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

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I N A S S E M B L Y

(PREFILED)

January 5, 2011

Introduced by M. of A. CAHILL, HEVESI, ENGLEBRIGHT, ROSENTHAL -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to New York state renewable electric generation pilot programs

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

Section 1. The public service law is amended by adding a new section 73 to read as follows:

S 73. NEW YORK STATE RENEWABLE ELECTRIC GENERATION PILOT PROGRAMS. 1. THE COMMISSION SHALL ESTABLISH NEW YORK STATE RENEWABLE ELECTRIC GENERATION PILOT PROGRAMS TO AUTHORIZE THE DEVELOPMENT OF UP TO THREE HUNDRED MEGAWATTS OF RENEWABLE ELECTRIC CAPACITY STATEWIDE, IN ORDER TO STIMULATE THE GROWTH OF CLEAN, AFFORDABLE, AND RELIABLE SOURCES OF ENERGY AND TO FOSTER NEW PARTNERSHIPS BETWEEN ELECTRIC CORPORATIONS, ENERGY PRODUCERS AND ENERGY CUSTOMERS IN NEW YORK STATE.

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

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

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

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

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(III) A DESCRIPTION OF ANY EQUIPMENT OR INSTALLATION SPECIFICATIONS, SOLICITATIONS, AND PROCUREMENTS IT HAS IMPLEMENTED OR INTENDS TO IMPLEMENT;

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

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

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

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

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

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

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

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

(V) OPERATE IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS ESTABLISHED BY THE COMMISSION; AND

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

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

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

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