

# Tonko: Watch out for deregulation

By ROGER NOYES

Even though there are similarities in electricity deregulation policy, the stagnant upstate economy's small demand for energy is one of the primary reasons New York has avoided the type of crisis facing California, according to Assemblyman Paul Tonko.

Tonko spoke Monday on "Energy Deregulation: Could California Happen Here?" to about 50 people at the main branch of Schenectady County Public Library.

"The saving grace for New York is there are two separate worlds," said Tonko, D-Amsterdam, who chairs the Assembly's Energy Committee.

"While there is a growing need in metropolitan New York ... the upstate economy was sluggish. We needed less energy," he explained. "In California, there was a 30 percent growth in demand," exacerbating electricity supply problems.

New York state has a lot to do to advance its energy policy, he

said, much of which includes reversing the utilities-friendly record it has had since privatization of energy generation began in the mid-1990s — a situation that is similar to California's.

Tonko stressed the importance of developing a comprehensive, more public approach to policy-making that would give the state Legislature some involvement in the now "closed-door" negotiations between utilities and the Public Service Commission (PSC) — the state utility regulator.

He said the individual deregulation agreements were a "patchwork" that did not adequately protect ratepayers.

To ease into privatization, utilities should have had to negotiate long-term contracts with companies that generate energy and work at standardizing those agreements, he said.

Much like deregulation in California, New York's process has been utilities-driven, thrusting utilities immediately into market conditions that put ratepayers at risk, Tonko added.

"The common base similarity (between New York and California) is that the process is driven by utilities," Tonko said.

As a result of privatization in New York, he added: "The utilities had that strength at the table. I believe we sold out of a lot of benefits to ratepayers."

While economic demands impact energy supply — judging from the effect of economic growth on energy demands in California — Tonko said it is important, in turn, to use energy policy as a component of a comprehensive economic plan and to watch supply closely. Educating the public about alternative energy sources and conservation should be another piece of a total energy plan, he added.

Given the Glenville Energy Park proposal to build a 520-megawatt natural-gas-fired plant in Glenville, many residents are concerned about Article X of the Public Service Law, which creates the state Board on Electric Generation Siting and the Environment as the approving body for applications to construct and operate electric generating facilities with a capacity of 80 megawatts or more.

Tonko said that Article X shouldn't act as the be-all, end-all of the application process.

"Article X is not to be left as a single standard. Strategic location should be included in interpreting Article X," he said. "The process should speak to overall policy needs."

Tonko's Assembly district, the 105th, includes, in part, Rotterdam and Schenectady.



Tonko

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