S T A T E O F N E W Y O R K

1056

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

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Introduced by Sens. PARKER, DIAZ, DUANE, HASSELL-THOMPSON, KRUEGER, KRUGER, PERKINS, SAMPSON, SERRANO, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public authorities law, in relation to the power authority of the state of New York and the public authorities control board, and in relation to directing the New York state energy research and development authority to conduct studies related to the state's electric transmission system, the state's natural gas infrastructure and a comprehensive energy plan for the downstate region of the state

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 1 of section 51 of the public authorities law is amended by adding a new paragraph o to read as follows:

O. POWER AUTHORITY OF THE STATE OF NEW YORK

S 2. Section 1005 of the public authorities law is amended by adding a new subdivision 11-a to read as follows:

11-A. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE AUTHORITY SHALL NOT UNDERTAKE ANY PROJECT OR SALE OF ANY ASSET EXCEEDING ONE MILLION DOLLARS IN VALUE WITHOUT THE APPROVAL OF THE PUBLIC AUTHORITIES CONTROL BOARD CREATED PURSUANT TO ARTICLE ONE-A OF THIS CHAPTER. EACH APPLICATION TO THE PUBLIC AUTHORITIES CONTROL BOARD SHALL CONTAIN A PROJECT DESCRIPTION OR DESCRIPTION OF SALE AND AN EXPLANATION OF WHY THE PROJECT OR SALE MEETS THE STANDARDS FOR PROJECT APPROVAL OR APPROVAL OF SALE SET FORTH IN THIS SUBDIVISION. THE PUBLIC AUTHORITIES CONTROL BOARD SHALL ONLY APPROVE A PROJECT OR SALE PROPOSED BY THE AUTHORITY UPON ITS DETERMINATION THAT:

A. THE PROJECT OR SALE IS FINANCIALLY FEASIBLE AS THE STANDARD AS DEFINED IN ARTICLE ONE-A OF THIS CHAPTER;

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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B. THE PROJECT OR SALE IS ANTICIPATED TO RESULT GENERALLY IN LOWER UTILITY RATES IN THE STATE; AND

C. THE PROJECT OR SALE WILL NOT MATERIALLY ADVERSELY AFFECT OVERALL REAL PROPERTY TAXES OR UTILITY RATES IN ANY AREAS OF THE STATE OF NEW YORK.

S 3. Temporary special commission on restructuring the power authority of the state of New York. 1. There shall be a temporary special commission on restructuring the power authority of the state of New York, which shall possess the powers and duties as specified in this section, and also all powers necessary or proper to enable such commission to carry out the purposes for which it is established. The temporary special commission shall consist of eight members as follows: two of whom shall be appointed by the governor, two of whom shall be appointed by the temporary president of the senate, two of whom shall be appointed by the speaker of the assembly, one of whom shall be appointed by the minority leader of the senate and one of whom shall be appointed by the minority leader of the assembly. Each member shall serve at the pleasure of the respective appointing person. One of the members appointed by the governor shall be selected by the governor to serve as chair of the temporary special commission. The temporary special commission shall be subject to articles 6 and 7 of the public officers law. Each member of the temporary special commission shall be subject to the provisions of article 4 of the public officers law.

2. The temporary special commission on restructuring the power authority of the state of New York shall have the power and duty to:

(a) conduct hearings, discussions, and negotiations among members of the public, affected businesses, and representatives of government; and

(b) issue a final report to the governor and legislature detailing recommendations on restructuring the power authority of the state of New York, including, but not limited to, the following issues: the divestiture of such authority's non-hydroelectric generation assets; such authority's role as a transmission provider; such authority's role in the power for jobs and economic development power programs; such authority's energy efficiency programs; such authority's relationship with, and obligation to, host communities, including, but not limited to, payments-in-lieu of taxes to local municipalities and school districts, economic development investments, and community revitalization initiatives; and such authority's role in a deregulated energy market. On or before September 1, 2012 such commission shall transmit such report to the governor, the speaker of the assembly, the minority leader of the assembly, the temporary president of the senate, the minority leader of the senate, the chairman of the assembly energy committee and the chairman of the senate energy and telecommunications committee.

S 4. The public authorities law is amended by adding three new sections 1855-a, 1855-b and 1855-c to read as follows:

S 1855-A. ELECTRIC TRANSMISSION CONGESTION STUDY. 1. THE AUTHORITY SHALL UNDERTAKE A STUDY OF THE OVERALL ADEQUACY OF THE STATE'S ELECTRIC TRANSMISSION SYSTEM. THE AUTHORITY MAY CONTRACT WITH AN INDEPENDENT AND COMPETITIVELY SELECTED CONTRACTOR TO UNDERTAKE SUCH STUDY. THE AUTHORITY SHALL PREPARE A REPORT ON ITS FINDINGS AND LEGISLATIVE RECOMMENDATIONS. ON OR BEFORE SEPTEMBER FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL TRANSMIT SUCH REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY ENERGY COMMITTEE.

2. THE STUDY SHALL INCLUDE, AT A MINIMUM, AN ASSESSMENT OF EACH OF THE FOLLOWING: THE CURRENT AND PROJECTED ADEQUACY OF THE ELECTRIC TRANSMISSION SYSTEM OVER THE TEN YEAR PERIOD BEGINNING ON THE EFFECTIVE DATE OF THIS SECTION, WITH SPECIFIC FOCUS ON SYSTEM CONGESTION WITHIN THE STATE. THE ASSESSMENT SHALL EXAMINE: (I) ADEQUACY OF TRANSMISSION IN DENSELY POPULATED AREAS, INCLUDING LOAD POCKETS; (II) THE EXTENT TO WHICH TRANSMISSION CONGESTION IMPEDES THE DEVELOPMENT OF A FULLY COMPETITIVE WHOLESALE ELECTRICITY MARKET; (III) INVESTMENT IN INFRASTRUCTURE, INCLUDING CAPITAL IMPROVEMENTS, EXPANSIONS, AND MAINTENANCE; (IV) NEW TRANSMISSION TECHNOLOGIES THAT CAN INCREASE TRANSMISSION CAPABILITIES OVER EXISTING FACILITIES, INCLUDING AN ASSESSMENT OF THE COSTS AND BENEFITS OF SUCH TECHNOLOGIES; AND (V) WORKFORCE ADEQUACY, INCLUDING THE AVAILABILITY OF SKILLED LABORERS AND THE ADEQUACY OF SKILLS TRAINING AND APPRENTICESHIP PROGRAMS.

3. THE AUTHORITY SHALL CONSULT WITH ENTITIES THAT HAVE RESOURCES AND EXPERTISE TO ASSIST IN SUCH INVESTIGATION, INCLUDING THE LONG ISLAND POWER AUTHORITY, THE POWER AUTHORITY OF THE STATE OF NEW YORK, THE DEPARTMENT OF PUBLIC SERVICE, AND THE MEMBERS OF THE NEW YORK POWER POOL OR ITS SUCCESSOR OR SUCCESSORS.

S 1855-B. NATURAL GAS SUPPLY AND INFRASTRUCTURE STUDY. 1. THE AUTHORITY SHALL UNDERTAKE A STUDY OF ISSUES, INCLUDING BUT NOT LIMITED TO THE SUPPLY, TRANSPORTATION, PIPELINE CAPACITY, DISTRIBUTION AND STORAGE OF NATURAL GAS IN NEW YORK STATE. THE AUTHORITY MAY CONTRACT WITH AN INDEPENDENT AND COMPETITIVELY SELECTED CONTRACTOR TO UNDERTAKE SUCH STUDY. THE AUTHORITY SHALL PREPARE A REPORT ON ITS FINDINGS AND LEGISLATIVE RECOMMENDATIONS. ON OR BEFORE SEPTEMBER FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL TRANSMIT SUCH REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY ENERGY COMMITTEE.

2. THE STUDY SHALL INCLUDE, AT A MINIMUM, AN ASSESSMENT OF EACH OF THE FOLLOWING:

(A) CURRENT UTILITY PRACTICES IN PROCURING THE COMMODITY OF NATURAL GAS AND A COMPARISON, BY UTILITY TERRITORY IN THE STATE, OF IMPACTS ON RATES FOR END-USE CUSTOMERS; (B) THE CURRENT AND PROJECTED ADEQUACY OF THE NATURAL GAS INFRASTRUCTURE, INCLUDING TRANSPORTATION, PIPELINE CAPACITY, DISTRIBUTION AND STORAGE IN NEW YORK STATE; (C) ADEQUACY OF TRANSPORTATION AND DISTRIBUTION IN DENSELY POPULATED AREAS OF THE STATE AND IN RURAL AREAS OF THE STATE; (D) INVESTMENT IN INFRASTRUCTURE, INCLUDING CAPITAL IMPROVEMENTS, UTILIZATION OF NEW TECHNOLOGY, EXPANSIONS, AND MAINTENANCE; (E) THE ADEQUACY OF TRANSPORTATION AND DISTRIBUTION INFRASTRUCTURE IN AREAS WHERE NATURAL GAS FUELED ELECTRIC GENERATING PLANTS ARE PROPOSED; (F) INDIGENOUS SOURCES OF NATURAL GAS IN THE STATE; (G) WORKFORCE ADEQUACY, INCLUDING THE AVAILABILITY OF SKILLED LABORERS AND THE ADEQUACY OF SKILLS TRAINING AND APPRENTICESHIP PROGRAMS; AND (H) THE POTENTIAL IMPACT OF DISTRIBUTED GENERATION AND COMBINED HEAT AND POWER SYSTEMS ON NATURAL GAS TRANSPORTATION AND DISTRIBUTION SYSTEM ADEQUACY.

S 1855-C. COMPREHENSIVE ENERGY MANAGEMENT PLAN. 1. THE AUTHORITY IS HEREBY AUTHORIZED AND DIRECTED TO CONDUCT A COMPREHENSIVE STUDY TO ANALYZE THE ELECTRICITY AND STEAM CAPACITY AND POWER DISTRIBUTION GRID CONDITIONS IN THE DOWNSTATE REGION OF THE STATE. FOR PURPOSES OF THIS SECTION, "DOWNSTATE" SHALL BE DEFINED AS THAT REGION LOCATED SOUTH OF THE MILLWOOD - SOUTH TRANSMISSION INTERFACE. SUCH STUDY SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO:

(A) AN ANALYSIS OF PROJECTED POWER NEEDS AND AN ASSESSMENT OF EXISTING:
(I) GENERATING FACILITIES WITH A CAPACITY OF TWENTY MEGAWATTS OR MORE;
(II) POWER GRID CAPACITY AND LOAD POCKETS;
(III) NATURAL GAS AND OTHER FUEL SOURCE CAPACITY;
(IV) SUBSTATION TRANSFORMERS; AND
(V) EMERGENCY GENERATORS;
(B) AN ANALYSIS OF FUTURE POWER NEEDS;
(C) AN ENVIRONMENTAL ASSESSMENT OF GENERATING FACILITIES WITH A CAPACITY OF TWENTY MEGAWATTS OR MORE, INCLUDING BUT NOT LIMITED TO:
(I) EMISSIONS;
(II) WATER IMPACTS;
(III) LAND USE IMPACTS;
(IV) TRAFFIC IMPACTS; AND
(V) NOISE IMPACTS;
(D) THE IDENTIFICATION OF AREAS OF OVERSATURATION OF POWER FACILITIES; AND
(E) AN ASSESSMENT OF ALTERNATIVES, SUCH AS:
(I) ENERGY EFFICIENCY;
(II) LOAD CURTAILMENT;
(III) CLEAN DISTRIBUTED GENERATION; AND
(IV) CO-GENERATION.

2. THE AUTHORITY SHALL SUBMIT A COPY OF SUCH STUDY TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY ENERGY COMMITTEE NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE.

3. UPON COMPLETION OF THE STUDY CONDUCTED PURSUANT TO SUBDIVISION ONE OF THIS SECTION, THE AUTHORITY SHALL DEVELOP AN OVERALL COMPREHENSIVE ENERGY MANAGEMENT PLAN. SUCH PLAN SHALL TAKE INTO ACCOUNT THE RESULTS AND FINDINGS OF SUCH STUDY, AND SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO THE FOLLOWING:
(A) AN OUTLINE OF GUIDELINES AND REQUIREMENTS FOR SITING POWER PLANTS;
(B) THE RESEARCH OF POTENTIAL SITES FOR FUTURE POWER PLANT LOCATIONS THAT MEET THE GUIDELINES AND REQUIREMENTS ESTABLISHED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION AND ARE NOT LOCATED IN AREAS OF OVERSATURATION;
(C) AN IDENTIFICATION OF EXISTING PLANTS THAT SHOULD BE TARGETED FOR RE-POWERING WITH MORE EFFICIENT GENERATORS; AND
(D) A REQUIREMENT THAT AT LEAST TWO PUBLIC HEARINGS BE HELD WITHIN THE DOWNSTATE REGION DESCRIBED IN SUBDIVISION ONE OF THIS SECTION WITHIN SIXTY DAYS OF THE PUBLICATION OF SUCH MANAGEMENT PLAN, AND PROVIDE ADEQUATE OPPORTUNITY FOR WRITTEN TESTIMONY REGARDING SUCH PLAN.

4. THE AUTHORITY SHALL SUBMIT A COPY OF SUCH MANAGEMENT PLAN TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY ENERGY COMMITTEE NO LATER THAN SEPTEMBER FIRST, TWO THOUSAND TWELVE.

S 5. This act shall take effect immediately.