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Federal

DOE Begins Quadrennial Energy Review

On Friday, April 11, the Department of Energy (DOE) held its first of a series of meetings around the country on the Quadrennial Energy Review (QER). The QER is a new effort and is intended develop a comprehensive national energy infrastructure strategy, which will be revised every four years. The focus of the first session was "Enhancing Energy Infrastructure Resiliency and Addressing Vulnerabilities." Among others, witnesses included DOE Secretary Ernest Moniz, Pepco Holdings President Joe Rigby and The Association of Oil Pipe Lines (AOPL) President Andy Black.

On behalf of the investor owned electric industry, Joe Rigby testified that reliability is the electric industry's number one mission. He emphasized that properly integrating distributed energy resources into the power supply portfolio is critical for reliability and resiliency. During the question and answer period, Secretary Moniz acknowledged that the QER effort is a broad and major undertaking but that a thorough study of the nation's energy infrastructure is worth the effort.

The first set of policy recommendations is due by January 31, 2015 and public comments are due 60 days after each regional meeting. For addition information on the QER, click [here](#).

EPA Releases Study on Methane Emissions

On April 15, the U.S. Environmental Protection Agency (EPA) [released](#) a series of five technical white papers on emissions from the oil and natural gas sectors. As outlined in the Administration's recently released [Strategy to Reduce Methane Emissions](#), the EPA will utilize information gathered in the white papers, as well as input from external peer reviewers and the public, to guide its strategy moving forward as to how best to pursue additional methane reductions.

Of interest to Con Edison is the paper on leaks, which focuses on mitigation techniques for onshore natural gas leak emissions that occur from natural gas production, processing, transmission and storage.

The EPA will be accepting public comment on its estimates and technical assessments until June 16, 2014.

In a related effort, the American Gas Association (AGA) has completed an analysis and summary of the EPA inventory on natural gas emissions entitled [Updating the Facts: Emissions from Natural Gas Systems](#).

Using EPA estimates, AGA found that only 0.24 percent of produced natural gas is emitted from distribution systems owned and operated by local distribution companies. These emissions have declined 22 percent since 1990, even as natural gas utility companies have added 600,000 miles of pipeline to serve 17.5 million more customers, an increase of more than 30 percent in both cases. AGA attributes this record to utilities treating safety as the top priority.

More information, including the full AGA report, can be found by [clicking here](#).

Con Ed Joins Natural Gas Initiative

As part of the President's plan to reduce methane emissions, Con Edison has joined a new initiative designed to address key technical and regulatory factors affecting methane emissions from natural gas distribution systems. Through the initiative, local distribution companies will work to constructively engage the Environmental Protection Agency (EPA), non-profits, and other stakeholders to identify and encourage programs that accelerate investments in infrastructure and promote outstanding operations to manage and eliminate methane emissions within natural gas distribution systems.

Dan Utech, Special Assistant to the President for Energy and Climate Change, announced the strategy through a blog post which can be read [here](#).

Senate Committee Passes Tax Credits Bill

On December 31, 2013, dozens of federal tax provisions and deductions expired. These range from the wind production credit to the deduction for public transit. In early April, the Senate Finance Committee held a hearing on a bill to retroactively extend (for the 2014 and 2015 tax years) nearly every one of the expired provisions. The bill passed out of the committee with overwhelming support and included an extension of Section 179D expensing for energy efficiency retrofits in commercial buildings. 179D expensing is one of [Con Edison Solutions](#) top tools for incentivizing energy retrofits in commercial and federal buildings.

On April 8, House Ways and Means Committee Chairman Camp (R-MI) held a similar hearing, though no votes were held.

Energy Efficiency Back to Senate Floor

Senate staff are preparing for the possibility of the Energy Savings and Industrial Competitiveness Act ([S. 2074](#)) to come to the floor in May. However, there is no indication that a deal has been struck between Majority Leader Reid (R-NV) and Minority Leader McConnell (R-KY) on the number and content of amendments. One of the provisions agreed to by both parties is a provision that would repeal the ban of fossil fuel-generated energy use in new and renovated federal buildings.

If there is a deal on amendments, the bill's passage is extremely likely due to bipartisan nature of the bill. The bill is sponsored by seven Democrats and seven Republicans: Sens. Shaheen (D-NH), Portman (R-OH), Ayotte (R-NH), Bennet (D-CO), Collins (R-ME), Coons (D-DE), Franken (D-MN), Hoeven (R-ND), Isakson (R-GA), Landrieu (D-LA), Manchin (D-WV), Murkowski (R-AK), Warner (D-VA) and Wicker (R-MS).

State

Governor Cuomo Proclaims Severe Weather Awareness Week

Governor Cuomo has proclaimed April 27 through May 3 "Severe Weather Awareness Week" in New York State. The state's effort is in support of a national program focusing on preparation for, communications during, and responding to extreme weather events.

"Extreme weather has become the new reality, and this administration is committed to making New York State as prepared as possible for the next major storm... As we observe Severe Weather Awareness Week, I urge all New Yorkers to make sure they are prepared for any potential weather emergency," Governor Cuomo said.

The state recommends that families take four basic steps to prepare for such events:

1. Make a plan.
2. Prepare a kit with emergency supplies.
3. Be informed by listening to media, emergency alerts and NY Alert.
4. Get involved by volunteering with groups such as the [Red Cross](#), [Salvation Army](#) or [Citizen Corps](#) programs, or similar programs.

More information about preparing for severe weather events is available [here](#) through the state's Division of Homeland Security and Emergency Services (DHSES). The proclamation can be found [here](#).

State Assembly to Hold Gas Safety Hearing

The Assembly Energy Committee and the Assembly Corporations, Authorities and Commissions Committee are holding a public hearing on utility gas safety efforts on May 2nd. The hearing will "examine ongoing gas safety efforts of utilities," and provide "an opportunity to discuss the challenge and scope of improving gas safety and a chance to educate the public on how they can address gas safety with their utility or state regulators."

The hearing will be held in New York City. Con Edison has agreed to testify, as has the state's other investor-owned utilities.

The public hearing notice can be viewed [here](#).

New York State Makes \$1 Billion Commitment to Solar Energy

Governor Cuomo announced a nearly \$1 billion commitment to further expand the state's solar industry through his NY-Sun program. The goal is to "significantly expand deployment of solar capacity throughout the state" while transforming the state's solar power industry into a sustainable one that is market-driven and does not require subsidies.

The NY-Sun Initiative has been extended through 2023, and the state's goal is to increase the amount of solar power that comes into the New York grid by ten times. The program also includes a consumer education component, to help the public understand the different types of residential and community photovoltaic (PV) opportunities.

Governor Cuomo's press release can be found [here](#).

Governor Hosts NY Rising Conference

Governor Cuomo recently held a NY Rising Community Reconstruction program conference in Albany. The NY Rising Community Reconstruction program was created in April 2013 to provide rebuilding and community revitalization assistance to communities that were severely impacted by Hurricanes Sandy and Irene and Tropical Storm Lee. The program is funded almost entirely by over \$600 million of federal Community Development Block Grant- Disaster Recovery program funds.

At the event, Governor Cuomo also announced the winners of NY Rising to the Top, a competition established "to foster innovation, encourage collaboration, and promote the development of the best possible Reconstruction Plans." Each winner will receive an additional \$3million in funding for their plans. Areas of Brooklyn and Staten Island were awarded bonus funding in the following categories:

- **Best Inclusion of Vulnerable Populations (Brighton Beach, Coney Island, Manhattan Beach & Sea Gate):** Brighton Beach, Coney Island, Manhattan Beach & Sea Gate together demonstrated effective outreach to vulnerable populations throughout the planning process. Projects developed out of the committee incorporated policies, projects and actions to further the interests of vulnerable populations including development of Workforce Training Programs as well as Resilient Power Systems at NYCHA, Mitchell-Lama & Senior Properties.
- **Best Approach to Resilient Economic Growth (Staten Island):** Staten Island proposed projects to incorporate strategies which identify and assist at-risk businesses including the development of a survey of businesses impacted by Superstorm Sandy, a "Race for Space" grant program, the East Shore Local Development Corporation (LDC), as well as the New Creek Bluebelt project.

The next steps for the NY Rising Community Reconstruction program will involve selecting projects for implementation in consultation with local municipalities and nonprofit organizations by looking at cost estimates, cost benefit analysis, potential to reduce risk to population and assets, technical feasibility, community support and HUD eligibility.

Governor Cuomo's press release about the event can be found [here](#). More information about the NY Rising Community Construction Initiative can be found [here](#).

New York City and New York State Team Up to Provide Real Property Tax Relief to Victims of Superstorm Sandy

New York City Mayor Bill de Blasio announced his intention to pursue legislation that would prevent higher tax bills for city residents who rebuilt or repaired their homes after they were damaged by Superstorm Sandy. "For homeowners who were devastated by Sandy, who have rebuilt, we want to make sure they will not be penalized because they were able - over a year and a half - to finally get themselves back on their feet," de Blasio said.

People who put money into their homes because of storm damage could see their property tax bills rise because of higher assessed valuations. The measure would lower property tax liability for the 2015 year to the amount it was before the storm.

The City would need authorization from the New York State Legislature to provide this tax relief to New York City residents. De Blasio announced his intention to pursue this legislation alongside Governor Cuomo during the recent NY Rising Conference at which time Cuomo expressed support for the proposal. However, the bill has not yet been introduced in the Legislature.

New York National Guard to Participate in Emergency Preparedness Training

Some 600 New York National Guard soldiers and airmen will take part in special Department of Defense emergency preparedness training next week at the state's Preparedness Training Center in Oneida County.

The New York National Guard is one of ten units throughout the nation being trained to assist state officials and local first responders as a certified Homeland Response Force (HRF). HRFs are trained to assist first responders in dealing with chemical, biological, radiological and nuclear (CBRN) incidents across the nation. Guard members will train for incidents such as rail accidents that result in hazardous material spills, including searching for and extracting victims while wearing hazardous materials suits and decontaminating victims. This HRF will be responsible for supporting the New York and New Jersey regions for the Federal Emergency Management Agency (FEMA).

More information can be found [here](#) Governor Cuomo's press release.

State

New York City to receive Federal Aid to Replace Sandy-Destroyed Boilers in NYCHA Buildings

Facing an overall budget deficit of \$4.6 billion in federal recovery aid, New York City is set to receive a "guarantee of payment" type of assistance from the federal government in regards to its recovery from Hurricane Sandy. The federal government has agreed to support and provide funding for the replacement of over 100 boiler units within New York City Housing Authority (NYCHA) developments that were damaged by Hurricane Sandy. NYCHA was spending approximately \$3 million per month on temporary mobile boilers to provide heat to multiple buildings. So far, NYCHA has spent around \$56 million on twenty-four temporary mobile boilers at sixteen NYCHA developments.

The Federal Emergency Management Agency (FEMA) which usually funds repairing of damaged infrastructure, in this instance agreed to full replacement of those damaged boiler units. FEMA has committed to fully funding new replacement boilers, which will be paid for with funds from the federal aid package for Hurricane Sandy victims. The new boilers will be more water-resistant and built at higher elevations to help protect them from floods and will also burn natural gas instead of oil. The boilers

serve residential buildings in some of the hardest hit areas of New York City, like Coney Island, Lower East Side and the Rockaways.

Overall, FEMA agreed to the following:

- FEMA will pay for NYCHA's cost estimates for boiler replacement so long as they are provided by independent licensed engineers
- FEMA will provide full replacement for the boilers, as opposed to repair, provided they meet one of the necessary criteria: boilers have suffered saltwater inundation, boilers are so old that even if repaired they cannot meet current code or cost of repair is above 50% of the cost of replacement
- FEMA agrees to reimburse NYCHA for the cost of temporary boilers
- FEMA will seek to secure funding early this year, allowing boiler replacement to begin later this year, ahead of the projected 2016 start date.

NYC Council Response to Mayor's Fiscal Year 2015 Preliminary Budget

The New York City Council yesterday released its response to the Mayor's Fiscal Year 2015 Preliminary Budget (Response). The Response seeks to address a wide range of budget issues, while also reflecting transparency in the process. The Council outlined several action items to focus on, including:

- Overhauling the City's Property Tax Code by creating a Commission on Property Tax Reform to examine how property tax can be restructured to meet the demands of New York City in the 21st Century and to encourage sustainable and affordable growth.
- Hiring an additional 1,000 NYPD Officers to address concerns of understaffing at City precincts and to help reduce overtime costs
- Adding \$1,000,000 in funding to launch four new technology incubators in the outer boroughs to support technology entrepreneurs who face start-up challenges and to promote future growth in these areas.
- Establishing an Income Overage Charge in affordable housing to ensure the City's affordable housing is available for those qualified. (When a household's income exceeds the eligibility threshold for a subsidized unit, they will contribute a reasonable portion of that additional income to help fund affordable housing development for other households who need it.)

The full report can be accessed [here](#).