

# STATE OF NEW YORK

2571

2017-2018 Regular Sessions

## IN ASSEMBLY

January 20, 2017

Introduced by M. of A. PAULIN, LUPARDO, MOSLEY -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to a community renewable facility pilot program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The public service law is amended by adding a new section  
2 66-o to read as follows:

3 § 66-o. New York state community renewable facility pilot program. 1.  
4 As used in this section, "community renewable facility" shall mean solar  
5 electric generating equipment, wind electric generating equipment and  
6 hydroelectric generating equipment not to exceed ten megawatts, which an  
7 electric corporation is authorized to own and operate under this  
8 section. Such equipment shall be manufactured, installed and operated in  
9 conjunction with an electric corporation's transmission and distribution  
10 facilities.

11 2. The commission shall establish the New York state community renewa-  
12 ble facility pilot program to authorize the development of up to fifty  
13 megawatts of community renewable facility capacity statewide, striving  
14 for a regional balance, in order to stimulate the growth of community  
15 renewable facilities, using a subscription-based model which offers  
16 energy for a period of ten years, with electric corporation ownership  
17 and management. Any subscription participation by electric corporations  
18 shall be on a default basis only in the event of unsold subscriptions.

19 3. The commission shall oversee and approve the implementation of  
20 community renewable facility pilot programs by electric corporations  
21 which shall include the following elements:

22 (a) Electric corporations shall own or have a long-term lease on the  
23 real property where a renewable facility will be constructed and such  
24 location shall be strategically located so as to allow for an optimized  
25 and more secure and flexible electric power system.

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

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1 (b) The electric corporation shall own the renewable facility and  
2 other infrastructure required to integrate the electricity produced  
3 effectively into the grid connecting to the electric system which shall  
4 be interconnected and operated in parallel with the electric corpo-  
5 ration's distribution facilities.

6 (c) The electric corporations shall issue a request for proposal for  
7 the construction for the renewable facility.

8 (d) Customers shall be provided the opportunity to participate in the  
9 community renewable facility pilot program on a first come, first serve  
10 basis while a percentage of subscriptions shall be retained as deter-  
11 mined by the commission for low and moderate income participation.

12 (e) Terms of participation for customers shall be proposed by the  
13 electric corporation for review by the commission:

14 (i) the commission shall allow utilities to propose terms whereby  
15 participating customers shall receive a block of energy in increments  
16 approved by the commission based on the average monthly usage of the  
17 customer with a fixed price per kilowatt hour for each block of energy  
18 with a rate to remain constant for a fixed period of years as approved  
19 by the commission; and

20 (ii) the commissioner shall consider alternate or additional terms of  
21 participation as proposed by the electric corporation.

22 (f) Any customer participating in the community renewable facility  
23 pilot program shall be exempt from the systems benefits charges and the  
24 clean energy standard surcharges based on their subscription.

25 (g) The electric corporation may participate in funding opportunities  
26 provided by the New York state energy research and development authority  
27 of the New York power authority.

28 4. The economic evaluation of the proposed community renewable facili-  
29 ty pilot program by the commission shall include a review of the follow-  
30 ing:

31 The electric corporation, in determining the fixed price per kilowatt  
32 hour for community renewable facility ownership, shall include the annu-  
33 al cost of service on the asset, less the estimated average annual  
34 capacity and energy revenue. For purposes of this paragraph, fixed costs  
35 in determining the fixed price shall include: project installation,  
36 project material, labor, taxes, insurance, operation, maintenance,  
37 interconnection costs, the electric corporation's financing costs for  
38 the project including cost of debt, depreciation and return on equity,  
39 environmental and permitting costs, site security, decommissioning costs  
40 and information technology programming costs.

41 5. The participating electric corporation shall:

42 (a) demonstrate to the commission that reasonable efforts shall be  
43 made to inform customers of the opportunity to participate in the commu-  
44 nity renewable facility pilot program;

45 (b) provide a copy of any customer agreements to be executed as part  
46 of the program;

47 (c) provide an examination of the costs, benefits, and risks of any  
48 proposal submitted by an electric corporation including the rate impli-  
49 cations; and

50 (d) demonstrate that it has entered into a labor peace agreement with  
51 a bona-fide labor organization of jurisdiction that is actively engaged  
52 in representing or attempting to represent the electric corporation's  
53 employees. The maintenance of such a labor peace agreement shall be an  
54 ongoing material condition of authorization to own a community renewable  
55 facility under this section.

1     6. The commission shall provide an annual report on or before the  
2 first day of January to the governor, the temporary president of the  
3 senate, the speaker of the assembly, the minority leader of the senate  
4 and the minority leader of the assembly, on the community renewable  
5 facility pilot program.

6     7. No sooner than five years after establishment of the state communi-  
7 ty renewable facility pilot program and only after reaching the fifty  
8 megawatt cap established pursuant to subdivision one of this section,  
9 the commission may increase the cap by an additional maximum of fifty  
10 megawatts.

11     8. The commission may suspend or terminate the program authorized  
12 under this section for one or more electric corporations provided that  
13 the commission, after conducting a hearing as provided in section twenty  
14 of this chapter, makes a finding that the program impedes the provision  
15 of safe and adequate electric service or that there is a significant  
16 increase in arrears or utility service disconnections that the commis-  
17 sion determines is related to the program.

18     § 2. This act shall take effect immediately; provided however, that  
19 not later than one hundred eighty days after this act shall have become  
20 a law, the public service commission shall have in place a competitive  
21 process which shall be open to electric corporations.