

MEMORANDUM IN OPPOSITION

A.1982 (Rosenthal)

AN ACT to amend the environmental conservation law, in relation to restricting the operation of diesel powered electrical generation systems in areas identified as not meeting certain federal air quality standards for ozone.

Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (the “Companies”) are subsidiaries of Consolidated Edison, Inc., one of the nation's largest investor-owned energy companies, providing electric, gas and steam service to 3.3 million customers in New York City, Westchester County, Orange County, and Rockland County. In aggregate, the Companies employ almost 15,000 employees and pay more than \$2.3 billion annually in state and local taxes.

This bill seeks to significantly restrict the use of diesel-powered electric turbines that are at times used to meet summer electricity demand in certain areas of the State including New York City. The bill also ignores reliability concerns and those emergency situations that at times necessitate the use of temporary diesel generation. Put simply, A.1982 would threaten electric system reliability without providing any improvement in air quality.

It’s important to highlight that A.1982 incorrectly addresses the times at which diesel generators are used. Typically, diesel generators are used for network support during peak demand – the hottest periods of the summer - to prevent a power outage. However, this bill limits the use of diesels “solely as an emergency backup system during a power outage.” In fact, New York City has been working with the Department of Environmental Conservation to use some of its very large diesel engines at its wastewater treatment plants to supplement Con Edison supplies during constrained periods. In this regard, the goal is to prevent a power outage rather than providing power “solely” when the power is out, as the bill directs.

The bill’s restrictions are also much stricter than the existing Federal and State standards which allow diesel generators to run a specific number of hours per year for readiness exercise and maintenance. It is not clear that this bill would allow such activity.

Finally, the Federal government has addressed the diesel pollution issue by adopting New Source Performance Standards for both diesel engines and diesel fuel. The restrictions provided in this bill are too broad and fail to recognize the ongoing infiltration of newer units into the City fleet of diesel generators.

For all of the foregoing reasons, the Companies urge that *no favorable action* be taken on this legislation.