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Introduced by M. of A. BRODSKY, CAHILL, JOHN, BENEDETTO, BRENNAN, GREENE, FIELDS, ZEBROWSKI, JAFFEE, ESPAILLAT, HEASTIE, MAISEL, BRADLEY, ALESSI, SWEENEY, PHEFFER, SCHROEDER, MARKEY, LIFTON, PERRY, MILLMAN, PAULIN, WEISENBERG -- Multi-Sponsored by -- M. of A. CLARK, GOTTFRIED -- read once and referred to the Committee on Energy

AN ACT to amend the public authorities law and the public service law, in relation to enacting the electric power re-regulation act

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

Section 1. Short title. This act shall be known and may be cited as the "electric power re-regulation act".

S 2. Legislative findings and declaration. 1. The legislature finds:

(a) that the health, welfare, and prosperity of all New York residents require the provision of adequate, efficient, reliable, environmentally sound, and lowest-cost electric service at affordable prices.

(b) that the experiment in de-regulation of the electric industry in New York has failed to achieve the goals stated by the public service commission in its Opinion 96-12, issued and effective on May 20, 1996.

(c) that the effect of the de-regulation of New York's electric industry has resulted in constantly escalating and excessive costs of electricity, and lowered reliability and safety of the electrical networks in the state of New York; posing a serious threat to the economic well-being, health, and safety of the residents of and the commerce and industry in the state.

(d) the auction system monitored and administered by the independent system operator that is used to distribute energy has resulted in skyrocketing electric bills.

(e) that New York must take steps to ensure that it has an adequate, reliable and reasonably priced supply of electric power to meet current and future energy demands.

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

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(f) that additional power supplies will also promote effective wholesale competition in the marketplace, improve reliability of the electric transmission system, and lower the cost of electric power.

(g) that a reduction in electric energy consumption and electrical demand in the state of New York would result in savings to the public, the business community, and the public sector; a reduction in the consumption of fuel for electric generation and a reduced carbon "footprint," and more efficient use of the power authorities' generation resources.

2. The legislature therefore declares it is necessary to:

(a) reform the market mechanism known as the "market clearing price";

(b) allow electric utilities to re-enter the electric power generation market by building and owning generating facilities; and

(c) create a significant reduction in electrical consumption and demand by instituting a demand reduction and electric conservation program.

S 3. Section 1005 of the public authorities law is amended by adding a new subdivision 16 to read as follows:

16. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE POWER AUTHORITY OF THE STATE OF NEW YORK SHALL, ACTING TOGETHER WITH THE PUBLIC SERVICE COMMISSION, DETERMINE THE STATE'S CURRENT ADDED ELECTRICAL GENERATION CAPACITY NEED (THE "RELIABILITY MARGIN"), AND SHALL MEET SUCH CAPACITY NEED BY PLANNING THE GENERATION CAPACITY SIZE, INTENDED LOCATION, FUEL MIX AND CONSTRUCTION DESIGN, PLANS AND SCHEDULES OF FOUR MAJOR ELECTRICAL GENERATING FACILITIES ("BASELOAD FACILITIES") TO BE BUILT TO MEET SUCH NEED. THE CONSTRUCTION OF SUCH BASELOAD FACILITIES SHALL BE COMPLETED WITHIN TEN YEARS OF THE EFFECTIVE DATE OF THIS SUBDIVISION. SUCH NEW BASELOAD FACILITIES SHALL BE USED TO ESTABLISH A RELIABILITY MARGIN, AND SHALL BE USED TO EFFECTUATE THE POWER AUTHORITY'S HISTORIC GOAL OF PROVIDING AN ADEQUATE SUPPLY OF AFFORDABLE, RELIABLE AND SAFE ELECTRICITY TO RESIDENTIAL CUSTOMERS. THE PROVISIONS OF ARTICLE SEVEN OF THE PUBLIC SERVICE LAW SHALL APPLY TO THE SITING AND OPERATION OF SUCH FACILITIES.

S 4. The public authorities law is amended by adding a new section 1850-b to read as follows:

S 1850-B. ADDITIONAL LEGISLATIVE DECLARATIONS. 1. IT IS HEREBY DECLARED THAT IT IS IN THE PUBLIC INTEREST, AND IT IS CONSISTENT WITH THE STATE OF NEW YORK'S ENERGY GOALS, TO PROMOTE COST-EFFECTIVE CONSERVATION OF ENERGY THROUGH FAIR AND EFFECTIVE DEMAND SIDE MANAGEMENT, CONSERVATION, ENERGY EFFICIENCY, AND LOAD MANAGEMENT PROGRAMS, INCLUDING BUT NOT LIMITED TO CONSUMER EDUCATION AND CONSERVATION CREDITS. SUCH PROGRAMS MAY INCLUDE ACTIVITIES BY THE AUTHORITY, ELECTRIC UTILITIES, PUBLIC OR PRIVATE ORGANIZATIONS, OR COMBINATIONS OF ELECTRIC UTILITIES, PUBLIC AUTHORITIES AND PUBLIC AND PRIVATE ORGANIZATIONS. NEW YORK SHALL HAVE A STATED POLICY GOAL OF REDUCING THE CONSUMPTION OF ELECTRIC ENERGY BY RETAIL CUSTOMERS THROUGH THE IMPLEMENTATION OF SUCH PROGRAMS BY TWO THOUSAND TWENTY-ONE BY AN AMOUNT EQUAL TO TEN PERCENT OF THE AMOUNT OF ELECTRIC ENERGY CONSUMED BY RETAIL CUSTOMERS IN TWO THOUSAND SEVEN, AND BY TWO THOUSAND TWENTY-SIX OF AN ADDITIONAL FIVE PERCENT OF THE AMOUNT OF ELECTRIC ENERGY CONSUMED BY RETAIL CUSTOMERS IN TWO THOUSAND SEVEN.

2. IN FURTHERANCE OF THE STATE'S ENERGY GOALS, ENERGY DEMAND SHALL BE MET BY THE FOLLOWING ENERGY SUPPLY OPTIONS, TO THE EXTENT COST-EFFECTIVE AND TECHNICALLY FEASIBLE, IN THE PRIORITY ORDER SET FORTH BELOW:

(I) ENERGY CONSERVATION AND INCREASED EFFICIENCY OF GENERATION, DISTRIBUTION AND CONSUMER USES;

(II) NON-COMBUSTIBLE RENEWABLE ENERGY RESOURCES;

(III) COMBUSTIBLE RENEWABLE ENERGY RESOURCES;
(IV) NONRENEWABLE COMBUSTIBLE ENERGY RESOURCES, IN THE ORDER LISTED, PROVIDED HOWEVER THAT A BALANCE SHALL BE STRUCK BETWEEN COST-EFFECTIVENESS AND GREENHOUSE GAS PRODUCTION: NATURAL GAS, OIL OR COAL WITH SULPHUR CONTENT OF LESS THAN ONE PERCENT, ALL OTHER CARBON BASED FUELS, AND SUCH OTHER ADVANCED TECHNOLOGY FUELS AS MAY BECOME AVAILABLE IN THE FUTURE.

S 5. Section 1854 of the public authorities law is amended by adding a new subdivision 9 to read as follows:

9. (A) THE AUTHORITY SHALL OPEN A JOINT PROCEEDING WITH THE PUBLIC SERVICE COMMISSION TO:

(I) IDENTIFY PROGRAMS THAT SHOULD BE IMPLEMENTED IN THE STATE TO COST-EFFECTIVELY ACHIEVE THE DEFINED ELECTRIC ENERGY CONSUMPTION GOALS BY TWO THOUSAND TWENTY-ONE AND TWO THOUSAND TWENTY-SIX, RESPECTIVELY, INCLUDING BUT NOT LIMITED TO DEMAND MANAGEMENT, CONSERVATION, ENERGY EFFICIENCY, LOAD MANAGEMENT, REAL-TIME PRICING AND CONSUMER EDUCATION;

(II) DEVELOP A PLAN FOR THE DEVELOPMENT AND IMPLEMENTATION OF SUCH RECOMMENDED PROGRAMS;

(III) ESTIMATE THE COST OF ATTAINING SUCH PROGRAMS AND THE BEST METHODS TO FUND THEM.

(B) THE AUTHORITY SHALL, ACTING TOGETHER WITH THE PUBLIC SERVICE COMMISSION, WITHIN ONE HUNDRED EIGHTY DAYS OF THE EFFECTIVE DATE OF THIS SUBDIVISION, SUBMIT A REPORT OF THIS PROCEEDING'S FINDINGS TO THE GOVERNOR, TEMPORARY PRESIDENT OF THE SENATE, SPEAKER OF THE ASSEMBLY, CHAIR OF THE SENATE STANDING COMMISSION ON ENERGY AND TELECOMMUNICATIONS AND CHAIR OF THE ASSEMBLY STANDING COMMITTEE ON CORPORATIONS, AUTHORITIES AND COMMISSIONS COMMITTEE.

S 6. Section 65 of the public service law, as amended by chapter 134 of the laws of 1921, the section heading as amended and subdivision 7 as added by chapter 114 of the laws of 1978, subdivisions 1, 2, 3 and 4 as amended by chapter 789 of the laws of 1930, subdivision 6 as amended and subdivisions 8 and 9 as added by chapter 713 of the laws of 1981, paragraph (b-1) of subdivision 6 as added by chapter 534 of the laws of 1982, subdivision 10 as added by chapter 859 of the laws of 1982, subdivision 11 as added by chapter 535 of the laws of 1985 and subdivision 11 as added by chapter 693 of the laws of 1985, is amended to read as follows:

S 65. Safe and adequate service; just and reasonable charges; unjust discrimination; unreasonable preference; protection of privacy. 1. Every gas corporation, every electric corporation and every municipality shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such gas corporation, electric corporation or municipality for gas, electricity or any service rendered or to be rendered, shall be just and reasonable and not more than allowed by law or by order of the commission. [Every unjust or unreasonable charge made or demanded for gas, electricity or any such service, or in connection therewith, or in excess of that allowed by law or by the order of the commission is prohibited] IT IS THE SOLE RESPONSIBILITY OF THE COMMISSION TO DETERMINE JUST AND REASONABLE RATES AND IS STRONGLY ENCOURAGED TO TAKE ALL NECESSARY AND PROPER ACTION AGAINST UTILITIES WHOSE RATES ARE DETERMINED NOT TO BE JUST AND REASONABLE.

2. [No gas corporation, electric corporation or municipality shall directly or indirectly, by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for gas or electricity or for

any service rendered or to be rendered or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like and contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.

3.] No gas corporation, electric corporation or municipality shall make or grant any undue or unreasonable preference or advantage to any person, corporation or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

[4.] 3. Nothing in this chapter shall be taken to prohibit a gas corporation or electric corporation from establishing a sliding scale for a fixed period for the automatic adjustment or charges for gas, electricity or any service rendered or to be rendered and the dividends to be paid to stockholders of such gas corporation or electric corporation, provided that the sliding scale shall first have been filed with and approved by the commission; but nothing in this subdivision shall operate to prevent the commission after the expiration of such fixed period from fixing proper, just and reasonable rates and charges to be made for service as authorized in this article.

[5.] 4. Nothing in this chapter shall be taken to prohibit a gas corporation or electrical corporation from establishing classifications of service based upon the quantity used, the time when used, the purpose for which used, the duration of use or upon any other reasonable consideration, and providing schedules of just and reasonable graduated rates applicable thereto. No such classification, schedule, rate or charge shall be lawful unless it shall be filed with and approved by the commission, and every such classification, rate or charge shall be subject to change, alteration and modification by the commission.

[6.] 5. Service charges prohibited. Every gas corporation shall charge for gas supplied a fair and reasonable price. No such corporation shall make or impose an additional charge or fee for service or for the installation of apparatus or the use of apparatus installed, except that a charge may be made:

(a) where entry, inspection or examination [as authorized by subdivision nine of this section] is denied;

(b) for reconnecting the service to a person or corporation if the service to such person or corporation was disconnected, in accordance with applicable legal requirements, for non-payment of bills for service; or

(b-1) for expenses reasonably incurred as determined by the commission in cases of meter tampering and theft of service. Such expenses shall include, but not be limited to, the cost of investigating, repairing and replacing meters and pipes, and the cost of moving a meter and installing it in a secure location.

(c) for a remote meter reading device upon the request and consent of the customer.

[7.] 6. No gas corporation or electric corporation shall sell or offer for sale any list of names of its customers.

[8. Inspection of transmission pipelines conveying natural gas. Every gas corporation transmitting natural gas under permits or franchises permitting the laying or maintaining of pipelines conveying natural gas shall conduct a leak detection inspection using leak detection equipment or employing a visual inspection of such transmission pipelines annually

or more frequently when ordered by the commission. A written report of every such inspection shall be made available to the commission.

9. Buildings may be entered for the examination of meters, pipes, fittings, wires and works. (a) Any officer or agent of any gas corporation, electric corporation or municipality for that purpose duly appointed and authorized by the corporation, upon exhibiting a photo-identification badge and a written authority signed by the president or vice-president and secretary or assistant secretary of the corporation, or by the mayor or clerk of a municipal corporation or by the chairman and secretary of a municipal board in control of a public utility, may enter, at all reasonable times, any store, building, room or place supplied with gas, electricity or water by such utility corporation or municipality for the purpose of inspecting and examining the meters, pipes, fittings, wires and works for supplying or regulating the supply of gas or electricity and of ascertaining the quantity of gas or electricity supplied.

(b) If any person, at any time, directly or indirectly, shall prevent or hinder any such officer or agent from so entering any such premises, or from making any such inspection or examination at any reasonable time, he or she shall forfeit to the corporation or municipality one hundred dollars for every such offense.

10. (a) Notwithstanding any other provision of law, in any case where electric corporations are permitted incremental seasonal differentials in rates or charges, such differentials shall not be imposed in any month upon any residential customer for the first two hundred fifty kilowatt hours used by such customer in such month; provided, however, that the commission may promulgate rules to permit the imposition of such seasonal differentials where a customer requests a special rate that may include a seasonal differential or where service is to be provided to a residential customer for a temporary period not to exceed six months.

(b) In any case where an electric corporation is permitted incremental seasonal differentials in rates or charges, such corporation shall, on or before such differential rates commence, inform any customer subject to such differential as to the commencement and termination dates of such differential rates and permit such customer to read his own meter on such dates and forward the readings thereon to the corporation.

11. Civil actions. (a) Every gas corporation, electric corporation or municipality furnishing utility service may initiate a civil action to collect a civil penalty against a user of non-residential service in accordance with this subdivision. Upon a showing in such action that a user of non-residential service has knowingly accepted or received the use and benefit of gas or electric service which has been prevented from being properly registered by a meter provided therefor, the utility may be granted a civil penalty, in addition to the value of the unpaid service, in an amount which the court in its discretion shall deem to be just and reasonable, which in no event shall be more than three times the retail value of the gas or electric service accepted or received. In any action under this subdivision, proof that a meter has been intentionally prevented from properly registering gas or electric service shall be prima facie proof that the user of non-residential service who accepts or receives the use and benefit of such service has done so with knowledge of the condition so existing, if the gas corporation, electric corporation or municipality shall first present evidence that such person took possession of the benefitted premises and used the gas or electric service prior to the creation of the condition.

(b) For the purposes of this subdivision, a user of non-residential service shall be a person benefitting from such service who is in possession of the premises to which the service is delivered.

(c) Any civil penalty recovered pursuant to this section in excess of the actual damages sustained by the utility shall be taken into account by the public service commission in establishing future utility rates.

11.] 7. An electric corporation shall send annually to each residence it serves a form that may be used to notify the corporation that a person living in the residence uses a life support system. For the purposes of this subdivision, life support systems shall include, but not be limited to, hemodialysis equipment, respirators and apnea monitors. An electric corporation shall maintain a current list of customers who use such life support systems and include the list in such electric corporation's system emergency plans.

S 7. Section 66 of the public service law is amended by adding three new subdivisions 29, 30 and 31 to read as follows:

29. REVIEW THE RATES OF ANY PUBLIC UTILITY ON AN ANNUAL BASIS, PROVIDED HOWEVER THAT UPON A DETERMINATION BY THE COMMISSION THAT THE PUBLIC INTEREST DOES NOT REQUIRE SUCH ANNUAL RATE REVIEW, A REVIEW OF RATES MAY BE UNDERTAKEN AT NO MORE THAN THREE YEAR INTERVALS.

30. (A) USE THE FULLEST EXTENT OF ITS POWERS TO REGULATE THE DISTRIBUTION OF RETAIL ELECTRIC ENERGY TO RETAIL CUSTOMERS IN THE STATE AND, TO THE EXTENT NOT PROHIBITED BY FEDERAL LAW, THE TRANSMISSION OF ELECTRIC ENERGY IN THE STATE.

(B) A MARKET CLEARING PRICE MECHANISM FOR THE PURCHASE OF POWER SHALL BE FORBIDDEN FOR PURCHASES MADE THROUGH THE WHOLESALE MARKET VIA A BID PROCUREMENT OR AUCTION PROCESS HELD BY THE INDEPENDENT SYSTEM OPERATOR ("ISO") OF NEW YORK, OR ANY SUCCESSOR IN LAW AND FUNCTION TO SUCH ENTITY.

(C) SUCH AUCTION OR BID PROCUREMENT PROCESS SHALL BE OVERSEEN BY THE COMMISSION, WHICH SHALL REQUIRE A DESCENDING CLOCK, PAY-AS-BID AUCTION IN WHICH BID AMOUNTS WILL CONTINUE TO FALL UNTIL NO BIDDER IS WILLING TO SUPPLY ELECTRICITY AT A LOWER PRICE. FOR THE PURPOSES OF THIS ARTICLE "DESCENDING CLOCK AUCTION" SHALL BE DEFINED AS AN AUCTION IN WHICH THE PRICES DROP THROUGHOUT AN AUCTION OF TIME-LIMITED DURATION; STARTING HIGH AND BEING REDUCED GRADUALLY UNTIL THE SUPPLY BID IS JUST SUFFICIENT TO MEET THE ELECTRICAL LOAD TO BE PROCURED. PRICES THAT TICK DOWN IN A ROUND DECREASE BY A DECREMENT; WHICH IS A GIVEN PERCENTAGE OF THE PREVIOUS PRICE. BIDDERS HOLDING THE FINAL BIDS WHEN THE AUCTION CLOSES ARE THE WINNERS.

(D) BIDDERS WILL BE FORBIDDEN FROM KNOWING WHEN THE AMOUNT OF ELECTRICITY SUPPLY FILLS REQUIREMENTS.

(E) THE COMMISSION SHALL APPOINT AN INDEPENDENT MARKET ADVISOR TO REVIEW MARKET PRACTICES AND BEHAVIOR; THAT WILL RECOMMEND TO THE ISO ACTIONS THAT CAN BE TAKEN TO MITIGATE OR CORRECT BEHAVIOR BY MARKET PARTICIPANTS THAT WAS REASONABLY CALCULATED TO, OR HAD THE EFFECT OF AFFECTING THE FUNCTION OF THE AUCTION PROCESS SO THAT THE WINNING BIDDER WAS NOT THE LOWEST PRICE BIDDER.

(F) UTILITIES MAY BUY POWER FROM MARKETS OTHER THAN THE ISO, OR VIA CONTRACTS WITH INDIVIDUALS OR GROUPS OF GENERATING ENTITIES, PROVIDED THAT SUCH ELECTRICAL ENERGY MUST BE OFFERED TO CUSTOMERS AT JUST AND REASONABLE RATES.

31. (A) THE COMMISSION SHALL EXERCISE ITS FULL JURISDICTION OVER THE ISO OF NEW YORK.

(B) THE COMMISSION SHALL REGULATE THE RELIABILITY, QUALITY AND MAINTENANCE BY TRANSMITTERS AND DISTRIBUTORS OF THEIR TRANSMISSION AND RETAIL DISTRIBUTION SYSTEMS.

(C) THE COMMISSION SHALL REGULATE THE RELIABILITY, QUALITY, MAINTENANCE, AND PRICE OF GENERATORS.

(D) THE COMMISSION SHALL NOT REQUIRE ANY INCUMBENT ELECTRIC UTILITY TO DIVEST ITSELF OF ANY GENERATION, TRANSMISSION OR DISTRIBUTION ASSETS PURSUANT TO ANY PROVISION OF THIS CHAPTER WITHOUT SPECIFIC AUTHORIZING LEGISLATION FOR SUCH PURPOSE.

(E) THE COMMISSION SHALL DEVELOP CODES OF CONDUCT GOVERNING THE CONDUCT OF INCUMBENT ELECTRIC UTILITIES AND AFFILIATES THEREOF WHEN ANY SUCH AFFILIATES PROVIDE, OR CONTROL ANY ENTITY THAT PROVIDES, GENERATION, DISTRIBUTION, OR TRANSMISSION SERVICES TO THE EXTENT NECESSARY TO PREVENT IMPAIRMENT OF COMPETITION. NOTHING IN THIS CHAPTER SHALL PREVENT AN INCUMBENT ELECTRIC UTILITY FROM OFFERING METERING OPTIONS TO ITS CUSTOMERS.

S 8. The public service law is amended by adding a new section 66-m to read as follows:

S 66-M. REMOVAL OF BARRIERS TO ENTRY INTO ELECTRIC GENERATION. 1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, OR ORDER OR OPINION OF THE COMMISSION TO THE CONTRARY, OR COMMISSION-IMPOSED OR MEDIATED SETTLEMENT PROVISIONS TO THE CONTRARY, ANY ELECTRIC CORPORATION OPERATING IN NEW YORK UNDER THE JURISDICTION OF THE COMMISSION AND SUBJECT TO THE LAWS OF THE STATE OF NEW YORK, MAY APPLY TO BUILD AND OPERATE, OR APPLY TO CONTRACT FOR THE BUILDING AND OPERATION, OF A NEW MAJOR ELECTRIC GENERATION FACILITY WITHIN THE STATE.

2. AN APPLICATION FOR THE CREATION OF A NEW MAJOR ELECTRIC GENERATION FACILITY MUST BE MADE PURSUANT TO THE PROVISIONS OF FORMER ARTICLE TEN OF THE PUBLIC SERVICE LAW, OR TO ANY SUCCESSOR LAW TO SUCH ARTICLE.

3. IN ITS CONSIDERATION OF WHETHER AN APPLICATION FOR THE CREATION OF A NEW MAJOR ELECTRIC GENERATION FACILITY SHALL RECEIVE A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR SUCH FACILITY, THE COMMISSION SHALL CONSIDER AND GIVE WEIGHT TO THE FOLLOWING ADDITIONAL PUBLIC INTEREST FACTORS:

(A) APPLICATIONS THAT UTILIZE EXISTING BROWNFIELD OR INDUSTRIAL SITES;

(B) APPLICATIONS THAT UTILIZE NEW OR INNOVATIVE BASELOAD TECHNOLOGIES;

(C) APPLICATIONS THAT PROVIDE LONG-TERM ENVIRONMENTAL BENEFITS TO THE STATE;

(D) APPLICATIONS THAT HAVE EXISTING FUEL AND TRANSMISSION INFRASTRUCTURE;

(E) APPLICATIONS THAT PROMOTE FUEL DIVERSITY; AND

(F) APPLICATIONS THAT SUPPORT OR IMPROVE RELIABILITY.

S 9. The opening paragraph of subdivision 1 of section 66-c of the public service law is designated paragraph (i) and a new paragraph (ii) is added to read as follows:

(II)(A) IT IS HEREBY DECLARED THAT IT IS IN THE PUBLIC INTEREST, AND IT IS CONSISTENT WITH THE STATE OF NEW YORK'S ENERGY GOALS, TO PROMOTE COST-EFFECTIVE CONSERVATION OF ENERGY THROUGH FAIR AND EFFECTIVE DEMAND SIDE MANAGEMENT, CONSERVATION, ENERGY EFFICIENCY, AND LOAD MANAGEMENT PROGRAMS, INCLUDING BUT NOT LIMITED TO CONSUMER EDUCATION AND CONSERVATION CREDITS. SUCH PROGRAMS MAY INCLUDE ACTIVITIES BY THE COMMISSION, AND BY ELECTRIC UTILITIES, PUBLIC OR PRIVATE ORGANIZATIONS, OR COMBINATIONS OF ELECTRIC UTILITIES, THE COMMISSION, PUBLIC AUTHORITIES AND PUBLIC AND PRIVATE ORGANIZATIONS. NEW YORK SHALL HAVE A STATED POLICY GOAL OF REDUCING THE CONSUMPTION OF ELECTRIC ENERGY BY RETAIL CUSTOMERS THROUGH THE IMPLEMENTATION OF SUCH PROGRAMS BY THE YEAR TWO THOUSAND

TWENTY-ONE BY AN AMOUNT EQUAL TO TEN PERCENT OF THE AMOUNT OF ELECTRIC ENERGY CONSUMED BY RETAIL CUSTOMERS IN TWO THOUSAND SEVEN, AND BY THE YEAR TWO THOUSAND TWENTY-SIX OF AN ADDITIONAL FIVE PERCENT OF THE AMOUNT OF ELECTRIC ENERGY CONSUMED BY RETAIL CUSTOMERS IN TWO THOUSAND SEVEN.

(B) IN FURTHERANCE OF THE STATE'S ENERGY GOALS, ENERGY DEMAND SHALL BE MET BY THE FOLLOWING ENERGY SUPPLY OPTIONS, TO THE EXTENT COST EFFECTIVE AND TECHNICALLY FEASIBLE, IN THE PRIORITY ORDER SET FORTH BELOW:

(1) ENERGY CONSERVATION AND INCREASED EFFICIENCY OF GENERATION, DISTRIBUTION AND CONSUMER USES;

(2) NON-COMBUSTIBLE RENEWABLE ENERGY RESOURCES;

(3) COMBUSTIBLE RENEWABLE ENERGY RESOURCES;

(4) NONRENEWABLE COMBUSTIBLE ENERGY RESOURCES, IN THE ORDER LISTED, PROVIDED HOWEVER THAT A BALANCE SHALL BE STRUCK BETWEEN COST-EFFECTIVENESS AND GREENHOUSE GAS PRODUCTION: NATURAL GAS, OIL OR COAL WITH SULPHUR CONTENT OF LESS THAN ONE PERCENT, ALL OTHER CARBON BASED FUELS, AND SUCH OTHER ADVANCED TECHNOLOGY FUELS AS MAY BECOME AVAILABLE IN THE FUTURE.

S 10. Report on location and size of new baseload facilities. The power authority of the state of New York shall issue a report on the locations and sizes of new baseload generation facilities required in this act to the governor, temporary president of the senate, speaker of the assembly, chair of the senate standing committee on energy and telecommunications and chair of the assembly standing committee on corporations, authorities and commissions within ninety days of the effective date of this act.

S 11. Report findings. The public service commission shall issue a report of its findings including legislative and regulatory recommendations to enhance consumer quality regarding electric utilities to the governor, temporary president of the senate, speaker of the assembly, chair of the senate committee on energy and telecommunications, chair of the assembly committee on corporations, authorities and commissions within one hundred days of such findings.

S 12. This act shall take effect immediately.