



## **New York City's energy needs - Indian Point and beyond**

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To meet this growing demand, N.Y.C. is going to need a more reliable, safe, and affordable energy supply and infrastructure. Meeting energy needs is especially essential for everyone, especially for the real estate industry. The ability to continue to attract new businesses and residents to N.Y.C. will depend directly upon the ability to produce energy efficiently.

There has been a great deal of discussion about whether or not Indian Point Energy Center should be shut down. The facility's license expires in 2013 and needs to be renewed. Indian Point provides approximately 25% of power to N.Y.C. and Westchester at a lower cost than other power plants in the region. Before considering the plant's closure, the state must identify reliable and economical replacement energy to avoid economic and environmental consequences for N.Y.C.

Real estate builders, investors, owners and managers are more likely to make major property improvements and pursue new construction if they can expect energy prices to be competitive over the long run. Furthermore, concerns about electric reliability must be addressed if there can be an expectation of capital investment in buildings and new development to occur in the future.

Shutting down Indian Point Energy Center would increase electricity prices and cause an increase in air emissions. This would include a 15% increase in carbon emissions, according to a recent independent report prepared by Charles River Associates for the Dept. of Environmental Protection in the City of New York.

NYS already has the third-highest electric rates in the nation and even higher energy costs would discourage businesses from locating here. The report also pointed to significant electric system reliability issues, which poses concerns for mass transit, commercial real estate and financial services.

At higher energy costs, N.Y.C. consumers would pay five to ten percent more per year or between \$2 billion and \$3 billion more through the year 2030. On a statewide basis, New York consumers would pay between \$10 billion and \$12 billion in higher energy costs through the year 2030 if Indian Point is closed.

These figures do not include the cost of additional subsidies that may be required to actually build the power plants to replace Indian Point. These additional costs are estimated to be between \$691 million for a conventional fossil power plant and as high as \$2.1 billion for a low-carbon solution.

The non-profit manager of New York's power grid, the New York Independent System Operator (NYISO) has projected that New York's power needs will increase as the economy emerges from recession.

The reliability of the electricity grid will be jeopardized without new generation or transmission system additions. The report stated that it is not unusual for a major capital project (500 megawatts or larger) to take four to five years to develop and construct.

New York's key industries - real estate, financial and professional services, information technology,

media and health all depend on the availability of reliable power and energy consumption and that dependence will only increase with future advances in technology.

Shutting down a billion dollar economic engine like Indian Point Energy Center- a plant that also serves as one of the state's largest sources of clean, reliable power- will not only destabilize New York's energy supply, but will reverse much of the recent trend to attract new investments and make New York open for business.

N.Y.C. needs a long-term energy growth plan that includes renewable energy and the safe and secure operation of Indian Point Energy Center. That plan needs to indicate to people and businesses alike that New York values reliable and affordable energy for the future of the city.

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