

STATE OF NEW YORK
EXECUTIVE CHAMBER
ELIOT SPITZER, GOVERNOR

FOR IMMEDIATE RELEASE:

November 5, 2007

CONTACT: Christine Anderson
canderson@chamber.state.ny.us
212.681.4640
518.474.8418

**STATE SEEKS REVERSAL OF ELECTRIC TRANSMISSION
CORRIDOR DESIGNATION BY FEDERAL DEPARTMENT OF
ENERGY**

Governor Eliot Spitzer today announced that the New York State Public Service Commission (PSC) and the Department of Environmental Conservation (DEC) have filed separate petitions with the federal Department of Energy (DOE) seeking a rehearing on the agency's recent decision to make a large swath of New York State part of a National Interest Electric Transmission Corridor. In the petitions, New York contends that federal authorities disregarded key energy issues and failed to adequately assess potentially significant environmental impacts.

"The designation of 47 counties in New York State as part of a National Interest Electric Transmission Corridor by DOE sets the stage for the federal government to preempt New York's legitimate oversight and process for reviewing and siting transmission projects within our state's borders," said Governor Spitzer. "The federal government should not be able to overrule states' legitimate and well-established regulatory authority. New York State already has an efficient one-stop process for reviewing applications to build transmission facilities. The process includes detailed studies of the environmental impacts of a proposed facility, and provides a forum for stakeholders to weigh in on proposed projects."

On Oct. 5, 2007, DOE published its order designating two National Interest Electric Transmission Corridors (National Corridors) – the Mid-Atlantic Area National Interest Electric Transmission Corridor, and the Southwest Area National Interest Electric Transmission Corridor. These National Corridors include areas in two of the nation's most populous regions. According to DOE, the designations were based on data and analyses showing persistent

transmission congestion in these two regions.

New York's process is not a barrier to transmission projects. Over the past 10 years, 17 transmission projects have received approval under Article VII of the New York Public Service Law and several more projects are presently pending. Article VII ensures the timely and thorough review of proposed transmission upgrades to maintain the reliability and safety of the state's electric grid and protect the interests of the public.

The PSC is seeking a rehearing because the DOE concluded that consumers were adversely affected by transmission congestion even though the DOE did not measure the consumer costs of transmission congestion and did not attempt to identify the costs of new or upgraded transmission facilities. Additionally, the DOE did not document that transmission congestion justified including most of New York State within the Mid-Atlantic National Corridor.

Patricia L. Acampora, Chairwoman of the PSC, which is responsible for approving the siting of major transmission facilities within the state, said: "The one-stop licensing process available under Article VII continues to work well for the siting of needed transmission facilities. In view of this, federal concerns over unreasonable local obstacles to the siting of transmission facilities are unwarranted in New York. Given the potential effects of the designation of a National Corridor on the balance of federal and state authority in this important area, and because the DOE has not established that the designation of a National Corridor is necessary in New York, no such designation should be made without further review."

The DEC is seeking a rehearing because the DOE erroneously determined the designation would have no significant environmental impacts. DEC maintains that the DOE failed to prepare a full environmental assessment, as required by the National Environmental Policy Act, and failed to consult with government entities as required by the Endangered Species Act and the Hudson River Valley National Heritage Area Act. Also, DOE's actions potentially usurp the state's authority to enforce its own environmental laws, regulations and policies.

DEC Commissioner Pete Grannis said: "This designation puts the goal of increasing energy transmission – regardless of environmental impacts – above New York's environmental laws and policies. In fact, the designation raises many questions about impacts, from air quality to Forest Preserve land to natural heritage areas to wild and scenic rivers. Rather than bypassing environmental reviews, federal authorities should begin a full assessment at the

earliest possible time to ensure that planning and decisions reflect environmental values.”

If the DOE does not act on a rehearing request within 30 days, the request is deemed denied.

###