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### Federal

#### **Sandy Emergency Supplemental Funding**

Nearly three months after Superstorm Sandy ravaged the Northeast, Congress has yet to provide financial support to the region. While the Senate managed to pass a \$60 billion recovery package before the end of 2012, the House failed to act. In response to major criticism, House Speaker Boehner has promised three votes in the 113<sup>th</sup> Congress, one of which (flood insurance), has already become law. The remaining votes in the House will take place on Tuesday, January 15<sup>th</sup> and include a base-bill of \$17 billion and an amendment to add another \$33.7 billion.

Breaking the package into two parts may help members of the conservative Republican Study Committee to support Sandy relief without voting for a large spending package. If passed in total, the package would provide nearly \$20 billion in Community Development Block Grants for the affected region. Con Edison and other New York utilities would then be eligible at the governor's discretion.

The chances of the House passing Sandy relief look good. The Senate returns on January 22<sup>nd</sup> and leadership has promised to act quickly to pass whatever the House is able to support.

#### **House Committee Assignments Announced**

The opening of the 113<sup>th</sup> Congress comes with pomp and circumstance as well as the unveiling of long awaited committee and leadership assignments. This year, members of the New York City delegation have broken records and taken the helm as Chair or Ranking Member of eight committees.

Here are some highlights:

- Congresswoman Lowey (D-NY) became the first woman of either party to be a leader of the full House Appropriations Committee.
- Congressman Joe Crowley (D-NY) will remain Chair of the New Democrat Coalition.
- Newly elected Congressman Hakeem Jeffries (D-NY) was appointed to the Budget and Judiciary Committees.
- Congressman Steve Israel (D-NY) will maintain his Chairmanship of the Democratic Congressional Campaign Committee.
- Newly Elected Congresswoman Grace Meng (D-NY) was appointed to the Foreign Affairs and Small Business Committees.
- Congresswoman Yvette Clarke was named Ranking Member of the Homeland Security Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies.

## State

### **Hurricane Sandy Commission on Improving the Resilience of the State's Infrastructure Releases Preliminary Report**

The NYS 2100 Commission released its preliminary report and recommendations on how to improve the resilience of New York's infrastructure. The NYS 2100 Commission is one of four commissions appointed by Governor Cuomo after Hurricane Sandy to review ways New York can better prepare for, and respond to, future weather events.

The NYS 2100 Commission reviewed the State's infrastructure vulnerabilities and developed specific recommendations that can be implemented to increase New York's resilience in five main areas: transportation, energy, land use, insurance, and infrastructure finance. The following recommendations were made specific to the energy sector:

- Strengthen and secure critical infrastructure by selectively undergrounding key transmission and distribution lines, relocating key fuel-related infrastructure to higher elevations, waterproofing and improving pump-out ability of steam tunnels, and creating a long-term capital stock of critical utility equipment.
- Accelerating the modernization of the electrical system to be more flexible, dynamic and responsive by incorporating distributed generation, microgrids, and plug-in electric vehicles.
- Design rate structures and create incentives to encourage distributed generation and smart grid investments.
- Diversify fuel supply, lower the RGGI cap, reduce demand for energy, and create redundancies.

The NYS 2100 Commission's report can be found [here](#).

### **Moreland Commission Issues Preliminary Recommendations**

The Moreland Commission presented its preliminary findings and recommendations to Governor Cuomo this week. Governor Cuomo established the Moreland Commission following Hurricane Sandy in order to study utilities' responses to recent major weather events and to provide recommendations on how to overhaul the regulatory structure to ensure the system is better able to handle emergencies going forward.

The Moreland Commission's recommendations included privatizing LIPA, overhauling the Public Service Commission (PSC) to give it stronger regulatory powers, and merging the PSC and NYSERDA. Specifically, the Moreland Commission says the PSC should be granted authority to revoke an Investor Owned Utility's certificate of operation and fine utilities up to \$2 million per day for service failures (\$2 million in the case of Con Edison – less for utilities with lower gross revenue and customers).

The Moreland Commission will hold hearings in the Hudson Valley, Staten Island and Rockaways before providing final recommendations.

Further information on the Commission's findings can be found [here](#).

### **Governor Cuomo Delivers Annual State of the State Address**

Governor Cuomo delivered his third annual State of the State address this week, kicking off the 2013 NYS Legislation Session. The speech outlined his policy agenda and included several energy and Hurricane Sandy-related initiatives such as strengthening the PSC's regulatory oversight of utilities, privatizing the Long Island Power Authority, utility storm hardening, creation of the State's first "green bank" for investment in clean energy, appointment of a new Energy Czar, and expansion of the solar initiative - NY-SUN.

A comprehensive overview of Cuomo's State of the State address can be found [here](#).

### **Governor Cuomo Appoints Energy Czar**

In his annual State of the State address, Governor Cuomo announced the appointment of Richard Kauffman as Chair of the newly-formed Energy Policy and Finance Sub-Cabinet which will focus on the development of energy policy and growing the clean energy economy.

The Sub-Cabinet's first priority will be establishment of the state's "green bank" which will offer loans and grants to advance clean energy deployment, coordinate and leverage the State's clean energy spending, and alleviate financial market barriers to clean energy projects.

Kauffman has been serving as Senior Advisor to the U.S. Secretary of Energy, Steven Chu, since September 2012. Prior to his tenure at the U.S. Department of Energy, Kauffman was Chief Executive Officer of Good Energies, Inc., an investor in renewable energy and energy efficiency technologies. He also previously served as a partner of Goldman Sachs where he chaired the Global Financing Group, as well as vice chairman of Morgan Stanley's Institutional Securities Business and co-head of its Banking Department.

The Governor's press release announcing Kauffman's appointment and the creation of the new Energy Policy and Finance Sub-Cabinet can be found [here](#).

### **NYS Assembly Energy Chair Introduces the "New York Grid Modernization Act"**

The "New York Grid Modernization Act", introduced by Assembly Energy Chairman Kevin Cahill (D-Kingston), creates a "New York Transmission and Distribution Coordinating Council", to be known as a "consortium", which would be charged with identifying areas of congestion in New York's transmission system. The Consortium would consist of all New York's Investor Owned Utilities (IOU), LIPA, NYPA, and

NYSERDA. A Smart Grid Advisory Council would be also created to report on the feasibility of establishing a statewide smart grid.

The Public Service Commission is then charged with ordering a 10 year 'grid modernization program' to be undertaken by New York's IOUs. The program will incorporate the recommendations made by the Consortium and Smart Grid Advisory Council, as well as address distribution system improvements including undergrounding and other storm prevention measures.

A copy of the legislation can be found [here](#).

## City

### **Post-Hurricane Sandy Hearing**

The New York City Council has scheduled a hearing Friday, January 18, to examine post-Hurricane Sandy issues such as utility infrastructure hardening. Consolidated Edison has been invited to testify.

Specifically, the Committees on Consumer Affairs, Lower Manhattan Redevelopment and Technology will examine proposed legislation, Int. 985 ([see attached](#)), which would initiate a study in relation to the undergrounding of power lines. The hearing will also look at the performance of the City's oversight, emergency planning and management during and after the storm.