

4178--A

2011-2012 Regular Sessions

I N S E N A T E

March 22, 2011

Introduced by Sens. MAZIARZ, ADDABBO, AVELLA, BALL, BONACIC, CARLUCCI, DILAN, DUANE, GIANARIS, GRISANTI, HANNON, KENNEDY, KLEIN, KRUEGER, LANZA, LAVALLE, MONTGOMERY, NOZZOLIO, OPPENHEIMER, PARKER, PERKINS, ROBACH, SERRANO, STEWART-COUSINS -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged, bill amended, 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; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. Legislative intent and purpose. It is the intent of the
2 legislature to enable the rapid and sustainable development of a robust
3 solar energy industry in New York by creating a scalable, diverse and
4 competitive solar energy market. By tapping into the state's abundant
5 solar energy resources, it is the further intent of the legislature to
6 harness the multiple benefits associated with the generation of such
7 clean energy and the development of a robust solar industry, including
8 the creation of much needed well-paying jobs, a reduction of the long-
9 term costs of electricity generation for New York's energy consumers,
10 including transmission and distribution costs that continue to acceler-
11 ate in proportion to overall electricity supply costs for the residents
12 of this state, increased reliability of the state's electric grid, an
13 increase in the security of the state's energy supplies, the creation of
14 economic opportunities for solar component makers and installation
15 contractors throughout the state, and a decrease in the emission of
16 harmful air pollution, including localized emissions from "peaker"
17 plants and greenhouse gas emissions. By establishing such a program, New

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

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York will create a solar energy industry that will elevate the state to be among the world's leaders in clean energy industry, while helping to secure increased economic development and security 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 SOLAR ENERGY EQUIPMENT" MEANS A SOLAR ENERGY 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) "SOLAR ENERGY DEVICE" MEANS A SYSTEM OF COMPONENTS THAT GENERATES ELECTRICITY FROM INCIDENTAL SUNLIGHT BY MEANS OF THE PHOTOVOLTAIC EFFECT AND IS INTERCONNECTED TO THE ELECTRICAL DISTRIBUTION SYSTEM;

(D) "QUALIFIED SOLAR ENERGY GENERATION" MEANS ELECTRIC POWER GENERATED BY A SOLAR ENERGY DEVICE THAT IS PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE AND THAT IS INSTALLED IN ACCORDANCE WITH QUALIFIED CONDITIONS;

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

(F) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE LOCATED ON THE CUSTOMER SIDE OF THE ELECTRIC DISTRIBUTION COMPANY METER;

(G) "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;

(H) "RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE THAT IS EQUAL TO OR LESS THAN TEN KILOWATTS IN CAPACITY;

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

(J) "COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE THAT IS FIFTY KILOWATTS OR GREATER AND EQUAL TO OR LESS THAN FIVE HUNDRED KILOWATTS IN CAPACITY;

(K) "QUALIFIED CONDITIONS" MEANS USING QUALIFIED INSTALLERS AND, FOR ANY SOLAR ENERGY DEVICE EXCEEDING SEVENTY-FIVE KILOWATTS IN CAPACITY, PAYMENT TO SUCH QUALIFIED INSTALLERS OF WAGES AND SUPPLEMENTS FOR THE INSTALLATION OF SUCH SOLAR ENERGY DEVICE IN ACCORDANCE WITH THE PREVAILING WAGES AND SUPPLEMENTS THAT WOULD BE APPLICABLE TO A CONTRACT FOR PUBLIC WORK, PURSUANT TO SECTION TWO HUNDRED TWENTY OF THE LABOR LAW, IN THE LOCATION IN WHICH SUCH SOLAR ENERGY DEVICE IS LOCATED AT THE TIME OF SUCH INSTALLATION.

(1) (I) "QUALIFIED INSTALLER" MEANS: A PERSON WHO: (A) (1) WITH RESPECT TO THE INSTALLATION OF A SOLAR ELECTRIC DEVICE, HOLDS A LICENSE AS A MASTER ELECTRICIAN, OR IS DESIGNATED AN APPROVED INSTALLER BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, OR HAS COMPLETED A REGISTERED APPRENTICESHIP TRAINING PROGRAM FOR ELECTRICIANS

1 PURSUANT TO SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW, OR (2) WITH
2 RESPECT TO THE INSTALLATION OF A SOLAR THERMAL DEVICE, HOLDS A LICENSE
3 AS A MASTER PLUMBER, OR IS DESIGNATED AN APPROVED INSTALLER BY THE NEW
4 YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, OR HAS COMPLETED A
5 REGISTERED APPRENTICESHIP TRAINING PROGRAM FOR PLUMBERS PURSUANT TO
6 SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW; AND

7 (B) HAS BEEN CERTIFIED PRIOR TO PERFORMING ANY WORK ON THE PROJECT AS
8 HAVING SUCCESSFULLY COMPLETED A COURSE IN CONSTRUCTION SAFETY AND HEALTH
9 APPROVED BY THE UNITED STATES DEPARTMENT OF LABOR'S OCCUPATIONAL SAFETY
10 AND HEALTH ADMINISTRATION THAT IS AT LEAST TEN HOURS IN DURATION; AND

11 (C) WITH RESPECT TO ANY SOLAR INSTALLATION COMMENCED AFTER DECEMBER
12 THIRTY-FIRST, TWO THOUSAND ELEVEN, HAS SUBMITTED TO THE CUSTOMER PROOF
13 OF COMPLIANCE WITH THE AFOREMENTIONED REQUIREMENTS OF THIS PARAGRAPH.

14 (II) THE EMPLOYER OF A QUALIFIED INSTALLER SHALL ALSO BE DEEMED A
15 QUALIFIED INSTALLER, PROVIDED THAT SUCH EMPLOYER MAINTAINS WORKERS'
16 COMPENSATION INSURANCE AND COMMERCIAL LIABILITY INSURANCE IN THE AMOUNTS
17 REQUIRED BY LAW AND PROVIDED FURTHER THAT THE EMPLOYEES OF SUCH EMPLOYER
18 ENGAGED IN THE INSTALLATION OF SOLAR ELECTRIC SYSTEMS HAVE SUCCESSFULLY
19 COMPLETED A COURSE IN CONSTRUCTION SAFETY AND HEALTH APPROVED BY THE
20 UNITED STATES DEPARTMENT OF LABOR'S OCCUPATIONAL SAFETY AND HEALTH
21 ADMINISTRATION THAT IS AT LEAST TEN HOURS IN DURATION;

22 (III) ANY PERSON OR EMPLOYER MEETING THE DEFINITION OF QUALIFIED
23 INSTALLER AS SET FORTH HEREIN SHALL BE ELIGIBLE TO PARTICIPATE IN ANY
24 SOLAR ELECTRIC INCENTIVE PROGRAM OFFERED BY THE NEW YORK STATE ENERGY
25 RESEARCH AND DEVELOPMENT ADMINISTRATION (NYSERDA) ON THE SAME TERMS AND
26 CONDITIONS AS ANY INDIVIDUAL DESIGNATED BY NYSERDA TO BE A QUALIFIED
27 INSTALLER;

28 (IV) ANY QUALIFIED INSTALLER IS ELIGIBLE TO PARTICIPATE IN ANY NYSERDA
29 INCENTIVE PROGRAM FOR A RESIDENTIAL SOLAR INSTALLATION ON THEIR OWN
30 PREMISES WITHOUT MAINTAINING COMMERCIAL LIABILITY INSURANCE AND WORKERS'
31 COMPENSATION INSURANCE SO LONG AS THEY HAVE HOMEOWNERS INSURANCE;

32 (M) "SOLAR ALTERNATIVE COMPLIANCE PAYMENT" MEANS A PAYMENT OF A
33 CERTAIN DOLLAR AMOUNT PER MEGAWATT-HOUR, AS ESTABLISHED BY THE COMMIS-
34 SION PURSUANT TO SUBDIVISION THREE OF THIS SECTION, THAT A RETAIL ELEC-
35 TRIC SUPPLIER MAY SUBMIT TO THE COMMISSION IN ORDER TO COMPLY WITH ITS
36 ANNUAL OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION;

37 (N) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF
38 SEVEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY
39 GENERATOR;

40 (O) "STANDARD SREC OFFER" MEANS AN AGREEMENT BY A RETAIL ELECTRIC
41 SUPPLIER, ENTERED INTO WITH A RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR
42 IN ADVANCE OF THE INSTALLATION OF A SOLAR ENERGY DEVICE BY SUCH GENERA-
43 TOR, TO PURCHASE FROM SUCH RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR,
44 FOR A MINIMUM OF SEVEN YEARS, UPON SUCCESSFUL COMPLETION OF THE INSTAL-
45 LATION OF THE SOLAR ENERGY DEVICE AND, IN THE CASE OF A SOLAR ELECTRIC
46 DEVICE, UPON INTERCONNECTION TO THE RETAIL DISTRIBUTION SYSTEM, THE
47 SRECS THAT WILL BE GENERATED BY SUCH SOLAR ENERGY DEVICE;

48 (P) "SOLAR RENEWABLE ENERGY CREDIT" OR "SREC" MEANS THE ENVIRONMENTAL
49 ATTRIBUTES ASSOCIATED WITH ONE MEGAWATT-HOUR OF QUALIFIED SOLAR ENERGY
50 GENERATION;

51 (Q) "ENHANCED SREC" MEANS A SREC (I) ASSOCIATED WITH RESIDENTIAL OR
52 SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY (A) BUILD-
53 ING-INTEGRATED SOLAR ENERGY EQUIPMENT OR (B) A SOLAR ENERGY DEVICE THAT
54 CONSISTS OF NEW YORK STATE CONTENT; OR (II) ASSOCIATED WITH RESIDENTIAL
55 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
56 THAT WAS INSTALLED USING QUALIFIED INSTALLERS TO WHOM PAYMENT OF WAGES

1 AND SUPPLEMENTS FOR THE INSTALLATION OF SUCH SOLAR ENERGY DEVICE WAS IN
2 ACCORDANCE WITH THE PREVAILING WAGES AND SUPPLEMENTS THAT WOULD BE
3 APPLICABLE TO A CONTRACT FOR PUBLIC WORK, PURSUANT TO SECTION TWO
4 HUNDRED TWENTY OF THE LABOR LAW, IN THE LOCATION IN WHICH SUCH SOLAR
5 ENERGY DEVICE IS LOCATED AT THE TIME OF SUCH INSTALLATION. FOR EACH SUCH
6 ENHANCING ASPECT, AS PROVIDED FOR IN THIS PARAGRAPH, AN ENHANCED SREC
7 SHALL BE DEEMED TO HAVE THE ENVIRONMENTAL ATTRIBUTES OF AN ADDITIONAL
8 TWENTY-FIVE PERCENT OF ITS UNDERLYING MEGAWATT-HOURS; PROVIDED, HOWEVER,
9 THAT AN ENHANCED SREC SHALL NOT BE DEEMED TO POSSESS ENVIRONMENTAL
10 ATTRIBUTES EXCEEDING ONE HUNDRED AND FIFTY PERCENT OF THE UNDERLYING
11 SREC;

12 (R) "AMERICAN-MADE CONTENT" MEANS:

13 (I) A NON-MANUFACTURED GOOD THAT HAS BEEN MINED OR PRODUCED IN THE
14 UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF; AND

15 (II) A MANUFACTURED GOOD IN WHICH (1) THE COMPONENT SUPPLIES OR MATE-
16 RIALS OF SUCH GOOD HAVE BEEN SUBSTANTIALLY TRANSFORMED BY A PROCESS OR
17 PROCESSES PERFORMED WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE
18 JURISDICTION THEREOF, OR (2) THE COST OF SUPPLIES THAT HAVE BEEN MINED
19 OR PRODUCED WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURIS-
20 DICTION THEREOF CONSTITUTES AT LEAST FIFTY PERCENT OF THE COST OF ALL
21 SUPPLIES USED IN THE MANUFACTURE;

22 (S) "NEW YORK STATE CONTENT" MEANS:

23 (I) A NON-MANUFACTURED GOOD THAT HAS BEEN MINED OR PRODUCED WITHIN THE
24 JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK; AND

25 (II) A MANUFACTURED GOOD IN WHICH (1) THE COMPONENT SUPPLIES OR MATE-
26 RIALS OF SUCH GOOD HAVE BEEN SUBSTANTIALLY TRANSFORMED BY A PROCESS OR
27 PROCESSES PERFORMED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF
28 NEW YORK, OR (2) THE COST OF SUPPLIES THAT HAVE BEEN MINED OR PRODUCED
29 WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK CONSTI-
30 TUTES AT LEAST FIFTY PERCENT OF THE COST OF ALL SUPPLIES USED IN THE
31 MANUFACTURE;

32 (T) "KILOWATT," "MEGAWATT," "KILOWATT-HOUR," AND "MEGAWATT-HOUR" SHALL
33 INCLUDE THEIR ENERGY EQUIVALENTS STATED IN TERMS OF BRITISH THERMAL
34 UNITS "BTU";

35 (U) "COMPLIANCE YEAR" MEANS THE PERIOD BEGINNING ON JULY FIRST AND
36 ENDING ON THE FOLLOWING JUNE THIRTIETH, AND SHALL BE IDENTIFIED ACCORD-
37 ING TO THE CALENDAR YEAR IN WHICH IT BEGINS.

38 1-A. NOTWITHSTANDING ANY PROVISION OF SUBDIVISION ONE OF THIS SECTION
39 TO THE CONTRARY, ELECTRIC POWER GENERATED BY A SOLAR ENERGY DEVICE
40 LOCATED WITHIN THE JURISDICTIONAL BOUNDARIES OF THIS STATE, THE INSTAL-
41 LATION OF WHICH WAS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND ELEV-
42 EN AND AT LEAST FIVE PERCENT OF THE TOTAL PROJECT COST OF WHICH WAS
43 EXPENDED NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN SHALL
44 BE DEEMED "QUALIFIED SOLAR ENERGY GENERATION" AND SRECS ASSOCIATED WITH
45 SUCH A DEVICE MAY BE PURCHASED BY A RETAIL ELECTRIC SUPPLIER TO MEET
46 SUCH SUPPLIER'S ANNUAL OBLIGATIONS UNDER THIS SECTION; AND FURTHER
47 NOTWITHSTANDING ANY PROVISION OF SUBDIVISION ONE OF THIS SECTION TO THE
48 CONTRARY, ELECTRIC POWER GENERATED BY A SOLAR ENERGY DEVICE THAT WAS
49 PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES OF THIS STATE
50 PRIOR TO JULY FIRST, TWO THOUSAND ELEVEN SHALL UNTIL JUNE THIRTIETH, TWO
51 THOUSAND FIFTEEN BE DEEMED "QUALIFIED SOLAR ENERGY GENERATION" AND SRECS
52 ASSOCIATED WITH SUCH A DEVICE MAY BE PURCHASED BY A RETAIL ELECTRIC
53 SUPPLIER TO MEET SUCH SUPPLIER'S ANNUAL OBLIGATIONS UNDER THIS SECTION
54 UNTIL JUNE THIRTIETH, TWO THOUSAND FIFTEEN.

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
2012	.33 %
2013	.375%
2014	.425%
2015	.475%
2016	.525%
2017	.6 %
2018	.65 %
2019	.75 %
2020	.9 %
2021	1.0 %
2022	1.25 %
2023	1.5 %
2024	1.5 %
2025	1.5 %

(B) AT LEAST FORTY 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, IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

(I) AT LEAST TEN 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 RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION;

(II) AT LEAST TEN PERCENT OF SUCH ANNUAL OBLIGATION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION;

(III) AT LEAST TEN PERCENT OF SUCH ANNUAL OBLIGATION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION; AND

(IV) AT LEAST AN ADDITIONAL TEN 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.

(C) NOT MORE THAN SIXTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY MAY BE MET BY THE PROCUREMENT OF SRECS ASSOCIATED WITH ENERGY GENERATION PRODUCED BY SOLAR ENERGY DEVICES LOCATED OUTSIDE OF SUCH RETAIL ELECTRIC SUPPLIER'S SERVICE TERRITORY.

(D) FOR COMPLIANCE YEAR TWO THOUSAND TWELVE, AT LEAST 10 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 SOLAR ENERGY DEVICES THAT CONSIST OF AMERICAN-MADE CONTENT; FOR COMPLIANCE YEAR TWO THOUSAND THIRTEEN AT LEAST 25 PERCENT OF SUCH OBLIGATION SHALL BE SO MET; FOR COMPLIANCE YEAR TWO THOUSAND FOURTEEN AT LEAST 40 PERCENT OF SUCH OBLIGATION SHALL BE SO MET; FOR COMPLIANCE YEAR TWO THOUSAND FIFTEEN AT LEAST 60 PERCENT OF SUCH OBLIGATION SHALL BE SO MET; AND FOR EACH COMPLIANCE YEAR THEREAFTER AT LEAST 80 PERCENT OF SUCH OBLIGATION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SOLAR ENERGY DEVICES THAT CONSIST OF AMERICAN-MADE CONTENT.

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

(F) 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.

(G) NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE COMMISSION, IN COORDINATION WITH THE WHOLESALE GRID OPERATOR, SHALL ESTABLISH AN AUTOMATED SREC TRACKING SYSTEM, WHICH SHALL BE SUBSTANTIALLY SIMILAR TO SYSTEMS ESTABLISHED AND USED FOR SIMILAR PURPOSES IN NEIGHBORING STATES.

(H) 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.

(I) TRANSACTIONS FOR THE PROCUREMENT OF SRECS BY RETAIL ELECTRIC SUPPLIERS FROM QUALIFIED SOLAR ENERGY GENERATORS SHALL BE FOR SRECS IN WHOLE UNITS.

2-A. (A) ON JUNE FIFTEENTH IN EACH YEAR, OR ON THE FIRST BUSINESS DAY THEREAFTER, THE COMMISSION SHALL ADMINISTER A SREC SALE IN WHICH QUALIFIED SOLAR ENERGY GENERATORS SHALL BE ELIGIBLE TO PARTICIPATE. THE COMMISSION SHALL ESTABLISH AND MAINTAIN A SOLAR SALE ACCOUNT ON THE AUTOMATED SREC TRACKING SYSTEM INTO WHICH QUALIFIED SOLAR ENERGY GENERATORS MAY, AT THEIR DISCRETION, DEPOSIT SRECS BETWEEN APRIL FIRST AND APRIL THIRTIETH OF EACH YEAR TO BE OFFERED AT SUCH SALE. THE DEPOSITED SRECS SHALL THEN BE RETIRED AND REISSUED BY THE COMMISSION AS RE-MINTED SRECS ELIGIBLE FOR PURCHASE BY RETAIL ELECTRIC DISTRIBUTION COMPANIES. THESE SRECS SHALL BE ELIGIBLE TO BE USED TO MEET OBLIGATIONS OF THE RETAIL ELECTRICAL DISTRIBUTION COMPANIES IN THE COMPLIANCE YEAR IN WHICH THEY WERE GENERATED OR IN EITHER OF THE TWO IMMEDIATELY SUBSEQUENT COMPLIANCE YEARS. ANY RETAIL ELECTRIC SUPPLIER MAY PARTICIPATE AND ENTER A BID FOR THE QUANTITY OF SRECS THEY WISH TO PURCHASE AT A FIXED PRICE OF THREE HUNDRED DOLLARS PER SREC.

(B) IF THE TOTAL NUMBER OF RE-MINTED SRECS BID FOR BY THE RETAIL DISTRIBUTION COMPANIES IN THE SALE IS EQUAL TO OR MORE THAN THE NUMBER OF SRECS DEPOSITED, THEN THE TOTAL AMOUNT OF DEPOSITED SRECS WILL BE DISTRIBUTED TO THE BIDDERS IN A PRO-RATED MANNER SUCH THAT THE RATIO OF SRECS RECEIVED TO SRECS BID FOR BY EACH BIDDER IS EQUAL AMONG ALL BIDDERS, AND EACH QUALIFIED SOLAR ENERGY GENERATOR WHO CONTRIBUTED SRECS SHALL RECEIVE A FIXED PAYMENT OF THREE HUNDRED DOLLARS PER SREC CONTRIBUTED, LESS A USAGE FEE OF FIVE PERCENT OF THE SALE PRICE OF EACH DEPOSITED SREC. THE USAGE FEE SHALL BE DEPOSITED INTO THE ALTERNATIVE COMPLIANCE PAYMENT FUND. IF THE TOTAL NUMBER OF RE-MINTED SRECS BID FOR IN THE AUCTION IS LESS THAN THE NUMBER OF SRECS DEPOSITED, THE AUCTION SHALL BE VOID AND A NEW AUCTION SHALL BE HELD WITHIN THREE BUSINESS DAYS, IN WHICH ANY SRECS PURCHASED SHALL BE ELIGIBLE TO BE USED TO MEET OBLIGATIONS OF THE RETAIL ELECTRICAL DISTRIBUTION COMPANIES IN THE COMPLIANCE YEAR IN WHICH THEY WERE GENERATED OR IN ANY OF THE THREE COMPLIANCE YEARS SUBSEQUENT TO THE YEAR IN WHICH THEY WERE GENERATED.

(C) IF THE TOTAL NUMBER OF RE-MINTED SRECS BID FOR BY THE RETAIL DISTRIBUTION COMPANIES IN THE SECOND SALE IS EQUAL TO OR MORE THAN THE NUMBER OF SRECS DEPOSITED, THEN THE TOTAL AMOUNT OF DEPOSITED SRECS WILL BE DISTRIBUTED TO THE BIDDERS IN A PRO-RATED MANNER AND EACH QUALIFIED SOLAR ENERGY GENERATOR WHO CONTRIBUTED SRECS SHALL RECEIVE PAYMENT OF THREE HUNDRED DOLLARS PER SREC CONTRIBUTED, LESS A USAGE FEE OF FIVE PERCENT OF THE SALE PRICE OF EACH DEPOSITED SREC. IF THE TOTAL NUMBER OF

1 RE-MINTED SRECS BID FOR IN THE SECOND AUCTION IS LESS THAN THE NUMBER OF
2 SRECS DEPOSITED, EACH BIDDER SHALL RECEIVE THE FULL NUMBER OF SRECS THAT
3 SUCH BIDDER ENTERED A BID FOR, AND PROCEEDS FROM THE SALE SHALL BE
4 DISTRIBUTED TO THE SREC CONTRIBUTORS IN A PRO-RATED MANNER SUCH THAT THE
5 RATIO OF SALE PROCEEDS RECEIVED TO SRECS CONTRIBUTED BY EACH CONTRIBUTOR
6 IS EQUAL AMONG ALL CONTRIBUTORS. THE RE-MINTED SRECS IN EXCESS OF THE
7 NUMBER BID FOR SHALL BE RETURNED TO EACH SOLAR ENERGY GENERATOR THAT
8 DEPOSITED SRECS INTO THE SALE ACCOUNT IN A NUMBER PROPORTIONAL TO EACH
9 SOLAR ENERGY GENERATOR'S SHARE OF THE SRECS ORIGINALLY DEPOSITED IN THE
10 SALE ACCOUNT FOR THAT YEAR. IF LESS THAN THE NUMBER OF SRECS DEPOSITED
11 INTO THE SALE ACCOUNT ARE SOLD, THE COMMISSION SHALL REVIEW THE COMPLI-
12 ANCE OBLIGATIONS OF THE RETAIL ELECTRIC DISTRIBUTION COMPANIES FOR THE
13 SUBSEQUENT COMPLIANCE YEAR AND ADJUST UPWARD SUCH OBLIGATIONS BASED ON
14 THE COMMISSION'S DETERMINATION OF THE LEVEL NECESSARY TO ENSURE THAT THE
15 DEMAND FOR SRECS GENERATED BY SUCH OBLIGATIONS SHALL BE SUFFICIENT TO
16 EQUAL THE QUANTITY OF SRECS PROJECTED TO BE PRODUCED BY QUALIFIED SOLAR
17 ENERGY GENERATORS IN THE SUBSEQUENT YEAR.

18 3. (A) IN THE EVENT THAT A RETAIL ELECTRIC SUPPLIER FAILS TO MEET ITS
19 OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, IT SHALL
20 DISCHARGE SUCH OBLIGATIONS BY MAKING A SOLAR ALTERNATIVE COMPLIANCE
21 PAYMENT IN AN AMOUNT ESTABLISHED PURSUANT TO THIS SUBDIVISION.

22 (B) NO LATER THAN FEBRUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION
23 SHALL ESTABLISH A SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE THROUGH
24 THE YEAR TWO THOUSAND TWENTY-FIVE AT LEVELS THAT ARE DETERMINED TO BE
25 SUFFICIENT TO STIMULATE THE DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY
26 GENERATION EQUIPMENT NECESSARY TO ACHIEVE THE OBLIGATIONS ESTABLISHED IN
27 SUBDIVISION TWO OF THIS SECTION. NO LATER THAN FEBRUARY FIRST OF EACH
28 YEAR THEREAFTER, THE COMMISSION SHALL ANNUALLY REVIEW SUCH SCHEDULE TO
29 ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL SUFFICIENT TO STIMULATE SUCH
30 DEVELOPMENT AND MAY ADOPT, AFTER APPROPRIATE NOTICE AND OPPORTUNITY FOR
31 PUBLIC COMMENT, AN INCREASE OR DECREASE IN ALTERNATIVE COMPLIANCE
32 PAYMENTS CONSISTENT WITH THE FINDINGS OF SUCH REVIEW. THE COMMISSION
33 SHALL NOT REDUCE LEVELS OF PAYMENTS FOR PREVIOUS YEARS.

34 (C) FIFTY PERCENT OF ALL MONIES COLLECTED THROUGH SUCH ALTERNATIVE
35 COMPLIANCE PAYMENTS SHALL BE CREDITED TO THE ELECTRIC DISTRIBUTION
36 COMPANY'S CUSTOMERS, AND FIFTY PERCENT OF SUCH MONIES SHALL BE DISTRIB-
37 UTED TO THE EMPIRE STATE DEVELOPMENT CORPORATION FOR SOLAR INDUSTRY
38 DEVELOPMENT PROGRAMS IN COUNTIES OUTSIDE OF THE CITY OF NEW YORK.

39 4. (A) NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE
40 COMMISSION SHALL ESTABLISH A TEMPLATE FOR SOLAR PURCHASE AGREEMENTS TO
41 BE USED BY RETAIL ELECTRIC SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION
42 COMPANIES FOR THEIR PROCUREMENT OF SRECS FOR THE PURPOSE OF FULFILLING
43 THEIR OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE
44 COMMISSION SHALL, IN ADDITION, ESTABLISH A TEMPLATE FOR A STANDARD SREC
45 OFFER FOR THE FUTURE PURCHASE OF SRECS BY RETAIL ELECTRIC SUPPLIERS FROM
46 QUALIFIED SOLAR ENERGY GENERATORS OR PERSONS WHO WILL BECOME QUALIFIED
47 SOLAR ENERGY GENERATORS UPON THE COMPLETION OF A PROPOSED INSTALLATION
48 OF A SOLAR ENERGY DEVICE.

49 (B) NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, EACH RETAIL
50 ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL SUBMIT
51 TO THE COMMISSION FOR REVIEW AND APPROVAL A SOLAR SOLICITATION PLAN FOR
52 THE ACHIEVEMENT OF ITS OBLIGATIONS PERTAINING TO THE PROCUREMENT OF
53 SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION ESTABLISHED IN
54 SUBDIVISION TWO OF THIS SECTION. SUCH PLAN SHALL INCLUDE DISTINCT TIME-
55 TABLES AND METHODOLOGIES FOR SOLICITING PROPOSALS FOR SRECS ASSOCIATED
56 WITH THE CATEGORIES OF RESIDENTIAL, SMALL RETAIL, COMMERCIAL, AND OTHER

1 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-
2 ING ITS SOURCE DIVERSIFICATION REQUIREMENTS ESTABLISHED IN PARAGRAPH (B)
3 OF SUBDIVISION TWO OF THIS SECTION. THE ELECTRIC DISTRIBUTION COMPANY'S
4 SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVERSITY OF SOLAR
5 PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOMER CLASSES. THE
6 COMMISSION MAY APPROVE, REJECT OR MODIFY AN APPLICATION FOR APPROVAL OF
7 SUCH PLAN. IF THE COMMISSION DOES NOT APPROVE, REJECT OR MODIFY THE
8 DISTRIBUTION COMPANY'S APPLICATION WITHIN SIXTY DAYS, THE PROCUREMENT
9 PLAN SHALL BE DEEMED APPROVED.

10 (C) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
11 COMPANY SHALL PROVIDE TO EACH PERSON WITH WHOM SUCH SUPPLIER ESTABLISHES
12 AN AGREEMENT FOR THE FUTURE PURCHASE AND SALE OF SRECS A STANDARD SREC
13 OFFER FOR THE PURCHASE OF SUCH SRECS, WHICH SUBSTANTIALLY CONFORMS TO
14 THE STANDARD SREC OFFER TEMPLATE ISSUED BY THE COMMISSION PURSUANT TO
15 PARAGRAPH (A) OF THIS SUBDIVISION.

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

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

31 7. NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE COMMIS-
32 SION SHALL ESTABLISH THE TERMS AND CONDITIONS THAT SHALL BE APPLICABLE
33 TO SOLAR PURCHASE AGREEMENTS ENTERED INTO BY RETAIL ELECTRIC SUPPLIERS
34 THAT ARE ELECTRIC DISTRIBUTION COMPANIES FOR THE PROCUREMENT OF SRECS
35 ASSOCIATED WITH RESIDENTIAL AND SMALL RETAIL DISTRIBUTED SOLAR ENERGY
36 GENERATION, FOR THE PURPOSE OF ACHIEVING SUCH COMPANIES' OBLIGATIONS
37 PERTAINING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN
38 SUBDIVISION TWO OF THIS SECTION.

39 8. RETAIL CONTRACTS FOR THE SALE OF ELECTRICITY ENTERED INTO BEFORE
40 JANUARY FIRST, TWO THOUSAND THIRTEEN BY RETAIL ELECTRIC SUPPLIERS THAT
41 ARE NOT ELECTRIC DISTRIBUTION COMPANIES SHALL BE EXEMPT FROM THE OBLI-
42 GATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

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

52 10. (A) WITHIN THIRTY DAYS OF THE SUBMISSION OF THE ANNUAL COMPLIANCE
53 REPORTS FILED BY RETAIL ELECTRIC SUPPLIERS PURSUANT TO SUBDIVISION ELEV-
54 EN OF THIS SECTION, THE COMMISSION SHALL DETERMINE THE COMBINED TOTAL
55 ANNUAL EXPENDITURES INCLUDING THE SAVINGS IN AVOIDED COSTS, FOR THE
56 PROCUREMENT OF SRECS MADE BY RETAIL ELECTRIC SUPPLIERS FOR THE PURPOSES

1 OF MEETING THE ANNUAL REQUIREMENT SET FORTH IN PARAGRAPH (A) OF SUBDIVI-
2 SION TWO OF THIS SECTION FOR THE APPLICABLE COMPLIANCE YEAR AS A
3 PERCENTAGE OF THE TOTAL RETAIL ELECTRICITY SALES REVENUES FOR RETAIL
4 ELECTRIC SUPPLIERS FOR SUCH COMPLIANCE YEAR. IF SUCH PERCENTAGE EXCEEDS
5 ONE PERCENT, THEN THE ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR
6 WHICH THE COMMISSION MAKES ITS DETERMINATION SHALL CONTINUE TO BE THE
7 ANNUAL REQUIREMENT APPLICABLE IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL
8 THIS LIMITATION ENDS AS PROVIDED IN PARAGRAPH (B) OF THIS SUBDIVISION.

9 (B) IF THE LIMITATION PROVIDED FOR IN PARAGRAPH (A) OF THIS SUBDIVI-
10 SION IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE COMMISSION,
11 BASED UPON A REVIEW OF THE RETAIL ELECTRIC SUPPLIERS' ANNUAL COMPLIANCE
12 REPORTS, THAT THE COMBINED TOTAL ANNUAL EXPENDITURES FOR THE PROCUREMENT
13 OF SRECS MADE BY RETAIL ELECTRIC SUPPLIERS TO MEET THE APPLICABLE ANNUAL
14 REQUIREMENTS FOR A COMPLIANCE YEAR DID NOT EXCEED ONE PERCENT OF THE
15 TOTAL RETAIL ELECTRICITY SALES REVENUES FOR RETAIL ELECTRIC SUPPLIERS
16 FOR SUCH COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING
17 THE END OF THE LIMITATION PURSUANT TO THIS PARAGRAPH, THE APPLICABLE
18 ANNUAL REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN PARAGRAPH (A)
19 OF SUBDIVISION TWO OF THIS SECTION FOR THE COMPLIANCE YEAR IMMEDIATELY
20 FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN PARAGRAPH (A)
21 OF THIS SUBDIVISION WAS TRIGGERED. THE ANNUAL REQUIREMENT SHALL CONTINUE
22 TO INCREASE IN THE INCREMENTS PROVIDED FOR IN PARAGRAPH (A) OF SUBDIVI-
23 SION TWO OF THIS SECTION FOR EACH SUBSEQUENT YEAR UNTIL THE ANNUAL
24 REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH PARAGRAPH FOR
25 COMPLIANCE YEAR TWO THOUSAND TWENTY-FIVE.

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

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

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

41 (C) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION
42 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR EACH RETAIL ELECTRIC SUPPLIER
43 FOR THE PREVIOUS CALENDAR YEAR AND FOR THE TOTAL OF ALL CALENDAR YEARS
44 TO DATE: (I) THE ACTUAL NUMBER OF MEGAWATT-HOURS OF QUALIFIED SOLAR
45 ENERGY GENERATION SOLD AT RETAIL TO NEW YORK END-USE CUSTOMERS AND THE
46 TOTAL NUMBER OF MEGAWATT-HOURS SOLD AT RETAIL TO NEW YORK END-USE
47 CUSTOMERS; (II) THE NUMBER OF SRECS ASSOCIATED WITH QUALIFIED SOLAR
48 ENERGY GENERATION THAT WERE RETIRED FOR THE PURPOSES OF MEETING THE
49 SUPPLIER'S OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION;
50 (III) THE AMOUNT, IF ANY, OF SOLAR ALTERNATIVE COMPLIANCE PAYMENTS MADE;
51 AND (IV) ITS ANNUAL RETAIL ELECTRICITY SALES REVENUE AND EXPENDITURES
52 FOR THE PROCUREMENT OF SRECS MADE FOR THE PURPOSES OF MEETING THE APPLI-
53 CABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION NEED ONLY BE
54 REPORTED FOR THE PREVIOUS CALENDAR YEAR. SUCH REPORT SHALL ALSO INCLUDE,
55 FOR EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
56 COMPANY: (1) THE NUMBER OF SRECS EACH ASSOCIATED WITH RESIDENTIAL, SMALL

1 RETAIL, AND COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION, AND RETAIL
2 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY CAPACI-
3 TY THAT WERE PROCURED; AND (2) THE NUMBER OF SUCH SRECS PROCURED THROUGH
4 SOLAR PURCHASE AGREEMENTS AND THE ELECTRIC DISTRIBUTION COMPANY'S OWNER-
5 SHIP OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, RESPECTIVELY.

6 12. THE COMMISSION SHALL, NO LATER THAN JANUARY FIRST, TWO THOUSAND
7 TWELVE, ESTABLISH AN ADMINISTRATIVE PROCESS TO FACILITATE CERTIFICATION
8 BY THE INSTALLER OF A SOLAR ENERGY DEVICE TO THE OWNER OF SUCH DEVICE,
9 FOR PURPOSES OF ESTABLISHING COMPLIANCE WITH QUALIFIED CONDITIONS,
10 DENOMINATING AN ENHANCED SREC, OR ESTABLISHING ELIGIBILITY OF SPECIFIED
11 SRECS TO SATISFY REQUIREMENTS RELATED TO AMERICAN-MADE CONTENT, PURSUANT
12 TO THIS SECTION, SECTION ONE THOUSAND FIVE OF THE PUBLIC AUTHORITIES
13 LAW, OR SECTION ONE THOUSAND TWENTY-HH OF THE PUBLIC AUTHORITIES LAW,
14 THAT THE DEVICE CONSISTS OF AMERICAN-MADE CONTENT OR NEW YORK STATE
15 CONTENT, THAT THE DEVICE WAS INSTALLED BY QUALIFIED INSTALLERS, AND THAT
16 THE PAYMENT OF WAGES AND SUPPLEMENTS FOR THE INSTALLATION OF SUCH DEVICE
17 WAS IN ACCORDANCE WITH THE PREVAILING WAGES AND SUPPLEMENTS THAT WOULD
18 BE APPLICABLE TO A CONTRACT FOR PUBLIC WORK, PURSUANT TO SECTION TWO
19 HUNDRED TWENTY OF THE LABOR LAW, IN THE LOCATION IN WHICH SUCH SOLAR
20 ENERGY DEVICE IS LOCATED AT THE TIME OF SUCH INSTALLATION. SUCH ADMINIS-
21 TRATIVE PROCESS SHALL INCLUDE ESTABLISHING AND MAINTAINING A DATABASE
22 AND REGISTRY OF SOLAR ENERGY DEVICES AND COMPONENTS THAT CONFORM TO
23 AMERICAN-MADE CONTENT AND NEW YORK STATE CONTENT SPECIFICATIONS, AS
24 PROVIDED IN SUBDIVISION ONE OF THIS SECTION.

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

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

29 (1) "SOLAR ENERGY DEVICE" MEANS A SYSTEM OF COMPONENTS THAT GENERATES
30 ELECTRICITY FROM INCIDENTAL SUNLIGHT BY MEANS OF THE PHOTOVOLTAIC EFFECT
31 AND IS INTERCONNECTED TO THE ELECTRICAL DISTRIBUTION SYSTEM;

32 (2) "QUALIFIED SOLAR ENERGY GENERATION" MEANS ELECTRIC POWER GENERATED
33 BY A SOLAR ENERGY DEVICE THAT IS PLACED IN SERVICE WITHIN THE JURISDIC-
34 TIONAL BOUNDARIES OF THE STATE ON OR AFTER JANUARY FIRST, TWO THOUSAND
35 TWELVE AND THAT IS INSTALLED IN ACCORDANCE WITH QUALIFIED CONDITIONS;
36 PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANY PROVISION OF PARAGRAPH ONE
37 OF THIS SUBDIVISION TO THE CONTRARY, ELECTRIC POWER GENERATED BY A SOLAR
38 ENERGY DEVICE LOCATED WITHIN THE JURISDICTIONAL BOUNDARIES OF THIS
39 STATE, THE INSTALLATION OF WHICH WAS COMMENCED ON OR AFTER JULY FIRST
40 TWO THOUSAND ELEVEN AND AT LEAST FIVE PERCENT OF THE TOTAL PROJECT COST
41 OF WHICH WAS EXPENDED NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND
42 ELEVEN SHALL BE DEEMED "QUALIFIED SOLAR ENERGY GENERATION" AND SRECS
43 ASSOCIATED WITH SUCH A DEVICE MAY BE PURCHASED BY A RETAIL ELECTRIC
44 SUPPLIER TO MEET SUCH SUPPLIER'S ANNUAL OBLIGATIONS UNDER THIS SUBDIVI-
45 SION; AND FURTHER NOTWITHSTANDING ANY PROVISION OF PARAGRAPH ONE OF THIS
46 SUBDIVISION TO THE CONTRARY, ELECTRIC POWER GENERATED BY A SOLAR ENERGY
47 DEVICE THAT WAS PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES
48 OF THIS STATE PRIOR TO JULY FIRST, TWO THOUSAND TWELVE SHALL UNTIL JUNE
49 THIRTIETH, TWO THOUSAND FIFTEEN BE DEEMED "QUALIFIED SOLAR ENERGY GENER-
50 ATION" AND SRECS ASSOCIATED WITH SUCH A DEVICE MAY BE PURCHASED BY THE
51 AUTHORITY TO MEET ITS ANNUAL OBLIGATIONS UNDER THIS SUBDIVISION UNTIL
52 JUNE THIRTIETH, TWO THOUSAND FIFTEEN;

53 (3) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A SOLAR
54 ENERGY DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENER-
55 ATION;

1 (4) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR
2 ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE LOCATED ON THE
3 CUSTOMER SIDE OF THE ELECTRIC DISTRIBUTION COMPANY METER;

4 (5) "RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL
5 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
6 THAT IS EQUAL TO OR LESS THAN TEN KILOWATTS IN CAPACITY;

7 (6) "SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL
8 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
9 THAT IS GREATER THAN TEN KILOWATTS AND EQUAL TO OR LESS THAN FIFTY KILO-
10 WATTS IN CAPACITY;

11 (7) "COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL
12 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
13 THAT IS 50 KILOWATTS OR GREATER AND LESS THAN OR EQUAL TO FIVE HUNDRED
14 KILOWATTS IN CAPACITY;

15 (8) "QUALIFIED CONDITIONS" MEANS USING QUALIFIED INSTALLERS AND, FOR
16 ANY SOLAR ENERGY DEVICE EXCEEDING SEVENTY-FIVE KILOWATTS IN CAPACITY,
17 PAYMENT TO SUCH QUALIFIED INSTALLERS OF WAGES AND SUPPLEMENTS FOR THE
18 INSTALLATION OF SUCH SOLAR ENERGY DEVICE IN ACCORDANCE WITH THE PREVAIL-
19 ING WAGES AND SUPPLEMENTS THAT WOULD BE APPLICABLE TO A CONTRACT FOR
20 PUBLIC WORK, PURSUANT TO SECTION TWO HUNDRED TWENTY OF THE LABOR LAW, IN
21 THE LOCATION IN WHICH SUCH SOLAR ENERGY DEVICE IS LOCATED AT THE TIME OF
22 SUCH INSTALLATION.

23 (9)(I) "QUALIFIED INSTALLER MEANS: A PERSON WHO (A) WITH RESPECT TO
24 THE INSTALLATION OF A SOLAR ELECTRIC DEVICE, HOLDS A LICENSE AS A MASTER
25 ELECTRICIAN, OR IS DESIGNATED AN APPROVED INSTALLER BY THE NEW YORK
26 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, OR HAS COMPLETED A
27 REGISTERED APPRENTICESHIP TRAINING PROGRAM FOR ELECTRICIANS PURSUANT TO
28 SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW; AND

29 (B) HAS BEEN CERTIFIED PRIOR TO PERFORMING ANY WORK ON THE PROJECT AS
30 HAVING SUCCESSFULLY COMPLETED A COURSE IN CONSTRUCTION SAFETY AND HEALTH
31 APPROVED BY THE UNITED STATES DEPARTMENT OF LABOR'S OCCUPATIONAL SAFETY
32 AND HEALTH ADMINISTRATION THAT IS AT LEAST TEN HOURS IN DURATION; AND

33 (C) WITH RESPECT TO ANY SOLAR INSTALLATION COMMENCED AFTER DECEMBER
34 THIRTY-FIRST, TWO THOUSAND ELEVEN, HAS SUBMITTED TO THE CUSTOMER PROOF
35 OF COMPLIANCE WITH THE AFOREMENTIONED REQUIREMENTS OF THIS PARAGRAPH.

36 (II) THE EMPLOYER OF A QUALIFIED INSTALLER SHALL ALSO BE DEEMED A
37 QUALIFIED INSTALLER, PROVIDED THAT SUCH EMPLOYER MAINTAINS WORKERS
38 COMPENSATION INSURANCE AND COMMERCIAL LIABILITY INSURANCE IN THE AMOUNTS
39 REQUIRED BY LAW AND PROVIDED FURTHER THAT THE EMPLOYEES OF SUCH EMPLOYER
40 INVOLVED IN SOLAR INSTALLATIONS HAVE SUCCESSFULLY COMPLETED A COURSE IN
41 CONSTRUCTION SAFETY AND HEALTH APPROVED BY THE UNITED STATES DEPARTMENT
42 OF LABOR'S OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION THAT IS AT
43 LEAST TEN HOURS IN DURATION.

44 (10) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF
45 SEVEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY
46 GENERATOR;

47 (11) "STANDARD SREC OFFER" MEANS AN AGREEMENT BY THE AUTHORITY,
48 ENTERED INTO WITH A RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR IN ADVANCE
49 OF THE INSTALLATION OF A SOLAR ENERGY DEVICE BY SUCH GENERATOR, TO
50 PURCHASE FROM SUCH RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR, FOR A
51 MINIMUM OF SEVEN YEARS, UPON SUCCESSFUL COMPLETION OF THE INSTALLATION
52 OF THE SOLAR ENERGY DEVICE AND, IN THE CASE OF A SOLAR ELECTRIC DEVICE,
53 UPON INTERCONNECTION TO THE RETAIL DISTRIBUTION SYSTEM, THE SRECS THAT
54 WILL BE GENERATED BY SUCH SOLAR ENERGY DEVICE;

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

(13) "ENHANCED SREC" MEANS A SREC (I) ASSOCIATED WITH RESIDENTIAL OR SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE THAT CONSISTS OF NEW YORK STATE CONTENT; OR (II) ASSOCIATED WITH RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE THAT WAS INSTALLED USING QUALIFIED INSTALLERS TO WHOM PAYMENT OF WAGES AND SUPPLEMENTS FOR THE INSTALLATION OF SUCH SOLAR ENERGY DEVICE WAS IN ACCORDANCE WITH THE PREVAILING WAGES AND SUPPLEMENTS THAT WOULD BE APPLICABLE TO A CONTRACT FOR PUBLIC WORK, PURSUANT TO SECTION TWO HUNDRED TWENTY OF THE LABOR LAW, IN THE LOCATION IN WHICH SUCH SOLAR ENERGY DEVICE IS LOCATED AT THE TIME OF SUCH INSTALLATION. FOR EACH SUCH ENHANCING ASPECT, AS PROVIDED FOR IN THIS PARAGRAPH, AN ENHANCED SREC SHALL BE DEEMED TO HAVE THE ENVIRONMENTAL ATTRIBUTES OF AN ADDITIONAL TWENTY-FIVE PERCENT OF ITS UNDERLYING MEGAWATT-HOURS; PROVIDED, HOWEVER, THAT AN ENHANCED SREC SHALL NOT BE DEEMED TO POSSESS ENVIRONMENTAL ATTRIBUTES EXCEEDING ONE HUNDRED AND FIFTY PERCENT OF THE UNDERLYING SREC;

(14) "AMERICAN-MADE CONTENT" MEANS:

(A) A NON-MANUFACTURED GOOD THAT HAS BEEN MINED OR PRODUCED IN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF; AND

(B) A MANUFACTURED GOOD IN WHICH (I) THE COMPONENT SUPPLIES OR MATERIALS OF SUCH GOOD HAVE BEEN SUBSTANTIALLY TRANSFORMED BY A PROCESS OR PROCESSES PERFORMED WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF, OR (II) THE COST OF SUPPLIES THAT HAVE BEEN MINED OR PRODUCED WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF CONSTITUTES AT LEAST FIFTY PERCENT OF THE COST OF ALL SUPPLIES USED IN THE MANUFACTURE;

(15) "NEW YORK STATE CONTENT" MEANS:

(A) A NON-MANUFACTURED GOOD THAT HAS BEEN MINED OR PRODUCED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK; OR

(B) A MANUFACTURED GOOD IN WHICH (I) THE COMPONENT SUPPLIES OR MATERIALS OF SUCH GOOD HAVE BEEN SUBSTANTIALLY TRANSFORMED BY A PROCESS OR PROCESSES PERFORMED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK, OR (II) THE COST OF SUPPLIES THAT HAVE BEEN MINED OR PRODUCED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK CONSTITUTES AT LEAST FIFTY PERCENT OF THE COST OF ALL SUPPLIES USED IN THE MANUFACTURE;

(16) "KILOWATT," "MEGAWATT," "KILOWATT-HOUR," AND "MEGAWATT-HOUR" SHALL INCLUDE THEIR ENERGY EQUIVALENTS STATED IN TERMS OF BRITISH THERMAL UNITS "BTU";

(17) "COMPLIANCE YEAR" MEANS THE PERIOD BEGINNING ON JULY FIRST AND ENDING ON THE FOLLOWING JUNE THIRTIETH, AND SHALL BE IDENTIFIED ACCORDING TO THE CALENDAR YEAR IN WHICH IT BEGINS; AND

(18) "SOLAR ALTERNATIVE COMPLIANCE PAYMENT" MEANS A PAYMENT OF A CERTAIN DOLLAR AMOUNT PER MEGAWATT-HOUR, AS ESTABLISHED PURSUANT TO PARAGRAPH (C) OF THIS SUBDIVISION THAT THE AUTHORITY MAY SUBMIT TO THE NEW YORK INDEPENDENT SYSTEM OPERATOR "NYISO" IN ORDER TO COMPLY WITH ITS ANNUAL OBLIGATIONS ESTABLISHED IN PARAGRAPH (B) OF THIS SUBDIVISION.

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
2012	0.05%

1	2013	0.05%
2	2014	0.10%
3	2015	0.15%
4	2016	0.20%
5	2017	0.30%
6	2018	0.40%
7	2019	0.50%
8	2020	0.75%
9	2021	1.00%
10	2022	1.25%
11	2023	1.50%
12	2024	2.00%
13	2025	2.50%

14 (2) AT LEAST FORTY PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY,
15 AS ESTABLISHED IN THIS PARAGRAPH, SHALL BE MET THROUGH THE PROCUREMENT
16 OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, IN
17 ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

18 (I) AT LEAST TEN PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY
19 SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RESIDEN-
20 TIAL DISTRIBUTED SOLAR ENERGY GENERATION;

21 (II) AT LEAST TEN PERCENT OF SUCH ANNUAL OBLIGATIONS SHALL BE MET
22 THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIB-
23 UTED SOLAR ENERGY GENERATION;

24 (III) AT LEAST TEN PERCENT OF SUCH ANNUAL OBLIGATION SHALL BE MET
25 THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH COMMERCIAL DISTRIBUTED
26 SOLAR ENERGY GENERATION; AND

27 (IV) AT LEAST AN ADDITIONAL TEN PERCENT OF THE ANNUAL OBLIGATION OF
28 THE AUTHORITY SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED
29 WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF
30 ANY SIZE.

31 (3) NOT MORE THAN SIXTY PERCENT OF THE ANNUAL OBLIGATION OF THE
32 AUTHORITY MAY BE MET BY THE PROCUREMENT OF SRECS ASSOCIATED WITH ENERGY
33 GENERATION PRODUCED BY SOLAR ENERGY DEVICES LOCATED OUTSIDE OF THE
34 AUTHORITY'S SERVICE TERRITORY.

35 (4) FOR COMPLIANCE YEAR TWO THOUSAND TWELVE, AT LEAST TEN PERCENT OF
36 THE ANNUAL OBLIGATION APPLICABLE TO EACH RETAIL ELECTRIC SUPPLIER THAT
37 IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE MET THROUGH THE PROCUREMENT
38 OF SRECS ASSOCIATED WITH SOLAR ENERGY DEVICES THAT CONSIST OF AMERICAN-
39 MADE CONTENT; FOR COMPLIANCE YEAR TWO THOUSAND THIRTEEN AT LEAST TWEN-
40 TY-FIVE PERCENT OF SUCH OBLIGATION SHALL BE SO MET; FOR COMPLIANCE YEAR
41 TWO THOUSAND FOURTEEN AT LEAST FORTY PERCENT OF SUCH OBLIGATION SHALL BE
42 SO MET; FOR COMPLIANCE YEAR TWO THOUSAND FIFTEEN AT LEAST SIXTY PERCENT
43 OF SUCH OBLIGATION SHALL BE SO MET; AND FOR EACH COMPLIANCE YEAR THERE-
44 AFTER AT LEAST EIGHTY PERCENT OF SUCH OBLIGATION SHALL BE MET THROUGH
45 THE PROCUREMENT OF SRECS ASSOCIATED WITH SOLAR ENERGY DEVICES THAT
46 CONSIST OF AMERICAN-MADE CONTENT.

47 (5) TRANSACTIONS FOR THE PROCUREMENT OF SRECS BY RETAIL ELECTRIC
48 SUPPLIERS FROM QUALIFIED SOLAR ENERGY GENERATORS SHALL BE FOR SRECS IN
49 WHOLE UNITS.

50 (6) SRECS SHALL BE ELIGIBLE FOR USE IN MEETING THE OBLIGATIONS ESTAB-
51 LISHED IN THIS SUBDIVISION IN THE COMPLIANCE YEAR IN WHICH THEY ARE
52 CREATED AND FOR THE FOLLOWING TWO COMPLIANCE YEARS.

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

1 (8) THE AUTHORITY MAY MEET ITS OBLIGATIONS ESTABLISHED IN THIS PARA-
2 GRAPH THROUGH THE PROCUREMENT OF SRECS TOGETHER WITH OR SEPARATE FROM
3 THE ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION.

4 C. (1) IN THE EVENT THAT THE AUTHORITY FAILS TO MEET ITS OBLIGATIONS
5 ESTABLISHED IN PARAGRAPH (B) OF THIS SUBDIVISION, IT SHALL DISCHARGE
6 SUCH OBLIGATIONS BY MAKING A SOLAR ALTERNATIVE COMPLIANCE PAYMENT IN AN
7 AMOUNT ESTABLISHED PURSUANT TO THIS PARAGRAPH.

8 (2) FOR COMPLIANCE YEAR TWO THOUSAND TWELVE THE ANNUAL SOLAR COMPLI-
9 ANCE PAYMENT SHALL BE SIX HUNDRED DOLLARS PER MEGAWATT. THE NEW YORK
10 INDEPENDENT SYSTEM OPERATOR "NYISO" SHALL ESTABLISH NO LATER THAN FEBRU-
11 ARY FIRST, TWO THOUSAND THIRTEEN A SOLAR ALTERNATIVE COMPLIANCE PAYMENT
12 SCHEDULE THROUGH THE YEAR TWO THOUSAND TWENTY-FIVE AT LEVELS THAT ARE
13 DETERMINED TO BE SUFFICIENT TO STIMULATE THE DEVELOPMENT OF NEW QUALI-
14 FIED SOLAR ENERGY GENERATION EQUIPMENT NECESSARY TO ACHIEVE THE OBLI-
15 GATIONS ESTABLISHED IN PARAGRAPH (B) OF THIS SUBDIVISION. NO LATER THAN
16 FEBRUARY FIRST OF EACH YEAR THEREAFTER, NYISO SHALL ANNUALLY REVIEW SUCH
17 SCHEDULE TO ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL SUFFICIENT TO
18 STIMULATE SUCH DEVELOPMENT AND MAY ADOPT, AFTER APPROPRIATE NOTICE AND
19 OPPORTUNITY FOR PUBLIC COMMENT, AN INCREASE OR DECREASE IN ALTERNATIVE
20 COMPLIANCE PAYMENTS CONSISTENT WITH THE FINDINGS OF SUCH REVIEW,
21 PROVIDED THAT THE AMOUNT PER MEGAWATT OF ANY COMPLIANCE PAYMENT FOR A
22 COMPLIANCE YEAR SHALL BE NOT LESS THAN NINETY PERCENT OF THE AMOUNT PER
23 MEGAWATT OF COMPLIANCE PAYMENTS FOR THE PREVIOUS COMPLIANCE YEAR, AND
24 PROVIDED FURTHER THAT NYISO SHALL NOT REDUCE LEVELS OF PAYMENTS FOR
25 PREVIOUS YEARS, NOR SHALL NYISO PROVIDE RELIEF IN ANY FORM FROM THE
26 OBLIGATION OF PAYMENT OF THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS BY
27 THE AUTHORITY.

28 (3) FIFTY PERCENT OF ALL MONIES COLLECTED THROUGH SUCH ALTERNATIVE
29 COMPLIANCE PAYMENTS SHALL BE MADE AVAILABLE BY NYISO FOR SOLAR INITI-
30 ATIVES TO BE UNDERTAKEN BY MUNICIPALITIES IN THE STATE, AND FIFTY
31 PERCENT OF SUCH MONIES SHALL BE DISTRIBUTED TO THE EMPIRE STATE DEVELOP-
32 MENT CORPORATION FOR SOLAR INDUSTRY DEVELOPMENT PROGRAMS IN COUNTIES
33 OUTSIDE OF THE CITY OF NEW YORK.

34 D. NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE AUTHORI-
35 TY SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY
36 PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY
37 COMMITTEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN FOR
38 THE ACHIEVEMENT OF ITS OBLIGATIONS PERTAINING TO THE PROCUREMENT OF
39 SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION ESTABLISHED IN
40 PARAGRAPH (B) OF THIS SUBDIVISION. SUCH PLAN SHALL INCLUDE DISTINCT
41 TIMETABLES AND METHODOLOGIES FOR SOLICITING PROPOSALS FOR SRECS ASSOCI-
42 ATED WITH THE CATEGORIES OF RESIDENTIAL, SMALL RETAIL, COMMERCIAL, AND
43 OTHER RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF
44 FULFILLING ITS SOURCE DIVERSIFICATION REQUIREMENTS ESTABLISHED IN
45 SUBPARAGRAPH TWO OF PARAGRAPH (B) OF THIS SUBDIVISION. THE AUTHORITY'S
46 SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVERSITY OF SOLAR
47 PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOMER CLASSES.

48 E. (1) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES,
49 INCLUDING SAVINGS IN AVOIDED COSTS, FOR THE PROCUREMENT OF SRECS, MADE
50 FOR THE PURPOSES OF MEETING THE ANNUAL REQUIREMENT SET FORTH IN SUBPARA-
51 GRAPH ONE OF PARAGRAPH (B) OF THIS SUBDIVISION FOR A COMPLIANCE YEAR,
52 EXCEED ONE PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH
53 COMPLIANCE YEAR, THEN THE ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR
54 WHICH THE AUTHORITY MAKES ITS DETERMINATION SHALL CONTINUE TO BE THE
55 ANNUAL REQUIREMENT APPLICABLE IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL
56 THIS LIMITATION ENDS AS PROVIDED IN SUBPARAGRAPH TWO OF THIS PARAGRAPH.

1 (2) IF THE LIMITATION PROVIDED FOR IN SUBPARAGRAPH ONE OF THIS PARA-
2 GRAPH IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE AUTHORITY
3 THAT ITS ANNUAL EXPENDITURE FOR THE PROCUREMENT OF SRECS MADE FOR THE
4 PURPOSES OF MEETING ITS ANNUAL REQUIREMENT FOR A COMPLIANCE YEAR DID NOT
5 EXCEED ONE PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH
6 COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMMEDIATELY FOLLOWING THE END
7 OF THE LIMITATION PURSUANT TO THIS PARAGRAPH, THE APPLICABLE ANNUAL
8 REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN SUBPARAGRAPH ONE OF
9 PARAGRAPH (B) OF THIS SUBDIVISION FOR THE COMPLIANCE YEAR IMMEDIATELY
10 FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN SUBPARAGRAPH
11 ONE OF THIS PARAGRAPH WAS TRIGGERED. THE ANNUAL REQUIREMENT SHALL
12 CONTINUE TO INCREASE IN THE INCREMENTS PROVIDED FOR IN SUBPARAGRAPH ONE
13 OF PARAGRAPH (B) OF THIS SUBDIVISION FOR EACH SUBSEQUENT YEAR UNTIL THE
14 ANNUAL REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH SUBPARAGRAPH
15 FOR COMPLIANCE YEAR TWO THOUSAND TWENTY-FIVE.

16 F. (1) NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, AND NO LATER
17 THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND
18 TWENTY-SIX, THE AUTHORITY SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE
19 ASSEMBLY, MAJORITY LEADER OF THE SENATE, AND CHAIRS OF THE SENATE AND
20 ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT
21 REGARDING ITS PROGRESS IN MEETING ITS OBLIGATIONS ESTABLISHED IN PARA-
22 GRAPH B OF THIS SUBDIVISION.

23 (2) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS PARAGRAPH
24 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND
25 FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS
26 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE
27 PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN PARAGRAPH
28 B OF THIS SUBDIVISION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED
29 WITH RESIDENTIAL, SMALL RETAIL, AND COMMERCIAL DISTRIBUTED SOLAR ENERGY
30 GENERATION, AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY
31 EQUIPMENT OF ANY CAPACITY THAT WERE PROCURED; AND (III) THE NUMBER OF
32 SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS AND THE AUTHORI-
33 TY'S OWNERSHIP OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, RESPEC-
34 TIVELY.

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

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

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

45 (B) "SOLAR ENERGY DEVICE" MEANS A SYSTEM OF COMPONENTS THAT GENERATES
46 ELECTRICITY FROM INCIDENTAL SUNLIGHT BY MEANS OF THE PHOTOVOLTAIC EFFECT
47 AND IS INTERCONNECTED TO THE ELECTRICAL DISTRIBUTION SYSTEM;

48 (C) "QUALIFIED SOLAR ENERGY GENERATION" MEANS ELECTRIC POWER GENERATED
49 BY A SOLAR ENERGY DEVICE THAT IS PLACED IN SERVICE WITHIN THE JURISDIC-
50 TIONAL BOUNDARIES OF THE STATE ON OR AFTER JANUARY FIRST, TWO THOUSAND
51 TWELVE AND THAT IS INSTALLED IN ACCORDANCE WITH QUALIFIED CONDITIONS;

52 (D) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A SOLAR
53 ENERGY DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENER-
54 ATION;

1 (E) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR
2 ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE LOCATED ON THE
3 CUSTOMER SIDE OF THE ELECTRIC DISTRIBUTION COMPANY METER;

4 (F) "RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL
5 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
6 THAT IS EQUAL TO OR LESS THAN TEN KILOWATTS IN CAPACITY;

7 (G) "SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL
8 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
9 THAT IS GREATER THAN TEN KILOWATTS AND EQUAL TO OR LESS THAN FIFTY KILO-
10 WATTS IN CAPACITY;

11 (H) "COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS RETAIL
12 DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE
13 THAT IS FIFTY KILOWATTS OR GREATER AND EQUAL TO OR LESS THAN FIVE
14 HUNDRED KILOWATTS IN CAPACITY;

15 (I) "QUALIFIED CONDITIONS" MEANS USING QUALIFIED INSTALLERS AND, FOR
16 ANY SOLAR ENERGY DEVICE EXCEEDING SEVENTY-FIVE KILOWATTS IN CAPACITY,
17 PAYMENT TO SUCH QUALIFIED INSTALLERS OF WAGES AND SUPPLEMENTS FOR THE
18 INSTALLATION OF SUCH SOLAR ENERGY DEVICE IN ACCORDANCE WITH THE PREVAIL-
19 ING WAGES AND SUPPLEMENTS THAT WOULD BE APPLICABLE TO A CONTRACT FOR
20 PUBLIC WORK, PURSUANT TO SECTION TWO HUNDRED TWENTY OF THE LABOR LAW, IN
21 THE LOCATION IN WHICH SUCH SOLAR ENERGY DEVICE IS LOCATED AT THE TIME OF
22 SUCH INSTALLATION;

23 (J) (I) "QUALIFIED INSTALLER" MEANS:

24 A PERSON WHO: (A) WITH RESPECT TO THE INSTALLATION OF A SOLAR ELECTRIC
25 DEVICE, HOLDS A LICENSE AS A MASTER ELECTRICIAN, OR, IS DESIGNATED AN
26 APPROVED INSTALLER BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT
27 AUTHORITY, OR HAS COMPLETED A REGISTERED APPRENTICESHIP TRAINING PROGRAM
28 FOR ELECTRICIANS PURSUANT TO SECTION EIGHT HUNDRED ELEVEN OF THE LABOR
29 LAW; AND

30 (B) HAS BEEN CERTIFIED PRIOR TO PERFORMING ANY WORK ON THE PROJECT AS
31 HAVING SUCCESSFULLY COMPLETED A COURSE IN CONSTRUCTION SAFETY AND HEALTH
32 APPROVED BY THE UNITED STATES DEPARTMENT OF LABOR'S OCCUPATIONAL SAFETY
33 AND HEALTH ADMINISTRATION THAT IS AT LEAST TEN HOURS IN DURATION; AND

34 (C) WITH RESPECT TO ANY SOLAR INSTALLATION COMMENCED AFTER DECEMBER
35 THIRTY-FIRST, TWO THOUSAND ELEVEN, HAS SUBMITTED TO THE CUSTOMER PROOF
36 OF COMPLIANCE WITH THE AFOREMENTIONED REQUIREMENTS OF THIS PARAGRAPH.

37 (II) THE EMPLOYER OF A QUALIFIED INSTALLER SHALL ALSO BE DEEMED A
38 QUALIFIED INSTALLER, PROVIDED THAT SUCH EMPLOYER MAINTAINS WORKERS
39 COMPENSATION INSURANCE AND COMMERCIAL LIABILITY INSURANCE IN THE AMOUNTS
40 REQUIRED BY LAW AND PROVIDED FURTHER THAT THE EMPLOYEES OF SUCH EMPLOYER
41 ENGAGED IN INSTALLATIONS HAVE SUCCESSFULLY COMPLETED A COURSE IN
42 CONSTRUCTION SAFETY AND HEALTH APPROVED BY THE UNITED STATES DEPARTMENT
43 OF LABOR'S OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION THAT IS AT
44 LEAST TEN HOURS IN DURATION.

45 (K) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF
46 SEVEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY
47 GENERATOR;

48 (L) "STANDARD SREC OFFER" MEANS AN AGREEMENT BY THE AUTHORITY, ENTERED
49 INTO WITH A RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR IN ADVANCE OF THE
50 INSTALLATION OF A SOLAR ENERGY DEVICE BY SUCH GENERATOR, TO PURCHASE
51 FROM SUCH RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR, FOR A MINIMUM OF
52 SEVEN YEARS, UPON SUCCESSFUL COMPLETION OF THE INSTALLATION OF THE SOLAR
53 ENERGY DEVICE AND, IN THE CASE OF A SOLAR ELECTRIC DEVICE, UPON INTER-
54 CONNECTION TO THE RETAIL DISTRIBUTION SYSTEM, THE SRECS THAT WILL BE
55 GENERATED BY SUCH SOLAR ENERGY DEVICE;

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

(N) "ENHANCED SREC" MEANS A SREC (I) ASSOCIATED WITH RESIDENTIAL OR SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY (A) BUILDING-INTEGRATED SOLAR ENERGY EQUIPMENT OR (B) A SOLAR ENERGY DEVICE THAT CONSISTS OF NEW YORK STATE CONTENT; OR (II) ASSOCIATED WITH RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY A SOLAR ENERGY DEVICE THAT WAS INSTALLED USING QUALIFIED INSTALLERS TO WHOM PAYMENT OF WAGES AND SUPPLEMENTS FOR THE INSTALLATION OF SUCH SOLAR ENERGY DEVICE WAS IN ACCORDANCE WITH THE PREVAILING WAGES AND SUPPLEMENTS THAT WOULD BE APPLICABLE TO A CONTRACT FOR PUBLIC WORK, PURSUANT TO SECTION TWO HUNDRED TWENTY OF THE LABOR LAW, IN THE LOCATION IN WHICH SUCH SOLAR ENERGY DEVICE IS LOCATED AT THE TIME OF SUCH INSTALLATION. FOR EACH SUCH ENHANCING ASPECT, AS PROVIDED FOR IN THIS PARAGRAPH, AN ENHANCED SREC SHALL BE DEEMED TO HAVE THE ENVIRONMENTAL ATTRIBUTES OF AN ADDITIONAL TWENTY-FIVE PERCENT OF ITS UNDERLYING MEGAWATT-HOURS; PROVIDED, HOWEVER, THAT AN ENHANCED SREC SHALL NOT BE DEEMED TO POSSESS ENVIRONMENTAL ATTRIBUTES EXCEEDING ONE HUNDRED AND FIFTY PERCENT OF THE UNDERLYING SREC;

(O) "AMERICAN-MADE CONTENT" MEANS:

(I) A NON-MANUFACTURED GOOD THAT HAS BEEN MINED OR PRODUCED IN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF; OR

(II) A MANUFACTURED GOOD IN WHICH (1) THE COMPONENT SUPPLIES OR MATERIALS OF SUCH GOOD HAVE BEEN SUBSTANTIALLY TRANSFORMED BY A PROCESS OR PROCESSES PERFORMED WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF, OR (2) THE COST OF SUPPLIES THAT HAVE BEEN MINED OR PRODUCED WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF CONSTITUTES AT LEAST FIFTY PERCENT OF THE COST OF ALL SUPPLIES USED IN THE MANUFACTURE;

(P) "NEW YORK STATE CONTENT" MEANS:

(I) A NON-MANUFACTURED GOOD THAT HAS BEEN MINED OR PRODUCED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK; OR

(II) A MANUFACTURED GOOD IN WHICH (1) THE COMPONENT SUPPLIES OR MATERIALS OF SUCH GOOD HAVE BEEN SUBSTANTIALLY TRANSFORMED BY A PROCESS OR PROCESSES PERFORMED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK, OR (2) THE COST OF SUPPLIES THAT HAVE BEEN MINED OR PRODUCED WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE OF NEW YORK CONSTITUTES AT LEAST FIFTY PERCENT OF THE COST OF ALL SUPPLIES USED IN THE MANUFACTURE;

(Q) "KILOWATT," "MEGAWATT," "KILOWATT-HOUR," AND "MEGAWATT-HOUR" SHALL INCLUDE THEIR ENERGY EQUIVALENTS STATED IN TERMS OF BRITISH THERMAL UNITS "BTU."

(R) "COMPLIANCE YEAR" MEANS THE PERIOD BEGINNING ON JULY FIRST AND ENDING ON THE FOLLOWING JUNE THIRTIETH, AND SHALL BE IDENTIFIED ACCORDING TO THE CALENDAR YEAR IN WHICH IT BEGINS;

(S) "SOLAR ALTERNATIVE COMPLIANCE PAYMENT" MEANS A PAYMENT OF A CERTAIN DOLLAR AMOUNT PER MEGAWATT-HOUR, AS ESTABLISHED PURSUANT TO SUBDIVISION THREE OF THIS SECTION THAT THE AUTHORITY MAY SUBMIT TO THE NEW YORK INDEPENDENT SYSTEM OPERATOR "NYISO" IN ORDER TO COMPLY WITH ITS ANNUAL OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

1-A. NOTWITHSTANDING ANY PROVISION OF SUBDIVISION ONE OF THIS SECTION TO THE CONTRARY, ELECTRIC POWER GENERATED BY A SOLAR ENERGY DEVICE LOCATED WITHIN THE JURISDICTIONAL BOUNDARIES OF THIS STATE, THE INSTALLATION OF WHICH WAS COMMENCED ON OR AFTER JULY FIRST TWO THOUSAND ELEVEN AND AT LEAST FIVE PERCENT OF THE TOTAL PROJECT COST OF WHICH WAS

EXPENDED NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN SHALL BE DEEMED "QUALIFIED SOLAR ENERGY GENERATION" AND SRECS ASSOCIATED WITH SUCH A DEVICE MAY BE PURCHASED BY A RETAIL ELECTRIC SUPPLIER TO MEET SUCH SUPPLIER'S ANNUAL OBLIGATIONS UNDER THIS SECTION; AND FURTHER NOTWITHSTANDING ANY PROVISION OF SUBDIVISION ONE OF THIS SECTION TO THE CONTRARY, THE ELECTRIC POWER OR THERMAL ENERGY GENERATED BY A SOLAR ENERGY DEVICE THAT WAS PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES OF THIS STATE PRIOR TO JULY FIRST, TWO THOUSAND TWELVE SHALL UNTIL JUNE THIRTIETH, TWO THOUSAND FIFTEEN BE DEEMED "QUALIFIED SOLAR ENERGY GENERATION" AND SRECS ASSOCIATED WITH SUCH A DEVICE MAY BE PURCHASED BY THE AUTHORITY TO MEET ITS ANNUAL OBLIGATIONS UNDER THIS SECTION UNTIL JUNE THIRTIETH, TWO THOUSAND FIFTEEN.

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
2012	0.05%
2013	0.05%
2014	0.10%
2015	0.15%
2016	0.20%
2017	0.30%
2018	0.40%
2019	0.50%
2020	0.75%
2021	1.00%
2022	1.25%
2023	1.50%
2024	2.00%
2025	2.50%

(B) AT LEAST FORTY PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY, AS ESTABLISHED IN THIS SUBDIVISION, SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

(I) AT LEAST TEN PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RESIDENTIAL DISTRIBUTED SOLAR ENERGY GENERATION;

(II) AT LEAST TEN PERCENT OF SUCH ANNUAL OBLIGATION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION;

(III) AT LEAST TEN PERCENT OF SUCH ANNUAL OBLIGATION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION; AND

(IV) AT LEAST AN ADDITIONAL TEN PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE.

(C) NOT MORE THAN SIXTY PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY MAY BE MET BY THE PROCUREMENT OF SRECS ASSOCIATED WITH ENERGY GENERATION PRODUCED BY SOLAR ENERGY DEVICES LOCATED OUTSIDE OF THE AUTHORITY'S SERVICE TERRITORY.

(D) FOR COMPLIANCE YEAR TWO THOUSAND TWELVE, AT LEAST TEN 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 SOLAR ENERGY DEVICES THAT CONSIST OF AMERICAN-

MADE CONTENT; FOR COMPLIANCE YEAR TWO THOUSAND THIRTEEN AT LEAST TWENTY-FIVE PERCENT OF SUCH OBLIGATION SHALL BE SO MET; FOR COMPLIANCE YEAR TWO THOUSAND FOURTEEN AT LEAST FORTY PERCENT OF SUCH OBLIGATION SHALL BE SO MET; FOR COMPLIANCE YEAR TWO THOUSAND FIFTEEN AT LEAST SIXTY PERCENT OF SUCH OBLIGATION SHALL BE SO MET; AND FOR EACH COMPLIANCE YEAR THEREAFTER AT LEAST EIGHTY PERCENT OF SUCH OBLIGATION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SOLAR ENERGY DEVICES THAT CONSIST OF AMERICAN-MADE CONTENT.

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

(F) 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.

(G) TRANSACTIONS FOR THE PROCUREMENT OF SRECS BY RETAIL ELECTRIC SUPPLIERS FROM QUALIFIED SOLAR ENERGY GENERATORS SHALL BE FOR SRECS IN WHOLE UNITS.

(H) 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 THE AUTHORITY FAILS TO MEET ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, IT SHALL DISCHARGE SUCH OBLIGATIONS BY MAKING A SOLAR ALTERNATIVE COMPLIANCE PAYMENT IN AN AMOUNT ESTABLISHED PURSUANT TO THIS SUBDIVISION.

(B) FOR COMPLIANCE YEAR TWO THOUSAND TWELVE THE ANNUAL SOLAR COMPLIANCE PAYMENT SHALL BE SIX HUNDRED DOLLARS PER MEGAWATT. THE NEW YORK INDEPENDENT SYSTEM OPERATOR "NYISO" SHALL ESTABLISH NO LATER THAN FEBRUARY FIRST, TWO THOUSAND THIRTEEN A SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE THROUGH THE YEAR TWO THOUSAND TWENTY-FIVE AT LEVELS THAT ARE DETERMINED TO BE SUFFICIENT TO STIMULATE THE DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT NECESSARY TO ACHIEVE THE OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. NO LATER THAN FEBRUARY FIRST OF EACH YEAR THEREAFTER, NYISO SHALL ANNUALLY REVIEW SUCH SCHEDULE TO ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL SUFFICIENT TO STIMULATE SUCH DEVELOPMENT AND MAY ADOPT, AFTER APPROPRIATE NOTICE AND OPPORTUNITY FOR PUBLIC COMMENT, AN INCREASE OR DECREASE IN ALTERNATIVE COMPLIANCE PAYMENTS CONSISTENT WITH THE FINDINGS OF SUCH REVIEW, PROVIDED THAT THE AMOUNT PER MEGAWATT OF ANY COMPLIANCE PAYMENT FOR A COMPLIANCE YEAR SHALL BE NOT LESS THAN NINETY PERCENT OF THE AMOUNT PER MEGAWATT OF COMPLIANCE PAYMENTS FOR THE PREVIOUS COMPLIANCE YEAR, AND PROVIDED FURTHER THAT NYISO SHALL NOT REDUCE LEVELS OF PAYMENTS FOR PREVIOUS YEARS, NOR SHALL NYISO PROVIDE RELIEF IN ANY FORM FROM THE OBLIGATION OF PAYMENT OF THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS BY THE AUTHORITY.

(C) FIFTY PERCENT OF ALL MONIES COLLECTED THROUGH SUCH ALTERNATIVE COMPLIANCE PAYMENTS SHALL BE MADE AVAILABLE BY NYISO FOR SOLAR INITIATIVES TO BE UNDERTAKEN BY MUNICIPALITIES IN THE STATE, AND FIFTY PERCENT OF SUCH MONIES SHALL BE DISTRIBUTED TO THE EMPIRE STATE DEVELOPMENT CORPORATION FOR SOLAR INDUSTRY DEVELOPMENT PROGRAMS IN COUNTIES OUTSIDE THE CITY OF NEW YORK.

4. NO LATER THAN MARCH THIRTY-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 FOR THE ACHIEVEMENT OF ITS OBLIGATIONS PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION ESTABLISHED IN

SUBDIVISION TWO OF THIS SECTION. SUCH PLAN SHALL INCLUDE DISTINCT TIME-TABLES AND METHODOLOGIES FOR SOLICITING PROPOSALS FOR SRECS ASSOCIATED WITH THE CATEGORIES OF RESIDENTIAL, SMALL RETAIL, COMMERCIAL, AND OTHER RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILLING ITS SOURCE DIVERSIFICATION REQUIREMENTS ESTABLISHED IN PARAGRAPH (B) OF 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.

5. (A) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS, INCLUDING THE SAVINGS IN AVOIDED COSTS, 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 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 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-FIVE.

6. (A) NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, AND NO LATER THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND TWENTY-SIX, 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 RESIDENTIAL, SMALL RETAIL, AND COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION, AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY CAPACITY THAT WERE PROCURED; (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS AND THE AUTHORITY'S OWNERSHIP OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, RESPECTIVELY; 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.

S 6. If any provision of this act is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent

1 jurisdiction, such portion shall be deemed severable, and such unconsti-
2 tutionality or invalidity shall not affect the validity of the remaining
3 provisions of this act, which remaining provisions shall continue in
4 full force and effect.

5 S 7. This act shall take effect immediately.