

**ECONOMIC DEVELOPMENT & ENERGY COMMITTEE MEETING
HELD IN ROOM #318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512**

Members: Chairwoman Scuccimarra, Legislators Gross & Wright

Monday

5:30PM

August 18, 2014

The meeting was called to order at 5:30 P.M. by Chairwoman Scuccimarra who asked Legislator Oliverio to lead in the Pledge of Allegiance. Upon roll call, Legislators Gross, Wright and Chairwoman Scuccimarra were present.

Item # 3 – Approval of Minutes- June 23, 2014

Legislator Wright made a motion to approve the minutes as submitted; Seconded by Chairwoman Scuccimarra. All in favor.

Item # 4 – Discussion/Visitors Bureau Inc.’s 2014 Financials/ Director Libby Pataki

Chairwoman Scuccimarra stated she received a phone call from Visitors Bureau Director Libby Pataki and she is unable to attend the meeting due to a conflict in her schedule. She stated Director Pataki will send the Legislature the financial information requested.

Legislator Oliverio questioned if Director Pataki can attend the next Economic Development & Energy Committee (“Committee”) Meeting to discuss this matter further.

Chairwoman Scuccimarra stated she will request her attendance for the next Committee Meeting.

Item # 5 – Putnam County Economic Development Corporation/President Meghan Taylor

- a. CFA Update**
- b. Project Update**

Item # 6 – Discussion/Energy Rate Hikes

Legislator Wright made a motion to waive the rules and accept the additional; Seconded by Legislator Gross. All in favor.

Chairwoman Scuccimarra read through the EDC Press Release information that stated there are 25 endorsed priority projects in the Mid-Hudson Valley Region. She stated Green Chimneys, located in Putnam County was endorsed as a priority project.

Chamber of Commerce President Bill Nulk stated he wanted to remind the Legislature that these 25 projects listed in the EDC Press Release are only the priority projects. He stated there are still

the other projects that applied for the New York Consolidated Funding Application (“CFA”) application.

Chairwoman Scuccimarra began to address the issue of the energy rate hikes and stated the energy rate hikes were imposed by the Federal Regulatory Commission (“FERC”). She stated the New York State electric grid is separated into zones and those zones are based on the location of the electric generators and transmission lines. She stated the electrical transmission constraints in the Mid-Hudson Valley are driving a federal mandate to create a new capacity zone. She stated this will raise the energy rates in Putnam County. She stated the Residents of Putnam County are penalized for our location similar to the MTA Payroll Tax. She stated it is her understanding that County Executive MaryEllen Odell and Senator Sean Maloney have written several letters to FERC.

County Executive Odell stated in March 2014 she wrote a letter to inform the Residents of Putnam County the upcoming energy rate hikes were going to begin in April. She stated at the time many Residents did not understand what was going to occur until they received an electric bill which was much higher than average. She stated that the Residents’ electric bill increase is not due to higher consumption for the summer time. She stated the energy rate hike situation is similar to the MTA Payroll Tax. She stated the energy rate hikes in our County will assist in offsetting the energy rate costs in New York City. She stated this issue raises the question if the energy rate hike is due to the transmission of energy, the need for more power plants or the push for the use of alternative energy sources. She stated the legislation that Senator Maloney brought before the State passed in the House of Representatives however; it is not likely the proposed legislation will pass in the Senate. She stated it is important to build a strong voice in the Hudson Valley Region regarding the matter.

Chairwoman Scuccimarra stated she has read that there is a push for companies to build more generators.

County Executive Odell stated the power that Niagara Falls generates “could be” and “should be” enough but, the transmission lines are not effective. She stated there is discussion about enhancing the transmission lines. She stated there is also a discussion of building new alternative technology for energy for the future generations however, there is the concern of fracking. She stated the increase in energy rates will impact the non-for-profit organizations and the Seniors who live in the County.

Chairwoman Scuccimarra questioned if the proposal before the State is asking to put the increase in rates on hold.

County Executive Odell stated the energy rates have already increased. She stated she has received positive responses from her constituents regarding her proactive initiative on the energy rate hikes. She stated if the proposed legislation does not pass in the Senate, she believes there is a need to engage with the County’s State Representatives.

Chairwoman Scuccimarra stated she is aware that County Executive Odell has written letters to FERC. She stated she believes it would be helpful for the Legislature to write a letter as well.

County Executive Odell stated that she suggests the Legislature prepare a memorialization to present to the State.

Chairwoman Scuccimarra questioned if the Committee would be supportive in writing a memorialization to the State.

Legislator Gross stated he is supportive in submitting a memorialization to the State.

Legislator Wright questioned if there is an analysis that suggests the energy rate increase is disproportioned in certain Regions in New York State or if the energy rate increase is affecting everyone in New York State.

County Executive Odell stated the new capacity zone conceivably imposes approximately \$230 million increase in energy rates for just the Hudson Valley Region. She stated a greater portion of energy from our location serves New York City.

Legislator Albano stated the energy rate hike is similar to Putnam County's water rates and how the rates changed drastically without justification. He stated the change in the energy rates will force the Residents to use different sources of energy and eventually use energy efficient technology. He stated he believes it is important for the County to voice an opinion on this matter.

County Executive Odell stated the Public Service Commission and the New York Power Authority are recommending that FERC delay the energy rate hikes.

Deputy County Executive Bruce Walker stated FERC is a very powerful body in the United States. He stated the process of organizing new capacity zones has been going on for approximately nine (9) years. He stated FERC in essence is forcing people to install new energy efficient technology. He stated around 2006 the Department of Energy identified two (2) places in the United States where there were transmission constraints; which were New York City Zone J and Southern California. He stated FERC has unfettered discretion to apply rules throughout the United States and therefore, he does not believe that the Senate will not vote against FERC's energy rate hikes. He stated over the last approximate five (5) years FERC's power has increased.

Legislator Wright questioned if there is any indication that the additional rate increase is dedicated to grid rehabilitation.

Deputy County Executive Walker stated the increased rate is not due to grid rehabilitation. He stated there is a fund set up at the NYSERDA which is called the SPC Service Benefit Charge that receives about \$90 million a year in New York. He stated a certain SPC Service Charge is taken out from every consumer, which is aggregated to NYSERDA. He stated the issue in New

York is there is approximately \$700 million of transmission congestion charges that are the result of inadequate transmission lines. He stated there is no direct benefit from the approximate \$230 million increase going into the transmission lines. He stated there are many ways to solve the issue but FERC proposed to just increase the energy rates.

Chairwoman Scuccimarra stated she believes there is a better way to handle this issue.

County Executive Odell stated she has been discussing the energy rate hike issue with Consumer Affairs Director Jean Noel and they collectively have been creating a brochure to educate the public on ways they can maximize energy efficiency in their own home. She stated she suggests living similarly to the Embargo Crisis where there is the idea of conserving energy. She stated the creation of the brochure is perhaps something this Committee would want to assist with.

Chairwoman Scuccimarra stated that is something the Committee would like to be involved with.

Deputy County Executive Walker stated from a County perspective the energy rate hikes affects us in December 2015. He stated the Administration was able to lock in a commodity price till December 1, 2015. He stated the Administration has been looking at ways to reduce the energy rates. He stated the Administration was approved for an RFP regarding alternative energy efficient technology.

County Executive Odell stated the positive side to this issue is the awareness of how energy is being used. She stated the Europeans manage their energy usage much differently than the United States. She stated the County may want to use Europe's energy management as an example. She stated the less energy consumed the better the environment is.

Legislator LoBue stated the issue of water usage was mentioned while discussing the issue of the energy rate hike. She requested an update on the Memorandum of Agreement with New York City regarding water usage.

Legislator Albano stated that matter is primarily a Town issue and a County issue indirectly.

Deputy County Executive Walker stated the County is currently not involved with the Town of Carmel's negotiations.

Legislator LoBue stated perhaps this matter can be discussed further at another committee meeting.

Legislator Tartaro stated he understands the encouragement of using energy more efficiently however, he believes the energy rate increase is truly another surcharge.

County Executive Odell stated the Administration is willing to assist the Legislature in drafting a memorialization.

Upon late arrival Chairwoman Scuccimarra requested for EDC President Meghan Taylor discuss the CFA Priority Project Awards.

President Taylor stated the EDC press release stated there were 25 projects designated as priority projects for this round of funding. She stated from Putnam County, the Green Chimney's Expansion Project was designated as a priority project in the Mid-Hudson Valley Region. She stated the project costs approximately \$4.2 million in total. She stated the Green Chimney's Expansion Project would deliver around 32 new jobs and serve about 60 special needs children throughout the Hudson Valley Region. She stated to remind the Legislature that just because a project is deemed a Priority Project does not guarantee any funding. She stated the 25 Priority Projects are top priority for one (1) pot of money. She stated the Projects that applied for the CFA Priority Project Application also submitted a General CFA Application. She stated there were 111 Priority Projects that applied and about 389 Projects that applied for a CFA Application. She stated this is a very competitive process.

Legislator Albano stated regarding the previous discussion of energy rate hikes, his suggestion is for Chairwoman Scuccimarra to make a motion to approve a memorialization regarding the energy rate hike.

Legislator Wright stated the Committee was going to solicit the input from the Administration.

President Taylor stated as a reminder there is going to be an EDC Recognition Breakfast on September 26th at the Putnam County Golf Course.

Item # 7 – Foreclosure Report-FYI- Duly Noted

Item # 8 – Unemployment Report- FYI- Duly Noted

Item # 9 – Other Business- None

Item # 10 –Adjournment

There being no further business at 6:00P.M. Legislator Gross made a motion to adjourn; Seconded by Legislator Wright. All in favor.

Respectfully submitted by Administrative Assistant, Lisa Sommers.