



Government Issues and News of the Week

Federal

[Budget Conference Committee Announced](#)

[EPA Holds First Listening Session on Power Plant Rules](#)

[NIST Releases Cyber Security Framework](#)

[Water Resources Bill Passes House](#)

[Senators Push for a Return of Efficiency Legislation](#)

State

[Governor Cuomo Announces Funding to Harden Long Island's Utility Infrastructure](#)

[Governor Cuomo and the MTA Commemorate Superstorm Sandy Anniversary](#)

[Start-up NY Launched](#)

[NYS DEC Extends Comment Period for New LNG Regulations](#)

[States Pledge to Adopt Uniform Approach to EV Deployment](#)

[Expansion of On-Bill Financing Enacted](#)

[NYS Senate to Hold Cyber Security Hearing](#)

[Senate Labor Committee to hold Hearing on Labor Law Enforcement](#)

[NYS Comptroller DiNapoli Issues Report on Tax Exempt Property](#)

Federal

Budget Conference Committee Announced

After a 16-day government shutdown, an agreement was reached to extend federal funding and temporarily suspend the debt limit. The agreement included a directive to Congress to create a Budget Conference Committee and requires them to produce a report by December 13, 2013.

The conference will be chaired by Senator Patty Murray (D-WA) and Representative Paul Ryan (R-WI). Other members of note on the conference committee are Representatives Nita Lowey (D-NY) and Chris Van Hollen (D-MD). While leadership of both parties is speaking optimistically about the outlook for a deal, it is likely to be small and focused on managing the across the board budget cuts known as sequestration.

Major differences exist in the House and Senate budgets on revenue and spending. The House Republican passed budget calls for discretionary spending of \$986 billion with no new taxes while the Senate Democrat passed budget is \$1.058 billion with \$975 billion in new revenues over the next 10 years from the wealthiest Americans.

The first official meeting for the conferees will take place on Wednesday, October 30.

EPA Holds First Listening Session on Power Plant Rules

The U.S. Environmental Protection Agency (EPA) has kicked off its series of public listening sessions to receive input on approaches to reducing carbon pollution from existing power plants. The EPA has already issued draft emission standards for new plants and is expected to release the rules for existing plants by June 2014.

On October 23, the EPA held a session in New York City, in which Con Edison participated. Con Edison advocated that the EPA recognize the Regional Greenhouse Gas Initiative (RGGI) as a compliance mechanism for the forthcoming rules. Specifically, Con Edison wants to ensure that early movers, such as New York State, are not penalized for having already invested in clean energy for decades.

Thirty-nine House Republicans have taken issue with the EPA listening sessions, charging that the meetings are avoiding states that produce or rely on coal-fired power. The group of Congressmen sent a letter to EPA Administrator McCarthy, urging EPA to schedule additional sessions.

To learn more about the EPA carbon emission rules, click [here](#).

NIST Releases Cyber Security Framework

The National Institute of Standards and Technology (NIST) has released its Preliminary Cybersecurity Framework, despite delays due to the government shutdown. The framework is intended to assist critical infrastructure owners and operators (this includes utilities like Con Edison) in reducing cyber security risks. A 45-day comment period will begin when the Framework is published in the Federal Register, and NIST has scheduled a workshop on November 14-15, for further discussion.

The utility industry is in the process of reviewing the framework and is likely to weigh in during the comment period.

Information on the NIST workshop can be found [here](#).

The preliminary framework can be found [here](#).

Water Resources Bill Passes House

On October 23, the House overwhelmingly passed an \$8.2 billion water resources development bill ([H.R. 3080](#)), which authorizes 23 port, water infrastructure, flood control and environmental restoration projects, including dredging the Sabine-Neches Waterway along a major oil and natural gas refining area on the Texas-Louisiana border.

Highlights of H.R. 3080 include the following:

- Sets hard deadlines on the time and cost of studies.
- Establishes a new, transparent process for future bills to review and prioritize water resource development activities with strong Congressional oversight.
- Maximizes the ability of non-federal interests to contribute their own funds to move authorized studies and projects forward.
- Expands the ability of non-federal interests to contribute funds to expedite the evaluation and processing of permits.
- Authorizes priority water resources infrastructure improvements recommended by the Chief of the Army Corps of Engineers to improve navigation and commerce and address flood risk

management, hurricane and storm damage risk reduction, and environmental restoration needs.

The bill will now go to conference committee, where the House and Senate must reconcile differences between their two versions. The outlook for enactment is good, particularly in light of support from the President for the House-passed version.

The committee's press release can be found [here](#).

Senators Push for a Return of Efficiency Legislation

Due to the summer and fall negotiations surrounding fiscal issues, the Senate indefinitely postponed consideration of comprehensive efficiency legislation, known as the Shaheen-Portman bill. Now that there is a temporary funding deal in place, Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH) are working to secure future floor time for their energy efficiency bill. To get back to the floor, Shaheen and Portman must secure additional Republican support, and are considering adding several noncontroversial, bipartisan amendments in the hopes that the Republican sponsor of the added amendment will vote to move forward with consideration of the bill.

The Shaheen-Portman bill is intended to encourage energy efficiency and job growth by strengthening national model building codes, creating a Commercial Building Energy Efficiency Financing Initiative to encourage private investment in building efficiency upgrades, allowing federal agencies to take advantage of existing funding to use the most current building efficiency standards for new federal buildings and creating incentives for manufacturers to save energy by using more efficient electric motors and transformers.

Details on the legislation can be found [here](#).

State

Governor Cuomo Announces Funding to Harden Long Island's Utility Infrastructure

Governor Cuomo announced that approximately \$143 million in State and federal funding will be dedicated to reinforcing Long Island's utility infrastructure. The projects will include a new outage management system, a microgrid competition, and hardening several vulnerable substations. \$51 Million in State funding will be provided to PSEG-Long Island to install a new outage management system and other technology upgrades that will enable the utility to identify power outages and restore power faster. The Moreland Commission specifically recommended the creation of the system. An additional \$20 million in State funding will be awarded for the creation new microgrids in Nassau and Suffolk Counties. The winner in each County will receive \$10 million.

Finally, \$72 million in federal funding will be used to raise as many as thirty-two flood-prone coastal power substations. Many of these substations are located in Long Beach, the Rockaways, Southern Nassau County, and Southern Suffolk County.

According to Cuomo, these efforts supplement the many steps taken over the past year to fortify Long Island's transmission system. Those measures include investing \$16.5 million to trim 2,000 miles of trees along the electric system, removing approximately 1,000 hazardous damaged and diseased trees outside

the normal trim zone, and upgrading the size and strength of poles that house key equipment. Selective undergrounding of transmission and distribution lines is also currently under consideration.

Additional information can be found [here](#) and [here](#) in the Governor's press releases.

Governor Cuomo and the MTA Commemorate Superstorm Sandy Anniversary

To commemorate the one-year anniversary of Superstorm Sandy on October 29th, there will be no charge for MTA riders entering stations on the A subway line between Howard Beach and the Rockaway Peninsula and stations on the R subway line between Bay Ridge-95th Street and Court Street on that date. Residents of the Rockaways were without subway service for seven months after Sandy as the entire A line south of Howard Beach was rebuilt and fortified against future flooding.

In addition, Governor Cuomo launched a "Come See the Comeback" tourism campaign to promote tourism in communities recovering from Superstorm Sandy. The campaign highlights the progress these communities have made in rebuilding after the storm. It partners with the MTA by highlighting discounts and promotions on the Metro-North Railroad and Long Island Rail Road to promote travel to these areas.

Six commemorative MetroCards are also being offered beginning October 29th. The back of each MetroCard features a message urging commuters to see New York's comeback and visit a recovering community such as Staten Island, Coney Island, Howard Beach, the Rockaways, Long Beach and Long Island by riding the MTA.

Additional information on these initiatives can be found [here](#) and [here](#) in the Governor's press releases.

Start-up NY Launched

Governor Cuomo formally launched START-UP NY which will create tax-free zones to attract and grow new businesses across the state. Enacted during the 2013 legislative session, START-UP NY enables businesses to operate tax-free for 10 years on eligible SUNY campuses and spaces. The intent is to accelerate entrepreneurialism and job creation across the state on a large scale, with a particular focus on Upstate New York.

Additional information about the START-UP NY program can be found [here](#) in the Governor's press release.

NYS DEC Extends Comment Period for New LNG Regulations

The New York State Department of Environmental Conservation (DEC) released new proposed regulations to establish a permitting program for the safe siting, construction, and operation of liquefied natural gas (LNG) facilities, as well as the transportation of LNG in New York State. Applicable LNG facilities are those that either store LNG in a tank system or convert LNG into natural gas. The facilities that DEC expects to permit most frequently include those used to fuel trucks and those used to store LNG as a backup heating fuel.

The comment period has been extended through December 4, 2013. At the conclusion of the public comment period, DEC staff will review all comments received and may make changes to address comments as deemed appropriate.

Additional information regarding the proposed regulations, including text, can be found [here](#) on DEC's website.

States Pledge to Adopt Uniform Approach to EV Deployment

In an effort to encourage electric vehicle (EV) deployment, New York has joined with seven other states to jointly adopt several measures that will facilitate EV ownership. This effort is in response to the lag of EV sales nationwide.

The eight states include New York, California, Connecticut, Maryland, Massachusetts, Oregon, Rhode Island and Vermont. The main objective is to remove one of the biggest obstacles to owning an EV – the lack of charging stations. In an effort to overcome this obstacle, the collaborative initiatives include the development of charging stations that take the same form of payment, as well as simplified rules for installing chargers, and mandates that stations be installed at work places and multi-family residences. Other efforts will include “time of use” electric rates that would allow charging at off-peak prices, high-occupancy lane access, reduced tolls, and preferential parking.

There is both a national and state-level effort to encourage EV adoption. President Obama has set a goal of having one million EVs sold by 2015. Similarly, Governor Cuomo's Charge NY Initiative seeks to create a statewide network of up to 3,000 public and workplace charging stations by 2018 and place one million EVs on the road in New York by 2025.

Additional information can be found in the press release [here](#).

Expansion of On-Bill Financing Enacted

Governor Cuomo signed legislation into law that would make net metered technologies eligible for on-bill financing. On-bill financing is a program offered through the New York State Energy and Research Development Authority (NYSERDA) which allows utility customers to finance certain energy projects through a charge on their utility bill. This financing mechanism was originally restricted to energy efficiency improvements; however, the new law expands the scope of projects to include the installation of technologies that qualify for net metering - wind, solar, CHP, etc.

The bill text and sponsor's memo can be found [here](#).

NYS Senate to Hold Cyber Security Hearing

The New York State Senate will hold a hearing on November 18th in Rome, NY to assess the State's ability to prevent cybersecurity attacks, as well as respond to and recover from a cyber attack. The hearing will also focus on the integrity of the New York's information systems and their ability to protect the privacy of taxpayers.

Rome, NY is the future site of the New York State Cyber Research Institute (CRI), a subsidiary of the Griffiss Institute. The CRI will develop solutions to problems that jeopardize the safety, security and stability of New York's infrastructure and assets with a particular focus on finance, banking, emergency communication, energy, and transportation systems.

Senate Labor Committee to hold Hearing on Labor Law Enforcement

The New York State Senate Labor Committee will hold a hearing on November 14th in New York City to review the enforcement of certain labor laws. The intent is to explore whether the Department of Labor's staffing problems impact the enforcement/prosecution of violations of labor laws. The Wage Theft Prevention Act will be among the laws being considered.

The Wage Theft Prevention Act was enacted in 2011 and was intended to protect employees from unscrupulous employers who steal their earnings by paying less than minimum wage, misclassifying them as independent contractors, forcing them to work off the clock, etc. The law requires all employers to provide written notice of wage rates to all new employees upon hiring, and then annually to all employees. Opponents of this law argued it was an unnecessary burden on businesses and have since made several attempts to repeal the annual notice requirement.

NYS Comptroller DiNapoli Issues Report on Tax Exempt Property

According to a report issued by New York State Comptroller Thomas DiNapoli, more than 25 percent of real property in New York is exempt from county, city and town property taxes. The total value of these exempt properties is \$680 billion. Across New York, the percentage of exempt property value ranges from less than 10 percent in several municipalities to more than 60 percent in others.

"In an era of limited resources, the impact of property tax exemptions complicates the financial picture of our local governments. In localities with higher exemptions, taxable property owners are often carrying a much higher burden," DiNapoli said.

This report was released in the wake of Governor Cuomo convening a new Tax Relief Commission. According to the Governor, the Commission will primarily focus on property tax relief which is the largest tax burden in New York State.

A copy of DiNapoli's report can be found [here](#).