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NEW YORK NEEDS ENERGY INFRASTRUCTURE, NOT AN EXTENSION CORD

A review of why the Champlain Hudson Power Express should be terminated

By: Rob DiFrancesco

NEW YORK HAS HUGE, NEAR-TERM ENERGY CHALLENGES

With Indian Point set to close in 2021, the City and surrounding area needs to replace 25 percent of its electricity. One place it should not look for help is imported energy from Canada, specifically the Champlain Hudson Power Express (CHPE) line.

CHPE is a proposed high voltage cable that would transport up to 1,000 megawatts of hydro and wind power from Quebec, Canada to New York City.ⁱ The power line would travel 333 miles through Lake Champlain and the Hudson River via an underwater cable.ⁱⁱ



THERE ARE FIVE BASIC REASONS WHY CHPE IS BAD FOR NEW YORK

Loss of jobs

The only permanent jobs that will result from CHPE will be power production jobs in Canada. For this reason, unions like the International Brotherhood of Electrical Workers and Utility Workers Union of America have strongly opposed CHPE. By contrast, Indian Point accounts for more than 5,000 jobs in New York State, directly and indirectly. CHPE's proposed maximum output would be half of Indian Point's.



*“Indian Point accounts for more than **5,000 JOBS** in New York State, directly and indirectly.”*

Likely potential subsidies

The Independent Power Producers of New York (IPPNY) has determined that CHPE is “remarkably uneconomic” and will only be profitable if it relies on subsidies.ⁱⁱⁱ These subsidies could involve direct support from programs that have previously benefitted New York-based renewable energy producers. Or, they could be more indirect, such as coming in the form of contracts with public sector entities.

Safety

The 1,000 megawatts of electricity that the CHPE line would carry is enough to power one million homes. Simply put, it is a large and very powerful amount of electricity over hundreds of miles of water. Of note, the Maritime Association of the Port of New York and New Jersey opposes the cable being placed in the Hudson River at all. “If someone is running down through the river ... there is no way to avoid the cable so the potential for a vessel in distress to drop an anchor and snag a cable is very real,” said Ed Kelly, Executive Director of the Association.^{iv}

Continues a disturbing trend of “importing” electricity

In recent years, New York has increasingly purchased electricity from New York, New Jersey, Pennsylvania and other states. Such electricity is less reliable, because it has further to travel. It can even be cut off, and restricted to the areas from which it is generated in very hot or cold periods. New York is also economically stronger when it has more in-state energy facilities. These result in many jobs, substantial tax payments, and numerous other forms of economic value.

ACRES AFFECTED BY CHPE:

20,200

including state parks and Iona Island.

Environmental degradation

The Sierra Club Atlanta Chapter also opposes CHPE, noting that the project will affect 20,200 acres of New York land, including state parks and Iona Island, a National Natural Landmark.^v The Sierra Club has also raised concerns over the destruction of the Hudson riverbed and further PCB contamination.

The specter of CHPE also poses another problem: it can be an impediment for other proposals and solutions for new in-state power generation, particularly for replacing Indian Point.

THE LEGISLATIVE SOLUTION

Clearly, the time has come for New York policy makers to make clear, once and for all, that CHPE will in no way be subsidized or otherwise unduly promoted as a power source. Fortunately, some positive steps have been taken.

In early 2017, Assemblywoman Paulin and Senator Griffo, who serve as the respective Chairs of the Assembly and Senate energy committees, introduced A07685/S05126 Priority Bill. This would prevent the New York Power Authority from purchasing energy from a power source outside the United States.

The bill would also prevent the development of a transmission line, such as the CPHE, that would connect a foreign location to an in-state location without providing access to in-state energy facilities.^{vi} The bill successfully passed the Senate, but died in the Assembly committee without action.

SEN. PAULIN-GRIFFO SENATE BILL:

"The authority shall not contract... or purchase or acquire power from... a location outside the territorial limits of the United States to a location within the state."

KEEPING JOBS AND ENERGY IN NEW YORK

CHPE is nothing more than a long extension cord running from Quebec into New York City which can be cut off when Canadian power demand is high. The project will rob our state of jobs and energy transmission, threaten clean-energy sources in upstate New York, and potentially drain in-state funds from massive subsidies.

Approval of the CHPE will benefit Canada, and cause New York ratepayers to pay more for less reliable power. The Assembly should promptly approve Priority Bill A07685 to protect in-state jobs and energy infrastructure and spur investments in upgrades to existing in-state energy sources.



ABOUT THE AUTHOR

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Rob DiFrancesco is the executive director of the New York Affordable Reliable Electricity Alliance (New York AREA), a diverse coalition of business, labor, and community leaders and organizations. Entergy, the owner of Indian Point is a member of New York AREA. Founded in 2003, New York AREA's mission is to ensure that New York State has an ample and reliable electricity supply and economic prosperity for years to come. For more information, visit nyarea.org.

ENDNOTES

- ⁱ Champlain Hudson Power Express: Project Development Portal, "Welcome to the Champlain Hudson Power Express Website," June 23, 2017. Retrieved on June 23, 2017. <http://www.chpexpress.com/>
- ⁱⁱ Champlain Hudson Power Express: Project Development Portal, "Project Details: Route Maps," June 23, 2017. Retrieved on June 23, 2017. <http://www.chpexpress.com/route-maps.php>
- ⁱⁱⁱ Rich Heidorn, RTO Insider, "Cuomo-NYISO Tensions on Display at IPPNY Conference," May 15, 2017. Retrieved on July 10, 2017. <https://www.rtoinsider.com/ippny-nyiso-indian-point-42992/>
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