



Proposal would damage economy

By JOHN BASILE

Published: Sunday, August 8, 2010

New York continues to struggle economically, but there are glimpses that we may be near the end of the recession. Today, more than ever, our state leaders and regulators must ensure that state policies do not overreach to cause further economic pain.

Recently the state [Department of Environmental Conservation](#) released a proposed policy to reduce fish and fish egg mortality at power plants and facilities that use water from lakes and rivers for cooling. If adopted, the policy will severely damage our state's economy, electric reliability and even the environment.

The proposal mandates that applicable facilities install "closed cycle" cooling systems that do not require regular water intake. Not only would this policy impact more than 50 percent of New York's power supply, but the estimated cost to the power industry of installing these structures statewide is a whopping \$8.5 billion. That means higher electric bills for New Yorkers and makes it harder to keep and hire workers.

An \$8.5 billion de facto power tax will undoubtedly cause many of the affected facilities to either close their doors outright or cut jobs and services to make ends meet. Adding to the costs, the loss of power will intensify our existing electric supply constraints, especially in the downstate region, potentially leading to more frequent brownouts and blackouts. After installation of these structures, the resulting reduction in efficiency of the power plants will also result in the increase in greenhouse gases and pollutants, offsetting any potential environmental benefits.

The [New York Independent System Operator](#) noted that the loss of 500 megawatts in the lower Hudson Valley and New York City regions would violate reliability standards. More than 6,000 megawatts of power in that region would be impacted by the policy. Furthermore, the NYISO stated that the removal of Indian Point, one of the first plants to be impacted and also one of the largest, would immediately violate reliability standards.

There is little doubt that New York's environmental regulations have helped make this the beautiful state it is. But regulators cannot create policies in a vacuum, and the negative economic and environmental impacts must be considered alongside any potential benefits. The proposed policy fails to take into account or even recognize the consequences that would result from its adoption.

The power plants affected by the proposal have been in operation in New York for over 30 years. During this time, the DEC has calculated or estimated the impact on fish for specific plants, and not once has a negative impact on overall fish populations been shown.

In fact, the majority of waterways and coastal regions in New York are cleaner and healthier than they have been in decades -- a fact noted by environmental groups and the DEC alike. Requiring major retrofits at a cost of over \$8 billion without truly proving the environmental reward calls into question the cost versus the benefits of this policy.

Not only does the proposed policy fail to adequately address the cost versus the benefits, but also fails to address the environmental problems of building closed cycle structures. The environmental cure is worse than the disease.

This is especially true of cooling towers, which can be as large in diameter as Yankee Stadium. They are a massive undertaking, take years to build, and greatly impact the local community and environment.

The DEC's policy will have significant consequences on New York's energy providers, businesses and ratepayers. The costs will reduce system reliability and increase electric costs, the number of lost jobs and environmental degradation.

The DEC must evaluate the costs of the policy versus the benefits; otherwise New York will be taking a big step in the wrong direction.

John Basile is a member of the board of directors of the [New York Affordable Reliable Electricity Alliance \(www.area-alliance.org\)](http://www.area-alliance.org) and a retired power plant manager.