S T A T E O F N E W Y O R K

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2011-2012 Regular Sessions

I N A S S E M B L Y

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Introduced by M. of A. ENGLEBRIGHT, CAHILL, SCHIMEL, BRENNAN, ROSENTHAL, CRESPO, LIFTON, COLTON, LUPARDO, PAULIN, HOYT, LATIMER, GALEF, DINOWITZ, LINARES, MOYA, RUSSELL, JAFFEE, P. RIVERA, SPANO, SCHROEDER, ABINANTI, THIELE, WEISENBERG, BENEDETTO, ROBERTS, GUNTHER, MAISEL, LAVINE, MARKEY -- Multi-Sponsored by -- M. of A. BING, BOYLE, CASTELLI, CERETTO, CONTE, CURRAN, CYMBROWITZ, GLICK, HEASTIE, KATZ, LENTOL, P. LOPEZ, McDONOUGH, McENENY, McKEVITT, MILLMAN, MONTESANO, MURRAY, NOLAN, RAIA, REILLY, SALADINO, SAYWARD, SCHIMMINGER, SWEENEY, WRIGHT -- read once and referred to the Committee on Ways and Means -- reference changed to the Committee on Energy -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law and the public authorities law, in relation to the creation of the New York solar industry development and jobs act of 2011 and the procurement of solar renewable energy credits

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

Section 1. Legislative intent and purpose. It is the intent of the legislature to enable the rapid and sustainable development of a robust solar power industry in New York by creating a scalable, diverse and competitive solar energy market. By tapping into the state's abundant solar energy resources, it is the further intent of the legislature to harness the multiple benefits associated with the generation of such clean power, including the significant creation of much needed jobs, a reduction of the long-term costs of electricity generation for New York's energy consumers, including transmission and distribution costs

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

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that continue to accelerate in proportion to overall electricity supply costs for the residents of this state, increased reliability of the state's electric grid, reduced peak demand, development of capacity resources in capacity-constrained areas, alleviation of local transmission and distribution constraints, and a decrease in the emission of harmful air pollution, including localized and other emissions. By establishing such a program, New York will create a solar energy enterprise that will elevate the state to be among the world's cutting edge clean energy industry leaders, while helping to secure increased economic development for New Yorkers.

S 2. Short title. This act shall be known and may be cited as the "New York solar industry development and jobs act of 2011".

S 3. The public service law is amended by adding a new section 66-m to read as follows:

S 66-M. PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS. 1. AS USED IN THIS SECTION:

(A) "BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT" MEANS A PHOTOVOLTAIC DEVICE THAT DIRECTLY FUNCTIONS AS A PART OF THE ENVELOPE OF A BUILDING INCLUDING INTEGRATED ROOF COVER, FACADE OR BUILDING CLADDING, GLAZED SURFACES, SOLAR SHADING DEVICES, CANOPIES, AND SKYLIGHTS;

(B) "ELECTRIC DISTRIBUTION COMPANY" MEANS AN INVESTOR-OWNED UTILITY THAT DISTRIBUTES ELECTRICITY WITHIN THIS STATE;

(C) "PHOTOVOLTAIC DEVICE" MEANS A SYSTEM OF COMPONENTS THAT GENERATES ELECTRICITY FROM INCIDENTAL SUNLIGHT BY MEANS OF THE PHOTOVOLTAIC EFFECT, WHETHER OR NOT THE DEVICE IS COUPLED WITH A DEVICE CAPABLE OF STORING THE ENERGY PRODUCED FOR LATER USE;

(D) "PREVAILING RATE OF WAGES" SHALL HAVE THE SAME MEANING AS SUCH TERM IS DEFINED IN PARAGRAPH A OF SUBDIVISION FIVE OF SECTION TWO HUNDRED TWENTY OF THE LABOR LAW;

(E) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED (I) WITHIN FIFTEEN YEARS OF THE DATE THE QUALIFIED SOLAR ENERGY GENERATOR RECEIVED PERMISSION FROM THE ELECTRIC DISTRIBUTION COMPANY TO ENERGIZE; (II) BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OR AREA SUBSTATIONS AND ASSOCIATED FACILITIES THAT COMPRISE THE LOCAL AREA NETWORK OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE; (III) AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

(F) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A PHOTOVOLTAIC DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENERATION;

(G) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS INTERCONNECTED TO THE DISTRIBUTION SYSTEM ON THE CUSTOMER SIDE OF THE ELECTRIC DISTRIBUTION COMPANY METER;

(H) "RETAIL ELECTRIC SUPPLIER" MEANS AN ENTITY AUTHORIZED TO SELL ELECTRICITY AT RETAIL TO END-USE CUSTOMERS IN THIS STATE, INCLUDING AN ELECTRIC DISTRIBUTION COMPANY ACTING AS A PROVIDER OF LAST RESORT OR AN ENERGY SERVICE COMPANY LICENSED BY THE COMMISSION FOR SUCH PURPOSE;

(I) "SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS EQUAL TO OR LESS THAN FIFTY KILOWATTS IN SIZE;

(J) "SOLAR ALTERNATIVE COMPLIANCE PAYMENT" MEANS A PAYMENT OF A CERTAIN DOLLAR AMOUNT PER MEGAWATT-HOUR, AS ESTABLISHED BY THE COMMISSION, THAT A RETAIL ELECTRIC SUPPLIER MAY SUBMIT TO THE COMMISSION IN ORDER TO COMPLY WITH ITS ANNUAL OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION;

(K) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF FIFTEEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY GENERATOR; AND

(L) "SOLAR RENEWABLE ENERGY CREDIT" OR "SREC" MEANS THE ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH ONE MEGAWATT-HOUR OF QUALIFIED SOLAR ENERGY GENERATION.

2. (A) EACH RETAIL ELECTRIC SUPPLIER SHALL ANNUALLY PROCURE, AT MINIMUM, SRECS TO MEET THE FOLLOWING PERCENTAGES OF SUCH SUPPLIER'S TOTAL ELECTRIC SALES IN EACH COMPLIANCE YEAR:

COMPLIANCE YEAR	ANNUAL REQUIREMENT
2013	0.15%
2014	0.20%
2015	0.30%
2016	0.50%
2017	0.75%
2018	1.00%
2019	1.25%
2020	1.50%

(B) COMPLIANCE SHALL CONTINUE THROUGH TWO THOUSAND THIRTY-FOUR AS FOLLOWS:

(I) ELECTRIC DISTRIBUTION COMPANY OBLIGATIONS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION SHALL CONTINUE UNTIL ALL EXISTING SOLAR PURCHASE AGREEMENTS ENTERED INTO THROUGH TWO THOUSAND TWENTY HAVE EXPIRED. ELECTRIC DISTRIBUTION COMPANIES SHALL NOT BE OBLIGATED TO ENTER INTO NEW SOLAR PURCHASE AGREEMENTS AFTER TWO THOUSAND TWENTY.

(II) EACH RETAIL ELECTRIC SUPPLIER THAT IS NOT AN ELECTRIC DISTRIBUTION COMPANY SHALL ANNUALLY PROCURE SRECS TO MEET THE PERCENTAGES OF SUCH SUPPLIER'S TOTAL ELECTRIC SALES IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

(A) FOR COMPLIANCE YEARS TWO THOUSAND TWENTY-ONE THROUGH TWO THOUSAND TWENTY-SEVEN, THE ANNUAL REQUIREMENT SHALL BE THE ANNUAL REQUIREMENT IN TWO THOUSAND TWENTY;

(B) FOR COMPLIANCE YEAR TWO THOUSAND TWENTY-EIGHT, THE ANNUAL REQUIREMENT SHALL BE THE ANNUAL REQUIREMENT APPLICABLE IN TWO THOUSAND TWENTY-SEVEN LESS THE ANNUAL REQUIREMENT APPLICABLE IN TWO THOUSAND THIRTEEN; AND

(C) FOR COMPLIANCE YEARS TWO THOUSAND TWENTY-NINE THROUGH TWO THOUSAND THIRTY-FOUR, THE ANNUAL REQUIREMENT SHALL BE THE ANNUAL REQUIREMENT IN THE PRIOR COMPLIANCE YEAR LESS THE NET OF THE ANNUAL REQUIREMENT APPLICABLE IN THE FIFTEENTH AND SIXTEENTH YEAR PRIOR. FOR PURPOSES OF ILLUSTRATION, THE ANNUAL REQUIREMENT FOR TWO THOUSAND TWENTY-NINE IS 1.15% ((1.5%)-(.20%)-(.15%)).

(C) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST AN ADDITIONAL THIRTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE.

(D) RETAIL ELECTRIC SUPPLIERS MAY MEET THEIR OBLIGATIONS ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBDIVISION THROUGH THE PROCUREMENT OF SRECS TOGETHER WITH OR SEPARATE FROM THE ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION.

(E) EACH SREC PROCURED BY A RETAIL ELECTRIC SUPPLIER FROM QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT THAT IS PLACED IN SERVICE WITHIN A LOAD ZONE FOR WHICH A LOCATIONAL MINIMUM INSTALLED CAPACITY REQUIREMENT HAS BEEN ESTABLISHED BY THE NEW YORK INDEPENDENT SYSTEM OPERATOR AS OF THE EFFECTIVE DATE OF THIS SECTION SHALL BE COUNTED AS ONE AND A HALF SRECS TOWARD THE RETAIL ELECTRIC SUPPLIER'S ANNUAL PROCUREMENT OBLIGATION ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBDIVISION.

(I) WITHIN NINETY DAYS OF THE CONCLUSION OF THE THIRD ANNUAL PROCUREMENT PERIOD, THE COMMISSION SHALL INITIATE A REVIEW, WITH NOTICE AND OPPORTUNITY FOR PUBLIC COMMENT, ON THE AMOUNT OF SRECS PROCURED FROM WITHIN EACH TARGETED LOAD ZONE. FOR THAT REVIEW, THE COMMISSION SHALL DETERMINE THE AMOUNT OF SRECS PROCURED FROM WITHIN EACH TARGETED LOAD ZONE AS A PERCENTAGE OF SRECS PROCURED STATEWIDE FOR EACH COMPLIANCE PERIOD UNDER REVIEW, AND ALSO SHALL DETERMINE THE AMOUNT OF RETAIL SALES OF ELECTRIC COMMODITY SOLD WITHIN EACH TARGETED LOAD ZONE AS A PERCENTAGE OF SAME PROCURED STATEWIDE FOR EACH COMPLIANCE PERIOD UNDER REVIEW. IF THE RESULTING PERCENTAGE OF SRECS PROCURED FROM WITHIN THE TARGETED LOAD ZONE EXCEEDS THE RESULTING PERCENTAGE OF RETAIL SALES OF ELECTRIC COMMODITY SOLD WITHIN THE TARGETED LOAD ZONE, THEN THE COMMISSION MAY ADJUST OR ELIMINATE THE SREC MULTIPLIER SET FORTH IN THIS PARAGRAPH FOR SYSTEMS PUT IN SERVICE AFTER THE REVIEW HAS BEEN COMPLETED, BUT NOT BEFORE THE NEXT COMPLIANCE YEAR. IF THE RESULTING PERCENTAGE OF SRECS PROCURED FROM WITHIN THE TARGETED LOAD ZONE DOES NOT EXCEED THE PERCENTAGE OF RETAIL SALES OF ELECTRIC COMMODITY SOLD WITHIN THAT TARGETED LOAD ZONE, THEN THE COMMISSION SHALL NOT ADJUST OR ELIMINATE THE SREC MULTIPLIER.

(II) THE COMMISSION SHALL CONDUCT THE REVIEW SET FORTH IN THIS PARAGRAPH EACH YEAR FOLLOWING THE THIRD ANNUAL PROCUREMENT PERIOD. IF, AFTER HAVING ADJUSTED OR ELIMINATED THE SREC MULTIPLIER PURSUANT TO A PRIOR ANNUAL REVIEW, THE COMMISSION SUBSEQUENTLY DETERMINES THAT THE RESULTING PERCENTAGE OF SRECS PROCURED FROM WITHIN THE TARGETED LOAD ZONE NO LONGER EXCEEDS THE PERCENTAGE OF RETAIL SALES OF ELECTRIC COMMODITY SOLD WITHIN THAT TARGETED LOAD ZONE, THEN THE COMMISSION SHALL REINSTATE THE SREC MULTIPLIER SET FORTH IN THIS PARAGRAPH FOR SYSTEMS PUT IN SERVICE AFTER THE REVIEW HAS BEEN COMPLETED, BUT NOT BEFORE THE NEXT COMPLIANCE YEAR.

(F) WITHIN THREE MONTHS OF THE EFFECTIVE DATE OF THIS SECTION, THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, IN CONSULTATION WITH THE COMMISSION, SHALL ESTABLISH AN AUTOMATED GENERATION ATTRIBUTION TRACKING SYSTEM CAPABLE OF TRACKING SRECS.

(G) SRECS SHALL BE ELIGIBLE FOR USE IN MEETING THE OBLIGATIONS ESTABLISHED IN THIS SUBDIVISION IN THE COMPLIANCE YEAR IN WHICH THEY ARE CREATED AND FOR THE FOLLOWING TWO COMPLIANCE YEARS.

3. (A) IN THE EVENT THAT RETAIL ELECTRIC SUPPLIERS CANNOT MEET THEIR OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, THEY SHALL BE PERMITTED TO DISCHARGE SUCH OBLIGATIONS BY MAKING A SOLAR ALTERNATIVE COMPLIANCE PAYMENT IN AN AMOUNT ESTABLISHED BY THE COMMISSION, PROVIDED, HOWEVER, THAT THE COMMISSION SHALL SET SUCH PAYMENT AT A LEVEL THAT SHALL STIMULATE THE DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT NECESSARY TO ACHIEVE THE OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(B) NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL ESTABLISH A SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE THROUGH THE YEAR TWO THOUSAND TWENTY, AND SHALL ANNUALLY ADD A THIRTEENTH YEAR TO THE SCHEDULE ON A ROLLING ANNUAL BASIS THROUGH COMPLIANCE YEAR TWO THOUSAND THIRTY-FOUR. THE COMMISSION SHALL ANNUALLY REVIEW SUCH SCHEDULE

TO ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL TO STIMULATE THE DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, IN ACCORDANCE WITH THE PREVIOUS SUBDIVISION. ONCE SUCH SCHEDULE IS ESTABLISHED, THE COMMISSION MAY ADOPT, AFTER APPROPRIATE NOTICE AND OPPORTUNITY FOR PUBLIC COMMENT, AN INCREASE IN ALTERNATIVE COMPLIANCE PAYMENTS, PROVIDED THAT THE COMMISSION SHALL NOT REDUCE PREVIOUSLY ESTABLISHED LEVELS OF PAYMENTS, NOR SHALL THE COMMISSION PROVIDE RELIEF FROM THE OBLIGATION OF PAYMENT OF THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS BY THE RETAIL ELECTRIC SUPPLIERS IN ANY FORM.

(C) THE COMMISSION SHALL MAKE AVAILABLE ALL MONIES FROM AMOUNTS COLLECTED THROUGH SUCH SOLAR ALTERNATIVE COMPLIANCE PAYMENTS FOR A SOLAR SOLICITATION TO BE CONDUCTED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY UTILIZING THE TEMPLATE FOR SOLAR PURCHASE AGREEMENTS AS ESTABLISHED BY THE COMMISSION UNDER PARAGRAPH (A) OF SUBDIVISION FOUR OF THIS SECTION FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION. THE PROCUREMENT OF SRECS UNDER THIS PROVISION SHALL INCLUDE CRITERIA IN THE REVIEW AND SELECTION PROCESS THAT MORE HIGHLY RANK PROPOSALS THAT (I) HAVE THE MOST BENEFICIAL IMPACT ON DISPLACING LOCAL EMISSIONS, (II) DEFER OR AVOID INFRASTRUCTURE COSTS IN CONSTRAINED AREAS, AND (III) ALIGN WITH THE NEW YORK INDEPENDENT SYSTEM OPERATOR ZONAL LOCATION FROM WHICH THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS HAVE BEEN RECEIVED.

4. (A) NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL ESTABLISH A TEMPLATE FOR SOLAR PURCHASE AGREEMENTS TO BE USED BY RETAIL ELECTRIC SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES FOR THEIR PROCUREMENT OF SRECS FOR THE PURPOSE OF FULFILLING THEIR OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(B) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL, NOT LATER THAN JULY FIRST, TWO THOUSAND TWELVE, SUBMIT FOR COMMISSION REVIEW AND APPROVAL A SOLAR SOLICITATION PLAN THAT SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILLING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE ELECTRIC DISTRIBUTION COMPANY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. THE ELECTRIC DISTRIBUTION COMPANY SHALL ESTABLISH A SEPARATE SOLICITATION PROCESS FOR THE PROCUREMENTS OF A DEFINED NUMBER OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE. RETAIL DISTRIBUTED SOLAR ENERGY GENERATION WITHIN THIS SIZE RANGE SHALL BE ELIGIBLE TO RECEIVE A SREC OFFER PRICE EQUIVALENT TO THE WEIGHTED AVERAGE ACCEPTED BID PRICE IN THE CONCURRENT SOLICITATION FOR RETAIL DISTRIBUTED SOLAR ENERGY GENERATION SYSTEMS GREATER THAN TWO HUNDRED FIFTY KILOWATTS IN SIZE, PLUS AN ADDITIONAL INCENTIVE OF UP TO TEN PER CENT AS MAY BE REQUIRED BY THE COMMISSION, TO ACCOUNT FOR COST DIFFERENCES BETWEEN THESE MARKET SEGMENTS. THE SREC OFFER PRICE SHALL CONTINUE TO BE AVAILABLE UNTIL THE SOONER OF: (I) THE ACCEPTANCE BY THE ELECTRIC DISTRIBUTION COMPANY OF RESERVATIONS FROM QUALIFIED RETAIL DISTRIBUTED SOLAR ENERGY GENERATION FOR AVAILABLE STANDARD OFFER SRECS; OR (II) THE ELECTRIC DISTRIBUTION COMPANY'S COMPLETION OF ITS NEXT ANNUAL SOLICITATION.

(C) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL EXECUTE ITS APPROVED SOLICITATION PLAN AND SUBMIT FOR COMMISSION REVIEW AND APPROVAL ITS PREFERRED SOLAR PROCUREMENT PLAN

COMPRISED OF PROPOSED SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. THE COMMISSION MAY APPROVE, REJECT OR MODIFY AN APPLICATION FOR APPROVAL OF SUCH PLAN, PROVIDED THAT THE COMMISSION SHALL APPROVE SUCH PLAN IF THE COMMISSION FINDS THAT: (I) THE SOLICITATION AND EVALUATION CONDUCTED BY THE ELECTRIC DISTRIBUTION COMPANY WAS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT PROCESS; (II) APPROVAL OF THE SOLAR PROCUREMENT PLAN WOULD RESULT IN THE ACHIEVEMENT OF THE DISTRIBUTION COMPANY'S OBLIGATIONS PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION AT THE LOWEST REASONABLE COST; AND (III) SUCH PROCUREMENT PLAN SATISFIES OTHER CRITERIA AS MAY BE ESTABLISHED IN THE APPROVED SOLICITATION PLAN. IF THE COMMISSION DOES NOT APPROVE, REJECT OR MODIFY THE DISTRIBUTION COMPANY'S APPLICATION WITHIN SIXTY DAYS, THE PROCUREMENT PLAN SHALL BE DEEMED APPROVED.

(D) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL SUBMIT TO THE COMMISSION FOR REVIEW AND APPROVAL A PLAN FOR THE ACHIEVEMENT OF ITS OBLIGATION PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(E) EACH ELECTRIC DISTRIBUTION COMPANY'S SREC PROCUREMENT SHALL BE CONSISTENT WITH THE SEGMENT-SPECIFIC PERCENTAGES PROVIDED IN THE PLANS APPROVED BY THE COMMISSION PURSUANT TO PARAGRAPHS (B) AND (D) OF THIS SUBDIVISION. IF, HOWEVER, ON THE BASIS OF THE ACTUAL SOLICITATION RESULTS, THE COLLECTIVE ANNUAL COST ASSOCIATED WITH SUCH PROCUREMENT WOULD EXCEED ONE AND ONE-HALF PERCENT OF SUCH COMPANY'S ANNUAL RETAIL ELECTRICITY SALES REVENUES, THE ELECTRIC DISTRIBUTION COMPANY SHALL HAVE THE OPTION OF SUBSTITUTING, BY UP TO TWENTY-FIVE PERCENT, THE NUMBER OF SRECS PROCURED FROM THE HIGHEST COST SEGMENT WITH SRECS PROCURED FROM QUALIFIED SOLAR ENERGY GENERATION OF ANY SIZE.

5. EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE ENTITLED TO RECOVER THE PRUDENTLY INCURRED COSTS OF COMPLYING WITH ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, AS DETERMINED BY THE COMMISSION. ALL SUCH COSTS SHALL BE RECOVERED THROUGH THE SUPPLY PORTION OF EACH ELECTRIC CUSTOMER'S BILL IN A COMPETITIVELY NEUTRAL MANNER.

6. NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL ESTABLISH AN INCENTIVE PROGRAM FOR RETAIL ELECTRIC SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES BASED ON SUCH COMPANIES' ACHIEVEMENT OF THEIR OBLIGATIONS, AND EXEMPLARY PERFORMANCE BEYOND SUCH OBLIGATIONS, ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION (I) IN A COST-EFFECTIVE MANNER THAT ACHIEVES THE OBLIGATIONS AT LEAST COST AND AVOIDS LONG-TERM COSTS TO THE TRANSMISSION AND DISTRIBUTION SYSTEM; (II) PROVIDES ENHANCED ELECTRICITY RELIABILITY WITHIN COMPANIES' SERVICE TERRITORIES; AND (III) MINIMIZES PEAK LOAD IN CONSTRAINED AREAS.

7. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL, IN CONSULTATION WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, ESTABLISH THE TERMS AND CONDITIONS THAT SHALL BE APPLICABLE TO SOLAR PURCHASE AGREEMENTS ENTERED INTO BY RETAIL ELECTRIC SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF ACHIEVING SUCH COMPANIES' OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. SUCH TERMS AND CONDITIONS SHALL INCLUDE A TARIFF,

AS ESTABLISHED BY THE COMMISSION IN CONJUNCTION WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, TO BE PAID BY ELECTRIC DISTRIBUTION COMPANIES TO APPLICABLE QUALIFIED SOLAR ENERGY GENERATORS. THE COMMISSION, IN CONJUNCTION WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, SHALL CONSIDER COST DIFFERENCES BETWEEN VARIOUS MARKET SEGMENTS, INCLUDING RESIDENTIAL, COMMERCIAL AND NOT-FOR-PROFIT, AND APPLICATIONS, SUCH AS BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT, AND SHALL DETERMINE WHETHER SUCH COST DIFFERENCES ARE MATERIAL SUCH THAT MARKET OR APPLICATION SPECIFIC TARIFFS ARE WARRANTED. THE COMMISSION, IN CONJUNCTION WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, SHALL, AT LEAST ANNUALLY, REVIEW SUCH TARIFFS AND ADJUST AS NECESSARY TO ACHIEVE THE OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE COMMISSION MAY ALSO INSTITUTE, AFTER NOTICE AND OPPORTUNITY FOR PUBLIC INPUT, A MECHANISM THAT ALLOWS FOR ADJUSTMENT TO THE TARIFF RATE BASED ON ELECTRIC DISTRIBUTION COMPANIES' PROCUREMENT OF SRECS, RELATIVE TO THE ANNUAL TARGETS FOR SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. ANY SUCH ADJUSTMENTS SHALL BE APPLIED PROSPECTIVELY, AND SHALL NOT AFFECT THE TARIFF RATE OF SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ALREADY ENROLLED.

8. RETAIL CONTRACTS FOR THE SALE OF ELECTRICITY ENTERED INTO BEFORE JANUARY FIRST, TWO THOUSAND TWELVE BY RETAIL ELECTRIC SUPPLIERS THAT ARE NOT ELECTRIC DISTRIBUTION COMPANIES SHALL BE EXEMPT FROM THE OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

9. EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE PERMITTED TO RESELL OR OTHERWISE DISPOSE OF SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION PROCURED BY SUCH COMPANY THAT IS IN EXCESS OF ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, PROVIDED THE COMPANY SHALL NET THE COST OF PAYMENTS MADE FOR SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION UNDER SOLAR PURCHASE AGREEMENTS AGAINST THE PROCEEDS OF THE SALE OF SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION, AND THE DIFFERENCE SHALL BE CREDITED OR CHARGED TO THE ELECTRIC DISTRIBUTION COMPANY'S CUSTOMERS THROUGH A RECONCILING COMPONENT OF ELECTRIC RATES, AS DETERMINED BY THE COMMISSION.

10. (A) WITHIN THIRTY DAYS OF THE SUBMISSION OF THE ANNUAL COMPLIANCE REPORTS FILED BY RETAIL ELECTRIC SUPPLIERS PURSUANT TO SUBDIVISION ELEVEN OF THIS SECTION, THE COMMISSION SHALL DETERMINE THE COMBINED TOTAL ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS MADE BY RETAIL ELECTRIC SUPPLIERS FOR THE PURPOSES OF MEETING THE ANNUAL REQUIREMENT SET FORTH IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE APPLICABLE COMPLIANCE YEAR AS A PERCENTAGE OF THE TOTAL RETAIL ELECTRICITY SALES REVENUES FOR RETAIL ELECTRIC SUPPLIERS FOR SUCH COMPLIANCE YEAR. IF SUCH PERCENTAGE EXCEEDS ONE AND ONE-HALF PERCENT, THEN THE ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR WHICH THE COMMISSION MAKES ITS DETERMINATION SHALL CONTINUE TO BE THE ANNUAL REQUIREMENT APPLICABLE IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL THIS LIMITATION ENDS AS PROVIDED IN PARAGRAPH (B) OF THIS SUBDIVISION.

(B) IF THE LIMITATION PROVIDED FOR IN PARAGRAPH (A) OF THIS SUBDIVISION IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE COMMISSION, BASED UPON A REVIEW OF THE RETAIL ELECTRIC SUPPLIERS' ANNUAL COMPLIANCE REPORTS, THAT THE COMBINED TOTAL ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS MADE BY RETAIL ELECTRIC SUPPLIERS TO MEET THE APPLICABLE ANNUAL REQUIREMENT FOR A COMPLIANCE YEAR DID NOT EXCEED ONE AND ONE-HALF

PERCENT OF THE TOTAL RETAIL ELECTRICITY SALES REVENUES FOR RETAIL ELECTRIC SUPPLIERS FOR SUCH COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE END OF THE LIMITATION PURSUANT TO THIS PARAGRAPH, THE APPLICABLE ANNUAL REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN PARAGRAPH (A) OF THIS SUBDIVISION WAS TRIGGERED. THE ANNUAL REQUIREMENT SHALL CONTINUE TO INCREASE IN THE INCREMENTS PROVIDED FOR IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR EACH SUBSEQUENT YEAR UNTIL THE ANNUAL REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH PARAGRAPH FOR COMPLIANCE YEAR TWO THOUSAND TWENTY.

(C) SOLAR ALTERNATIVE COMPLIANCE PAYMENTS MADE BY RETAIL ELECTRIC SUPPLIERS PURSUANT TO SUBDIVISION THREE OF THIS SECTION SHALL NOT COUNT TOWARDS THE ANNUAL EXPENDITURE LIMITATIONS SET FORTH IN PARAGRAPH (A) OF THIS SUBDIVISION.

11. (A) NO LATER THAN JULY FIRST, TWO THOUSAND FOURTEEN, AND NO LATER THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND TWENTY-ONE THE COMMISSION SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT REGARDING THE PROGRESS OF EACH RETAIL ELECTRIC SUPPLIER IN MEETING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(B) EACH RETAIL ELECTRIC SUPPLIER SHALL PROVIDE TO THE COMMISSION THE INFORMATION NECESSARY TO FULFILL THE COMMISSION'S OBLIGATIONS PURSUANT TO THIS SUBDIVISION, IN ACCORDANCE WITH AN ANNUAL REPORTING OBLIGATION AND PROCESS TO BE ESTABLISHED BY THE COMMISSION.

(C) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR EACH RETAIL ELECTRIC SUPPLIER FOR THE PREVIOUS CALENDAR YEAR AND FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE ACTUAL NUMBER OF MEGAWATT-HOURS OF QUALIFIED SOLAR ENERGY GENERATION SOLD AT RETAIL TO NEW YORK END-USE CUSTOMERS AND THE TOTAL NUMBER OF MEGAWATT-HOURS SOLD AT RETAIL TO NEW YORK END-USE CUSTOMERS; (II) THE NUMBER OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION THAT WERE RETIRED FOR THE PURPOSES OF MEETING THE SUPPLIER'S OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION; (III) THE AMOUNT, IF ANY, OF SOLAR ALTERNATIVE COMPLIANCE PAYMENTS MADE; AND (IV) ITS ANNUAL RETAIL ELECTRICITY SALES REVENUE AND EXPENDITURES FOR THE PROCUREMENT OF SRECS MADE FOR THE PURPOSES OF MEETING THE APPLICABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION NEED ONLY BE REPORTED FOR THE PREVIOUS CALENDAR YEAR. SUCH REPORT SHALL ALSO INCLUDE, FOR EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY: (1) THE NUMBER OF SRECS EACH ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; (2) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS; AND (3) THE AMOUNT PAID TO QUALIFIED SOLAR ENERGY GENERATORS THROUGH TARIFFS ESTABLISHED PURSUANT TO SUBDIVISION SEVEN OF THIS SECTION FOR SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION.

12. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SECTION, NOT OTHERWISE REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT RATED AT TWO HUNDRED FIFTY KILOWATTS OR MORE A WAGE OF NOT LESS THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY

WHERE SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR THE DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED PURSUANT TO THIS SECTION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR SUBJECT TO THE PROVISIONS OF THIS SUBDIVISION SHALL MAINTAIN PAYROLL RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

S 4. Section 1005 of the public authorities law is amended by adding a new subdivision 19 to read as follows:

19. A. FOR THE PURPOSES OF THIS SUBDIVISION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(1) "PHOTOVOLTAIC DEVICE" MEANS A SYSTEM OF COMPONENTS THAT GENERATES ELECTRICITY FROM INCIDENTAL SUNLIGHT BY MEANS OF THE PHOTOVOLTAIC EFFECT, WHETHER OR NOT THE DEVICE IS COUPLED WITH A DEVICE CAPABLE OF STORING THE ENERGY PRODUCED FOR LATER USE;

(2) "PREVAILING RATE OF WAGES" SHALL HAVE THE SAME MEANING AS SUCH TERM IS DEFINED IN PARAGRAPH A OF SUBDIVISION FIVE OF SECTION TWO HUNDRED TWENTY OF THE LABOR LAW;

(3) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED (I) WITHIN FIFTEEN YEARS OF THE DATE THE QUALIFIED SOLAR ENERGY GENERATOR RECEIVED PERMISSION FROM THE ELECTRIC DISTRIBUTION COMPANY TO ENERGIZE; (II) BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OR AREA SUBSTATIONS AND ASSOCIATED FACILITIES THAT COMPRISE THE LOCAL AREA NETWORK OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE; (III) AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

(4) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A PHOTOVOLTAIC DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENERATION;

(5) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS INTERCONNECTED TO THE DISTRIBUTION SYSTEM ON THE CUSTOMER SIDE OF THE ELECTRIC DISTRIBUTION COMPANY METER;

(6) "SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS EQUAL TO OR LESS THAN FIFTY KILOWATTS IN SIZE;

(7) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF FIFTEEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY GENERATOR; AND

(8) "SOLAR RENEWABLE ENERGY CREDIT" OR "SREC" MEANS THE ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH ONE MEGAWATT-HOUR OF QUALIFIED SOLAR ENERGY GENERATION.

B. (1) THE AUTHORITY SHALL ANNUALLY PROCURE, AT MINIMUM, SRECS TO MEET THE FOLLOWING PERCENTAGES OF THE AUTHORITY'S TOTAL ELECTRIC SALES IN EACH COMPLIANCE YEAR:

COMPLIANCE YEAR	ANNUAL REQUIREMENT
2013	0.33%
2014	0.50%
2015	0.75%
2016	1.00%
2017	1.25%
2018	1.50%
2019	1.75%
2020	2.00%

(2) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN THIS PARAGRAPH SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST AN ADDITIONAL THIRTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN THIS

PARAGRAPH SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE.

(3) OBLIGATIONS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION SHALL CONTINUE UNTIL ALL EXISTING SOLAR PURCHASE AGREEMENTS HAVE EXPIRED.

(4) THE AUTHORITY MAY MEET ITS OBLIGATIONS ESTABLISHED IN THIS PARAGRAPH THROUGH THE PROCUREMENT OF SRECS TOGETHER WITH OR SEPARATE FROM THE ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION.

(5) EACH SREC PROCURED BY THE AUTHORITY FROM QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT THAT IS PLACED IN SERVICE WITHIN A LOAD ZONE FOR WHICH A LOCATIONAL MINIMUM INSTALLED CAPACITY REQUIREMENT HAS BEEN ESTABLISHED BY THE NEW YORK INDEPENDENT SYSTEM OPERATOR AS OF THE EFFECTIVE DATE OF THIS SECTION SHALL BE COUNTED AS ONE AND ONE-HALF SRECS TOWARD THE AUTHORITY'S ANNUAL PROCUREMENT OBLIGATION ESTABLISHED IN THIS PARAGRAPH.

C. (1) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN THAT SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILLING ITS OBLIGATIONS ESTABLISHED IN PARAGRAPH B OF THIS SUBDIVISION. THE AUTHORITY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. THE AUTHORITY SHALL ESTABLISH A SEPARATE SOLICITATION PROCESS FOR THE PROCUREMENT OF A DEFINED NUMBER OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE. RETAIL DISTRIBUTED SOLAR ENERGY GENERATION WITHIN THIS SIZE RANGE SHALL BE ELIGIBLE TO RECEIVE A SREC OFFER PRICE EQUIVALENT TO THE WEIGHTED AVERAGE ACCEPTED BID PRICE IN THE CONCURRENT SOLICITATION FOR RETAIL DISTRIBUTED SOLAR ENERGY GENERATION SYSTEMS GREATER THAN TWO HUNDRED FIFTY KILOWATTS IN SIZE, PLUS AN ADDITIONAL INCENTIVE OF UP TO TEN PER CENT AS MAY BE DETERMINED BY THE AUTHORITY TO ACCOUNT FOR COST DIFFERENCES BETWEEN THESE MARKET SEGMENTS. THE SREC OFFER PRICE SHALL CONTINUE TO BE AVAILABLE UNTIL THE SOONER OF: (I) THE ACCEPTANCE BY THE ELECTRIC DISTRIBUTION COMPANY OF RESERVATIONS FROM QUALIFIED RETAIL DISTRIBUTED SOLAR ENERGY GENERATION FOR AVAILABLE STANDARD OFFER SRECS; OR (II) THE ELECTRIC DISTRIBUTION COMPANY'S COMPLETION OF ITS NEXT ANNUAL SOLICITATION.

(2) THE AUTHORITY SHALL EXECUTE ITS SOLICITATION PLAN AND SHALL SUBMIT TO THE COMPTROLLER, GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, ITS SOLAR PROCUREMENT PLAN COMPRISED OF ANY SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. THE COMPTROLLER SHALL REVIEW SUCH PLAN TO ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

(3) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND

SHALL POST ON ITS WEBSITE, A PLAN FOR THE ACHIEVEMENT OF ITS OBLIGATION PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN PARAGRAPH B OF THIS SUBDIVISION.

(4) THE AUTHORITY'S SREC PROCUREMENT SHALL BE CONSISTENT WITH THE SEGMENT-SPECIFIC PERCENTAGES PROVIDED IN THE PLANS SUBMITTED PURSUANT TO SUBPARAGRAPHS ONE AND THREE OF THIS PARAGRAPH. IF, HOWEVER, ON THE BASIS OF THE ACTUAL SOLICITATION RESULTS, THE COLLECTIVE ANNUAL COST ASSOCIATED WITH SUCH PROCUREMENT WOULD EXCEED ONE AND ONE-HALF PERCENT OF THE AUTHORITY'S ANNUAL RETAIL ELECTRICITY SALES REVENUES, THE AUTHORITY SHALL HAVE THE OPTION OF SUBSTITUTING, BY UP TO TWENTY-FIVE PERCENT, THE NUMBER OF SRECS PROCURED FROM THE HIGHEST COST SEGMENT WITH SRECS PROCURED FROM QUALIFIED SOLAR ENERGY GENERATION OF ANY SIZE.

D. (1) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS, MADE FOR THE PURPOSES OF MEETING THE ANNUAL REQUIREMENT SET FORTH IN SUBPARAGRAPH ONE OF PARAGRAPH B OF THIS SUBDIVISION FOR A COMPLIANCE YEAR, EXCEEDS ONE AND ONE-HALF PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR, THEN THE ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR WHICH THE AUTHORITY MAKES ITS DETERMINATION SHALL CONTINUE TO BE THE ANNUAL REQUIREMENT APPLICABLE IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL THIS LIMITATION ENDS AS PROVIDED IN SUBPARAGRAPH TWO OF THIS PARAGRAPH.

(2) IF THE LIMITATION PROVIDED FOR IN SUBPARAGRAPH ONE OF THIS PARAGRAPH IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE AUTHORITY THAT ITS ANNUAL EXPENDITURE FOR THE PROCUREMENT OF SRECS MADE FOR THE PURPOSES OF MEETING ITS ANNUAL REQUIREMENT FOR A COMPLIANCE YEAR DID NOT EXCEED ONE AND ONE-HALF PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE END OF THE LIMITATION PURSUANT TO THIS PARAGRAPH, THE APPLICABLE ANNUAL REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN SUBPARAGRAPH ONE OF PARAGRAPH B OF THIS SUBDIVISION FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN SUBPARAGRAPH ONE OF THIS PARAGRAPH WAS TRIGGERED. THE ANNUAL REQUIREMENT SHALL CONTINUE TO INCREASE IN THE INCREMENTS PROVIDED FOR IN SUBPARAGRAPH ONE OF PARAGRAPH B OF THIS SUBDIVISION FOR EACH SUBSEQUENT YEAR UNTIL THE ANNUAL REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH SUBPARAGRAPH FOR COMPLIANCE YEAR TWO THOUSAND TWENTY.

E. (1) NO LATER THAN JULY FIRST, TWO THOUSAND FOURTEEN, AND NO LATER THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND TWENTY-ONE, THE AUTHORITY SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, MAJORITY LEADER OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT REGARDING ITS PROGRESS IN MEETING ITS OBLIGATIONS ESTABLISHED IN PARAGRAPH B OF THIS SUBDIVISION.

(2) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS PARAGRAPH SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN PARAGRAPH B OF THIS SUBDIVISION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS; AND (IV) THE ANNUAL RETAIL ELECTRICITY SALES REVENUE AND

EXPENDITURES MADE FOR THE PROCUREMENT OF SRECS FOR THE PURPOSE OF MEETING THE APPLICABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION NEED ONLY BE REPORTED FOR THE PREVIOUS CALENDAR YEAR.

F. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SUBDIVISION, NOT OTHERWISE REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT RATED AT TWO HUNDRED FIFTY KILOWATTS OR MORE A WAGE OF NOT LESS THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY WHERE SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR THE DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED PURSUANT TO THIS SUBDIVISION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR SUBJECT TO THE PROVISIONS OF THIS PARAGRAPH SHALL MAINTAIN PAYROLL RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

S 5. Sections 1020-hh, 1020-ii and 1020-jj of the public authorities law, as renumbered by chapter 433 of the laws of 2009, are renumbered sections 1020-ii, 1020-jj and 1020-kk and a new section 1020-hh is added to read as follows:

S 1020-HH. PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS. 1. AS USED IN THIS SECTION:

(A) "BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT" MEANS A PHOTOVOLTAIC DEVICE THAT DIRECTLY FUNCTIONS AS A PART OF THE ENVELOPE OF A BUILDING INCLUDING INTEGRATED ROOF COVER, FACADE OR BUILDING CLADDING, GLAZED SURFACES, SOLAR SHADING DEVICES, CANOPIES AND SKYLIGHTS;

(B) "PHOTOVOLTAIC DEVICE" MEANS A SYSTEM OF COMPONENTS THAT GENERATES ELECTRICITY FROM INCIDENTAL SUNLIGHT BY MEANS OF THE PHOTOVOLTAIC EFFECT, WHETHER OR NOT THE DEVICE IS COUPLED WITH A DEVICE CAPABLE OF STORING THE ENERGY PRODUCED FOR LATER USE;

(C) "PREVAILING RATE OF WAGES" SHALL HAVE THE SAME MEANING AS SUCH TERM IS DEFINED IN PARAGRAPH A OF SUBDIVISION FIVE OF SECTION TWO HUNDRED TWENTY OF THE LABOR LAW;

(D) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED (I) WITHIN FIFTEEN YEARS OF THE DATE THE QUALIFIED SOLAR ENERGY GENERATOR RECEIVED PERMISSION FROM THE ELECTRIC DISTRIBUTION COMPANY TO ENERGIZE; (II) BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OR AREA SUBSTATIONS AND ASSOCIATED FACILITIES THAT COMPRISE THE LOCAL AREA NETWORK OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE; (III) AFTER JANUARY FIRST, TWO THOUSAND ELEVEN; PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

(E) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A PHOTOVOLTAIC DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENERATION;

(F) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS INTERCONNECTED TO THE DISTRIBUTION SYSTEM ON THE CUSTOMER SIDE OF THE ELECTRIC DISTRIBUTION COMPANY METER;

(G) "SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS EQUAL TO OR LESS THAN FIFTY KILOWATTS IN SIZE;

(H) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF FIFTEEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY GENERATOR; AND

(I) "SOLAR RENEWABLE ENERGY CREDIT" OR "SREC" MEANS THE ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH ONE MEGAWATT-HOUR OF QUALIFIED SOLAR ENERGY GENERATION.

2. (A) THE AUTHORITY SHALL ANNUALLY PROCURE, AT MINIMUM, SRECS TO MEET THE FOLLOWING PERCENTAGES OF THE AUTHORITY'S TOTAL ELECTRIC SALES IN EACH COMPLIANCE YEAR:

COMPLIANCE YEAR	ANNUAL REQUIREMENT
2013	0.33%
2014	0.50%
2015	0.75%
2016	1.00%
2017	1.25%
2018	1.50%
2019	1.75%
2020	2.00%

(B) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN THIS SUBDIVISION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST AN ADDITIONAL THIRTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN THIS SUBDIVISION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE.

(C) OBLIGATIONS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION SHALL CONTINUE UNTIL ALL EXISTING SOLAR PURCHASE AGREEMENTS HAVE EXPIRED.

(D) THE AUTHORITY MAY MEET ITS OBLIGATIONS ESTABLISHED IN THIS SUBDIVISION THROUGH THE PROCUREMENT OF SRECS TOGETHER WITH OR SEPARATE FROM THE ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION.

3. (A) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN THAT SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILLING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. THE AUTHORITY SHALL ESTABLISH A SEPARATE SOLICITATION PROCESS FOR THE PROCUREMENT OF A DEFINED NUMBER OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE. RETAIL DISTRIBUTED SOLAR ENERGY GENERATION WITHIN THIS SIZE RANGE SHALL BE ELIGIBLE TO RECEIVE A SREC OFFER PRICE EQUIVALENT TO THE WEIGHTED AVERAGE ACCEPTED BID PRICE IN THE CONCURRENT SOLICITATION FOR RETAIL DISTRIBUTED SOLAR ENERGY GENERATION SYSTEMS GREATER THAN TWO HUNDRED FIFTY KILOWATTS IN SIZE, PLUS AN ADDITIONAL INCENTIVE OF UP TO TEN PER CENT AS MAY BE DETERMINED BY THE AUTHORITY, TO ACCOUNT FOR COST DIFFERENCES BETWEEN THESE MARKET SEGMENTS. THE SREC OFFER PRICE SHALL CONTINUE TO BE AVAILABLE UNTIL THE SOONER OF: (I) THE ACCEPTANCE BY THE ELECTRIC DISTRIBUTION COMPANY OF RESERVATIONS FROM QUALIFIED RETAIL DISTRIBUTED SOLAR ENERGY GENERATION FOR AVAILABLE STANDARD OFFER SRECS; OR (II) THE ELECTRIC DISTRIBUTION COMPANY'S COMPLETION OF ITS NEXT ANNUAL SOLICITATION.

(B) THE AUTHORITY SHALL EXECUTE ITS SOLICITATION PLAN AND SHALL SUBMIT TO THE COMPTROLLER, GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, ITS SOLAR PROCUREMENT PLAN COMPRISED OF ANY SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. THE COMPTROLLER SHALL REVIEW SUCH PLAN TO ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

(C) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A PLAN FOR THE ACHIEVEMENT OF ITS OBLIGATION PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(D) THE AUTHORITY'S SREC PROCUREMENT SHALL BE CONSISTENT WITH THE SEGMENT-SPECIFIC PERCENTAGES PROVIDED IN THE PLANS SUBMITTED PURSUANT TO PARAGRAPHS (A) AND (C) OF THIS SUBDIVISION. IF, HOWEVER, ON THE BASIS OF THE ACTUAL SOLICITATION RESULTS, THE COLLECTIVE ANNUAL COST ASSOCIATED WITH SUCH PROCUREMENT WOULD EXCEED ONE AND ONE-HALF PERCENT OF THE AUTHORITY'S ANNUAL RETAIL ELECTRICITY SALES REVENUES, THE AUTHORITY SHALL HAVE THE OPTION OF SUBSTITUTING, BY UP TO TWENTY-FIVE PERCENT, THE NUMBER OF SRECS PROCURED FROM THE HIGHEST COST SEGMENT WITH SRECS PROCURED FROM QUALIFIED SOLAR ENERGY GENERATION OF ANY SIZE.

4. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL ESTABLISH A TARIFF THAT IT SHALL PAY TO APPLICABLE QUALIFIED SOLAR ENERGY GENERATORS WITH WHICH THE AUTHORITY ENTERS INTO SOLAR PURCHASE AGREEMENTS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION FOR THE PURPOSE OF ACHIEVING THE AUTHORITY'S OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY SHALL CONSIDER COST DIFFERENCES BETWEEN VARIOUS MARKET SEGMENTS, INCLUDING RESIDENTIAL, COMMERCIAL AND NOT-FOR-PROFIT, AND APPLICATIONS, SUCH AS BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT, AND SHALL DETERMINE WHETHER SUCH COST DIFFERENCES ARE MATERIAL SUCH THAT MARKET OR APPLICATION SPECIFIC TARIFFS ARE WARRANTED. THE AUTHORITY SHALL, AT LEAST ANNUALLY, REVIEW SUCH TARIFFS AND ADJUST AS NECESSARY TO ACHIEVE ITS OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY MAY INSTITUTE, AFTER NOTICE AND OPPORTUNITY FOR PUBLIC INPUT, A MECHANISM THAT ALLOWS FOR ADJUSTMENT TO THE TARIFF RATE BASED ON THE LEVEL OF THE AUTHORITY'S PROCUREMENT OF SRECS RELATIVE TO ITS ANNUAL TARGETS FOR SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. ANY SUCH ADJUSTMENTS SHALL BE APPLIED PROSPECTIVELY, AND SHALL NOT AFFECT THE TARIFF RATE OF SMALL RETAIL DISTRIBUTED SOLAR GENERATION ALREADY ENROLLED.

5. (A) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS, MADE FOR THE PURPOSES OF MEETING THE ANNUAL REQUIREMENT SET FORTH IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR A COMPLIANCE YEAR, EXCEEDS ONE AND ONE-HALF PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR, THEN THE ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR WHICH THE AUTHORITY MAKES ITS DETERMINATION SHALL CONTINUE TO BE THE ANNUAL REQUIREMENT APPLICABLE

IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL THIS LIMITATION ENDS AS PROVIDED IN PARAGRAPH (B) OF THIS SUBDIVISION.

(B) IF THE LIMITATION PROVIDED FOR IN PARAGRAPH (A) OF THIS SUBDIVISION IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE AUTHORITY THAT ITS ANNUAL EXPENDITURE FOR THE PROCUREMENT OF SRECS MADE FOR THE PURPOSES OF MEETING ITS ANNUAL REQUIREMENT FOR A COMPLIANCE YEAR DID NOT EXCEED ONE AND ONE-HALF PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE END OF THE LIMITATION PURSUANT TO THIS PARAGRAPH, THE APPLICABLE ANNUAL REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN PARAGRAPH (A) OF THIS SUBDIVISION WAS TRIGGERED. THE ANNUAL REQUIREMENT SHALL CONTINUE TO INCREASE IN THE INCREMENTS PROVIDED FOR IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR EACH SUBSEQUENT YEAR UNTIL THE ANNUAL REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH PARAGRAPH FOR COMPLIANCE YEAR TWO THOUSAND TWENTY.

6. (A) NO LATER THAN JULY FIRST, TWO THOUSAND FOURTEEN, AND NO LATER THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND TWENTY-ONE, THE AUTHORITY SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT REGARDING ITS PROGRESS IN MEETING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(B) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS; (IV) THE AMOUNT PAID TO QUALIFIED SOLAR ENERGY GENERATORS FOR SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION THROUGH THE TARIFFS ESTABLISHED PURSUANT TO SUBDIVISION FOUR OF THIS SECTION; AND (V) THE ANNUAL RETAIL ELECTRICITY SALES REVENUE AND EXPENDITURES MADE FOR THE PROCUREMENT OF SRECS FOR THE PURPOSE OF MEETING THE APPLICABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION NEED ONLY BE REPORTED FOR THE PREVIOUS CALENDAR YEAR.

7. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SECTION, NOT OTHERWISE REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT RATED AT TWO HUNDRED FIFTY KILOWATTS OR MORE A WAGE OF NOT LESS THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY WHERE SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR THE DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED PURSUANT TO THIS SECTION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR SUBJECT TO THE PROVISIONS OF THIS SUBDIVISION SHALL MAINTAIN PAYROLL RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

S 6. Section 1854 of the public authorities law is amended by adding a new subdivision 19 to read as follows:

19. TO IMPLEMENT THE PROVISIONS OF PARAGRAPH (F) OF SUBDIVISION TWO, PARAGRAPH (C) OF SUBDIVISION THREE AND SUBDIVISION SEVEN OF SECTION SIXTY-SIX-M OF THE PUBLIC SERVICE LAW.

S 7. If any provision of this act is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining provisions of this act, which remaining provisions shall continue in full force and effect.

S 8. This act shall take effect immediately.