

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

**Members: Chairwoman Addonizio, Legislators Gouldman & Sullivan**

**Tuesday** **6:00PM** **August 22, 2017**

The meeting was called to order at 6:03 P.M. by Chairwoman Addonizio who requested that Legislator Gouldman lead the Pledge of Allegiance. Upon roll call, Legislator Gouldman, Legislator Sullivan and Chairwoman Addonizio were present.

**Item #3 - Approval of Minutes – June 20, 2017 & July 11, 2017**

The minutes were approved as submitted.

**Item #4 - Discussion/Renewable Energy in Putnam County/Renewable Highlands/Jason Angell**

Jason Angell, Director of the Ecological Citizens Project, stated he has been working with Renewable Highlands for the last year and a half to establish a Community Choice Aggregation (CCA) in Western Putnam County in the Central Hudson utility district. He stated a CCA is trying to lower electricity bills and give people choice over where their electricity comes from. He stated the end goal of a CCA is increasing the amount of renewable energy that comes in, while reducing bills. He stated in the mid 1990's New York State deregulated the electricity market, which meant the utility company could not have a monopoly over both the delivery and the supply of energy. He stated the goal of the deregulation was to give people more choice and to inject some competition into the market, and reduce people's bills. He stated people could then decide that they want an alternative electricity supplier, or an ESCO (energy service company). He stated since deregulation, only 22% of New Yorkers have switched over to an alternative energy supplier so deregulation did not cause what it was set out to do. He stated one reason for this is that the process of switching is complicated. He stated the CCA allows municipalities to aggregate all of the electricity accounts in their community, such as all homes and small businesses, into one bid and use the bulk purchasing power to get an alternative energy supplier for the community that will lower bills and give people the opportunity to increase the amount of renewable energy used. He stated the Public Service Commission started allowing CCA's statewide in April 2016. He stated New York joined six (6) other states in allowing CCA's. He introduced Glenn Weinberg, of Joule Assets, who developed and implemented the Westchester CCA which was the first in New York State. He stated the Westchester CCA proved the idea in New York and led to CCA's being allowed statewide. He stated there are 20 municipalities that joined the Westchester CCA, which accounts for about 100,000 electricity accounts.

Chairwoman Addonizio noted 100,000 is approximately all of Putnam County.

Mr. Angell stated it is about 40% of Westchester County is part of the CCA. He stated in the beginning of the Westchester CCA it was thought that it would save people \$4-5 million, but the savings have already passed the \$5 million mark after just 15 months. He stated the rate that the CCA locked in is performing lower than ConEdison's rate. He stated 14 out of the 20 municipalities, which is approximately 70,000 electricity accounts, in the Westchester CCA chose to receive 100% renewable energy, and are saving money.

Legislator Nacerino questioned which municipalities in Westchester sign on to the CCA.

Glenn Weinberg, of Joule Assets, stated the Town and Village of Mamaroneck, Town and Village of Ossining, North Salem, Bedford, Lewisboro, Somers, New Castle, Pleasantville, Larchmont, New Rochelle, White Plains are among them.

Legislator Castellano questioned if Mount Pleasant has signed on.

Mr. Weinberg stated the Town of Mount Pleasant has not.

Chairwoman Addonizio questioned if there could be an issue if someone switched to renewable energy, but wants to switch back.

Mr. Angell stated anyone can switch back at any time, at no cost. He stated he has heard concerns about that.

Chairwoman Addonizio noted that that is important.

Mr. Angell stated what Renewable Highlands has been focused on is creating a CCA in the Mid-Hudson Valley. He stated four (4) municipalities have passed a local law to enable a CCA; Beacon, Cold Spring, Town of Philipstown, and the Town of Fishkill. He stated the reason they have focused on the Western Side of Putnam County because it is in the Central Hudson district and it is much less complicated to have a CCA where there is only one (1) utility district. He stated the four (4) municipalities include approximately 25,000 accounts. He stated New York State has mandated that municipalities are the ones to decide on joining a CCA. He stated counties do not have the authority, only cities, towns, and villages. He stated the step after the local law is for the municipality to designate an administrator for the CCA. He stated administrator deals with constituent questions and manages the energy supplier. He stated the municipality could do it themselves or bring in a third party. He stated three (3) of the four (4) municipalities in the Renewable Highlands program have designated Joule Assets, mainly because they are the only ones who have set up a CCA in New York, and that CCA is successful. He stated the administrator submits an implementation plan and data protection plan to the state. He stated once the state clears those plans, it allows the energy suppliers to give all of the electricity usage data to the administrator. He stated this helps the administrator figure out how much purchasing power they have. He stated then the municipalities define what they want out of the CCA, such as getting at least 7% savings on their bill. He stated then an energy supply bid goes out to the energy supply market. He stated once a bid comes back that meets all of the municipalities' criteria, an agreement is locked in. He stated the only thing that changes is the

name of the energy supplier on the bill. He stated by law, the utility company is still responsible for the upkeep and maintenance.

Chairwoman Addonizio questioned how long the price rate would be locked in for.

Mr. Angell stated usually that would be part of the criteria that municipalities set, such as asking for a two (2) or three (3) year contract.

Legislator Gouldman requested clarification on the process for figuring out the price of the renewable energy.

Mr. Angell stated the CCA negotiates with the energy market. He stated, for example, if a municipality decides it wants a 5% savings for the customers it represents, that information goes into an RFP (Request for Proposal) to the energy supply market.

Mr. Weinberg stated there are approximately 75 registered energy suppliers in New York State.

Legislator Gouldman questioned how the Legislators can tell constituents that they are going to save money, when it will not be known before the whole process is complete.

Mr. Angell stated the CCA looks at the average rate over the past few years, and then tries to beat that rate with their purchasing power. He stated Legislator Gouldman makes a valid point because there is no way of knowing before the rate is locked in. He stated constituents can opt out of being in the CCA.

Legislator Gouldman noted that Indian Point is closing soon and could affect the energy market.

Mr. Weinberg stated the conventional wisdom is that energy rates will go up, due to there being less supply in the market. He stated the truth of the matter is that there is already a surplus of energy in New York. He stated planning is already underway on how to replace the supply Indian Point provided. He stated there will not be a sudden drain of supply in the market.

Legislator Gouldman questioned how money will be saved if rates are most likely going to increase.

Mr. Weinberg stated if rates go up in the future, a lot of money will be saved due to the municipality locking in a rate for a period of time.

Legislator Gouldman questioned how the utility makes money if rates go up but the municipality is still paying the lower rate.

Mr. Angell stated utilities cannot make a profit off of energy supply. He stated utilities make their money off of energy delivery.

Legislator Gouldman stated with separating the source and the delivery, someone is not going to make money.

Mr. Angell stated the CCA does not change the position the utility company is in because they cannot make money off supply, only delivery.

Legislator Gouldman questioned if the CCA is making the utility company's position worse because it is cutting off a revenue source.

Mr. Angell stated no revenue source is being cut from the utility company. He stated Legislator Gouldman is bringing up a possible downside because the utility company could raise their delivery charge by 10% and it would erase the savings of the CCA. He stated the CCA only moves forward if it saves people money and a municipality cannot force people into an energy supply deal that will knowingly cost them more money. He stated Renewable Highlands thinks of the CCA as a hedge against the uncertainty of the closing of Indian Point because it will lock people into rates before they go up.

Legislator Gouldman questioned why there are only two (2) utility companies in Westchester when there are 75 in New York State.

Mr. Weinberg clarified that there only approximately six (6) utility companies in the State, while there are 75 registered energy suppliers.

Legislator Gouldman requested more clarification on the numbers Mr. Weinberg provided.

Mr. Weinberg stated there are many differentiating factors.

Mr. Angell stated the easiest way to think about utility companies is that they own the power lines and energy infrastructure.

Mr. Weinberg stated the utility has a regulated monopoly on the delivery side of the market and are a competitive player in the supply side of the market.

Legislator Sullivan stated this is an interesting concept. He questioned who manages the process of creating a CCA and noted that there is a cost to have someone or a firm administer the program.

Mr. Angell stated three (3) out of the four (4) municipalities in the Renewable Highlands CCA have designated Mr. Weinberg's company, Joule Assets, as their administrator. He stated there is no municipal cost in the process. He stated, as included in the bid process, CCA administrators are paid out of the savings for the municipality.

Chairwoman Addonizio questioned clarification on how the administrator gets paid.

Mr. Weinberg stated it is part of the bid process, and that the money comes from the energy supplier, out of the savings for the municipality.

Legislator Castellano noted that there are telemarketing calls in regards to switching energy suppliers and questioned if the CCA would use these people to unite.

Mr. Angell clarified that the CCA unites the homes and small businesses to go back to the energy suppliers and get a better deal.

Legislator Castellano noted that when he receives the calls, the telemarketers state that he has no contract with NYSEG. He questioned if that is why he is getting the calls.

Mr. Angell stated it is because people usually do not go out and choose their supplier, they just use their default supplier for the area.

Legislator Castellano questioned how he could know if he chose NYSEG in the past.

Mr. Weinberg stated NYSEG is the default supplier.

Legislator Castellano noted he pays between \$125 and \$140 per month for electricity and questioned how much he could expect to save.

Mr. Angell stated 5% is usually what people save.

Legislator Castellano stated it would be around \$10 per month. He questioned how many municipalities in Putnam County are a part of the Renewable Highlands CCA.

Mr. Angell stated since they have stayed in the Central Hudson energy district, only Cold Spring and Philipstown.

Legislator Castellano questioned if Renewable Highlands has approached any other municipalities in Putnam.

Mr. Angell stated no because they have not gone out of the Central Hudson energy district.

Legislator Castellano noted that Renewable Highlands has covered all of Putnam in that energy district.

Mr. Weinberg stated the utility boundaries mean more than the County boundaries in regards to the CCA due to how the rules are set up.

Legislator Scuccimarra stated she is interested in renewable and clean energy. She stated she believes everyone should be focused on moving towards that kind of energy.

Mr. Weinberg stated that is why New York State has supported the programs. He noted that the NYSEG districts in Putnam County could form their own CCA or join the Westchester CCA on their next contract.

Legislator Castellano questioned who would be contacted in order to sign on with the Westchester CCA.

Mr. Angell stated Mr. Weinberg's company, Joule Assets, administers the Westchester CCA. He stated the County can play a role in getting the message out about the benefits of joining the CCA. He stated then Joule Assets could be brought in to talk about how it works.

Legislator Scuccimarra stated the Legislators could take the message to their areas.

Legislator Nacerino questioned if there is any data insuring that, after the first contract expires, that the price of the energy will not go up and erase the savings.

Mr. Weinberg stated not in New York because the first contracts have not expired yet. He stated in other states it happens all the time and there has been no issue with prices going up. He stated the municipality is not bound after the contract, they can go wherever they choose for their energy.

Legislator Castellano questioned what percentage of people in the Town of Southeast would be automatically moved over to the renewable energy.

Mr. Weinberg stated it would likely be around 80%. He stated the only ones who would not be switched are ones who have contracts with NYSEG or other suppliers.

Legislator Castellano stated if all of those people switch over, would it destroy NYSEG's profit.

Mr. Weinberg stated there is no profit built into their supply of the energy since it is very regulated.

Mr. Angell clarified that it would not affect the utility company's profit margin since they do not make money off of the supply of energy, just the delivery.

Legislator Jonke questioned how long Renewable Highlands has been in business.

Mr. Angell stated for about a year and a half.

Legislator Jonke questioned if the municipality approves the CCA they can move accounts over to renewable energy automatically, so long as they are not in contract with another supplier.

Mr. Angell stated yes, automatically. He stated they can opt out of the CCA at any time.

Legislator Albano questioned if Mr. Angell or Mr. Weinberg is familiar with MEGA (Municipal Electric and Gas Alliance, Inc.).

Mr. Weinberg stated yes they are a broker for municipalities to build their own facilities. He stated they are now offering a service similar to the CCA.

Legislator Sullivan stated renewable energy comes into play from the suppliers who are sending in the bids.

Mr. Weinberg stated yes, where the energy is being sourced.

Mr. Angell facilitated further discussion on pushing renewable energy. He stated a new aspect that Joule Assets has put into its contracts is if any local renewable source starts up, the CCA will buy it.

Legislator Castellano questioned how the power is differentiated between houses that receive renewable energy and the usual energy received.

Mr. Weinberg stated it is accounted for after the fact.

Mr. Angell stated there are renewable energy credits.

Legislator Nacerino stated there is a renewable energy generator in the Town of Patterson. She questioned if the CCA would buy it.

Mr. Angell stated if it met the requirements of the contract.

Mr. Weinberg stated if it is not in contract with another supplier.

Legislator Sullivan stated he has solar panels installed on his house. He stated it was a very simple process.

Gloria Tressler, Deputy County Attorney, stated she has heard renewable energy is not adequate to power homes. She questioned if it would be feasible for every person in Putnam County to use renewable energy.

Mr. Weinberg stated the energy is purchased from all over, including the mid-west and Canada so there is enough for now. He stated if all of New York City wanted to use renewable energy, there would be a scarcity.

Mr. Angell stated it sends a market signal with more people purchasing renewable energy.

Legislator Sullivan stated if a municipality has a large piece of land and wants to put solar panels, would there be a company interested in doing so.

Mr. Weinberg stated there would, but it would be more likely that the municipality would lease the land out and receive the rent.

Mr. Angell thanked the Committee for their good questions.

**Item #5 - Putnam County Industrial Development Agency**

**a. Update/Board Chairman William Nulk**

**b. FYI/Correspondence from the Office of the New York State Comptroller**

Bill Nulk, Putnam County Industrial Development Agency Board Chairman, stated the Industrial Development Agency (IDA) received good news that they are in compliance with the requirements of the New York State Comptroller's office. He stated the IDA have completed the requirements for 2015 and have received the approval to do business. He stated they will be in compliance for 2016 by the end of the month. He stated with the Board, Stephen Baranowski from Carmel, Joe Downey from Patterson, Commissioner of Finance Bill Carlin, himself, and the guidance of Teri Waivada, the IDA has been able to get the necessary records. He stated the IDA had two (2) very good interns for the summer, who were able to scan the records and documents. He stated the IDA could not have moved forward without the support from the Legislature. He stated the IDA is looking for the same support next year but are looking to become more self-sustaining. He stated they are in the process of accepting applications and are already in the process of reviewing a substantial project.

Chairwoman Addonizio questioned if the IDA is looking for one (1) more Board member. She noted there are currently four (4) board members and the IDA would like to have five (5).

Chairman Nulk stated yes the IDA would like to have five (5) Board members, though they could have seven (7). He stated PKF O'Connor Davies, LLP did a great job in assisting the IDA with their audits. He stated the IDA would be going through a regular RFP process for the 2017 audit which is due March 2018. He stated the IDA looks forward to working with the County Planning Department and the EDC (Economic Development Corporation) to help bring businesses into Putnam County. He stated the IDA would offer these businesses the benefits that are appropriate to entice them to come to or stay in the County. He stated the IDA would also like to work with the Putnam County Visitor's Bureau to be the economic development team that Putnam County needs.

Legislator Scuccimarra commended Chairman Nulk and Teri Waivada on their work to get the IDA back on track. He stated the IDA provides great economic tools for companies that are looking to Putnam County to possibly be a new home. He stated it is vital to have the IDA up and running to provide the tax incentive, financing incentives, and other tools.

Chairman Nulk noted the IDA Board is in line with the rules and regulations for giving appropriate benefits.

Legislator Sullivan questioned if the IDA has new applications for potential businesses moving into the area.

Chairman Nulk stated yes they do.

Chairwoman Addonizio stated that is what Putnam County needs.

**Item #6 - FYI/Unemployment Report – Duly Noted**

**Item #7 - Other Business – None**

**Item #8 - Adjournment**

There being no further business at 7:04 P.M. Chairwoman Addonizio made a motion to adjourn;  
Seconded by Legislator Sullivan. All in favor.

Respectfully submitted by Administrative Assistant Ed Gordon.