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I N S E N A T E

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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:

1 Section 1. Subdivision 1 of section 51 of the public authorities law
2 is amended by adding a new paragraph m to read as follows:
3 M. POWER AUTHORITY OF THE STATE OF NEW YORK
4 S 2. Section 1005 of the public authorities law is amended by adding a
5 new subdivision 11-a to read as follows:
6 11-A. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
7 AUTHORITY SHALL NOT UNDERTAKE ANY PROJECT OR SALE OF ANY ASSET EXCEEDING
8 ONE MILLION DOLLARS IN VALUE WITHOUT THE APPROVAL OF THE PUBLIC AUTHORITIES
9 CONTROL BOARD CREATED PURSUANT TO ARTICLE ONE-A OF THIS CHAPTER.
10 EACH APPLICATION TO THE PUBLIC AUTHORITIES CONTROL BOARD SHALL CONTAIN A
11 PROJECT DESCRIPTION OR DESCRIPTION OF SALE AND AN EXPLANATION OF WHY THE
12 PROJECT OR SALE MEETS THE STANDARDS FOR PROJECT APPROVAL OR APPROVAL OF
13 SALE SET FORTH IN THIS SUBDIVISION. THE PUBLIC AUTHORITIES CONTROL BOARD
14 SHALL ONLY APPROVE A PROJECT OR SALE PROPOSED BY THE AUTHORITY UPON ITS
15 DETERMINATION THAT:
16 A. THE PROJECT OR SALE IS FINANCIALLY FEASIBLE AS THE STANDARD AS
17 DEFINED IN ARTICLE ONE-A OF THIS CHAPTER;
18 B. THE PROJECT OR SALE IS ANTICIPATED TO RESULT GENERALLY IN LOWER
19 UTILITY RATES IN THE STATE; AND

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

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

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

22 2. The temporary special commission on restructuring the power author-
23 ity of the state of New York shall have the power and duty to:

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

26 (b) issue a final report to the governor and legislature detailing
27 recommendations on restructuring the power authority of the state of New
28 York, including, but not limited to, the following issues: the divesti-
29 ture of such authority's non-hydroelectric generation assets; such
30 authority's role as a transmission provider; such authority's role in
31 the power for jobs and economic development power programs; such author-
32 ity's energy efficiency programs; such authority's relationship with,
33 and obligation to, host communities, including, but not limited to,
34 payments-in-lieu of taxes to local municipalities and school districts,
35 economic development investments, and community revitalization initi-
36 atives; and such authority's role in a deregulated energy market. On or
37 before September 1, 2010 such commission shall transmit such report to
38 the governor, the speaker of the assembly, the minority leader of the
39 assembly, the temporary president of the senate, the minority leader of
40 the senate, the chairman of the assembly energy committee and the chair-
41 man of the senate energy and telecommunications committee.

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

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

54 2. THE STUDY SHALL INCLUDE, AT A MINIMUM, AN ASSESSMENT OF EACH OF THE
55 FOLLOWING: THE CURRENT AND PROJECTED ADEQUACY OF THE ELECTRIC TRANS-
56 MISSION SYSTEM OVER THE TEN YEAR PERIOD BEGINNING ON THE EFFECTIVE DATE

1 OF THIS SECTION, WITH SPECIFIC FOCUS ON SYSTEM CONGESTION WITHIN THE
2 STATE. THE ASSESSMENT SHALL EXAMINE: (I) ADEQUACY OF TRANSMISSION IN
3 DENSELY POPULATED AREAS, INCLUDING LOAD POCKETS; (II) THE EXTENT TO
4 WHICH TRANSMISSION CONGESTION IMPEDES THE DEVELOPMENT OF A FULLY COMPET-
5 ITIVE WHOLESALE ELECTRICITY MARKET; (III) INVESTMENT IN INFRASTRUCTURE,
6 INCLUDING CAPITAL IMPROVEMENTS, EXPANSIONS, AND MAINTENANCE; (IV) NEW
7 TRANSMISSION TECHNOLOGIES THAT CAN INCREASE TRANSMISSION CAPABILITIES
8 OVER EXISTING FACILITIES, INCLUDING AN ASSESSMENT OF THE COSTS AND BENE-
9 FITS OF SUCH TECHNOLOGIES; AND (V) WORKFORCE ADEQUACY, INCLUDING THE
10 AVAILABILITY OF SKILLED LABORERS AND THE ADEQUACY OF SKILLS TRAINING AND
11 APPRENTICESHIP PROGRAMS.

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

17 S 1855-B. NATURAL GAS SUPPLY AND INFRASTRUCTURE STUDY. 1. THE AUTHORI-
18 TY SHALL UNDERTAKE A STUDY OF ISSUES, INCLUDING BUT NOT LIMITED TO THE
19 SUPPLY, TRANSPORTATION, PIPELINE CAPACITY, DISTRIBUTION AND STORAGE OF
20 NATURAL GAS IN NEW YORK STATE. THE AUTHORITY MAY CONTRACT WITH AN INDE-
21 PENDENT AND COMPETITIVELY SELECTED CONTRACTOR TO UNDERTAKE SUCH STUDY.
22 THE AUTHORITY SHALL PREPARE A REPORT ON ITS FINDINGS AND LEGISLATIVE
23 RECOMMENDATIONS. ON OR BEFORE SEPTEMBER FIRST, TWO THOUSAND TEN, THE
24 AUTHORITY SHALL TRANSMIT SUCH REPORT TO THE GOVERNOR, THE TEMPORARY
25 PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF
26 THE SENATE ENERGY AND TELECOMMUNICATIONS COMMITTEE AND THE CHAIRMAN OF
27 THE ASSEMBLY ENERGY COMMITTEE.

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

30 (A) CURRENT UTILITY PRACTICES IN PROCURING THE COMMODITY OF NATURAL
31 GAS AND A COMPARISON, BY UTILITY TERRITORY IN THE STATE, OF IMPACTS ON
32 RATES FOR END-USE CUSTOMERS; (B) THE CURRENT AND PROJECTED ADEQUACY OF
33 THE NATURAL GAS INFRASTRUCTURE, INCLUDING TRANSPORTATION, PIPELINE
34 CAPACITY, DISTRIBUTION AND STORAGE IN NEW YORK STATE; (C) ADEQUACY OF
35 TRANSPORTATION AND DISTRIBUTION IN DENSELY POPULATED AREAS OF THE STATE
36 AND IN RURAL AREAS OF THE STATE; (D) INVESTMENT IN INFRASTRUCTURE,
37 INCLUDING CAPITAL IMPROVEMENTS, UTILIZATION OF NEW TECHNOLOGY, EXPAN-
38 SIONS, AND MAINTENANCE; (E) THE ADEQUACY OF TRANSPORTATION AND DISTRIB-
39 UTION INFRASTRUCTURE IN AREAS WHERE NATURAL GAS FUELED ELECTRIC GENERAT-
40 ING PLANTS ARE PROPOSED; (F) INDIGENOUS SOURCES OF NATURAL GAS IN THE
41 STATE; (G) WORKFORCE ADEQUACY, INCLUDING THE AVAILABILITY OF SKILLED
42 LABORERS AND THE ADEQUACY OF SKILLS TRAINING AND APPRENTICESHIP
43 PROGRAMS; AND (H) THE POTENTIAL IMPACT OF DISTRIBUTED GENERATION AND
44 COMBINED HEAT AND POWER SYSTEMS ON NATURAL GAS TRANSPORTATION AND
45 DISTRIBUTION SYSTEM ADEQUACY.

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

53 (A) AN ANALYSIS OF PROJECTED POWER NEEDS AND AN ASSESSMENT OF EXIST-
54 ING:

55 (I) GENERATING FACILITIES WITH A CAPACITY OF TWENTY MEGAWATTS OR MORE;

56 (II) POWER GRID CAPACITY AND LOAD POCKETS;

1 (III) NATURAL GAS AND OTHER FUEL SOURCE CAPACITY;
2 (IV) SUBSTATION TRANSFORMERS; AND
3 (V) EMERGENCY GENERATORS;
4 (B) AN ANALYSIS OF FUTURE POWER NEEDS;
5 (C) AN ENVIRONMENTAL ASSESSMENT OF GENERATING FACILITIES WITH A CAPAC-
6 ITY OF TWENTY MEGAWATTS OR MORE, INCLUDING BUT NOT LIMITED TO:
7 (I) EMISSIONS;
8 (II) WATER IMPACTS;
9 (III) LAND USE IMPACTS;
10 (IV) TRAFFIC IMPACTS; AND
11 (V) NOISE IMPACTS;
12 (D) THE IDENTIFICATION OF AREAS OF OVERSATURATION OF POWER FACILITIES;
13 AND
14 (E) AN ASSESSMENT OF ALTERNATIVES, SUCH AS:
15 (I) ENERGY EFFICIENCY;
16 (II) LOAD CURTAILMENT;
17 (III) CLEAN DISTRIBUTED GENERATION; AND
18 (IV) CO-GENERATION.

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

24 3. UPON COMPLETION OF THE STUDY CONDUCTED PURSUANT TO SUBDIVISION ONE
25 OF THIS SECTION, THE AUTHORITY SHALL DEVELOP AN OVERALL COMPREHENSIVE
26 ENERGY MANAGEMENT PLAN. SUCH PLAN SHALL TAKE INTO ACCOUNT THE RESULTS
27 AND FINDINGS OF SUCH STUDY, AND SHALL INCLUDE, BUT SHALL NOT BE LIMITED
28 TO THE FOLLOWING:

29 (A) AN OUTLINE OF GUIDELINES AND REQUIREMENTS FOR SITING POWER PLANTS;

30 (B) THE RESEARCH OF POTENTIAL SITES FOR FUTURE POWER PLANT LOCATIONS
31 THAT MEET THE GUIDELINES AND REQUIREMENTS ESTABLISHED PURSUANT TO PARA-
32 GRAPH (A) OF THIS SUBDIVISION AND ARE NOT LOCATED IN AREAS OF OVERSATU-
33 RATION;

34 (C) AN IDENTIFICATION OF EXISTING PLANTS THAT SHOULD BE TARGETED FOR
35 RE-POWERING WITH MORE EFFICIENT GENERATORS; AND

36 (D) A REQUIREMENT THAT AT LEAST TWO PUBLIC HEARINGS BE HELD WITHIN THE
37 DOWNSTATE REGION DESCRIBED IN SUBDIVISION ONE OF THIS SECTION WITHIN
38 SIXTY DAYS OF THE PUBLICATION OF SUCH MANAGEMENT PLAN, AND PROVIDE
39 ADEQUATE OPPORTUNITY FOR WRITTEN TESTIMONY REGARDING SUCH PLAN.

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

45 S 5. This act shall take effect immediately.