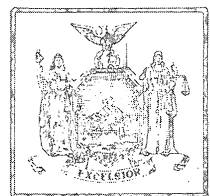
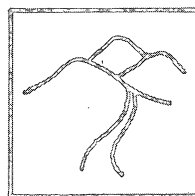
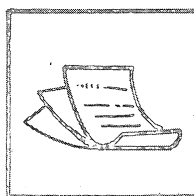
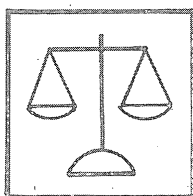
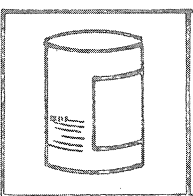
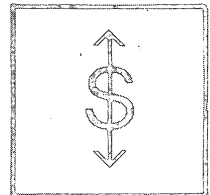
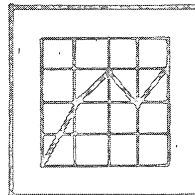
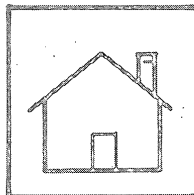
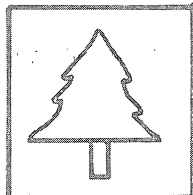
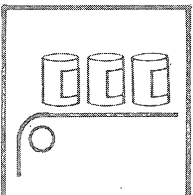
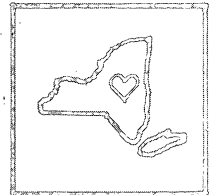
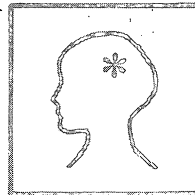
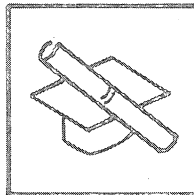
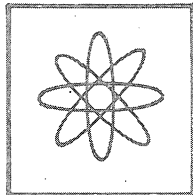
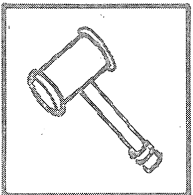
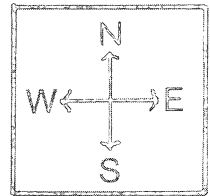
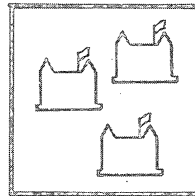
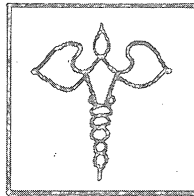
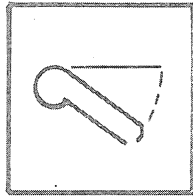
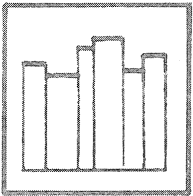
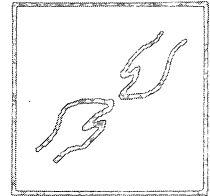
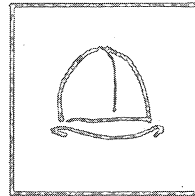
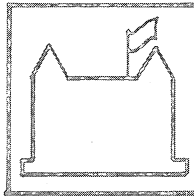
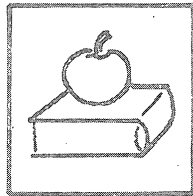
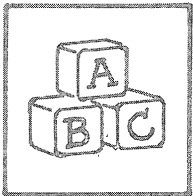
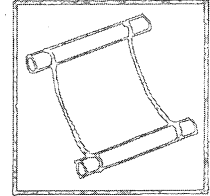
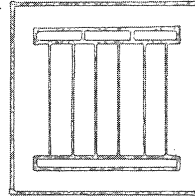
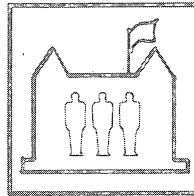
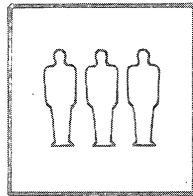
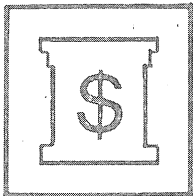
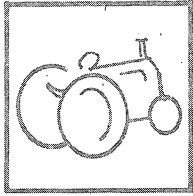
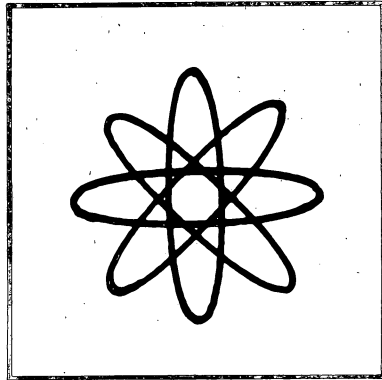
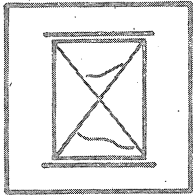


ANNUAL REPORT  
1979

STANDING COMMITTEE  
ON  
ENERGY

ANGELO F. ORAZIO  
CHAIRMAN

NEW YORK STATE ASSEMBLY — STANLEY FINK, SPEAKER





THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

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CHAIRMAN  
Energy Committee  
  
COMMITTEES  
Education  
Environmental Conservation  
Labor  
Real Property Taxation  
Assistant Majority Whip

December 10, 1979

Honorable Stanley Fink  
Speaker of the Assembly  
Legislative Office Building  
Albany, New York 12248

Dear Mr. Speaker:

The Assembly Standing Committee on Energy is pleased to submit its annual report for the year 1979.

The Committee looks back on its first year in existence with a sense of accomplishment. The gasoline shortage this summer and the prospect of a heating oil problem this winter lent urgency to the activities of the Energy Committee. Your leadership in the advancement of proposals to deal with these shortages has given the Assembly the most comprehensive package to combat the energy problem. The Energy Committee is proud to have participated in the development of a program that will save many New Yorker's from a crisis situation this winter.

The Committee also saw some of its other programs come to fruition. An expansion of the Home Insulation Act will provide an opportunity for more people to take advantage of this program and will allow a number of new items to be financed. Solar planning legislation will require communities to draw up zoning ordinances and conduct long range planning that will accomodate the use of solar energy and provide access to sunlight. Lighting efficiency standards will require buildings using over 5000 kilowatt hours of electricity per month for lighting to assess this usage and determine where conserving steps can be taken.

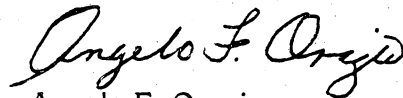
Probably the most significant success of the Committee in the regular session was the passage of a bill to prohibit the siting of any permanent nuclear waste disposal faccility in New York State without specific approval by the legislature and the Governor. We were sorry to see Governor Hugh Carey veto a similar bill, that would have prohibited the location of any future away from reactor temporary storage facilities in the State.

In the coming year the Committee will continue to work for programs that were not enacted this past Session. Our priorities for next year include assuring an adequate supply of home heating oil and gasoline for New York State and examining ways in which New York can conserve more fuel, providing for consumer protection in the energy field and encouraging the use of renewable energy sources.

I would like to extend my thanks to you for the leadership you have provided, and the assistance you have given me as chairman of this Committee. I look forward to your future confidence and continued leadership.

I would also like to thank the Legislative Commission on Science and Technology for their assistance and cooperation during this Legislative Session.

Sincerely,

A handwritten signature in cursive script that reads "Angelo F. Orazio".

Angelo F. Orazio  
Chairman  
Committee on Energy

1979

ANNUAL REPORT

COMMITTEE ON ENERGY

Angelo F. Orazio  
Chairman

Democrats

William B. Finneran  
Ralph Goldstein  
Sean P. Walsh  
Andrew Jenkins  
Joseph T. Pillittere  
Murray Weinstein  
Rhoda S. Jacobs

Republicans

David O'B. Martin,  
Ranking Minority Member  
L. Stephen Riford  
Richard C. Ross  
Frederick E. Parola Jr.  
Richard L. Kennedy

Staff

Richard D. Morse, Legislative Coordinator  
Christine L. Nolin, Legislative Associate  
Thomas DeJesu, Committee Counsel  
Donald Cotten, Research Associate  
Lynda Barnaby, Committee Clerk

## TABLE OF CONTENTS

Introduction	5
1979 Accomplishments	7
Solar	7
Conservation	7
Nuclear Energy	8
Fuel Availability	9
Cogeneration	10
Competition in the Oil Industry	10
1980 Initiatives	11
Consumer Protection	11
Conservation/Solar Energy	12
Nuclear Safety	13
State Energy Master Plan	13
Appendix A	16
1979 Committee Workload	
Appendix B	17
Bills That Were Signed Into Law	

## INTRODUCTION

### Jurisdiction

The Assembly Energy Committee, in its first year of operation as a standing committee, has jurisdiction over legislation concerning the generation, supply and conservation of energy in New York State. The Committee considers legislation amending the Energy Law, as well as some legislation to amend the Public Service Law and the Public Authorities Law. The Assembly has divided the consideration of energy legislation between two committees. The Committee on Corporations, Authorities and Commissions is concerned with legislation involving utility rate making and the internal structure of authorities, including the Power Authority of the State of New York and the Energy Research and Development Authority. The Energy Committee addresses broader energy questions, concerning energy availability, source, and energy policy and planning. In the consideration of these subjects, the Energy Committee is involved in the activities of the State Energy Office, the Public Service Commission, the Power Authority and the Energy Research and Development Authority.

### Workload

A total of 59 bills were referred to the Energy Committee during the 1979 legislative session. Of these the Committee reported 29 bills for debate by the Assembly as a whole, or to another Committee for further consideration. The majority of these bills (21) passed the Assembly this session. The Committee on Rules held three bills and another three bills were held in the Ways and Means Committee.

Two additional bills were referred to the Committee during the Speaker's Special Session on Energy. These bills were both reported to another Committee for consideration and later passed the Assembly. The Energy Committee also considered seven bills during the extraordinary session called by Governor Hugh Carey. Of these, two were defeated, one was held and four were reported to another committee. These four bills passed the Assembly.

### Priorities

The Committee's first priority this year was attempting to cope with the potential shortage and high cost of home heating oil. Speaker Stanley Fink shared this concern and called a Special Session in November during which the Assembly took up a package of bills to help New York State residents through the coming winter's high energy costs and potential supply problems. The Committee is proud to have assisted in the development and passage of these energy measures.

The Committee is also seriously concerned about the long range energy outlook for our State. The questions of future availability of energy, and the source and cost of that energy, can be of major significance in determining our State's economic well being and our citizen's general welfare. New York State relies on oil to meet 66% of its energy needs, and 70.2% of this oil comes from imported crude. We are more dependant upon foreign oil than the rest of the nation. New York State proportionally uses a quarter more foreign oil than does the nation. Since New York relies so heavily on foreign oil, it is vital that we begin to take some action to reduce that dependence. The Energy Committee has been involved in two major efforts to achieve this goal.

Solar and other alternate energy sources are one of our brightest hopes for the future. The Committee is very interested in promoting the development and use of renewable energy sources. Legislation to promote the use of these energy sources and to protect the rights of those who turn to solar energy, has been a major Committee interest.

Conservation is also a major Committee priority. The Committee feels that the State should take the lead in conservation efforts and has sponsored legislation designed to require energy efficiency in State purchasing and construction.

Another important area for the Committee this year was nuclear power. The Committee is involved in activities of the Assembly Special Committee on Nuclear Safety, which held several hearings on health and safety questions relative to nuclear power. Legislation to prohibit the siting of nuclear waste facilities in the State without statutory approval was reported by the Committee.

If no additional nuclear plants are to be built, we must be aggressive in our pursuit of conservation and renewable energy sources. The Committee believes that the days of large central generating plants are numbered. Local generation by small scale plants would be more energy efficient, in some instances more reliable and less environmentally unacceptable. In addition, small plants would provide for wiser land use policies. The Committee, through legislation and a hearing on the subject of cogeneration, is actively pursuing encouragement of localized generation.

Federal laws and regulations relating to fuel allocation and price deeply affect our State. The Energy Committee has maintained close contact with officials both in the New York State Energy Office and in the federal Department of Energy to keep abreast of changes in law or regulation. The Committee sponsored legislation this year to extend the Department of Energy's state fuel set aside program under State jurisdiction should the federal program expire.

The Committee members hope the coming year will be a more fruitful one for new program initiatives. An energy conscious Legislature and a more seasoned Committee should together bring greater productivity in 1980. We would like to continue our efforts to promote solar energy and to encourage more conservation efforts. Consumer protection in the energy area will also be a priority.

## 1979 ACCOMPLISHMENTS

### Solar

The Committee views Solar Energy as a vital part of our State's future energy supply. As a renewable, environmentally clean energy source, solar energy is unsurpassed by few other available fuels. We feel that leadership in the promotion and encouragement of solar energy is necessary. We have developed, with the assistance of the legislative Commission on Science and Technology, five pieces of legislation which are designed to encourage the use of Solar energy. The first, A.5803, which has been signed into law by the Governor (Chapter 220), extends real property tax exemptions on solar devices to cover passive solar equipment, including extra insulation, as well as active solar collectors. This action was necessary because there had been serious question in the minds of local officials as to whether passive equipment was included under a 1977 law.

The second measure (A.9 Extraordinary Session, Chapter 742) which was signed into law, would require, as conditions permit, localities to include the accommodation of solar energy and access to sunlight in municipal planning and in zoning regulations. Many localities had been uncertain as to whether access to solar energy was a legitimate planning or zoning goal. This legislation would encourage municipalities to revise these regulations to remove impediments to solar power. The bill also requires the State Energy Office to assist local governments in energy planning.

A related proposal that would have allowed the creation of solar easements for the protection of rights to solar access passed the Assembly, but failed to win support in the Senate.

The fourth solar bill the Committee would like to have seen enacted this year would have provided a solar income tax credit. A State income tax credit would have been provided for the installation of solar or wind devices. This bill was held in Ways and Means.

Financing for solar equipment is often unavailable and a bill to alleviate this problem would have included solar and wind devices, wood burning stoves, heat pump and other conservation measures in the list of items that can be financed under the Home Insulation and Conservation Act. This bill would have enabled consumers to obtain financing, at interest rates lower than usual consumer loan rates, for conservation measures. A similar bill, which added only furnace and boiler replacements and heat pumps to the list of measures that can be financed under this program was reported from this Committee, and eventually signed into law by the Governor, during the Governor's Extraordinary Session (A.8 Extraordinary Session, Chapter 741).

### Conservation

Conservation was a major thrust of this year's Energy Committee program, and the Home Insulation Act Amendment described above was only a small part of



our efforts in this direction. The Committee feels that the State should take a leadership role in efforts to conserve energy and two of our program initiatives this year would have required the State to take additional measures in this area. A bill we call the Energy Efficient Procurement Act would have required each State agency to study the items that it procures, such as typewriters, office supplies, air conditioners and maintenance machinery, and make recommendations as to which items could be purchased on the basis of a "life cycle cost analysis". This analysis would require the energy use, life expectancy and salvage value of an article to be considered, along with its initial cost, before any purchase is made. A similar bill would have required the State to conduct this analysis before choosing a design for new State construction or large building renovation projects. This review would ensure that an alternate form of energy supply for each building was considered and that an energy source would be chosen to insure that State buildings would be energy efficient. The Committee is continuing work on these proposals and hopes to see them pass the Assembly next session.

A bill that did become law (A.7939-A, Chapter 739) this year would require all buildings, other than residences, that use more than 5000 kilowatt hours of electricity per month for lighting, to comply with State lighting efficiency standards. These standards ensure that lighting levels are appropriate to the activity taking place in each room or part of a building.

Another measure aimed at energy conservation sought to provide consumer protection to those buying homes or condominiums or renting apartments. This bill, entitled Truth in Heating, would require the disclosure, upon request, of heating costs for a building or part of a building, before its rental or sale. This is designed to make the consumer aware of the adequacy of insulation and the efficiency of the heating plant in a home or apartment which he or she is interested in purchasing or renting.

### Nuclear Energy

The Committee is most proud of its efforts this year in the area of nuclear energy. The questions surrounding the use of nuclear power are of primary importance, as they affect the very health and safety of our citizens. This Committee has been involved, through Chairman Angelo Orazio's role in the Assembly Special Committee on Nuclear Power Safety, in the health and safety issues surrounding nuclear power. The Special Committee has conducted several hearings on nuclear plant safety and evacuation plans in case of nuclear accidents. The Energy Committee intends to continue to work very closely with the Special Committee as it pursues its investigation of nuclear power.

Several bills concerning the siting of nuclear waste facilities in New York State were also on the Committee's priority list this year. We are proud to report that a bill to prohibit the siting of any permanent nuclear waste facility without statutory approval was passed by both houses of the Legislature and signed into law (A.3197, Chapter 614). This bill was prompted by Federal surveys of the Salina Salt formations in Western and Central New York State as a possibility for a permanent nuclear waste depository. A companion bill that would have required statutory approval of any temporary away from reactor waste disposal facility for nuclear fuel rods was vetoed by the Governor. New York State is currently conducting negotiations with the Federal Department of Energy regarding the

nuclear waste disposal facilities at West Valley. This Committee feels it imperative that any decision regarding the clean up of West Valley that includes the siting of any new waste disposal facility in New York State should not be made without legislative participation.

Nuclear issues will continue to be a major interest of the Committee in the coming session. The questions of nuclear waste disposal, the safety of nuclear power plants and the economics of nuclear power are major issues to be addressed, and the ultimate resolution of these issues will profoundly affect the future energy mix in New York State.

### Fuel Availability

The Energy Committee has become increasingly concerned about the availability of gasoline and middle distillates. New York State is especially vulnerable to supply disruptions since the State is so heavily dependant on oil to meet its energy needs. The establishment of a State system to meet petroleum product supply emergencies was the goal of Committee legislation this session. A State fuel set aside program, similar to the federal one, was established through this bill (A.6220, Chapter 718) and will take effect if the existing federal program expires. Fuel set aside allows the New York State Energy Office to distribute up to 3% of each petroleum fuel in emergency cases to priority users who are not able to obtain a supply through their normal channels. This bill will provide protection for New York State consumers who face fuel emergencies.

In times of fuel shortage it is often the case that one refiner will have access to a greater fuel supply than another. Yet under the General Business Law fuel of one brand may not be sold by or distributed to a retailer or wholesaler of another brand of fuel. This is called cross-branding. During the Governor's special session this year the Committee reported a bill which was passed by the Assembly that would allow cross-branding under order of the Energy Commissioner in an energy emergency (A.4 Extraordinary Session, Chapter 739).

Major difficulties will be experienced by New Yorkers this winter due to the credit crunch in home heating oil and the astronomical increase in the price of that oil. This situation threatens many of our citizens who will be unable to purchase heating oil, either due to the lack of funds or to the unavailability of credit. The problem will be particularly bad for those on fixed incomes and for the working poor. The Committee is deeply concerned that many of these people may be forced to choose between "heating or eating". Many oil companies have notified their customers that credit will no longer be extended and all bills must be paid within ten days and that installment contracts will not be renewed. In light of these findings the Committee was proud to have assisted with the development of the Speaker's package of bills to: provide assistance to people without the funds to pay their heating bills; provide credit protection and an expansion of interest free budget plans to pay for heating fuel; eliminate the sales tax on home heating oil; provide a \$35 tax credit to each low to moderate income senior citizen; and protect consumers against price gouging.

## Cogeneration

Public hearings on the subject of cogeneration, jointly sponsored by the Assembly Standing Committee on Corporations, Authorities and Commissions Subcommittee on Public Power, and by this Committee, were held in July. Cogeneration refers to the simultaneous production of electricity or shaft horsepower and useful thermal energy. Cogenerators could be industries that would burn fuel to make process heat and use excess steam from the generation of that heat to make electricity, or apartment buildings that simultaneously generate thermal energy for building heat and generate electricity. Even utility companies that produce electricity could use waste heat either for their plant or for district heating for residences surrounding the plant. The use of cogeneration and self generation, which includes the generation of either electricity or heat but not both, is increasing, particularly in areas with high utility bills. Cogeneration appears to be much more efficient than conventional arrangements. Local generation cuts transmission losses, and the use of what would otherwise be waste heat makes for much greater efficiency. Several problems with cogeneration remain, however, and the Committee has been investigating them. Among these difficulties is the fact that cogenerators currently are charged what many consider to be an excessive rate for backup service by the utility. Cogenerators need to rely on either redundant equipment or utility backup in case of failure of primary generators. Other questions revolve around the cogenerators desire to sell its excess electricity or thermal energy either to a utility or a third party. Rates are just now being set by the State Public Service Commission for sales to utilities. Currently, sales to third parties, except those who are tenants of the cogenerator, are forbidden if the cogenerator is not a utility. The Committee has produced legislation that addresses some of these issues, this is currently being reevaluated and will be amended for consideration during the next legislative Session.

## Competition in the Oil Industry

The Committee also conducted a hearing this year on the subject of competitive initiatives in energy, focusing on the divestiture of retail gasoline stations. The purpose of this hearing was to examine the competitiveness of the oil industry at the retail level and to explore ways in which competition can be encouraged in the sale of gasoline. In recent years, there has been increasing movement away from independent dealers who historically have operated the vast majority of our nation's gasoline stations and toward company owned and operated service stations. The Committee is concerned about the increasing control oil companies are gaining over the retail sale of gasoline and the possible implications this growing power may have for gasoline price and availability. We are also distressed over the decline of the small businessman of the oil industry — the independent dealer. At this hearing testimony was received from dealers, and dealer organizations, from major oil companies, small independent refiners, jobbers, the State Energy Office and from several legislators. The Committee will review the comments of these witnesses and develop legislative proposals in this area for the 1980 Session.

## 1980 INITIATIVES

The Committee hopes the 1980 legislative session will be a productive year in terms of energy legislation. We are currently working on a number of legislative initiatives for the coming year. These programs fall into three broad areas: consumer protection, conservation/alternate energy sources, and nuclear safety.

### Consumer Protection

We are deeply concerned about the effect of rising energy prices and continued supply problems on the consumer. Prices of home heating oil and gasoline will have approximately doubled in the 12 months between December 1978 and the same month this year. Consumers are being squeezed by tight credit policies, and customers are being dropped by heating oil companies. Gasoline has been difficult to find and residents of the New York City Metropolitan area have been faced with odd/even day gasoline sales. While there are many problems that cannot be addressed at the State level, the Committee is working on several responses that the State can make.

As indicated by the gasoline station divestiture hearing mentioned above, we are interested in the problems of independent gasoline dealers who charge that they are being discriminated against in favor of company owned stations. It may be that in the interests of fair competition oil companies should be prohibited from both owning and franchising or contracting with service stations.

In the six years since the 1973 oil embargo we have seen several major gasoline retailers withdraw from business in the State, or announce that they would do so in the near future. This practice is leading to a decline in the number of different companies selling gasoline in our State and may seriously inhibit competition if allowed to continue. The Committee is investigating ways in which competition can be encouraged and will be preparing legislation to require any oil company or subsidiary which intends to withdraw a substantial part of its business from New York State or any part of the State to notify the State Energy Office.

During this time of energy emergencies it is important that the consumers have access to information that will help them cope with whatever energy difficulty may occur. The State Energy Office hot line, backed up by other technical assistance programs of the Office, has been established to meet consumer information needs. This Committee feels that this service must be greatly expanded to reach all New York State residents who need assistance in coping with the energy crisis. A proposal to upgrade the Energy hot line and technical service of the Energy Office is being developed.

In our continuing attempt to increase competition in the energy field we also intend to investigate the desirability of requiring the separation of gas from electric utilities. It appears as though companies that currently provide both electricity and gas service may not be as aggressive in their pursuit of new sources or users of natural gas. The Committee feels that since gas is nearly an ideal fuel its potential has not been fully explored by companies whose primary concern is likely to be the sale of electricity. We plan to hold hearings on this issue within the next few months.

## Conservation/Solar Energy

New York State's energy future depends on reducing our reliance on imported oil. If we are to avoid building additional nuclear or coal plants, the use of renewable resources and the encouragement of increased conservation must be pursued. The Committee has been working to accomplish these ends and will consider this area a priority for the 1980 legislative session.

In the residential sector the majority of owner occupied homes have already installed insulation and taken conserving measures such as setting thermostats at 68° in the winter. But major conservation efforts can still be achieved if homeowners are encouraged to install solar hot water systems or other renewable energy equipment. Another area in which great conservation can still be accomplished is rental properties. There is now little or no incentive for tenants to insulate or purchase a solar device for a house or apartment that they do not own, or for landlords to insulate or purchase a solar device for a building to which they do not supply heat.

The Committee also believes an income tax credit for the installation of solar or wind equipment, insulation, woodburning stoves and other energy conserving materials should be enacted. This credit would parallel existing federal tax credits for solar and wind equipment, and for insulation. Such a credit would encourage the purchase of these energy saving measures. In addition it would dovetail with other existing inducements, such as the Home Insulation Act, and the solar property tax credit.

Requiring the insulation of homes and apartment buildings upon their sale is another proposal which the Committee has been studying. This would insure that eventually every residential building meets insulation standards.

Existing homes sometimes prove to be difficult to retrofit, however, in new construction, solar systems and additional insulation can be added with little extra cost. Passive solar construction should especially be encouraged since it costs so little, yet can decrease the energy use in a house by more than half. The Committee is considering the introduction of legislation to encourage passive solar construction in new buildings. We would also like to see communities plan for new developments consisting totally of solar construction, with alternative energy sources that might include wind systems, or with district heating produced by cogeneration. Similarly, it is important that local governments re-examine any local ordinances or restrictive covenants that prevent or deter the use of renewable energy.

The commercial and industrial sectors also possess a great potential for conservation. Recognizing this fact, the Committee was proud to report a bill this session to require buildings that use more than 5000 kilowatt hours per month of electricity for lighting to comply with State lighting efficiency standards. We are investigating the desirability of providing a stronger enforcement mechanism for this and for the energy efficiency construction code, and perhaps for the federal Building Temperature Standards. The Home Insulation Act could also be extended to provide energy audits to commercial buildings. This would allow commercial enterprises to determine where additional insulation or devices would result in energy savings.

Other inducements to increased conservation in the commercial and industrial sector that the Committee is considering for possible legislation next session include expansion of the current State loan programs for industry to include loans for energy efficiency and renewable energy investments. These loans would provide a ready source of financing for conversions to solar or for insulation or other related energy efficiency improvements. Various business tax credits for the use of renewable energy sources are also being considered.

### Nuclear Safety

One of today's foremost issues is nuclear power. The people of New York State are legitimately concerned about the safety of nuclear power plants. This Committee is working to develop proposals that will help to improve the safety of existing nuclear plants. Our proposals for the next legislative session will include a requirement that each nuclear facility have a simulator on site capable of training the staff of that facility by simulating the operation of the facility during normal or abnormal operation. We would like to see each nuclear operator required to spend a portion of the work week in training for emergency situations. We are also considering a proposals to require a State inspector at all State nuclear plants.

### STATE ENERGY MASTER PLAN

The Committee has closely monitored the activities of the New York State Energy Office over the last year concerning the development of State energy policy. The Energy Office will be issuing this year the first State Energy Master Plan. The Committee sees this plan to be of major consequence since it will determine energy policy for the next 15 years. We have provided some input to the Energy Office concerning the direction of the plan, and will continue to provide advice and suggestions in the course of this policy making process.

In terms of our State's energy future, the Committee feels we must turn away from the use of foreign oil as much as possible. Petroleum oil, ideally, will be used primarily for petro-chemical feedstocks and lubrication in the future. It should be avoided as a fuel, except for such purposes as vehicle propulsion. Its use even in this area can be greatly reduced. This change need not lead us into an age of economic retrenchment. With careful planning, we can achieve energy independence without suffering undue harmful economic or social consequences.

The growth in energy demand has been slowing over the past few years. Projections of the New York State Power Pool for future electric energy have over-estimated growth in demand for several years now. This year the pool is projecting a growth rate of about 2.5% per year over the next 15 years. The State Energy Office has estimated growth to be 2.1% per year over the next 15 years.

By encouraging proper conservation measures we can undoubtedly lower the energy growth rate even further. We have already taken large energy saving steps in this State with the passage of several bills over the last few years which will require conservation measures. The State Energy Office is now implementing the energy efficiency construction code and lighting efficiency standards. We have provided low interest loans for home insulation, and we have required energy efficient air conditioners.

But there are many additional steps to be taken in the conservation area, steps that go far beyond turning down thermostats to 68° or taking only one trip to the market instead of three.

We must encourage the use of the most efficient energy source for each individual task. This means that we must turn away from using energy that comes, for example, from a nuclear plant to produce hot water. Instead, solar hot water heating should be encouraged, or gas should be used for this purpose. Also energy must not be used when it is not necessary. The use of passive solar design in new construction and the encouragement of proper insulation must be priority policies.

Electric plant efficiency must also be improved. We cannot continue to allow generating plants to be constructed in rural areas, which results in an unconscionable amount of their energy production lost in waste heat and in transmission losses. A combined heat and power or "cogeneration" plant which produces electricity and utilizes most of the otherwise wasted heat for industrial process heat or for district heating can have an overall efficiency of about 85%. We believe that we should be encouraging cogeneration, not only by utilities, as in consolidated Edison's steam system, but by industry and by large residential and commercial users.

In addition, the establishment of neighborhood, or district, electric plants would provide more efficient delivery of electricity. If they utilized cogeneration, they would produce an added bonus of thermal energy for heating or some other use, through cogeneration.

For the immediate future we see natural gas as a primary fuel. We have, because of the deregulation of natural gas, a five year "bubble" of extra supply. Gas is clean burning fuel and its use should be encouraged in areas which would otherwise require burning expensive low sulfur foreign oil. Future gas supplies can be assured by heavily supporting efforts to produce methane from solid waste and biomass, and to develop coal gasification. These areas should receive priority in our research and development efforts.

The use of coal will be necessary over the next few years, despite the environmental problems. Research into newer and cleaner methods of coal burning, for example, gasification and liquification, that will allow us to burn coal cleanly should be supported. Fluidized bed coal plants would provide for an environmentally acceptable way of burning coal. However, our State cannot turn to the conventional coal plant as the primary source of electricity for the future, as such a step would be a 19th Century solution to a 21st Century problem.

The New York State Energy Research and Development Authority (NYSERDA) is currently undertaking a project that can provide us with an additional 1000 megawatts of small hydro power over the next 15 years. We commend NYSERDA for their leadership in this direction and will continue to support their efforts. Hydro electric power is our cheapest and cleanest energy source; we should pursue the development of small hydro projects around the State.

Consolidated Edison is involved in another exciting demonstration project. Fuel cells are being used to supply power to a Manhattan neighborhood. A clean, flexible energy source, fuel cells are the wave of the future. These cells can be

used with a variety of fuels, naphtha or natural gas, and in the future, hydrogen produced from solar or wind power. Clean burning neighborhood power plants, such as those which could be provided by fuel cells, could solve many of our energy problems. We strongly support further research and development efforts in this area.

For the future, then the Committee would like to see a reliance on natural gas or methane, small local generating plants, with a strong emphasis on cogeneration, conservation, solar energy and, to a lesser extent, coal.



## APPENDIX A

1979 COMMITTEE WORKLOAD

Total bills in Committee	68
Bills rereferenced to another committee	4
Bills held in Committee	26
Bills reported to the floor from Committee	10
Bills reported to the Ways and Means Committee	12
Bills reported to the Rules Committee	13
Bills reported from the Ways and Means Committee	9
Bills reported from the Rules Committee	12
Bills that died on floor	3
Bills passed by the Assembly	27
Bills passed by both houses	16
Bills signed into law	13
Total number of Committee meetings held	18

## APPENDIX B

Bills That Were Signed Into Law

<u>Bill #</u>	<u>Sponsor</u>	<u>Description</u>
A.1650	Nadler	Chapter 253, Allows local consumer affairs departments to enforce air conditioner energy efficiency standards
A.3097	Orazio	Chapter 116, Extends Office of General Services study of gasahol use in state vehicles.
A.3197	Hoyt	Chapter 614, Prohibits the establishment of a permanent nuclear waste facility in New York State.
A.5232	Orazio	Chapter 167, Changes quorum requirements of NYSERDA.
A.5803	Orazio	Chapter 220, Extends property tax exemption to passive solar equipment.
A.5991	Bianchi	Chapter 490, Exempts "Multi-Town" from Article VIII of the Public Service Law.
A.6220	Hoyt	Chapter 718, Establishes State Fuel Set Aside Program.
A.7744	Orazio	Chapter 351, Allows State Building Code Council to enforce Energy Efficiency Construction Code for factory manufactured homes.
A.7939A	Rules (Orazio, Connor)	Chapter 743, Extends Lighting Efficiency Standards

Extraordinary Session

A.4	Rules	Chapter 739, Allows cross-branding in times of energy emergency.
A.8	Rules	Chapter 741, Expands Home Insulation Act to include 4 family homes, and replacement or retrofit of boilers or furnaces.
A.9	Rules	Chapter 742, Recognizes solar access as a valid public purpose in zoning regulations.
A.12	Rules	Chapter 744, Chapter amendment to Lighting Efficiency, A.7939A.