

5713

2011-2012 Regular Sessions

I N A S S E M B L Y

February 25, 2011

Introduced by M. of A. ENGLEBRIGHT, CAHILL, SCHIMEL, BRENNAN, ROSENTHAL, CRESPO -- Multi-Sponsored by -- M. of A. BOYLE, HEASTIE, McENENY, MILLMAN, RAIA, REILLY -- read once and referred to the Committee on Ways and Means

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 power 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 power, including the significant creation of much needed jobs, a
8 reduction of the long-term costs of electricity generation for New
9 York's energy consumers, including transmission and distribution costs
10 that continue to accelerate in proportion to overall electricity supply
11 costs for the residents of this state, increased reliability of the
12 state's electric grid, and a decrease in the emission of harmful air
13 pollution, including localized emissions from "peaker" plants and green-
14 house gas emissions. By establishing such a program, New York will
15 create a solar energy enterprise that will elevate the state to be among
16 the world's cutting edge clean energy industry leaders, while helping to
17 secure increased economic development for New Yorkers.
18 S 2. Short title. This act shall be known and may be cited as the
19 "New York solar industry development and jobs act of 2011".

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

LBD08692-02-1

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

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

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

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

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

15 (D) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED BY A
16 PHOTOVOLTAIC DEVICE THAT IS PLACED IN SERVICE WITHIN THE JURISDICTIONAL
17 BOUNDARIES OF THE STATE ON OR AFTER JANUARY FIRST, TWO THOUSAND TEN,
18 THAT IS NOT SUBJECT TO A POWER PURCHASE AGREEMENT;

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

21 (F) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR
22 ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS INTERCON-
23 NECTED TO THE DISTRIBUTION SYSTEM ON THE CUSTOMER SIDE OF THE ELECTRIC
24 DISTRIBUTION COMPANY METER;

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

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

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

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

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

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

| 46 COMPLIANCE | ANNUAL |
|---------------|-------------|
| 47 YEAR | REQUIREMENT |
| 48 2013 | 0.05% |
| 49 2014 | 0.10% |
| 50 2015 | 0.15% |
| 51 2016 | 0.20% |
| 52 2017 | 0.30% |
| 53 2018 | 0.40% |
| 54 2019 | 0.50% |
| 55 2020 | 0.75% |
| 56 2021 | 1.00% |

| | | |
|---|------|-------|
| 1 | 2022 | 1.25% |
| 2 | 2023 | 1.50% |
| 3 | 2024 | 2.00% |
| 4 | 2025 | 2.50% |

5 (B) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO
6 EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY
7 SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL
8 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST AN ADDITIONAL
9 THIRTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO EACH RETAIL ELEC-
10 TRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE MET
11 THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED
12 SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE.

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

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

20 (E) THE COMMISSION, IN COORDINATION WITH THE NEW YORK STATE ENERGY
21 RESEARCH AND DEVELOPMENT AUTHORITY AND THE WHOLESALE GRID OPERATOR,
22 SHALL ESTABLISH AN AUTOMATED SREC TRACKING SYSTEM WITHIN THREE MONTHS OF
23 THE EFFECTIVE DATE OF THIS SECTION.

24 (F) SRECS SHALL BE ELIGIBLE FOR USE IN MEETING THE OBLIGATIONS ESTAB-
25 LISHED IN THIS SUBDIVISION IN THE COMPLIANCE YEAR IN WHICH THEY ARE
26 CREATED AND FOR THE FOLLOWING TWO COMPLIANCE YEARS.

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

35 (B) NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION
36 SHALL ESTABLISH A SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE THROUGH
37 THE YEAR TWO THOUSAND TWENTY-FIVE, AND SHALL ANNUALLY REVIEW SUCH SCHED-
38 ULE TO ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL TO STIMULATE THE
39 DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, IN
40 ACCORDANCE WITH THE PREVIOUS SUBDIVISION. ONCE SUCH SCHEDULE IS ESTAB-
41 LISHED, THE COMMISSION MAY ADOPT, AFTER APPROPRIATE NOTICE AND OPPORTU-
42 NITY FOR PUBLIC COMMENT, AN INCREASE IN ALTERNATIVE COMPLIANCE PAYMENTS,
43 PROVIDED THAT THE COMMISSION SHALL NOT REDUCE PREVIOUSLY ESTABLISHED
44 LEVELS OF PAYMENTS, NOR SHALL THE COMMISSION PROVIDE RELIEF FROM THE
45 OBLIGATION OF PAYMENT OF THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS BY
46 THE RETAIL ELECTRIC SUPPLIERS IN ANY FORM.

47 (C) THE COMMISSION SHALL MAKE AVAILABLE ALL MONIES FROM AMOUNTS
48 COLLECTED THROUGH SUCH ALTERNATIVE COMPLIANCE PAYMENTS FOR SOLAR INITI-
49 ATIVES TO BE DEVELOPED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVEL-
50 OPMENT AUTHORITY.

51 4. (A) NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMIS-
52 SION SHALL ESTABLISH A TEMPLATE FOR SOLAR PURCHASE AGREEMENTS TO BE USED
53 BY RETAIL ELECTRIC SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES
54 FOR THEIR PROCUREMENT OF SRECS FOR THE PURPOSE OF FULFILLING THEIR OBLI-
55 GATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

1 (B) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
2 COMPANY SHALL, NOT LATER THAN JULY FIRST, TWO THOUSAND TWELVE, SUBMIT
3 FOR COMMISSION REVIEW AND APPROVAL A SOLAR SOLICITATION PLAN THAT SHALL
4 INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS
5 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL
6 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-
7 ING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE
8 ELECTRIC DISTRIBUTION COMPANY'S SOLAR SOLICITATION PLAN SHALL BE
9 DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION
10 AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS
11 CONSIDERATIONS. A SEPARATE SOLICITATION PROCESS SHALL BE CONDUCTED FOR
12 THE PROCUREMENTS OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENER-
13 GY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO
14 HUNDRED FIFTY KILOWATTS IN SIZE.

15 (C) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
16 COMPANY SHALL EXECUTE ITS APPROVED SOLICITATION PLAN AND SUBMIT FOR
17 COMMISSION REVIEW AND APPROVAL ITS PREFERRED SOLAR PROCUREMENT PLAN
18 COMPRISED OF PROPOSED SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED
19 WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIB-
20 UTED SOLAR ENERGY GENERATION. THE COMMISSION MAY APPROVE, REJECT OR
21 MODIFY AN APPLICATION FOR APPROVAL OF SUCH PLAN, PROVIDED THAT THE
22 COMMISSION SHALL APPROVE SUCH PLAN IF THE COMMISSION FINDS THAT: (I) THE
23 SOLICITATION AND EVALUATION CONDUCTED BY THE ELECTRIC DISTRIBUTION
24 COMPANY WAS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT
25 PROCESS; (II) APPROVAL OF THE SOLAR PROCUREMENT PLAN WOULD RESULT IN THE
26 ACHIEVEMENT OF THE DISTRIBUTION COMPANY'S OBLIGATIONS PERTAINING TO THE
27 PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION
28 OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION AT THE
29 LOWEST REASONABLE COST; AND (III) SUCH PROCUREMENT PLAN SATISFIES OTHER
30 CRITERIA AS MAY BE ESTABLISHED IN THE APPROVED SOLICITATION PLAN. IF THE
31 COMMISSION DOES NOT APPROVE, REJECT OR MODIFY THE DISTRIBUTION COMPANY'S
32 APPLICATION WITHIN SIXTY DAYS, THE PROCUREMENT PLAN SHALL BE DEEMED
33 APPROVED.

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

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

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

55 7. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION
56 SHALL, IN CONSULTATION WITH THE NEW YORK STATE ENERGY RESEARCH AND

1 DEVELOPMENT AUTHORITY, ESTABLISH THE TERMS AND CONDITIONS THAT SHALL BE
2 APPLICABLE TO SOLAR PURCHASE AGREEMENTS ENTERED INTO BY RETAIL ELECTRIC
3 SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES FOR THE PROCUREMENT
4 OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENER-
5 ATION, FOR THE PURPOSE OF ACHIEVING SUCH COMPANIES' OBLIGATIONS PERTAIN-
6 ING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN SUBDIVISION
7 TWO OF THIS SECTION. SUCH TERMS AND CONDITIONS SHALL INCLUDE A TARIFF,
8 AS ESTABLISHED BY THE COMMISSION IN CONJUNCTION WITH THE NEW YORK STATE
9 ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, FOR THE PROCUREMENT OF SRECS
10 ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, TO BE
11 PAID BY ELECTRIC DISTRIBUTION COMPANIES TO APPLICABLE QUALIFIED SOLAR
12 ENERGY GENERATORS. THE COMMISSION, IN CONJUNCTION WITH THE NEW YORK
13 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, SHALL ESTABLISH A SEPA-
14 RATE TARIFF FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL
15 DISTRIBUTED SOLAR ENERGY GENERATION THAT IS PRODUCED BY BUILDING INTE-
16 GRATED PHOTOVOLTAIC EQUIPMENT, WHICH SHALL BE EQUIVALENT TO ONE HUNDRED
17 TWENTY-FIVE PERCENT OF THE TARIFF APPLICABLE TO SRECS ASSOCIATED WITH
18 OTHER SOURCES OF SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. THE
19 COMMISSION, IN CONJUNCTION WITH THE NEW YORK STATE ENERGY RESEARCH AND
20 DEVELOPMENT AUTHORITY, SHALL REVIEW SUCH TARIFFS EVERY TWO YEARS AND
21 ADJUST AS NECESSARY TO ACHIEVE THE OBLIGATIONS PERTAINING TO SRECS ASSO-
22 CIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED
23 IN SUBDIVISION TWO OF THIS SECTION.

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

28 9. EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
29 COMPANY SHALL BE PERMITTED TO CONSTRUCT, OWN AND OPERATE QUALIFIED SOLAR
30 ENERGY GENERATION EQUIPMENT FOR THE PURPOSE OF COMPLYING WITH THE COMPA-
31 NY'S OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION;
32 PROVIDED, HOWEVER, THAT THE SRECS ASSOCIATED WITH THE QUALIFIED SOLAR
33 ENERGY GENERATION PRODUCED BY SUCH EQUIPMENT SHALL NOT, IN THE AGGRE-
34 GATE, COMPRISE GREATER THAN TWENTY-FIVE PERCENT OF SUCH COMPANY'S OBLI-
35 GATIONS, AS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, IN ANY
36 CALENDAR YEAR. NO ELECTRIC DISTRIBUTION COMPANY MAY RECOVER PRUDENTLY
37 INCURRED COSTS ASSOCIATED WITH THE CONSTRUCTION OF QUALIFIED SOLAR ENER-
38 GY GENERATION EQUIPMENT WITHOUT OBTAINING PRIOR APPROVAL FOR THE COSTS
39 FROM THE COMMISSION.

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

51 11. (A) WITHIN THIRTY DAYS OF THE SUBMISSION OF THE ANNUAL COMPLIANCE
52 REPORTS FILED BY RETAIL ELECTRIC SUPPLIERS PURSUANT TO SUBDIVISION
53 TWELVE OF THIS SECTION, THE COMMISSION SHALL DETERMINE THE COMBINED
54 TOTAL ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS MADE BY RETAIL
55 ELECTRIC SUPPLIERS FOR THE PURPOSES OF MEETING THE ANNUAL REQUIREMENT
56 SET FORTH IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE

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

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

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

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

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

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

GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; (2) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS AND THE ELECTRIC DISTRIBUTION COMPANY'S OWNERSHIP OF QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, RESPECTIVELY; AND (3) THE AMOUNT PAID TO QUALIFIED SOLAR ENERGY GENERATORS THROUGH TARIFFS ESTABLISHED PURSUANT TO SUBDIVISION SEVEN OF THIS SECTION FOR SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION.

S 4. Section 1005 of the public authorities law is amended by adding a new subdivision 17 to read as follows:

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

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

(2) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED BY A PHOTOVOLTAIC DEVICE THAT IS PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE ON OR AFTER JANUARY FIRST, TWO THOUSAND TEN, THAT IS NOT SUBJECT TO A POWER PURCHASE AGREEMENT;

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

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

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

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

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

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

| COMPLIANCE | ANNUAL |
|------------|-------------|
| YEAR | REQUIREMENT |
| 2013 | 0.25% |
| 2014 | 0.55% |
| 2015 | 0.70% |
| 2016 | 0.90% |
| 2017 | 1.10% |
| 2018 | 1.30% |
| 2019 | 1.50% |
| 2020 | 1.75% |
| 2021 | 2.00% |
| 2022 | 2.50% |
| 2023 | 3.00% |
| 2024 | 3.50% |
| 2025 | 4.50% |

(2) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN THIS PARAGRAPH SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED

1 WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST AN
2 ADDITIONAL THIRTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN THIS
3 PARAGRAPH SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH
4 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY
5 SIZE.

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

9 (4) THE AUTHORITY MAY MEET ITS OBLIGATIONS ESTABLISHED IN THIS PARA-
10 GRAPH THROUGH THE PROCUREMENT OF SRECS TOGETHER WITH OR SEPARATE FROM
11 THE ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION.

12 C. (1) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY
13 SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESI-
14 DENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMIT-
15 TEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN THAT
16 SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR
17 SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL
18 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-
19 ING ITS OBLIGATIONS ESTABLISHED IN PARAGRAPH B OF THIS SUBDIVISION. THE
20 AUTHORITY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVER-
21 SITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOM-
22 ER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. A SEPARATE
23 SOLICITATION PROCESS SHALL BE CONDUCTED FOR THE PROCUREMENT OF SRECS
24 ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY
25 EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN
26 SIZE.

27 (2) THE AUTHORITY SHALL EXECUTE ITS SOLICITATION PLAN AND SHALL SUBMIT
28 TO THE COMPTROLLER, GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESI-
29 DENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMIT-
30 TEES, AND SHALL POST ON ITS WEBSITE, ITS SOLAR PROCUREMENT PLAN
31 COMPRISED OF ANY SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH
32 QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED
33 SOLAR ENERGY GENERATION. THE COMPTROLLER SHALL REVIEW SUCH PLAN TO
34 ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANS-
35 PARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEM-
36 BLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND
37 ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

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

45 D. (1) NO LATER THAN JULY FIRST, TWO THOUSAND FOURTEEN, AND NO LATER
46 THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND
47 TWENTY-SIX, THE AUTHORITY SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE
48 ASSEMBLY, MAJORITY LEADER OF THE SENATE, AND CHAIRS OF THE SENATE AND
49 ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT
50 REGARDING ITS PROGRESS IN MEETING ITS OBLIGATIONS ESTABLISHED IN PARA-
51 GRAPH B OF THIS SUBDIVISION.

52 (2) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS PARAGRAPH
53 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND
54 FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS
55 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE
56 PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN PARAGRAPH

B OF THIS SUBDIVISION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; 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 PHOTOVOLTAIC EQUIPMENT" MEANS A PHOTOVOLTAIC DEVICE THAT DIRECTLY FUNCTIONS AS A PART OF THE ENVELOPE OF A BUILDING INCLUDING INTEGRATED ROOF COVER, FACADE OR BUILDING CLADDING, GLAZED SURFACES, SOLAR SHADING DEVICES, CANOPIES AND SKYLIGHTS;

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

(C) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED BY A PHOTOVOLTAIC DEVICE THAT IS PLACED IN SERVICE WITHIN THE JURISDICTIONAL BOUNDARIES OF THE STATE ON OR AFTER JANUARY FIRST, TWO THOUSAND TEN, THAT IS NOT SUBJECT TO A POWER PURCHASE AGREEMENT;

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

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

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

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

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

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

| COMPLIANCE | ANNUAL |
|------------|-------------|
| YEAR | REQUIREMENT |
| 2013 | 0.25% |
| 2014 | 0.55% |
| 2015 | 0.70% |
| 2016 | 0.90% |
| 2017 | 1.10% |
| 2018 | 1.30% |
| 2019 | 1.50% |
| 2020 | 1.75% |
| 2021 | 2.00% |
| 2022 | 2.50% |

| | | |
|---|------|-------|
| 1 | 2023 | 3.00% |
| 2 | 2024 | 3.50% |
| 3 | 2025 | 4.50% |

4 (B) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN
5 THIS SUBDIVISION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCI-
6 ATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST
7 AN ADDITIONAL THIRTY PERCENT OF THE ANNUAL OBLIGATION ESTABLISHED IN
8 THIS SUBDIVISION SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCI-
9 ATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIP-
10 MENT OF ANY SIZE.

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

14 (D) THE AUTHORITY MAY MEET ITS OBLIGATIONS ESTABLISHED IN THIS SUBDI-
15 VISION THROUGH THE PROCUREMENT OF SRECS TOGETHER WITH OR SEPARATE FROM
16 THE ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION.

17 3. (A) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY
18 SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESI-
19 DENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMIT-
20 TEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN THAT
21 SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR
22 SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL
23 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-
24 ING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE
25 AUTHORITY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVER-
26 SITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOM-
27 ER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. A SEPARATE
28 SOLICITATION PROCESS SHALL BE CONDUCTED FOR THE PROCUREMENT OF SRECS
29 ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY
30 EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN
31 SIZE.

32 (B) THE AUTHORITY SHALL EXECUTE ITS SOLICITATION PLAN AND SHALL SUBMIT
33 TO THE COMPTROLLER, GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESI-
34 DENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMIT-
35 TEES, AND SHALL POST ON ITS WEBSITE, ITS SOLAR PROCUREMENT PLAN
36 COMPRISED OF ANY SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH
37 QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED
38 SOLAR ENERGY GENERATION. THE COMPTROLLER SHALL REVIEW SUCH PLAN TO
39 ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANS-
40 PARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEM-
41 BLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND
42 ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

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

50 4. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY
51 SHALL ESTABLISH A TARIFF THAT IT SHALL PAY TO APPLICABLE QUALIFIED SOLAR
52 ENERGY GENERATORS WITH WHICH THE AUTHORITY ENTERS INTO SOLAR PURCHASE
53 AGREEMENTS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL
54 DISTRIBUTED SOLAR ENERGY GENERATION FOR THE PURPOSE OF ACHIEVING THE
55 AUTHORITY'S OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SUCH GENER-
56 ATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY

1 SHALL ESTABLISH A SEPARATE TARIFF FOR THE PROCUREMENT OF SRECS ASSOCI-
2 ATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION THAT IS
3 PRODUCED BY BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT, WHICH SHALL BE
4 EQUIVALENT TO ONE HUNDRED TWENTY-FIVE PERCENT OF THE TARIFF APPLICABLE
5 TO SRECS ASSOCIATED WITH OTHER SOURCES OF SMALL RETAIL DISTRIBUTED SOLAR
6 ENERGY GENERATION. THE AUTHORITY SHALL REVIEW SUCH TARIFFS EVERY TWO
7 YEARS AND ADJUST AS NECESSARY TO ACHIEVE ITS OBLIGATIONS PERTAINING TO
8 SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION
9 ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

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

19 (B) IF THE LIMITATION PROVIDED FOR IN PARAGRAPH (A) OF THIS SUBDIVI-
20 SION IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE AUTHORITY
21 THAT ITS ANNUAL EXPENDITURE FOR THE PROCUREMENT OF SRECS MADE FOR THE
22 PURPOSES OF MEETING ITS ANNUAL REQUIREMENT FOR A COMPLIANCE YEAR DID NOT
23 EXCEED ONE AND ONE-HALF PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVEN-
24 UES FOR SUCH COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMMEDIATELY
25 FOLLOWING THE END OF THE LIMITATION PURSUANT TO THIS PARAGRAPH, THE
26 APPLICABLE ANNUAL REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN
27 PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE COMPLIANCE YEAR
28 IMMEDIATELY FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN
29 PARAGRAPH (A) OF THIS SUBDIVISION WAS TRIGGERED. THE ANNUAL REQUIREMENT
30 SHALL CONTINUE TO INCREASE IN THE INCREMENTS PROVIDED FOR IN PARAGRAPH
31 (A) OF SUBDIVISION TWO OF THIS SECTION FOR EACH SUBSEQUENT YEAR UNTIL
32 THE ANNUAL REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH PARA-
33 GRAPH FOR COMPLIANCE YEAR TWO THOUSAND TWENTY-FIVE.

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

41 (B) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION
42 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND
43 FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS
44 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE
45 PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN SUBDIVI-
46 SION TWO OF THIS SECTION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED
47 WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIB-
48 UTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN
49 FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED
50 SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE
51 PROCURED; (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE
52 AGREEMENTS AND THE AUTHORITY'S OWNERSHIP OF QUALIFIED SOLAR ENERGY
53 GENERATION EQUIPMENT, RESPECTIVELY; (IV) THE AMOUNT PAID TO QUALIFIED
54 SOLAR ENERGY GENERATORS FOR SRECS ASSOCIATED WITH SMALL RETAIL DISTRIB-
55 UTED SOLAR ENERGY GENERATION THROUGH THE TARIFFS ESTABLISHED PURSUANT TO
56 SUBDIVISION FOUR OF THIS SECTION; AND (V) THE ANNUAL RETAIL ELECTRICITY

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

4 S 6. If any provision of this act is, for any reason, declared uncon-
5 stitutional or invalid, in whole or in part, by any court of competent
6 jurisdiction, such portion shall be deemed severable, and such unconsti-
7 tutionality or invalidity shall not affect the validity of the remaining
8 provisions of this act, which remaining provisions shall continue in
9 full force and effect.

10 S 7. This act shall take effect immediately; provided, however, that
11 this act shall expire and be deemed repealed on the date the chairman of
12 the public service commission notifies the legislative bill drafting
13 commission of the occurrence of the implementation of a substantially
14 similar federal program.