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Federal

House Intelligence Committee Cybersecurity Hearing

The House Intelligence Committee announced it will hold a cybersecurity hearing this week entitled *Advanced Cyber Threats Facing Our Nation*.

The hearing will focus on current cybersecurity threats, and how additional government-private industry cyber information sharing will help protect critical infrastructure networks.

Additionally, the timing of the hearing looks like it will coincide with the reintroduction of House Intelligence Committee Chmn. Rogers' cyber information-sharing legislation (112th Congress version [here](#)), that passed the House last session.

Ken DeFontes, President and CEO of Baltimore Gas and Electric, is scheduled to testify.

Senate Energy and Natural Resources Ranking Member Releases Energy Plan

On Monday, February 4, Senator Murkowski (R-AK), released a comprehensive energy plan, which she hopes will inform legislative action during this Congress. At this week's National Association of Regulatory Utility Commissioners (NARUC) conference, Senator Murkowski outlined the plan, which is entitled "Energy 2020, A Vision for Our Energy Future."

The proposed plan contains 200 policy recommendations, all written within the following five principles:

- **Abundant** – Blackouts, shortages, and system failures are dangerous – sometimes even life-threatening – and are also costly. The nation’s energy policy ought to place a high value on reliability of energy service as an element of abundance.
- **Affordable** – The direct cost of energy affects the cost of everything. Lowering the direct cost of energy is key to helping the U.S. economy recover and prosper.
- **Clean** – We need to be cognizant of environmental impacts of every type of energy production and make rational, informed decisions on what is acceptable, what needs to be mitigated, and how to do it.
- **Diverse** – Every type of energy has its own sets of advantages and disadvantages. Overall, however, the more diverse our sources of energy, the more robust and secure our national energy grids and fuel supplies.
- **Secure** – We should continue to steadily reduce the percentage of oil in our energy mix, but for the sake of our nation’s economy and for the sake of the world’s environment, we should strive to produce the largest possible percentage of our oil needs domestically, and to obtain any imports from geographic neighbors and strong allies.

The full report and background materials can be found [here](#).

House Energy and Commerce Holds its First Hearing

On Tuesday, the House Energy and Commerce Committee's energy and power subcommittee held its first of a series of "American Energy Security and Innovation" hearings. Tuesday’s hearing was focused on assessing North American energy resources and featured the U.S. Energy Information Administration (EIA) Administrator, the World Resources Institute and ICF International, among others.

According to the full Committee Chairman Fred Upton (R-MI), “The benefits of our emerging energy abundance are many, boosting our economy and creating jobs in Michigan and across the nation, a bright spot in the economic downturn. We must build upon our progress. Once we have a more accurate sense of North America’s energy potential, we can start the process of ensuring we have the proper vision for the future.”

Further hearing details can be found [here](#).

Lawmakers Continue to Push on Climate Change

Energy and Commerce Ranking Member Rep. Waxman (D-CA) and Sen. Whitehouse (D-RI) continued their push for bicameral climate change action by sending out 300 letters to major companies and nonprofit groups asking for ideas on managing climate change. The letters ask for input on how to reduce emissions, address the effects of climate change and the types of legislation that Congress should enact. The letters were sent to the five largest domestic oil, natural gas and coal companies, electric utilities and financial services companies, the top three U.S. defense contractors, reinsurers, labor unions, environmental and public health groups, universities and think tanks.

The letter can be found [here](#).

State

Senate Republicans and Business Community Oppose Proposed 18-a Extension

Senate Republicans and members of the business community held a press conference this week to oppose the 18-a surcharge extension contained in the 2013-2014 Executive Budget proposal. The 18-a surcharge is paid by customers on their utility bills and is scheduled to expire in 2014. The Executive Budget proposes to extend it another five years at a total cost to customers of almost \$3 billion.

Senate Energy Chair George Maziarz (R-Niagara) also circulated a letter to Senate colleagues urging them to pressure Governor Cuomo to remove the extension. “This is a regressive tax that hurts not only our businesses and schools, but also our neediest citizens who are struggling to pay their monthly utility bill...We should not support extending [it] for another five years, given its negative impact on consumers and businesses alike,” the letter reads.

The letter has received bi-partisan support with Senator Tony Avella (D-Queens) signing on. Senator Avella also supported Con Edison’s efforts to repeal the surcharge’s increase when Con Edison circulated a letter to elected officials last year advocating for the repeal. As a result, Avella co-sponsored legislation that would cause the surcharge to revert back to its 2009 level.

Senator Maziarz’s letter can be found [here](#). The Senate Republicans’ press release can be found [here](#). Con Edison’s letter can be found [here](#). Senator Avella’s response can be found [here](#).

NYS Legislature Holds Hearing to Review Executive Budget Proposal

Last week, the New York State Legislature held a hearing to review the Executive Budget’s Energy-related proposals. Frank Murray, President & CEO of the New York State Energy Research and Development Authority (NYSERDA), testified regarding the progress of the NY SUN Solar Initiative’s progress since its implementation last year. Since its inception, the program has received over 2300 applications for new photovoltaic (PV) systems and more than 31MW of new customer-sited PV systems have been brought online with 79MW currently under development. The Executive Budget proposes to fund the NY SUN Solar Initiative at \$150 million/year through 2023.

Murray also discussed the proposed \$1 billion Green Bank which will be administered through NYSERDA. The Green Bank will use public and private money to invest in clean technology. In doing so, it will build upon existing programs such as on-bill financing which enables residential customers to fund energy efficiency projects through their utility bills. On-bill financing will also be expanded to enable non-profits and small businesses to take advantage of the program, Murray said.

Murray’s complete testimony can be found [here](#).

Senate Sandy Task Force Releases Preliminary Report

In the wake of Hurricane Sandy, the New York State Senate created the bipartisan Task Force for Hurricane Sandy Recovery (“Task Force”). The Task Force was charged with identifying areas most in need of recovery assistance, reviewing storm planning policies to ensure better storm-preparedness in the future, and to develop legislative solutions that will make New York better prepared for a future severe weather event. After touring the hardest hit areas of the region, and hosting several round table discussions, the Task Force released its preliminary report and recommendations on Sandy relief and storm planning.

The key findings and preliminary recommendations include:

- Developing certification and licensing procedures for mold remediation contractors;
- Supplementing existing business loan programs with direct grants to businesses severely impacted by Sandy;
- Working with the Department of Financial Services to expedite insurance claim check processing;
- Developing better statewide protocols for gasoline distributions so that the energy needs of first responders and other critical service providers are properly prioritized; and
- Exploring the use of soft barriers as a means of mitigating future storm damage.

The complete report can be found [here](#).

NYS Senate Energy Committee Holds First Meeting of Legislative Session

Senate Energy Chair George Mazarz (R-Niagara) held the first Energy Committee meeting of the 2013 legislative session this week.

Among the agenda items were two new net metering initiatives which are both sponsored by the Chair. These initiatives include raising the net metering cap ([S.2498](#)) and changing how net metered fuel cells and micro-hydro CHP are credited ([S.2383](#)).

The agenda also contained two repowering bills which are intended to assist at-risk coal-fired power plants in Western New York ([S.1340](#) & [S.2520](#)). Providing assistance to these power plants and the communities in which they are located has been a priority of the Chair for the last year.

Finally, a new solar bill was introduced by the Chair and included on the agenda. [S.2522](#) uses Renewable Portfolio Standard (“RPS”) money to fund an expansion of solar at a rate of \$138 million annually through 2023. This concept is similar to Governor Cuomo’s NY SUN Solar Initiative which uses RPS funds to support solar deployment. However, Cuomo’s Executive Budget proposal seeks to fund this initiative at \$150 million annually through 2023. S.2522 also contains tax credits for solar and energy storage manufacturing.

NYS Senate Schedules LIPA Hearing

On Wednesday, February 27, 2013, the New York State Senate will hold a hearing in Albany to examine the future of the Long Island Power Authority (“LIPA”). According to a press release, the Senate will review proposed changes to the operating structure of LIPA, as well as how to handle LIPA’s \$7 billion debt.

After Hurricane Sandy, Governor Cuomo established a Moreland Commission (“Commission”) to investigate New York’s power utilities’ preparation and response to major storms. In particular, the Commission was tasked with providing recommendations on how to improve LIPA’s performance. Three options were considered: privatize LIPA, increase LIPA’s authority to manage and operate the system, or have the New York Power Authority assume the responsibility of running the system. The Commission and Cuomo concluded privatization is the best option; however, several Long Island law makers are not convinced privatization would ensure Long Islanders receive better service at more affordable prices.

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

Updated RGGI Model Rule

Last week RGGI Inc. (Regional Greenhouse Gas Initiative) released an updated RGGI Model Rule and Program Review Recommendations Summary. The *Updated Model Rule* will guide the RGGI states as they follow state-specific statutory and regulatory processes to propose updates to their CO2 Budget Trading Programs.

Changes include: A reduction of the 2014 regional CO2 budget, “RGGI cap,” from 165 million to 91 million tons - a reduction of 45 percent. The cap would decline 2.5 percent each year from 2015 to 2020. Additional adjustments to the RGGI cap from 2014-2020. This will account for the private bank of allowances held by market participants before the new cap is implemented in 2014. From 2014-2020 compliance with the applicable cap will be achieved by use of “new” auctioned allowances and “old” allowances from the private bank.

[The details of the program are contained in this press release](#)

City

Undergrounding Study Passes

The City Council this week passed a bill that would examine whether it's feasible to move power lines underground in certain flood prone neighborhoods.

The measure passed unanimously during Wednesday's council meeting.

The bill requires the Mayor's Office of Long-Term Planning and Sustainability (OLTPS) to conduct a study to determine where relocation of the power lines in New York City would be most effective and help strengthen the infrastructure in the wake of Superstorm Sandy. The findings of the study must be submitted to the Mayor and Council within six months.

Of note, the study must include the cost of undergrounding power lines, including the costs of labor, materials and other variables that would affect the final cost of undergrounding.