

# STATE OF NEW YORK

5386

2025-2026 Regular Sessions

## IN SENATE

February 21, 2025

Introduced by Sen. HARCKHAM -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to enacting the "state and local clean energy partnership"

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "state and local clean energy partnership".

3 § 2. Legislative findings and statement of purpose. The legislature  
4 hereby finds, determines and declares:

5 1. In April 2016, the New York state public service commission ("the  
6 commission") adopted a CCA Framework Order in Commission Case 14-M-0224  
7 which authorized towns, villages and cities in New York state to form  
8 opt-out Community Choice Aggregation ("CCA") Programs.

9 2. CCA programs allow municipalities, alone or jointly, to enact local  
10 laws giving themselves the requisite legal authority to enter into  
11 competitively-procured contracts with one or more energy service compa-  
12 nies in order to act as an aggregator and broker for the sale of elec-  
13 tric supply, gas supply, and/or other energy services, to residents of  
14 that municipality wherein all customers, including residential and non-  
15 residential, are eligible to participate in the program and shall have  
16 the option to opt out of participating if desired.

17 3. Well-designed CCA programs can empower communities to take control  
18 of their energy future; encourage and expand opportunities for customers  
19 to access Community Distributed Generation ("CDG") programs, particular-  
20 ly for low- to moderate-income households and renters who may not other-  
21 wise have access to solar energy; and educate and encourage community  
22 engagement in energy programs.

23 4. Since the adoption of the CCA Framework Order, CCA programs have  
24 demonstrated their potential as a tool for facilitating engagement by

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

LBD06219-01-5

1 communities and retail customers in taking charge of their energy choic-  
2 es, securing competitive energy contracts on behalf of aggregated  
3 customers, financially supporting the current renewable market and in  
4 growing the renewable market in New York.

5 5. This act is intended to signal the state's continuing support of  
6 CCA; to recognize the vibrant market created by CCA and the tremendous  
7 progress achieved by those programs in encouraging residential demand  
8 for renewables and community participation in making energy choices  
9 locally; to recognize CCA as offering significant new opportunities for  
10 the state to advance the Climate Act at the municipal and community  
11 level; and to provide clarity and confidence necessary to allow the  
12 commission to expeditiously advance broader deployment of CCA and to  
13 incorporate opt-out CDG as part of the CCA framework.

14 6. Moreover, this act is intended to level the playing field for  
15 communities seeking to participate in CCA, to ensure that opt-out CDG is  
16 authorized within the CCA framework, and to promote fairness and equal  
17 opportunity for communities across the state to innovate and advance  
18 Climate Act goals.

19 7. Chapter 106 of the laws of 2019 enacted the New York State climate  
20 leadership and community protection act (the "Climate Act") which among  
21 other things:

22 a. Directed the department of environmental conservation to establish  
23 statewide greenhouse gas emissions limits as a percentage of 1990 emis-  
24 sions as follows: (i) 2020: 60% of 1990 emissions; and (ii) 2050: 15% of  
25 1990 emissions;

26 b. Directed the commission to establish programs to require that a  
27 minimum of 70% statewide electric generation be produced by renewable  
28 energy systems by 2030, and that by the year 2040 the statewide elec-  
29 trical demand system will generate zero emissions;

30 c. Directed the New York Climate Justice Working Group to identify  
31 Disadvantaged Communities which are often overlooked in climate policy  
32 initiatives and to ensure they directly benefit from the State's transi-  
33 tion to cleaner, greener sources of energy, reduced pollution and clean-  
34 er air, and economic opportunities created by or in conjunction with the  
35 Climate Act; and

36 d. Directed that Disadvantaged Communities receive a minimum of 35%  
37 (with a goal of 40%) of benefits of investments in clean energy and  
38 energy efficiency programs or projects in the areas of housing, work-  
39 force development, pollution reduction, low- and moderate-income energy  
40 assistance, energy, transportation, and economic development.

41 8. Decisions made by New Yorkers and their communities regarding their  
42 energy usage and purchasing significantly impact the ability of the  
43 State to achieve the Climate Act's goals and to encourage the deployment  
44 of distributed energy resources.

45 9. Moreover, empowering communities to take control of their energy  
46 future through CCA, and to choose and encourage local deployment of  
47 renewable energy through opt-out CDG, advances the goals of the Climate  
48 Act at the local level, encourages local participation in State energy  
49 initiatives such as the Reforming the Energy Vision, Clean Energy Stand-  
50 ard, and Climate Act, sends appropriate market signals to drive invest-  
51 ment and innovation in New York's energy markets, empowers munici-  
52 palities to make long-term planning and investment decisions related to  
53 energy opportunities, and promotes equity and environmental justice by  
54 leveraging community-level buying power and aggregated customer demand  
55 to ensure access to CDG credits and other CCA program benefits for low-  
56 and moderate-income New Yorkers in participating communities.

1 10. The Climate Act reaffirms the State's commitment to advancing  
2 social and environmental equity, and righting past environmental injus-  
3 tices; this act furthers those commitments by ensuring equal access to  
4 CCA among historically marginalized communities and prioritizes low-in-  
5 come customers to benefit first from opt-out CDG crediting programs to  
6 lower their energy bills.

7 11. A public policy purpose would be served and the interests of the  
8 people of the state would be advanced by codifying the State's CCA  
9 programs in law, directing the commission to streamline review and  
10 approval of CCA programs consistent with this enactment, encouraging  
11 community participation in CCA, authorizing CCA programs to integrate  
12 opt-out CDG into their offerings, and prioritizing access to opt-out CDG  
13 in Disadvantaged Communities.

14 § 3. The public service law is amended by adding a new section 74-c to  
15 read as follows:

16 § 74-c. Community choice aggregation programs. 1. As used in this  
17 section, the following terms shall have the following meanings:

18 (a) "Community choice aggregation" or "CCA" means a program serving  
19 the interests of its residents and appropriately protecting consumer  
20 data, in which an eligible municipality either alone or jointly, after a  
21 public hearing held following public notice, exercises its municipal  
22 home rule law authority by enacting a local law giving itself the requi-  
23 site legal authority to enter into competitively-procured contracts with  
24 one or more energy service companies and/or energy suppliers in order to  
25 act as an aggregator and broker for the sale of electric and/or gas  
26 supply, and/or allocation of CDG credits, to residents of that muni-  
27 city. CCA programs may aggregate or otherwise integrate other energy  
28 services into their programs.

29 (b) "CCA administrator" means the entity selected by the eligible  
30 municipality or municipalities to design, manage, and implement the CCA  
31 program. Eligible municipalities may opt to perform the role of CCA  
32 administrator on their own, or they may retain an expert or other third-  
33 party to do so on behalf of the municipality or municipalities.

34 (c) "Community distributed generation" or "CDG" means a community  
35 shared renewable generation program involving an eligible generation  
36 source, as defined by the commission, located behind a non-residential  
37 host meter which remotely shares net metering or other monetary credits  
38 through a monetary credit applied to the utility bills of participating  
39 customers.

40 (d) "Community distributed generation credit" or "CDG credit" means  
41 monthly credits generated and allocated to participating customers on  
42 their utility bills from a community distributed generation program.

43 (e) "Distributed energy resources" or "DER" refers to initiatives  
44 undertaken under the climate leadership and community protection act  
45 (CLCPA), New York state clean energy standard (CES), or similar energy  
46 program which further engage and/or reduce cost of service for partic-  
47 ipating consumers, optimize system benefits, and/or address infrastruc-  
48 ture and demand challenges including, but not limited to, local renewa-  
49 ble energy projects, distributed energy resources such as CDG, peak  
50 demand management, energy efficiency, demand response, energy storage,  
51 community resilience microgrid projects, and other innovative initi-  
52 atives.

53 (f) "Eligible customers" means customers of electricity and/or gas  
54 supply eligible to participate in CCA, either on an opt-out or opt-in  
55 basis.

1 (g) "Eligible municipality" means any city, town, or village, which  
2 retains the legal authority to enact local laws under subparagraph  
3 twelve of paragraph a of subdivision one of section ten of the municipal  
4 home rule law.

5 (h) "Energy services" refers to the provision of electric and/or gas  
6 energy supply, CDG credits, or other DER offerings.

7 (i) "Participating customers" means (i) eligible customers who have  
8 not opted out of participation in a CCA program, and/or (ii) customers  
9 who were not eligible to be automatically enrolled into a CCA program on  
10 an opt-out basis who voluntarily opted into said program.

11 (j) "Suppliers" means the entity or entities under contract with the  
12 CCA program to provide electricity, gas, CDG credits, and/or other  
13 related energy services to participating customers, including but not  
14 limited to energy service companies, generators of electricity, and/or  
15 other entities who procure and resell electricity, gas and/or CDG cred-  
16 its.

17 2. The commission shall establish by order, rules and/or regulations a  
18 standard New York state CCA program, for all utility service territo-  
19 ries, which provides the following:

20 (a) Eligible municipalities will continue to be permitted to form, on  
21 their own or in cooperation with other eligible municipalities, a CCA  
22 program, after providing public notice, holding a public hearing in the  
23 community and adopting enabling legislation.

24 (b) Eligible municipalities shall have the ability to structure the  
25 CCA program to encompass eligible customers within the entire munici-  
26 pality or within a geographical subset of the municipality, or to create  
27 multiple CCA program aggregations based upon reasonable geographic or  
28 utility service territory parameters.

29 (c) Eligible municipalities shall be permitted to seek the assistance  
30 of a third party to serve as a CCA administrator, where such third party  
31 shall be deemed a provider of professional services for purposes of the  
32 municipalities' compliance with section one hundred three of the general  
33 municipal law.

34 (d) The CCA administrator shall be responsible for ensuring that the  
35 CCA program is established to aggregate eligible customers utilizing an  
36 approved opt-out process, in accordance with requirements established by  
37 the commission.

38 (e) A CCA program may solicit, negotiate and enter into contracts with  
39 suppliers to provide electricity, gas and/or CDG credits to participat-  
40 ing customers on an opt-out basis, and may offer such related energy  
41 services as may reasonably be included on an opt-in basis, or on an  
42 opt-out basis as approved by the commission, including but not limited  
43 to energy efficiency programs, demand response, peak load reduction,  
44 energy management, storage, and other innovative energy initiatives  
45 aimed at optimizing program benefits, reducing the cost of energy  
46 service for participating customers, or otherwise furthering the goals  
47 of the CLCPA.

48 (f) Eligible municipalities shall have the right, through a CCA  
49 program, to enter into contracts at a price and contract terms to be  
50 negotiated at the municipalities' discretion to serve the best interests  
51 of their constituents. Best interests may include benefits associated  
52 with advancing one or more of the CLCPA objectives.

53 (g) Eligible municipalities shall have the right to integrate into  
54 their CCA program: (i) opt-out CDG and/or (ii) other energy services  
55 programs on an opt-in basis, at their discretion, either as standalone  
56 offerings or in addition to energy supply.

1 (h) Opt-out CDG programs should prioritize the granting of CDG credits  
2 first to low-income customers and/or eligible customers located in  
3 disadvantaged communities designated pursuant to section 75-0111 of the  
4 environmental conservation law.

5 (i) All CCA Administrators shall ensure that eligible customers are  
6 provided, in plain language: (i) information regarding the opt-out  
7 process for customers who do not wish to participate; (ii) instructions  
8 for voluntarily opting in to a CCA offering for energy services not  
9 offered on an opt-out basis and/or for customers who are not automat-  
10 ically eligible to participate in CCA offerings on an opt-out basis; and  
11 (iii) information for eligible customers who move into or within the  
12 community after the CCA program has commenced and/or who may wish to  
13 participate in a CCA program.

14 (j) CCA programs shall adopt and implement standard data security  
15 agreements to govern treatment, collection, storage and protection of  
16 customer data, in accordance with rules, regulations and guidelines  
17 established by the commission.

18 (k) The commission shall establish reasonable and consistent reporting  
19 requirements for CCA programs, municipalities, and/or serving utilities.

20 (l) The commission shall periodically review the CCA program rules,  
21 reporting requirements, data security agreements, and/or other require-  
22 ments to determine whether costs or burdens on CCAs could be reduced  
23 and/or consumer protections improved in a manner consistent with this  
24 section.

25 (m) Such other requirements and guidelines as deemed appropriate by  
26 the commission.

27 3. No person or entity shall disadvantage a CCA program by virtue of  
28 its status as a CCA.

29 4. CCA programs established pursuant to the provisions of this section  
30 shall be consistent with the CLCPA to the maximum extent practicable.

31 5. The commission shall promulgate rules and regulations necessary to  
32 implement this act within ninety days of the effective date of this  
33 section. This section shall not cause interruption of current CCA  
34 program operations and, where appropriate, shall provide a process for  
35 existing CCA programs to integrate beneficial modifications into current  
36 and/or future operations consistent with this section.

37 § 4. Severability. If any provision of this act or the application  
38 thereof to any person or circumstance is adjudged invalid by a court of  
39 competent jurisdiction, that judgment shall not affect or impair the  
40 validity of the other provisions of this act or the application thereof  
41 to other persons and circumstances.

42 § 5. This act shall take effect immediately.