



Instead of a New Power Plant, Conservation

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This is a picture of ConEd's Waterside powerplant, which is under demolition on the superbloc bounded by 38th and 41st Streets, First Avenue and the FDR Drive. ConEd sold the site to a residential real estate developer and is using some of the revenue from the land sale to expand capacity at its plant a mile downtown at 14th Street and the FDR Drive.

While the 14th Street plant is expanded, other new power plants will remain on the drawing boards for at least four years longer than previously planned.

The mayor's energy task force, which last month [was being chided](#) for losing enthusiasm, has proposed delaying the construction of a new power plant for four years and focusing instead on reducing demand by encouraging "green buildings" and -- here is a novel idea -- by [paying people to avoid using energy during peak load times](#). (I.e., if you can go without A/C on the hottest days of the year, you'll be paid for your trouble.) "Officials expect the program to save the equivalent of what a large power plant could generate," the Times reports.

This is a sensible proposal that, like congestion pricing, discourages people from consuming during periods of highest demand by adjusting peak-hour costs. It is well known on this site that New Yorkers use much less energy than most Americans, and now the city is pursuing a strategy to encourage them to use even less. Hopefully the *conservatives* in Washington will follow and begin to push for energy conservation at the national level.

Here is the full press release from the mayor's office on the Energy Task Force [Recommendations](#)

MAYOR BLOOMBERG RELEASES ANNUAL REPORT OUTLINING PROGRESS ON ALL 28 RECOMMENDATIONS FROM ENERGY POLICY TASK FORCE

Efficiency and Supply Initiatives Push Back Need for Additional Electricity Resources to

2012

Mayor Michael R. Bloomberg and the members of the Mayor's Energy Policy Task Force today announced significant advances on all 28 recommendations made by the City in 2004. The "2006 Status Report" outlines achievements in energy efficiency, new clean energy capacity, and infrastructure planning that enhance the City's capability to meet its energy needs and stave off the need for new resources until at least 2012. Highlights include the construction of state-of-the-art electric generating plants that will produce 1125 megawatts of the nation's cleanest electricity, an innovative three-year initiative to reduce peak electric demand by 675 megawatts, and completion of the City's first 20-year energy infrastructure master plan to support development in growing areas like the Hudson Yards and Lower Manhattan. Progress made in the past year also includes new partnerships with the private sector to integrate energy efficiency and other green building standards that will impact nearly nine million square feet of planned construction projects.

"Having a sufficient supply of clean, reliable power to meet future needs in the most efficient and environmentally sound way possible is critically important to New York City's future," said Mayor Bloomberg. "The Task Force's continued progress over the last year has provided a balanced approach to meeting our City's energy needs including increased investment in energy efficiency and green buildings, more detailed long-term infrastructure planning, and the development of clean generation plants."

"Led by the work of the Energy Policy Task Force members, the City is now clearly in a better position than it was two years ago," said Gil Quiniones, EDC Senior Vice-President and Chair of the Task Force. "In fact, according to a Con Edison electric system reliability study released in December 2005, with these new and planned resources in place, New York City's need for additional energy resources to meet load growth and reliability requirements has been deferred to 2012, which will allow the City to plan for its future needs in a thoughtful way."

Highlights of the Task Force's "2006 Status Report" include:

1. Increasing Energy Supply - In the last year, 1125 megawatts of new in-City clean natural gas fired capacity came online at three projects: SCS Astoria Plant (500 MW), New Poletti Plant (500 MW), and the Con Edison East River Repowering Project (125 MW). Financing for the first project was enabled by a power purchase agreement from Con Edison, and financing for the second was enabled by a long-term contract between the New York Power Authority and its Southeastern New York governmental customers, including the City of New York.
2. Decreasing Energy Demand - The City worked closely with Con Edison, the New York State Energy Research & Development Authority (NYSERDA), the Natural Resources Defense Council and other Energy Policy Task Force members to create a three-year initiative to reduce peak electric demand in the Con Edison territory by 675 megawatts. The new programs will fund a range of Distributed Resource measures including energy efficiency, clean on-site generation, and peak load management among others. The new initiative is comprised of several funding sources including the recently renewed and enhanced \$875 million System Benefits Charge fund administered by NYSERDA and the \$224 million in new Con Edison rate payer funds specifically reserved for this initiative.
3. Developing Efficient Energy Delivery Infrastructure - Con Edison, in coordination with the City and the Public Service Commission, completed 20-year Energy Infrastructure Master Plans for Hudson Yards and Lower Manhattan. The plans include estimates of the infrastructure costs savings resulting from varying levels of

investments in Distributed Resources such as energy efficiency and clean on-site generation. Energy Infrastructure Master Plans for Downtown Brooklyn and Greenpoint/Williamsburg are scheduled to be completed in Fall 2006.

4. Leading by Example - In addition to the City's new construction projects that will follow green building guidelines in compliance with the new green building law (Local Law 86 of 2005) signed by Mayor Bloomberg in October 2005, the City's Economic Development Corporation (EDC) and Department of Housing Preservation and Development (HPD) are working with private developers to include green building strategies in their designs, as well. To date, EDC and HPD are involved with green development proposals that could total nearly nine million square feet and over \$2.5 billion.

"The local economy depends on smart investment in the City's energy infrastructure, and the work of the Mayor's Task Force has gone a long way towards ensuring that the City has the energy it needs to remain a competitive and attractive place to conduct business well into the future," said Kathryn Wylde, President & CEO of the Partnership for New York City, the City's leading business organization. "The Partnership is pleased to be a part of the Mayor's Energy Policy Task Force and congratulates the Bloomberg Administration on its success in making substantial progress in achieving the Task Force's goals."

"The Mayor's Energy Policy Task Force members played a central role in the development of the new 675 MW peak load reduction initiative now available in the Con Edison territory," said Ashok Gupta of the Natural Resources Defense Council and a Task Force member. "The initiative correctly creates a clear preference in the City for energy efficiency and demand-side investment over traditional generation and transmission resources. The system reliability and the consumer and environmental benefits resulting from this initiative will be significant and long-lasting."

The Mayor's Energy Policy Task Force, established in July 2003, is spearheaded by EDC and has 16 members including leading energy experts in the private, public, and not-for-profit sectors, as well as representatives of environmental and community groups. The Task Force released New York City Energy Policy: An Electricity Resource Roadmap in January 2004, which contains 28 recommendations for meeting current and future energy demands; in April 2005, the Task Force issued its first progress report. To review the "2006 Status Report," log onto the EDC website at http://www.nycedc.com/Business_Incentives/Energy/nycenergypolicy.cfm



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