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I N S E N A T E

February 1, 2010

Introduced by Sen. PARKER -- 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 New York state renewable electric generation pilot programs

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 73 to read as follows:

3 S 73. NEW YORK STATE RENEWABLE ELECTRIC GENERATION PILOT PROGRAMS. 1.
4 THE COMMISSION SHALL ESTABLISH NEW YORK STATE RENEWABLE ELECTRIC GENER-
5 ATION PILOT PROGRAMS TO AUTHORIZE THE DEVELOPMENT OF UP TO THREE HUNDRED
6 MEGAWATTS OF RENEWABLE ELECTRIC CAPACITY STATEWIDE, IN ORDER TO STIMU-
7 LATE THE GROWTH OF CLEAN, AFFORDABLE, AND RELIABLE SOURCES OF ENERGY AND
8 TO FOSTER NEW PARTNERSHIPS BETWEEN ELECTRIC CORPORATIONS, ENERGY PRODUC-
9 ERS AND ENERGY CUSTOMERS IN NEW YORK STATE.

10 2. (A) THE COMMISSION SHALL OVERSEE THE IMPLEMENTATION OF THE PILOT
11 PROGRAMS AND SHALL DIRECT ELECTRIC CORPORATIONS TO BUILD OR CAUSE TO BE
12 BUILT RENEWABLE ENERGY FACILITIES TO BE FINANCED UNDER TERMS ESTABLISHED
13 THROUGH AN ORDER OF THE COMMISSION WHICH SHALL AUTHORIZE CAPITAL AND
14 OPERATING COSTS TO BE RECOVERED IN THE CORPORATIONS RATE BASE AND TO
15 EARN A REASONABLE RETURN OVER A PERIOD TO BE DETERMINED BY THE COMMIS-
16 SION, PROVIDED THAT THE CORPORATION SHALL, AT MINIMUM, PROVIDE THE
17 COMMISSION WITH THE FOLLOWING:

18 (I) A DETAILED DESCRIPTION AND ECONOMIC EVALUATION OF THE PROPOSED
19 INVESTMENT;

20 (II) A DISCUSSION OF THE COSTS, BENEFITS, AND RISKS OF THE PROPOSAL,
21 INCLUDING AN ANALYSIS OF THE COSTS, BENEFITS, AND RATE IMPLICATIONS TO
22 THE PARTICIPATING CUSTOMERS, TO THE COMPANY'S DEFAULT SERVICE CUSTOMERS,
23 AND TO THE UTILITY'S DISTRIBUTION CUSTOMERS;

24 (III) A DESCRIPTION OF ANY EQUIPMENT OR INSTALLATION SPECIFICATIONS,
25 SOLICITATIONS, AND PROCUREMENTS IT HAS IMPLEMENTED OR INTENDS TO IMPL-
26 EMENT;

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

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1 (IV) A SHOWING THAT IT HAS MADE REASONABLE EFFORTS TO INVOLVE LOCAL
2 BUSINESSES IN ITS PROGRAM;

3 (V) EVIDENCE OF COMPLIANCE WITH ALL APPLICABLE EMISSION LIMITATIONS;
4 AND

5 (VI) A COPY OF ANY CUSTOMER CONTRACTS OR AGREEMENTS TO BE EXECUTED AS
6 PART OF THE PROGRAM.

7 (B) RENEWABLE GENERATION FACILITIES ELIGIBLE TO BE CONSTRUCTED AND
8 FINANCED UNDER THE NEW YORK STATE RENEWABLE ELECTRIC GENERATION PILOT
9 PROGRAMS SHALL:

10 (I) GENERATE ELECTRICITY THROUGH USE OF THE FOLLOWING TECHNOLOGIES:
11 SOLAR; WIND; PHOTOVOLTAICS; TIDAL; GEOTHERMAL; AND FUEL CELLS; OR

12 (II) GENERATE ELECTRICITY THROUGH LOW-IMPACT, RUN-OF-RIVER HYDROELEC-
13 TRIC ELECTRIC GENERATING EQUIPMENT WITH CAPACITY UP TO THIRTY MEGAWATTS
14 WITH NO NEW STORAGE IMPOUNDMENT;

15 (III) BE MANUFACTURED, INSTALLED AND OPERATED IN ACCORDANCE WITH
16 APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS;

17 (IV) CONNECT TO THE ELECTRIC SYSTEM AND OPERATED IN PARALLEL WITH AN
18 ELECTRIC CORPORATION'S TRANSMISSION AND DISTRIBUTION FACILITIES;

19 (V) OPERATE IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS ESTAB-
20 LISHED BY THE COMMISSION; AND

21 (VI) BE LOCATED WITHIN THE STATE, INCLUDING FACILITIES THAT CONSIST OF
22 CUSTOMER-OWNED OR LEASED GENERATORS.

23 (C) AUTHORIZE ELECTRIC CORPORATIONS TO OWN AN EQUITY INTEREST IN SUCH
24 FACILITIES AND ALLOW PARTNERSHIPS WITH INDEPENDENT POWER PRODUCERS,
25 DEVELOPERS, AND/OR CUSTOMER-OWNED OR LEASED GENERATORS.

26 S 2. The public service commission shall provide an annual report on
27 or before the first day of June to the governor, the temporary president
28 of the senate, the speaker of the assembly, the minority leader of the
29 senate, and the minority leader of the assembly reporting the progress
30 of their efforts and the effects of the program on the environment and
31 public. Such report shall identify each facility participating in the
32 pilot project and shall include, but not be limited to, information on
33 each energy source or sources used for generation at such facility; the
34 sum capacity, in megawatts, of all electrical generating equipment used
35 by the facility; the date the facility will begin or has begun generat-
36 ing electricity; and the number and category of customer-owned or leased
37 generators.

38 S 3. This act shall take effect immediately; provided, however, that
39 not later than the one hundred eightieth day after this act shall have
40 become a law, the public service commission shall have in place a
41 competitive process which shall be open to electric corporations.