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MAYOR BLOOMBERG DISCUSSES WHY A COMPREHENSIVE ENERGY POLICY IS CRITICAL TO ENSURING A SUSTAINABLE FUTURE AT THE LAUNCH OF COLUMBIA UNIVERSITY'S CENTER OF GLOBAL ENERGY POLICY

The following is the text of Mayor Bloomberg's remarks as prepared for delivering at Columbia University's Low Memorial Library:

As Part of PlaNYC*, New York City's Greenhouse Gas Emissions Already Reduced by 16 Percent – More than Halfway Towards Goal*

"Thank you very much, and good morning, everyone. Jason: Congratulations on the launch of this exciting new center on global energy policy. And I have to say: You've got it exactly right.

"There's no better home for this center than right here in New York. I mean, talk about global: We're the world's most global city. Every language on Earth is spoken on the sidewalks of New York. Almost 40% of our people were born in other nations. And every day, half the equity traded in the world flows through the exchanges in our city.

"Culture, communication, commerce: We're the global hub. And energy? New York defines high-energy. We always have and always will.

"The late Ed Koch said that New York is where 'the future comes to audition.' And that's certainly true when it comes to energy. Two hundred years ago, steam power made its early mark here, with Robert Fulton's famous steamboat, and with the steamships and railroads that powered New York's meteoric economic rise.

"And at the turn of the last century, New York is where Thomas Edison's electric generators and electric lights first revolutionized how we work and live.

"What was true in the days of Fulton and Edison remains true today: New York is where the energy future is taking shape. New York is at the dawn of a new age of innovation in energy; in fact, many of the key national questions of the day are unfolding right here, including:

"The future of nuclear power; The responsible development and delivery of shale gas; The phase-out of coal-fueled power generation; Innovations in energy efficiency financing; and The wider use of renewable sources of power in dense urban environments like ours.

(more)

"Columbia University will play a big part in this era of innovation. Columbia's major new 'Institute for Data Sciences and Engineering' – an institute the City is partnering with Columbia to create – Will include a "smart cities center." It will focus on such vital energy questions as creating "green" infrastructure and smart-grid power technology.

"Now Columbia's new Center on Global Energy Policy will also tackle some of the most difficult international energy and environmental policy issues, particularly ones that lack simple solutions.

"There is no magic bullet that will solve our energy challenges, and I've always believed that rigorous analysis is key to understanding fundamental tradeoffs. This includes energy emissions, reliability, economic development, market design to encourage private financing, and how best to use scarce ratepayer and taxpayer dollars.

"Today, public dialogue over the future of energy is badly skewed toward the extremes, and that does little to advance the public interest. Jason: I hope you and this new Center will help to change that.

"We have to get serious about facing the competing security, economic, and environmental tradeoffs that a realistic, forward-thinking energy policy requires. And we have to be willing to take bold action – locally and nationally – to ensure a sustainable energy future.

"I'm going to touch briefly on three areas that I believe must be at the top of our "to-do" list of energy policy actions.

"The first is encouraging environmentally responsible use of America's newly accessible and abundant supplies of natural gas. The advances in fracking and horizontal drilling technology that have produced this natural gas bonanza have lowered wholesale power prices and have also helped cut America's carbon emissions to levels not seen in more than 20 years.

"Natural gas has the potential to benefit us for decades to come, too. But only if drilling for gas is done right – in a fashion that protects the environment. That's why I've partnered with fracking pioneer George Mitchell and the Environmental Defense Fund to develop and strongly advocate for the adoption of sensible regulatory safeguards –

"And why together we'll continue to urge holdouts in the natural gas industry to stop resisting such measures. Because history shows that when industries attempt to block sound regulation they don't help their own cause; instead, they set themselves up for disasters caused by the worst, rogue players. And responsible leaders in the natural gas industry know we need sound regulation, and we need it now.

"The stakes could not be higher.

"Low natural gas prices have been key to reducing New York City's greenhouse gas emissions by 16% over the past five years. We know that today, more than 50% of the natural gas powering New York City comes from shale gas, and we can expect that to grow to 90% by 2020 – Whether that gas is extracted in New York State or not. So we need to get a sensible but tough and comprehensive regulatory scheme in place now.

"Second, we need state and national policies that support renewable power. And at this point, let me make something clear: Natural gas and renewables should be seen as energy allies – not as energy antagonists.

"Any transition to renewable energy as the dominant source of electricity is going to take time, and natural gas is an important way to fill the gap – One that is far better for the planet and for our lungs than the coal and oil that it is replacing.

"Consider this: Most of the locally generated soot pollution in New York City's air comes from buildings that still burn heavy fuel oil. We've changed the rules to phase out the most polluting forms of heating oil – a policy change that's already cleaning our air and that, when fully implemented, will save up to 400 lives every year.

"We've also created a groundbreaking public/private partnership, called "Clean Heat," that helps building owners accelerate and finance conversions to cleaner fuels. It's already produced more than 1,500 conversions in just two years' time, and cut by more than 25% the amount of soot produced by using heavy fuel oil.

'"But unfortunately there is not enough gas pipeline capacity for all building owners to switch to natural gas, even if they wanted to. That's why we have strongly supported the siting of the Spectra and Williams Rockaways pipelines—the first new interstate gas pipelines to directly serve the City in decades.

"That said, it's also true that natural gas is a fossil fuel. And for renewables to achieve their full potential, there has to be a price on carbon emissions from all fossil fuels, including natural gas – either in the form of a carbon tax, or a cap-and-trade regime.

"Otherwise, renewables will never compete on a level playing field. That's clearly going to require Federal action. Until that happens, far too many important renewable energy projects will remain on the drawing board. Nevertheless, there's plenty that can be done, and is being done, to encourage renewables at the local level – including here in New York.

"Take solar power: Our Administration has fostered a 10-fold increase in solar capacity over just the past six years. We're also working with the New York Power Authority and Con Edison on development of off-shore wind powe. And with another utility, National Grid, to transform waste gas from the largest wastewater treatment plant in the city into marketable and renewable natural gas:

"One of the first projects of its kind in the nation. We're moving ahead on all those fronts, and others, right now. But the fact is, there is only so much the city can do alone. We need the right incentives, locally and nationally, to make renewable energy a meaningful part of the city's and the nation's energy mix.

"So on renewables, this new Center on Global Energy Policy has a very difficult but hugely promising task ahead. The third and final issue I want to address this morning is climate change and resilience:

"Specifically, confronting the risks climate change poses to the security of our energy supply, and energy infrastructure. Hurricane Sandy offered dramatic evidence why this is so vital. At the worst point, some 630,000 electricity customers in our area – more than 1.5 million

people – were without power after the storm. The entire region also experienced a severe gasoline shortage.

"Jason, as you saw firsthand when Sandy stranded you here in our city, the storm seriously damaged or shut down our entire energy supply chain: From the pipelines like the Buckeye pipeline that bring fuel here, to hundreds of service stations that wouldn't have had gas to pump even if they'd had the electricity they needed to pump it. And the process of restoring electrical power and a normal flow of gasoline and diesel fuel was painfully slow.

"Jason, I want to thank you and two of the speakers here today, U.S. Deputy Energy Department Secretary Daniel Poneman and also Dan Yergin, who really needs no introduction in this crowd for working closely with our Administration's team to restore the fuel supply chain feeding New York City after Sandy. But Sandy made clear that our critical energy networks are more vulnerable than we can afford them to be.

"In a few weeks' time, I'll present a full report on our plans to make our city, including our energy infrastructure, more resilient to major coastal storms and extreme weather events in the future. Those plans include working with our principal utility, Con Edison, to increase the system's reliability and reduce storm-related impacts.

"Nationally, as well as locally, we need to move to 21st century regulation of utilities, and incentivize development of distributed energy, micro-grids, energy storage, and other technologies. None of these are new ideas. But thanks to Sandy, they all have a new urgency.

"So there couldn't be a better time for the creation of this new Global Center, and I hope you will take up the challenges that rising sea levels and intensifying ocean storms pose here and in cities worldwide.

"That's going to take the kind of ingenuity and enterprise that, as New York Times columnist Tom Friedman has recently written, will make energy and resource efficiency "the next great global industry."

"To spur and complement that industry, we'll also need effective and pragmatic energy policies in natural gas use… in encouraging renewable power… and in achieving energy resilience. This will require independent, rigorous, and data-driven analysis and advocacy.

"And that's precisely what we can expect from this new Center on Global Energy Policy.

"So I'm delighted to help you launch this effort today. And I look forward to your work in the years to come. I wish you every success.

"And God bless."

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