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### Federal

#### **Federal Spending Bill Addresses Capacity Zone**

On Tuesday, President Obama signed into law a \$1.1 trillion federal spending bill. In addition to funding every federal agency into 2015, the legislation includes a number of policy provisions. One in particular is in response to the newly created Hudson Valley Capacity Zone. The spending bill requires the Federal Energy Regulatory Commission (FERC) to provide quarterly reports to Congress on the status of the legal challenges to the zone, actions taken by FERC, and estimates of additional planned capacity and consumer costs. The provision was the result of an ongoing effort by Senator Chuck Schumer (D-NY), and Representatives Chris Gibson (R-NY) and Sean Maloney (D-NY).

Local coverage can be read [here](#).

#### **Terrorism Insurance Renewal Fails to Pass**

In a surprising turn of events, the U.S. Senate failed to approve an extension of the expiring Terrorism Risk Insurance Act (TRIA). The compromise measure (S.2244) would have provided a 6-year program extension with a handful of modifications to the triggers for government insurance backstop. Last week the House overwhelmingly passed S.2244 on a vote of 417-7. Con Edison actively supported the TRIA

reauthorization - without TRIA, utilities will have a very difficult time procuring adequate terrorism insurance limits and the costs for the insurance would increase significantly, as was experienced after 9/11.

Despite its significant bipartisan support, Senator Tom Coburn (R-OK) managed to hold up the bill on unrelated concerns with a state's rights bill. Instead of waiting out the Senator's hold on the bill, outgoing Senate Majority Leader Harry Reid (D-NV) chose to bring the 113<sup>th</sup> session to a close and send Senators home.

In response, New York City Mayor Bill de Blasio issued the following statement:

"The blockage of the bill to reauthorize Terrorism Risk Insurance is a step backward and is a grim reminder of the consequences of the ongoing gridlock in Washington. TRIA has been critically successful in helping ensure that our nation's companies, private infrastructure and consumers have access to insurance against terror attacks - a threat that continues to loom today. I thank Senator Chuck Schumer for his tremendous leadership on this issue, and I urge Congress to work in a bipartisan manner to quickly pass this urgent piece of legislation next year."

Although the program will lapse starting on January 1, efforts are underway to resurrect the compromise bill in early 2015.

### **Several Cyber Bills Become Law**

In the 113<sup>th</sup> Congress' last full week in session, four cybersecurity bills were passed and became law. A fifth bill, dealing primarily with border patrol agent pay reform, also passed. The bill contained language to help the Department of Homeland Security (DHS) recruit and retain cybersecurity talent.

The legislation focused mostly on government cybersecurity activities and improvements. However, the Cybersecurity Enhancement Act of 2014 (S. 1353), authorizes the National Institute of Standards and Technology (NIST) to work closely with industry on an ongoing basis to develop voluntary standards and best practices to reduce cyber risks to critical infrastructure. S. 1353 also reinforces support for cybersecurity R&D, enhancing public awareness and preparedness, and increasing the number of IT security professionals needed in the workplace.

The Cyber Information Sharing Act (CISA or [S. 2588](#)), a bill which Con Edison actively supported, stalled in large part because the Congress was never able to complete work on National Security Administration (NSA) reform. Work on cybersecurity information-sharing legislation is likely to resume in the 114th Congress.

The five passed bills are as follows:

- The Federal Information Security Modernization Act of 2014 ([S. 2521](#))
- The National Cybersecurity Protection Act of 2014 NCCIC codification ([S. 2519](#))
- The Cybersecurity Workforce Assessment Act Cyber workforce assessment ([H.R. 2952](#))
- The Cybersecurity Enhancement Act of 2014 ([S. 1353](#))
- The Border Patrol Agent Pay Reform Act of 2014 ([S. 1691](#))

To read more about these bills, including Committee press releases, click [here](#) for the House and [here](#) for the Senate.

### **Senate Approves a Number of Nominations**

In one of the final acts of the 113<sup>th</sup> Congress, the U.S. Senate approved a number of outstanding Presidential nominations. Of particular interest is Collette Honorable, who the President nominated to be a member of the Federal Energy Regulatory Commission (FERC). Honorable is the 2014 chair of the National Association of Regulated Utility Commissioners (NARUC) and her support in the Senate was nearly unanimous.

In addition, the Senate approved the nomination of Christopher Smith to be the Assistant Secretary for the Department of Energy's (DOE) Office of Fossil Energy. The Office of Fossil Energy's mission is to ensure that the U.S. continues to rely on clean, affordable energy from traditional fuel sources. Smith has been serving as the principal deputy assistant of the same office and will primarily oversee the DOE's approvals process for natural-gas export terminals.

### **1-Year Tax Extenders Package Set to Become Law**

On Tuesday night, the U.S. Senate passed the House's version of a one-year tax extenders package by a vote of 76 to 16. H.R. 5771, the Tax Increase Prevention Act of 2014, retroactively extends almost all of the 55 expiring provisions for 2014 and includes multiple technical corrections. Of note, the following provisions were included:

- Beginning of construction date for renewable power facilities eligible to claim the electricity production tax credit
- 50% Bonus Depreciation
- Research & Development tax credit
- Credit for energy efficient appliances
- Energy efficient commercial buildings deduction

With the Senate approving the House version, the legislation now heads to the President's desk for signature, which is expected in the next couple of days.

## **State**

### **Governor Cuomo Vetoes Fuel Cell Bill; Approves Net Metering Study**

Governor Cuomo recently took action on several net metering bills. Of particular note are two bills which were priorities for Con Edison in the 2014 legislative session – crediting net metered fuel cells at the retail rate and a net metering study.

Governor Cuomo vetoed legislation that would have credited fuel cells and Combined Heat and Power (CHP) at the retail rate, arguing that doing so would increase electricity prices. Fuel cells and CHP are currently credited at the lower wholesale rate. Cuomo further argued that this issue should be reviewed in the context of the Reforming the Energy Vision (REV) proceeding pending before the Public Service Commission (PSC).

Con Edison strongly opposed crediting fuel cells and CHP at the retail rate for similar reasons. Because fuel cells and CHP are not intermittent and can essentially run 24/7, crediting these technologies at the higher rate would drastically drive up electricity prices for non-net metered customers.

In addition, Governor Cuomo approved legislation that directs the PSC to conduct a cost-benefit analysis of New York's net metering program. This bill was part of Con Edison's proactive agenda and will enable policymakers to make more informed choices when considering expansions of the program.

Governor Cuomo also approved two other net metering bills: (1) expanding farm waste net metering to customers who generate farm waste as part of their business, but process it at a separate location; and (2) increasing the combined rated capacity for fuel cell systems for non-residential customers from 1,500 kilowatts to 2,000 kilowatts.

### **Governor Vetoes Mandated Hearings after Major Outages; Approves Standards for Call Center Closure Hearings**

Governor Cuomo considered two bills which would set forth standards for certain Public Service Commission (PSC) hearings.

The first bill would have required the PSC to convene public hearings in areas affected by major power outages, pursuant to a local resolution requesting such hearing. Governor Cuomo vetoed this legislation arguing that it fails to recognize the processes already in place for post-outage investigations. Cuomo's veto message directs the PSC to conduct at least one public hearing following a major outage in a location "convenient to customers" within the affected area.

Governor Cuomo did, however, approve legislation which establishes criteria for hearings associated with the closure of call centers. This bill stems from the PSC's decision not to hold an "evidentiary hearing" when Grid relocated a LI call center. Despite union requests, the PSC determined an evidentiary hearing was unnecessary in light of the statutory language.

As a result, the new language requires that call center closure hearings must now be held at a physical location, attended by a member of the PSC, and provide the public with an opportunity to testify.

### **Governor Cuomo to Consider Extension of Brownfield Cleanup Program**

A bill has been delivered to the Governor which would extend the current Brownfield Cleanup Program (BCP) to March 31, 2017.

The BCP assists with private sector redevelopment of sites that have been contaminated. The current program is scheduled to expire at the end of 2015. Governor Cuomo and the Legislature have made several attempts to reform the program, but have been unable to reach an agreement. Consequently, the Legislature passed a bill to extend the current program so that it can continue to accept new projects.

Governor Cuomo and Legislative Leaders have indicated that BCP reforms will again be addressed in the upcoming legislative session, regardless of whether or not the extension is approved. Con Edison will continue to work with lawmakers to ensure that the company would qualify for any streamlined program that may result.

### **Wage Theft Protection Agreement Reached**

Governor Cuomo and Legislative Leaders have reached an agreement on a bill that would, among other things, repeal the annual notice requirement provided for in the Wage Theft Prevention Act.

Enacted in 2011, the Wage Theft Prevention Act contains a requirement that employers must provide written notice of wage rates to new employees upon hiring, and then annually to all employees. A written acknowledgement that the notice was received must then be obtained from each employee. The private sector opposed this provision arguing that the notices are virtually identical to information employers already include in employee pay stubs.

Earlier this year, the Legislature passed a bill that included a repeal of the annual notice requirement. However, Governor Cuomo opposed several unrelated provisions and it was unclear if he would approve the bill, or issue a veto.

The bill has now been delivered to the Governor, and, according to officials will be approved pursuant to an agreement that legislation containing several changes will be passed early in the upcoming session. The agreement includes an immediate repeal of the annual notice requirement instead of the current 60-day effective date. Doing so will avoid another round of compliance for 2015.

### **New York State Officially Bans Hydrofracking**

The New York State Departments of Health and Environmental Conservation released their long-awaited recommendations on whether or not hydrofracking should be permitted in New York State. There has been an Executive-imposed moratorium on the natural gas extraction process since 2010, pending the outcome of several studies regarding its environmental and public health impacts.

Acting Department of Health Commissioner Dr. Howard Zucker recommended that hydrofracking should not be permitted because of a lack of longitudinal and definitive data proving that it does not pose public health risks. Department of Environmental Conservation Commissioner Jack Martens subsequently recommended a ban of hydrofracking based on Zucker's recommendations and because of the inconclusive evidence that it would have a positive economic benefit on the region.

## **City**

### **New York City Rolls Out Its Municipal Identification Cards Format**

Mayor Bill de Blasio recently outlined the parameters for the New York City Identification Card Program - IDNYC. Beginning in January 2015, New Yorkers who are at least 14 years old and can provide proof of identification from among a list of qualifying documents will be able to receive a free of charge IDNYC card. It is still being determined whether there will be a fee charged after the first year of the program. The cards expire after five years. The New York City Human Resources Administration (HRA) is the administering agency of the IDNYC Card Program.

Qualifying documents include foreign passports, consular identification cards, foreign birth certificates, military identification, and U.S. high school diplomas, among others. Proof of residency will be accepted in the form of cable or utility bills, bank statements and rental leases. People who do not have a permanent address or are homeless will be able to obtain a card by listing an "in care of" address. A combination of documents adding up to 4 points will be needed to qualify for the IDNYC card.

Other than serving as valid identification for law enforcement, the IDNYC card will also provide holders with discounts at some cultural institutions, including museums and zoos. Administration officials are

still in talks with banks and credit organizations to determine if those institutions will accept the IDNYC cards.

To find out more information on the New York City Municipal ID card: <http://www.nyc.gov/GetYourID>

### **New York City Council Moves to Ban Fracking in the City**

The New York City Council has introduced legislation that will ban fracking in New York City. Hydraulic fracturing or “fracking” is the process of extracting natural gas from shale rock layers deep within the earth. While fracking was never given serious consideration in the city because of questions about the existence of any natural gas or oil present underground in the City, and the fact that the price of real estate would likely make fracking prohibitively expensive, City Council members said the introduction of the bill was meant to show solidarity with upstate towns that have already imposed pre-emptive bans.

Following the lead of New York State Governor Andrew Cuomo who announced an indefinite ban on fracking in New York State, Council members said it was important to codify the ban under City law.

For a full reading of the legislation: [Int 0594-2014](#)

### **New York City Council Looks At Early Voting**

The New York City Council is set to consider allowing New Yorkers to vote early in local elections.

The measure would apply to both primaries and the general election, but only for mayor, city council and other city offices but not for state or federal elections. The legislation would allow for 51 select polling places, one in each City Council district to be open from 8 a.m. to 8 p.m. each weekday, and from 9 a.m. to 5 p.m. on weekends, until the Friday before the election. Overall the select polling places would be open early for two weeks before municipal elections. The legislation does not, however, address funding to open polling places early.

Washington, D.C., along with 33 other states already offer early voting, but New York has never done so. New York was ranked 46th in voter turnout in the last elections according to the United States Elections Project Study.

For a full reading of the legislation: [Int 0593-2014](#).

### **New York City Council to Consider New Term Limits Legislation**

The New York City Council is set to address the term limits issue again. This time though, the legislation focuses on setting a six-term limit for members of Community Boards, capping overall tenure at 12 years. The bill would not affect members currently on the boards, only those elected to a first term on April 1, 2016 or after. Primary sponsors of the legislation Councilmembers Daniel Dromm (D-Queens) and Ben Kallos (D-Manhattan) emphasize that the driving factor behind the legislation is on allowing more New Yorkers to have the opportunity to serve on their local community boards.

Community Boards represent slightly smaller areas of the city than city council districts, focus largely on quality of life issues and play an important role in the land use process. Development projects have to pass through Community Boards before getting to the City Council. The Boards are the first line of

defense for projects and often the best place to negotiate things like affordable housing, park space, or schools in exchange for development.

However, the proposed legislation does have its opponents. Current Manhattan Borough President Gale Brewer served on Community Board 7 in Manhattan for years before being elected to the City Council feels that veteran board members with years of institutional knowledge were vital. Councilman Dromm acknowledged that it takes time to understand the process and structure of the Community Boards which is why the bill is proposing a possible tenure of 12 years and not eight years like elected officials.

For a full reading of the legislation: [Int 0585-2014](#)

### **Statement by Mayor de Blasio on Expiration of Terrorism Risk Insurance**

In response to the expiration of the Terrorism Risk Insurance Act, which helped New York City to rebuild after the 9/11 attacks Mayor Bill de Blasio issued the following statement:

"The blockage of the bill to reauthorize Terrorism Risk Insurance is a step backward and is a grim reminder of the consequences of the ongoing gridlock in Washington. TRIA has been critically successful in helping ensure that our nation's companies, private infrastructure and consumers have access to insurance against terror attacks - a threat that continues to loom today. I thank Senator Chuck Schumer for his tremendous leadership on this issue, and I urge Congress to work in a bipartisan manner to quickly pass this urgent piece of legislation next year."