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

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:

Section 1. Legislative intent and purpose. It is the intent of the legislature to enable the rapid and sustainable development of a robust solar energy 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 energy and the development of a robust solar industry, including the creation of much needed well-paying jobs, a reduction of the long-term costs of electricity generation for New York's energy consumers, including transmission and distribution costs 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, an increase in the security of the state's energy supplies, the creation of economic opportunities for solar component makers and installation contractors throughout the state, and a decrease in the emission of harmful air pollution, including localized emissions from "peaker" 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

PURSUANT TO SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW, OR (2) WITH RESPECT TO THE INSTALLATION OF A SOLAR THERMAL DEVICE, HOLDS A LICENSE AS A MASTER PLUMBER, 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 PLUMBERS PURSUANT TO SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW; AND

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

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

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

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

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

(M) "SOLAR ALTERNATIVE COMPLIANCE PAYMENT" MEANS A PAYMENT OF A CERTAIN DOLLAR AMOUNT PER MEGAWATT-HOUR, AS ESTABLISHED BY THE COMMISSION PURSUANT TO SUBDIVISION THREE OF THIS SECTION, 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;

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

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

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

(Q) "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;

(R) "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; AND

(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;

(S) "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; AND

(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;

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

(U) "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.

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, ELECTRIC POWER GENERATED BY A SOLAR ENERGY DEVICE THAT WAS PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES OF THIS STATE PRIOR TO JULY FIRST, TWO THOUSAND ELEVEN SHALL UNTIL JUNE THIRTIETH, TWO THOUSAND FIFTEEN 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 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 OR 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

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

3. (A) IN THE EVENT THAT A RETAIL ELECTRIC SUPPLIER 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) NO LATER THAN FEBRUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL ESTABLISH 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, THE COMMISSION 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. THE COMMISSION SHALL NOT REDUCE LEVELS OF PAYMENTS FOR PREVIOUS YEARS.

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

4. (A) NO LATER THAN MARCH THIRTY-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. THE COMMISSION SHALL, IN ADDITION, ESTABLISH A TEMPLATE FOR A STANDARD SREC OFFER FOR THE FUTURE PURCHASE OF SRECS BY RETAIL ELECTRIC SUPPLIERS FROM QUALIFIED SOLAR ENERGY GENERATORS OR PERSONS WHO WILL BECOME QUALIFIED SOLAR ENERGY GENERATORS UPON THE COMPLETION OF A PROPOSED INSTALLATION OF A SOLAR ENERGY DEVICE.

(B) NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL SUBMIT TO THE COMMISSION FOR REVIEW AND APPROVAL 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 TIMETABLES 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 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. THE COMMISSION MAY APPROVE, REJECT OR MODIFY AN APPLICATION FOR APPROVAL OF SUCH 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.

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

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 (A) IN A COST-EFFECTIVE MANNER THAT ACHIEVES THE OBLIGATIONS AT LEAST COST AND AVOIDS LONG-TERM COSTS TO THE TRANSMISSION AND DISTRIBUTION SYSTEM; (B) PROVIDES ENHANCED ELECTRICITY RELIABILITY WITHIN COMPANIES' SERVICE TERRITORIES; AND (C) MINIMIZES PEAK LOAD IN CONSTRAINED AREAS.

7. NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL 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 RESIDENTIAL AND 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.

8. RETAIL CONTRACTS FOR THE SALE OF ELECTRICITY ENTERED INTO BEFORE JANUARY FIRST, TWO THOUSAND THIRTEEN 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 UNDER SOLAR PURCHASE AGREEMENTS AGAINST THE PROCEEDS OF THE SALE OF SRECS, 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 INCLUDING THE SAVINGS IN AVOIDED COSTS, 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 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 REQUIREMENTS FOR A COMPLIANCE YEAR DID NOT EXCEED ONE 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-FIVE.

(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 THIRTEEN, AND NO LATER THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND TWENTY-SIX 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 RESIDENTIAL, SMALL

RETAIL, AND COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION, AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY CAPACITY THAT WERE PROCURED; AND (2) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS AND THE ELECTRIC DISTRIBUTION COMPANY'S OWNERSHIP OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, RESPECTIVELY.

12. THE COMMISSION SHALL, NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, ESTABLISH AN ADMINISTRATIVE PROCESS TO FACILITATE CERTIFICATION BY THE INSTALLER OF A SOLAR ENERGY DEVICE TO THE OWNER OF SUCH DEVICE, FOR PURPOSES OF ESTABLISHING COMPLIANCE WITH QUALIFIED CONDITIONS, DENOMINATING AN ENHANCED SREC, OR ESTABLISHING ELIGIBILITY OF SPECIFIED SRECS TO SATISFY REQUIREMENTS RELATED TO AMERICAN-MADE CONTENT, PURSUANT TO THIS SECTION, SECTION ONE THOUSAND FIVE OF THE PUBLIC AUTHORITIES LAW, OR SECTION ONE THOUSAND TWENTY-HH OF THE PUBLIC AUTHORITIES LAW, THAT THE DEVICE CONSISTS OF AMERICAN-MADE CONTENT OR NEW YORK STATE CONTENT, THAT THE DEVICE WAS INSTALLED BY QUALIFIED INSTALLERS, AND THAT THE PAYMENT OF WAGES AND SUPPLEMENTS FOR THE INSTALLATION OF SUCH 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. SUCH ADMINISTRATIVE PROCESS SHALL INCLUDE ESTABLISHING AND MAINTAINING A DATABASE AND REGISTRY OF SOLAR ENERGY DEVICES AND COMPONENTS THAT CONFORM TO AMERICAN-MADE CONTENT AND NEW YORK STATE CONTENT SPECIFICATIONS, AS PROVIDED IN SUBDIVISION ONE OF THIS SECTION.

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) "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;

(2) "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; PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANY PROVISION OF PARAGRAPH ONE OF THIS SUBDIVISION 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 SUBDIVISION; AND FURTHER NOTWITHSTANDING ANY PROVISION OF PARAGRAPH ONE OF THIS SUBDIVISION TO THE CONTRARY, ELECTRIC POWER 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 SUBDIVISION UNTIL JUNE THIRTIETH, TWO THOUSAND FIFTEEN;

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

(4) "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;

(5) "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;

(6) "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;

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

(8) "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.

(9)(I) "QUALIFIED INSTALLER MEANS: A PERSON WHO (A) 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 PURSUANT TO SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW; AND

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

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

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

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

(11) "STANDARD SREC OFFER" MEANS AN AGREEMENT BY THE AUTHORITY, ENTERED INTO WITH A RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR IN ADVANCE OF THE INSTALLATION OF A SOLAR ENERGY DEVICE BY SUCH GENERATOR, TO PURCHASE FROM SUCH RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR, FOR A MINIMUM OF SEVEN YEARS, UPON SUCCESSFUL COMPLETION OF THE INSTALLATION OF THE SOLAR ENERGY DEVICE AND, IN THE CASE OF A SOLAR ELECTRIC DEVICE, UPON INTERCONNECTION TO THE RETAIL DISTRIBUTION SYSTEM, THE SRECS THAT 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 THE 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%

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%

(2) AT LEAST FORTY PERCENT OF THE ANNUAL OBLIGATION OF THE AUTHORITY, AS ESTABLISHED IN THIS PARAGRAPH, 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 OBLIGATIONS 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.

(3) 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.

(4) 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.

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

(6) 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.

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

(8) 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.

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

(2) 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 PARAGRAPH (B) OF THIS SUBDIVISION. 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.

(3) 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 OF THE CITY OF NEW YORK.

D. 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 PARAGRAPH (B) OF THIS SUBDIVISION. SUCH PLAN SHALL INCLUDE DISTINCT TIMETABLES 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 SUBPARAGRAPH TWO OF 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.

E. (1) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES, INCLUDING SAVINGS IN AVOIDED COSTS, 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, EXCEED 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 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 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-FIVE.

F. (1) 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, 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 RESIDENTIAL, SMALL RETAIL, AND COMMERCIAL DISTRIBUTED SOLAR ENERGY GENERATION, AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY CAPACITY THAT WERE PROCURED; AND (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS AND THE AUTHORITY'S OWNERSHIP OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, RESPECTIVELY.

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 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) "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;

(C) "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;

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

(E) "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;

(F) "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;

(G) "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;

(H) "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;

(I) "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;

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

A PERSON WHO: (A) 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 PURSUANT TO SECTION EIGHT HUNDRED ELEVEN OF THE LABOR LAW; AND

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

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

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

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

(L) "STANDARD SREC OFFER" MEANS AN AGREEMENT BY THE AUTHORITY, ENTERED INTO WITH A RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR IN ADVANCE OF THE INSTALLATION OF A SOLAR ENERGY DEVICE BY SUCH GENERATOR, TO PURCHASE FROM SUCH RETAIL DISTRIBUTED SOLAR ENERGY GENERATOR, FOR A MINIMUM OF SEVEN YEARS, UPON SUCCESSFUL COMPLETION OF THE INSTALLATION OF THE SOLAR ENERGY DEVICE AND, IN THE CASE OF A SOLAR ELECTRIC DEVICE, UPON INTERCONNECTION TO THE RETAIL DISTRIBUTION SYSTEM, THE SRECS THAT WILL BE 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 TIMETABLES 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

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 7. This act shall take effect immediately.