

Great Lakes Wind Collaborative
1st Annual Meeting
May 7, 2008
Buffalo New York

Thank you Mark and Good Morning! On behalf of Governor Paterson welcome to New York and welcome to Buffalo!

I am Echo Cartwright, Assistant Secretary for Energy and Environment. Governor Paterson sends his regrets - he had a scheduling conflict and could not be here today for this important event, however he asked me to express his sincere thanks to all the Great Lake States, bi-national partners and stakeholders for attending here today, and for your support in this Collaborative. This truly is an important initiative we are moving forward.

A special thank you to Larry Flowers and to the Department of Energy for its support and financial backing over this past year to bring all of the Great Lake Regional participants together for this historic event. And thank you to the outstanding staff of the Great Lakes Commission - John Hummer, Ted Eder and Victoria Pebbles -- for all your work in pulling this initiative together. The continued and unrelenting dedication and commitment of the Great Lakes staff to combating climate change and environmental sustainability is unprecedented and deeply appreciated at all levels of government. You are the essence of true collaboration.

New York has been and continues to be a strong partner with Great Lakes initiatives, and Governor Paterson is committed to furthering this partnership with our Great Lakes Partners and stakeholders to advance responsible wind development within the Great Lakes region. Governor Paterson has long been a dedicated leader in the promotion of clean energy systems, and is keenly aware of both their environmental and economic benefits. They reduce our carbon foot and help us to mitigate the impact of climate change. They provide significant economic development opportunities by creating

thousands of new green collar jobs. All of which are shared goals of our Great Lakes partners.

New York is a leader in advancing on-shore wind power in the state, as you heard during yesterday's session by my esteemed colleague Jeff Peterson from NYSERDA. New York has an abundance of untapped indigenous wind power. Under Governor Paterson's leadership, we are on the cusp of advancing exciting new initiatives to support wind and other renewable energy technologies.

- First, New York will host a joint Governor's summit in the Fall of 2008, to work collaboratively with energy and environmental policy leaders in our neighboring states to advance renewable energy initiatives in the northeast region - we thank the Clean Energy State's Alliance for its efforts in this regard.
- In February, Governor Paterson's Renewable Energy Task Force released their first report, setting forth an aggressive 16-point roadmap to increase renewable energy development here in New York.
- Our successful wind program in New York is a result of our renewable portfolio standard, one of the strongest in the nation. With the support of our RPS, more than 1,000 MW of wind power will be up and running in 2008, with the capacity of installing 3,000 in the queue at New York's Independent Systems Operator. And the Task Force has set forward a plan to make our RPS stronger, by fully funding the RPS to achieve our 25% renewable energy goal.
- One of the Task Force's key recommendations is to support strong policy and program initiatives to facilitate the remaining wind potential in New York, both on- and off-shore. This includes studies to address transmission and infrastructure issues, streamlining interconnection processes, developing energy storage, and increasing our research and development to further the latest innovations in wind technology. With the potential for approximately 3,000 MW of wind capacity off the

shore of Lake Erie alone, this is a resource New York cannot ignore.

- And finally, New York has announced the creation of a state-of-the-art wind technology research and training center. Still in the preliminary planning stages, the Center will catalyze and support research in advanced materials power electronics, turbine design, wind forecasting, and environmental impact assessment. The Center will also provide resources to test new products and help provide a highly skilled workforce to meet the needs of this growing industry.

All of these initiatives will allow New York to move forward to capture the full potential of our state's wind resources, particularly in the area of off-shore development.

In addition, these initiatives can help our Great Lakes States to move responsible wind development forward in-region. So let me just cover a few in which New York believes we can partner with our Great Lakes Region.

First, we must achieve compatibility with our environment as a first order of business. Nationally, last year the wind industry witnessed unprecedented growth increasing installation capacity by 45 percent in 2007. As we heard yesterday, during this period more than 5,000 MW of wind power were installed, with industry investments totaling \$9 billion. Installations in the last quarter of 2007 alone surpassed the entire installations of 2006.

The message from our citizens is Wind Power is a viable alternative energy source. Once developed, it's virtually free and it's clean. Europe knows this. The United States citizens know this.

The sustainability of the surge in the wind power industry in the United States will depend largely on our ability to ensure environmental compatibility and incorporating potential impact mitigation as high technology design priorities. It is incumbent upon this body to answer this imperative call. We must improve on our understanding of

interactions that will occur between lake-based wind development and current and future lake ecosystems. Working together, our collaborative will need to:

- Identify current conditions and trends in great lake ecosystems and uses;
- Identify potential areas for offshore wind development;
- Identify and address any potential impacts and environmental changes from developing wind energy in these areas;
- Identify and implement appropriate best management practices and effective mitigation for any potential environmental and conflicting use impacts; and
- Document and quantify the environmental benefits of these projects.

Second, we must work together to advance wind technology development. Our current lake-based wind energy systems should be fully maritized to be deployed across a wide-range of Great Lake areas, both near- and off-shore. As a collaborative, we must develop environmentally sustainable project design standards for consistent offshore wind systems. We must integrate environmental and lake conditions into system design standards.

Next, we need to achieve economic and financial viability. The costs of offshore wind energy projects are higher than on-shore wind development. With the untapped potential within our Great Lakes Region, we need to ensure these projects are cost effective. Advancing public policies in region which promote technology innovation, developing these projects in close proximity to high-peak load centers, and increasing our state incentive programs will be key in achieving this goal. Essential to the success of these initiatives will be:

- Evaluating financial structures to back these projects and their associated risks;
- Increasing the availability of long-term power purchase agreements; and
- Increasing awareness of wind energy by increasing confidence in wind technology among financial, insurance, and public sectors.

As a Collaborative, it is imperative we clarify predictable and stable government policies and regulations across the Region. The industry will locate where there is a sustainable market. And the market needs predictability in long-term decision-making. Many of these challenges require an integrated, coordinated state approach. For example, we need to foster a credible planning and permitting process region-wide that ensures smart siting of wind energy. Such initiatives are imperative on a regional basis to:

- Establish a consistent and coordinated process across the region among states and federal agencies for appropriate siting and development of wind projects; and
- Create consistent rules and processes for successful transmission and grid integration.

And finally, we need to foster leadership and collaboration. This collaborative can play a key role as it works to coordinate and leverage regional resources to address the challenges to promoting wind energy development in an efficient and synergistic manner. The level of resources needed to fund this collaborative approach will depend on state technical and financial support coupled with the resources of other members.

As Regional partners, we will need to:

- Create a vision of wind energy as part of the mainstream energy mix in the Great Lakes region; and,
- Develop a coordinated research program to accomplish the technical, environmental, economic and regulatory goals necessary to successfully implement this vision.
- And on behalf of Governor Paterson, New York State is willing to commit to supporting and participating in this collaborative.

The tasks before this Collaborative are similar to the efforts we have begun in New York. First, from a state policy and stakeholder's point of view, the work of the Renewable Energy Task Force was unprecedented in such short order. Never before has a group

of such experts and vast stakeholders all convened at such a level for the same purpose and accomplished its task in such a short time-frame -- promoting Renewable Energy Policy.

Second, we literally have coast-to-coast wind potential, from the Atlantic Ocean to the depths of our Great Lakes. Under Governor Paterson's leadership, New York is forging ahead to address issues which inhibit this development to its fullest potential. New York is committed to working with our Great Lakes Partners to achieving the same goal.

This Collaborative is at its infancy, and we have an aggressive and exciting agenda before us. The future of lake-generated wind development is vast, and as a Great Lakes Initiative, we have once again taken on the imperative task of a regional approach to mitigate the impacts of climate change and energy security.

By ensuring clean energy generation and environmental sustainability for our Region through the successful development of wind technology, we can begin to answer this call.

It is the 'Perfect Storm,' and it is "All hands on deck!" You are the best of the best.

This Collaborative has the progressive vision, it has the talent and it has the entrepreneurship. Governor Paterson is confident this Collaborative will be a world leader as the global community seeks to usher in an era of environmental consciousness.

Thank you for being here today and we look forward to working together with you.