



## *State*

[Costly State Prevailing Wage Legislation Aimed at Utilities](#)

[Governor Holds Earth Week Cabinet Meeting](#)

[Cuomo Nominates Former Governor Paterson to Serve on MTA Board](#)

[Freshman Assemblywoman Aravella Simotas \(D-Astoria\) Named Chair of Smart Power NY Committee Review -- Week of April 30, 2012](#)

## *Federal*

[House Passes Cyber Security Information Sharing, Federal Monitoring Bills](#)

[Fate of Federal Wind Tax Credits Uncertain](#)

## *City*

[Mayor Bloomberg Vetoes "Prevailing Wage" Bill – Promises to Also Veto "Living Wage"](#)

[City Council Passes Bill to Examine Hydroelectric Options](#)

---

## *State*

Jessica Reinhardt, Manager, State Government Relations  
[ReinhardtJ@coned.com](mailto:ReinhardtJ@coned.com) or 518.436.3752

### **Costly State Prevailing Wage Legislation Aimed at Utilities**

The State Senate and Assembly are considering legislation in Albany that would require electric and gas utilities to pay prevailing wages to all contracted service employees. The bill would also make the "willful failure" to file payroll records a class E felony, and increase criminal penalties for failure to pay service work prevailing wages.

Similar legislation was vetoed by then-Governor Paterson in 2010. In his veto message, Paterson stated that the bill would increase utility costs as the state was struggling to recover from a lingering recession.

Con Edison opposes the bill because it would increase customer costs and subsidize wages for one specific group of workers. Additionally, it would impose costly administrative monitoring and compliance burdens on the Company and local governments.

Specifically, utilities would be required to collect extensive data on their service contracts, maintain and audit weekly payroll records from contractors, determine the number of hours worked, each employee's pay rate, and benefit payments made.

Finally, the measure could harm many small and minority-owned entities. These companies are often able to compete with larger competitors by submitting more cost-effective service bids. New wage mandates imposed by the bill could threaten the cost advantage that these smaller, community-based contractors might need to remain competitive.

### **Governor Holds Earth Week Cabinet Meeting**

On Thursday, Gov. Cuomo held a cabinet meeting at which he [discussed](#) some of his "green" initiatives, and announced that the state will invest \$800 million to enhance the energy efficiency of state and local government buildings.

The New York Power Authority (NYPA) will finance \$450 million in energy efficiency projects over the next four years, with the goal of reducing energy consumption in state buildings by 20%. Efficiency upgrades will include new lighting fixtures; heating, ventilating and air condition systems; electric motors and automated energy management systems

According to the Governor, no capital funding is needed upfront, as the new energy savings will be used to pay back the loans.

NYPA will also finance an additional \$350 million over the next four years for similar improvements to county, local government and school buildings. The costs for these projects are also expected to be covered through additional electric bill savings.

Gov. Cuomo also said that the state is preparing to launch a \$50 million advertising campaign designed to lure and retain business in New York. The money was approved in last year's budget. The campaign will target businesses of all sizes and urge them to consider New York "open for business."

### **Cuomo Nominates Former Governor Paterson to Serve on MTA Board**

Last week, Gov. Cuomo [announced](#) the nomination of former Governor David Paterson to serve as a member of the Board of the Metropolitan Transportation Authority (MTA). Paterson, a Democrat, served as governor from 2008 to 2010, becoming Governor when Eliot Spitzer resigned amid a prostitution scandal. Prior to that, he was minority leader of the state Senate.

The position is unpaid. If his nomination is approved by the State Senate Paterson will assume the position vacated by Nancy Shevell, who resigned in January.

### **Freshman Assemblywoman Aravella Simotas (D-Astoria) Named Chair of Smart Power NY**

Assemblywoman Aravella Simotas (D-Astoria) was named the chair of Smart Power NY, a newly formed coalition of business, labor environmental groups, and local and state elected officials that will advance a clean energy agenda for New York State.

According to a press release, the coalition is advocating for access to safe and reliable sources of power, a reduction of carbon emissions, job creation and policies that will help New Yorkers save on their power bills.

Smart Power NY sent an open letter to Gov. Andrew Cuomo last week calling for him to support the Astoria Repowering Project.

“This is exactly the kind of project that [Gov. Cuomo's Energy Highway Task Force](#) has called for,” Simotas said. We need to put New Yorkers to work, dramatically reduce greenhouse gas emissions and offer a significant source of reliable replacement power for New York State.”

### **Committee Review -- Week of April 30, 2012**

The following bills are listed for action by the respective committees. Government Relations is reviewing these bills, and in some cases, will be issuing memos in support or opposition. For a copy of the bill itself and additional information, please click on the highlighted number.

#### **Senate**

*Senate Investigations and Government Operations Committee* (Marcellino, Chair) Wed., 5/1, 10:00, 810 LOB

[S.3191-A](#) Ranzenhoffer (no same as) -- Creates a small business electric energy tax credit; makes companies with less than 20 employees eligible for a tax credit equal to the product of two cents per kilowatt hour for all business-related electricity usage at the taxpayer's primary business location.

2011: died in Rules

[S.3426-A](#) Ranzenhoffer (no same as) – creates a tax credit of fifty percent of the cost of voltage regulation technology, up to one thousand dollars, for the purchase of voltage regulation technology. Directs NYSERDA to establish rules for qualifying technologies.

2011: died in Investigations & Gov Ops

## **Assembly**

### *Assembly Codes*

[A.1982](#) Rosenthal (same as S.1378 Perkins) -- Restricts operation of diesel powered electrical generators in areas failing to meet federal clean air standards for ozone.

2011: died in EnCon

### *Assembly Corporations*

[A.1656](#) Ortiz (no same as) -- establishes “smart grid” as the policy of the state; smart grid systems are intended to enable two-way digital communication between electric utilities, their distribution grid and customers.

2011: died in Corporations

[A.3494](#) Calhoun – repeals the Article 18-a assessment

2011: died in Corporations

2010: held in Corporations

[A5138](#) Ceretto (same as S.143 Maziarz) -- exempts religious organizations from the temporary state energy and utility service conservation assessment fee (18-a surcharge)

2011: died in Corporations

*Assembly Energy Committee (Cahill, Chair) – Tues., 5/1, 11:00, 715 LOB*

[A.7412](#) Thiele (no same as) -- Prohibits the PSC from authorizing utility rate increases for utility companies to offset any loss of revenues due to consumer conservation efforts.

2011: died on 3<sup>rd</sup> Reading Calendar

[A.8815](#) - Englebright (no same as) -- Provides that credits for excess electricity generated by customer-generators subject to net energy metering may be carried over and used to offset electricity used

New bill

[A.9068-A](#) Jaffee (same as S.6693-A Carlucci) – Directs the state Energy Planning Board to conduct a study to evaluate the potential impact of closure and discontinuation of operations of Indian Point Energy Centers 2 and 3.

New bill.

[A.9149-A](#) Englebright (no same as) – Enacts the New York Solar Industry Development and Jobs Act of 2012.

New bill.

[A.9183](#) Cahill (no same as) -- Adds solar electric generating systems to the list of measures eligible for financing through the "Green Jobs/Green New York" Program.

New bill

[A.9560](#) Brindisi (same as S.6670 Little) -- Authorizes remote net metering by farm and non-residential customer-generators using micro-hydroelectric generating equipment.

New bill. Passed Senate on 4/19/12.

[A.9925](#) Cahill (no same as) – alters the electric transmission siting process to require the PSC to determine that proposed electric transmission facilities provide economic and reliability benefits to the state's electric system and the electricity produced as a result of the line's operation will be generated in a way that meets power plant air emissions and performance standards promulgated by DEC

New bill.

*Environmental Conservation (Sweeney, Chair)* – Tues., May 1, Noon, 623 LOB

[A.3178](#) Pretlow (no same as) -- makes failure to notify DEC of the release of a reportable quantity of hazardous substances a class E felony.

2011: reported to Codes

[A.4134](#) Englebright (no same as) -- makes provisions regarding environmental benefit projects in lieu of civil penalties

2011: reported to Codes

[A.4801](#) Kavanagh (no same as) – Authorizes private citizens to commence civil judicial actions under certain titles of the environmental conservation law

2011: reported to Codes

## ***Federal***

Mary Sprayregen, Manager, Federal Government Relations  
[SprayregenM@coned.com](mailto:SprayregenM@coned.com) or 202.262.4006

### **House Passes Cyber Security Information Sharing, Federal Monitoring Bills**

The House passed controversial cybersecurity legislation last week, defying a White House [veto threat](#) and positing the issue before the Senate, which is expected to address cyber legislation sometime in May.

The primary cybersecurity bill passed last week is [H.R. 3523](#) the Cyber Intelligence Sharing and Protection Act (CISPA). CISPA proposes a model for voluntarily sharing cyber threat information between government and the private sector using existing communications methods and information from related agencies. The White House has supported a “top-down” regulatory approach led by the Department of Homeland Security.

House Intelligence Committee Chairman Mike Rogers (R-Mich.) said CISPA was “needed to prepare for countries like Iran and North Korea so that they don’t do something catastrophic to our networks here in America.”

The final vote was 248-168, enough to pass the measure but not enough to override a threatened veto by the President. Forty-two Democrats broke with the White House to vote for the bill, and 28 Republicans voted against it.

The administration and Democratic critics opposed the bill because of privacy and civil liberties concerns. The other main sticking point was that, unlike legislation before the Senate, CISPA would not mandate new security requirements for a critical infrastructure network. Although those disagreements still exist, House Republicans have now jumped ahead of the Senate in a race to avoid the political fallout in the event a major cyber attack does occur.

Important to note is that CISPA would provide immunity from civil or criminal lawsuits against entities “acting in good faith” in the use of cybersecurity systems to monitor and detect cyber-threat information. The tech sector immediately applauded the House action on Thursday. “We strongly urge the Senate to swiftly take up this issue because the United States cannot afford to wait to improve our nation’s cybersecurity posture,” TechAmerica CEO Shawn Osborne said in a statement.

Civil libertarians were unhappy with the outcome. “Cybersecurity does not have to mean abdication of Americans’ online privacy. As we’ve seen repeatedly, once the government gets expansive national security authorities, there’s no going back,” ACLU legislative counsel Michelle Richardson said.

All of the cyber-related bills passed this week now head to the Senate. Although the fate of each bill remains unclear, it’s also important to highlight that the Senate prefers legislation that includes binding requirements, as opposed to voluntary information sharing.

Also passed this week were three non-controversial cybersecurity R&D and federal information technology bills:

- [H.R. 2096](#) seeks to improve cybersecurity in the Federal, private, and public sectors through coordination and prioritization of federal R&D; strengthening the cybersecurity workforce; coordinating of Federal engagement in cybersecurity technical standards development; and reauthorization of cybersecurity programs at the National Science Foundation (NSF) and the National Institute of Standards and Technology (NIST).
- [H.R. 3834](#) seeks to advance networking and information technology R&D. In the cybersecurity area, the bill requires the federal Networking and Information Technology Research and Development (NITRD) program to research cyber IT system development and to create a university/industry task force to guide these R&D activities.
- [H.R. 4257](#) seeks to improve federal information technology systems security. The legislation would require continuous monitoring of federal computer systems and provide the Office of Management and Budget (OMB) and federal agencies with new responsibilities to secure federal information systems.

### **Fate of Federal Wind Tax Credits Uncertain**

Supporters of a bipartisan effort to protect the American wind energy industry say that 37,000 U.S. jobs will be at risk this year if Congress fails to extend the production tax credits that have been vital to wind power development.

The call for Congress to pass HR 3307, the American Renewable Energy Production Tax Credit Extension Act, was made during a teleconference last week hosted by three members of Congress, and the American Wind Energy Assn (AWEA). HR 3307 is sponsored by Rep. Dave Reichert (R-Wash.). The bill has 93 co-sponsors.

The AWEA said that production tax credits have helped developers secure vital private financing for wind projects and have also helped bring those projects to completion. Rep. Earl Blumenauer (D-Ore.), said that projects are already being affected by of the uncertainty over whether the production tax credits will be extended. The credits are currently set to expire at the end of 2012.

Rep. Steve King (R-Iowa) predicted an exodus from the wind energy industry if the bill isn't passed soon. The tax credits debuted in 1992. Since then, there have been years in which they were extended and other years in which they weren't.

## *City*

Kevin Lanahan, Director, Government Relations  
[Lanahank@coned.com](mailto:Lanahank@coned.com) or 212.460.6593

### **Mayor Bloomberg Vetoes “Prevailing Wage” Bill – Promises to Also Veto “Living Wage”**

A controversial bill that would provide higher wages for certain workers was vetoed last week by Mayor Michael Bloomberg.

City Council Speaker Christine Quinn promised the council would quickly override the mayor's veto of the so-called prevailing wage bill, which would guarantee wages of more than \$20 an hour for some building-services workers at properties that receive city subsidies of more than \$1 million and in large buildings in which the city leases significant space.

The council is expected to pass another bill this week that would guarantee a so-called "living wage" of \$10 or \$11.50 an hour to employees of companies directly receiving at least \$1 million in city assistance. Quinn said the council would also override the mayor's promised veto of that bill. The mayor said the city would then challenge both measures in court.

“The so-called living and prevailing wage bills – are a throwback to the era when government viewed the private sector as a cash cow to be milked, rather than a garden to be cultivated,” Bloomberg stated before signing the veto.

The “living wage” measure would boost pay to \$11.50 an hour, or \$10 with benefits, for workers at companies that receive \$1 million or more in city subsidies. The state minimum wage is \$7.25.

The prevailing wage measure would raise pay for hundreds of service workers at some 41 buildings that receive city tax breaks. The salary bump would be determined by the city Comptroller’s prevailing-wage scale. Repairmen and cleaners at major office buildings whose pay is now governed under that scale earn \$24.74 per hour, or roughly \$50,000 a year. Workers covered under the bill would get a pay increase of 35% to 45%, Council officials said.

### **City Council Passes Bill to Examine Hydroelectric Options**

The City Council passed legislation last week requiring an analysis of the city’s water supply as a potential source for hydroelectric power.

The analysis will be conducted by the city’s Department of Environmental Protection and will take 18 months to complete. City officials hope that generating hydroelectric power will help the city reach its goal of reducing carbon emissions by 30 percent by 2030.

The city's water supply, wastewater treatment facilities and natural waterways will all be looked at as possible sources of hydroelectric power. The economic feasibility of hydroelectric projects at specific sites will also be assessed and delivered to the Mayor's office and the City Council after the study is completed. More than one billion gallons of drinking water are delivered daily to the city from upstate reservoirs, some more than 125 miles away. Since that water is driven almost entirely by gravity, the belief is that energy from its flow can be harnessed, something the city of Boulder, Colorado, has been doing since the 1980s.

The council passed the bill unanimously.