meet these needs. Through public voting, community members then decide which proposals to fund.

New Yorkers Can Start Taking Paid Sick Leave

New York City employees can now start taking earned sick leave under the city's Paid Sick Leave Law. Under the law, which went into effect on April 1, 2014, covered employees of businesses of five or more employees now have the right to use paid sick leave for the care and treatment of themselves or a family member. Those employees can start using their paid sick leave as of July 30, 2014. Employees who worked in NYC for more than 80 hours a year can earn up to 40 hours of sick leave each year to care for themselves or a family member.

There are exceptions to the paid sick leave legislation: Employees who work 80 hours or less a calendar year; students in federal work study programs; employees whose work is compensated by qualified scholarship programs; employees of government agencies; physical therapists, occupational therapists,

and speech language pathologists. The exceptions also apply to independent contractors who do not meet the definition of an employee under New York State Labor Law; participants in Work Experience Programs, and certain employees subject to a collective bargaining agreement.

Employees must be provided with written notice of the right to sick leave, including accrual and use of sick leave, the right to file a complaint, and the right to be free from retaliation.

To read the entire law visit: nyc.gov/PaidSickLeave