

5713--B

2011-2012 Regular Sessions

I N   A S S E M B L Y

February 25, 2011

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

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

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

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costs for the residents of this state, increased reliability of the state's electric grid, 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 York will create a solar energy enterprise that will elevate the state to be among the world's cutting edge clean energy industry leaders, while helping to secure increased economic development for New Yorkers.

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

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

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

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

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

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

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

(E) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

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

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

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

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

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

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

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

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

COMPLIANCE	ANNUAL
YEAR	REQUIREMENT
2013	0.15%
2014	0.20%
2015	0.30%
2016	0.50%
2017	0.75%
2018	1.00%
2019	1.25%
2020	1.50%
2021	1.80%
2022	2.10%
2023	2.40%
2024	2.70%
2025	3.00%

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

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

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

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

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

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

(B) NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION SHALL ESTABLISH A SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE THROUGH THE YEAR TWO THOUSAND TWENTY-FIVE, AND SHALL ANNUALLY REVIEW SUCH SCHEDULE TO ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL TO STIMULATE THE DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT, IN ACCORDANCE WITH THE PREVIOUS SUBDIVISION. ONCE SUCH SCHEDULE IS ESTABLISHED, THE COMMISSION MAY ADOPT, AFTER APPROPRIATE NOTICE AND OPPORTUNITY FOR PUBLIC COMMENT, AN INCREASE IN ALTERNATIVE COMPLIANCE PAYMENTS,

1 PROVIDED THAT THE COMMISSION SHALL NOT REDUCE PREVIOUSLY ESTABLISHED  
2 LEVELS OF PAYMENTS, NOR SHALL THE COMMISSION PROVIDE RELIEF FROM THE  
3 OBLIGATION OF PAYMENT OF THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS BY  
4 THE RETAIL ELECTRIC SUPPLIERS IN ANY FORM.

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

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

14 (B) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION  
15 COMPANY SHALL, NOT LATER THAN JULY FIRST, TWO THOUSAND TWELVE, SUBMIT  
16 FOR COMMISSION REVIEW AND APPROVAL A SOLAR SOLICITATION PLAN THAT SHALL  
17 INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS  
18 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL  
19 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-  
20 ING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE  
21 ELECTRIC DISTRIBUTION COMPANY'S SOLAR SOLICITATION PLAN SHALL BE  
22 DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION  
23 AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS  
24 CONSIDERATIONS. A SEPARATE SOLICITATION PROCESS SHALL BE CONDUCTED FOR  
25 THE PROCUREMENTS OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENER-  
26 GY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO  
27 HUNDRED FIFTY KILOWATTS IN SIZE.

28 (C) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION  
29 COMPANY SHALL EXECUTE ITS APPROVED SOLICITATION PLAN AND SUBMIT FOR  
30 COMMISSION REVIEW AND APPROVAL ITS PREFERRED SOLAR PROCUREMENT PLAN  
31 COMPRISED OF PROPOSED SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED  
32 WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIB-  
33 UTED SOLAR ENERGY GENERATION. THE COMMISSION MAY APPROVE, REJECT OR  
34 MODIFY AN APPLICATION FOR APPROVAL OF SUCH PLAN, PROVIDED THAT THE  
35 COMMISSION SHALL APPROVE SUCH PLAN IF THE COMMISSION FINDS THAT: (I) THE  
36 SOLICITATION AND EVALUATION CONDUCTED BY THE ELECTRIC DISTRIBUTION  
37 COMPANY WAS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT  
38 PROCESS; (II) APPROVAL OF THE SOLAR PROCUREMENT PLAN WOULD RESULT IN THE  
39 ACHIEVEMENT OF THE DISTRIBUTION COMPANY'S OBLIGATIONS PERTAINING TO THE  
40 PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION  
41 OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION AT THE  
42 LOWEST REASONABLE COST; AND (III) SUCH PROCUREMENT PLAN SATISFIES OTHER  
43 CRITERIA AS MAY BE ESTABLISHED IN THE APPROVED SOLICITATION PLAN. IF THE  
44 COMMISSION DOES NOT APPROVE, REJECT OR MODIFY THE DISTRIBUTION COMPANY'S  
45 APPLICATION WITHIN SIXTY DAYS, THE PROCUREMENT PLAN SHALL BE DEEMED  
46 APPROVED.

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

53 5. EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION  
54 COMPANY SHALL BE ENTITLED TO RECOVER THE PRUDENTLY INCURRED COSTS OF  
55 COMPLYING WITH ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS  
56 SECTION, AS DETERMINED BY THE COMMISSION. ALL SUCH COSTS SHALL BE RECOV-

1 ERED THROUGH THE SUPPLY PORTION OF EACH ELECTRIC CUSTOMER'S BILL IN A  
2 COMPETITIVELY NEUTRAL MANNER.

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

12 7. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE COMMISSION  
13 SHALL, IN CONSULTATION WITH THE NEW YORK STATE ENERGY RESEARCH AND  
14 DEVELOPMENT AUTHORITY, ESTABLISH THE TERMS AND CONDITIONS THAT SHALL BE  
15 APPLICABLE TO SOLAR PURCHASE AGREEMENTS ENTERED INTO BY RETAIL ELECTRIC  
16 SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES FOR THE PROCUREMENT  
17 OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENER-  
18 ATION, FOR THE PURPOSE OF ACHIEVING SUCH COMPANIES' OBLIGATIONS PERTAIN-  
19 ING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN SUBDIVISION  
20 TWO OF THIS SECTION. SUCH TERMS AND CONDITIONS SHALL INCLUDE A TARIFF,  
21 AS ESTABLISHED BY THE COMMISSION IN CONJUNCTION WITH THE NEW YORK STATE  
22 ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, FOR THE PROCUREMENT OF SRECS  
23 ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, TO BE  
24 PAID BY ELECTRIC DISTRIBUTION COMPANIES TO APPLICABLE QUALIFIED SOLAR  
25 ENERGY GENERATORS. THE COMMISSION, IN CONJUNCTION WITH THE NEW YORK  
26 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, SHALL CONSIDER COST  
27 DIFFERENCES BETWEEN VARIOUS MARKET SEGMENTS, INCLUDING RESIDENTIAL,  
28 COMMERCIAL AND NOT-FOR-PROFIT, AND APPLICATIONS, SUCH AS BUILDING INTE-  
29 GRATED PHOTOVOLTAIC EQUIPMENT, AS WELL AS AVAILABLE FEDERAL TAX INCEN-  
30 TIVES; AND SHALL DETERMINE WHETHER SUCH COST DIFFERENCES ARE MATERIAL  
31 SUCH THAT MARKET OR APPLICATION SPECIFIC TARIFFS ARE WARRANTED. THE  
32 COMMISSION, IN CONJUNCTION WITH THE NEW YORK STATE ENERGY RESEARCH AND  
33 DEVELOPMENT AUTHORITY, SHALL, AT LEAST ANNUALLY, REVIEW SUCH TARIFFS AND  
34 ADJUST AS NECESSARY TO ACHIEVE THE OBLIGATIONS PERTAINING TO SRECS ASSO-  
35 CIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED  
36 IN SUBDIVISION TWO OF THIS SECTION. THE COMMISSION MAY ALSO INSTITUTE,  
37 AFTER NOTICE AND OPPORTUNITY FOR PUBLIC INPUT, A MECHANISM THAT ALLOWS  
38 FOR ADJUSTMENT TO THE TARIFF RATE BASED ON ELECTRIC DISTRIBUTION COMPA-  
39 NIES' PROCUREMENT OF SRECS, RELATIVE TO THE ANNUAL TARGETS FOR SMALL  
40 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. ANY SUCH ADJUSTMENTS SHALL  
41 BE APPLIED PROSPECTIVELY, AND SHALL NOT AFFECT THE TARIFF RATE OF SMALL  
42 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ALREADY ENROLLED.

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

47 9. EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION  
48 COMPANY SHALL BE PERMITTED TO RESELL OR OTHERWISE DISPOSE OF SRECS AND  
49 ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION PROCURED BY SUCH COMPA-  
50 NY THAT IS IN EXCESS OF ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO  
51 OF THIS SECTION, PROVIDED THE COMPANY SHALL NET THE COST OF PAYMENTS  
52 MADE FOR SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION  
53 UNDER SOLAR PURCHASE AGREEMENTS AGAINST THE PROCEEDS OF THE SALE OF  
54 SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION, AND THE  
55 DIFFERENCE SHALL BE CREDITED OR CHARGED TO THE ELECTRIC DISTRIBUTION

1 COMPANY'S CUSTOMERS THROUGH A RECONCILING COMPONENT OF ELECTRIC RATES,  
2 AS DETERMINED BY THE COMMISSION.

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

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

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

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

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

48 (C) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION  
49 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR EACH RETAIL ELECTRIC SUPPLIER  
50 FOR THE PREVIOUS CALENDAR YEAR AND FOR THE TOTAL OF ALL CALENDAR YEARS  
51 TO DATE: (I) THE ACTUAL NUMBER OF MEGAWATT-HOURS OF QUALIFIED SOLAR  
52 ENERGY GENERATION SOLD AT RETAIL TO NEW YORK END-USE CUSTOMERS AND THE  
53 TOTAL NUMBER OF MEGAWATT-HOURS SOLD AT RETAIL TO NEW YORK END-USE  
54 CUSTOMERS; (II) THE NUMBER OF SRECS ASSOCIATED WITH QUALIFIED SOLAR  
55 ENERGY GENERATION THAT WERE RETIRED FOR THE PURPOSES OF MEETING THE  
56 SUPPLIER'S OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION;

1 (III) THE AMOUNT, IF ANY, OF SOLAR ALTERNATIVE COMPLIANCE PAYMENTS MADE;  
2 AND (IV) ITS ANNUAL RETAIL ELECTRICITY SALES REVENUE AND EXPENDITURES  
3 FOR THE PROCUREMENT OF SRECS MADE FOR THE PURPOSES OF MEETING THE APPLI-  
4 CABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION NEED ONLY BE  
5 REPORTED FOR THE PREVIOUS CALENDAR YEAR. SUCH REPORT SHALL ALSO  
6 INCLUDE, FOR EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIB-  
7 UTION COMPANY: (1) THE NUMBER OF SRECS EACH ASSOCIATED WITH SMALL RETAIL  
8 DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIBUTED SOLAR ENERGY  
9 GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO  
10 HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY  
11 GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; (2) THE  
12 NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS; AND (3)  
13 THE AMOUNT PAID TO QUALIFIED SOLAR ENERGY GENERATORS THROUGH TARIFFS  
14 ESTABLISHED PURSUANT TO SUBDIVISION SEVEN OF THIS SECTION FOR SRECS  
15 ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION.

16 12. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SECTION, NOT OTHERWISE  
17 REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF  
18 WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE  
19 UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION  
20 EQUIPMENT RATED AT ONE MEGAWATT OR MORE A WAGE OF NOT LESS THAN THE  
21 PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY WHERE SUCH  
22 INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR THE DURA-  
23 TION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED PURSUANT TO  
24 THIS SECTION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND BEYOND THE  
25 AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR SUBJECT TO THE  
26 PROVISIONS OF THIS SECTION SHALL MAINTAIN PAYROLL RECORDS IN ACCORDANCE  
27 WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

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

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

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

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

39 (3) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED BY A  
40 PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OF AN  
41 ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE AFTER JANUARY FIRST, TWO  
42 THOUSAND ELEVEN;

43 (4) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A PHOTOVOL-  
44 TAIC DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENERATION;

45 (5) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR  
46 ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS INTERCON-  
47 NECTED TO THE DISTRIBUTION SYSTEM ON THE CUSTOMER SIDE OF THE ELECTRIC  
48 DISTRIBUTION COMPANY METER;

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

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

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

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

COMPLIANCE	ANNUAL
YEAR	REQUIREMENT
2013	0.33%
2014	0.50%
2015	0.75%
2016	1.00%
2017	1.25%
2018	1.50%
2019	1.75%
2020	2.00%
2021	2.30%
2022	2.60%
2023	2.90%
2024	3.20%
2025	3.50%

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

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

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

C. (1) NO LATER THAN JULY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN THAT SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILLING ITS OBLIGATIONS ESTABLISHED IN PARAGRAPH B OF THIS SUBDIVISION. THE AUTHORITY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. A SEPARATE SOLICITATION PROCESS SHALL BE CONDUCTED FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE.

(2) THE AUTHORITY SHALL EXECUTE ITS SOLICITATION PLAN AND SHALL SUBMIT TO THE COMPTROLLER, GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, ITS SOLAR PROCUREMENT PLAN COMPRISED OF ANY SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. THE COMPTROLLER SHALL REVIEW SUCH PLAN TO



1 ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANS-  
2 PARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEM-  
3 BLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND  
4 ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

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

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

19 (2) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS PARAGRAPH  
20 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND  
21 FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS  
22 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE  
23 PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN PARAGRAPH  
24 B OF THIS SUBDIVISION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED  
25 WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIB-  
26 UTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN  
27 FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED  
28 SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE  
29 PROCURED; AND (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR  
30 PURCHASE AGREEMENTS.

31 E. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SUBDIVISION, NOT OTHER-  
32 WISE REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE  
33 OF WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN  
34 EMPLOYEE UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY  
35 GENERATION EQUIPMENT RATED AT ONE MEGAWATT OR MORE A WAGE OF NOT LESS  
36 THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY WHERE  
37 SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR THE  
38 DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED PURSU-  
39 ANT TO THIS SUBDIVISION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND  
40 BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR  
41 SUBJECT TO THE PROVISIONS OF THIS SUBDIVISION SHALL MAINTAIN PAYROLL  
42 RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

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

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

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

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

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

(D) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

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

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

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

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

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

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

COMPLIANCE	ANNUAL
YEAR	REQUIREMENT
2013	0.33%
2014	0.50%
2015	0.75%
2016	1.00%
2017	1.25%
2018	1.50%
2019	1.75%
2020	2.00%
2021	2.30%
2022	2.60%
2023	2.90%
2024	3.20%
2025	3.50%

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

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

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

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

1 TEES, AND SHALL POST ON ITS WEBSITE, A SOLAR SOLICITATION PLAN THAT  
2 SHALL INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR  
3 SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL  
4 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-  
5 ING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE  
6 AUTHORITY'S SOLAR SOLICITATION PLAN SHALL BE DESIGNED TO FOSTER A DIVER-  
7 SITY OF SOLAR PROJECT SIZES AND PARTICIPATION AMONG ALL ELIGIBLE CUSTOM-  
8 ER CLASSES SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. A SEPARATE  
9 SOLICITATION PROCESS SHALL BE CONDUCTED FOR THE PROCUREMENT OF SRECS  
10 ASSOCIATED WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY  
11 EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN  
12 SIZE.

13 (B) THE AUTHORITY SHALL EXECUTE ITS SOLICITATION PLAN AND SHALL SUBMIT  
14 TO THE COMPTROLLER, GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESI-  
15 DENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMIT-  
16 TEES, AND SHALL POST ON ITS WEBSITE, ITS SOLAR PROCUREMENT PLAN  
17 COMPRISED OF ANY SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED WITH  
18 QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIBUTED  
19 SOLAR ENERGY GENERATION. THE COMPTROLLER SHALL REVIEW SUCH PLAN TO  
20 ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANS-  
21 PARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEM-  
22 BLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND  
23 ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

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

31 4. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWELVE, THE AUTHORITY  
32 SHALL ESTABLISH A TARIFF THAT IT SHALL PAY TO APPLICABLE QUALIFIED SOLAR  
33 ENERGY GENERATORS WITH WHICH THE AUTHORITY ENTERS INTO SOLAR PURCHASE  
34 AGREEMENTS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL  
35 DISTRIBUTED SOLAR ENERGY GENERATION FOR THE PURPOSE OF ACHIEVING THE  
36 AUTHORITY'S OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SUCH GENER-  
37 ATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY  
38 SHALL CONSIDER COST DIFFERENCES BETWEEN VARIOUS MARKET SEGMENTS, INCLUD-  
39 ING RESIDENTIAL, COMMERCIAL AND NOT-FOR-PROFIT, AND APPLICATIONS, SUCH  
40 AS BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT, AS WELL AS AVAILABLE  
41 FEDERAL TAX INCENTIVES; AND SHALL DETERMINE WHETHER SUCH COST DIFFER-  
42 ENCES ARE MATERIAL SUCH THAT MARKET OR APPLICATION SPECIFIC TARIFFS ARE  
43 WARRANTED. THE AUTHORITY SHALL, AT LEAST ANNUALLY, REVIEW SUCH TARIFFS  
44 AND ADJUST AS NECESSARY TO ACHIEVE ITS OBLIGATIONS PERTAINING TO SRECS  
45 ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTAB-  
46 LISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY MAY INSTITUTE,  
47 AFTER NOTICE AND OPPORTUNITY FOR PUBLIC INPUT, A MECHANISM THAT ALLOWS  
48 FOR ADJUSTMENT TO THE TARIFF RATE BASED ON THE LEVEL OF THE AUTHORITY'S  
49 PROCUREMENT OF SRECS' RELATIVE TO ITS ANNUAL TARGETS FOR SMALL RETAIL  
50 DISTRIBUTED SOLAR ENERGY GENERATION. ANY SUCH ADJUSTMENTS SHALL BE  
51 APPLIED PROSPECTIVELY, AND SHALL NOT AFFECT THE TARIFF RATE OF SMALL  
52 RETAIL DISTRIBUTED SOLAR GENERATION ALREADY ENROLLED.

53 5. (A) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES FOR  
54 THE PROCUREMENT OF SRECS, MADE FOR THE PURPOSES OF MEETING THE ANNUAL  
55 REQUIREMENT SET FORTH IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS  
56 SECTION FOR A COMPLIANCE YEAR, EXCEEDS ONE AND ONE-HALF PERCENT OF ITS

1 ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR, THEN THE  
2 ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR WHICH THE AUTHORITY MAKES  
3 ITS DETERMINATION SHALL CONTINUE TO BE THE ANNUAL REQUIREMENT APPLICABLE  
4 IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL THIS LIMITATION ENDS AS  
5 PROVIDED IN PARAGRAPH (B) OF THIS SUBDIVISION.

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

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

28 (B) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION  
29 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND  
30 FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS  
31 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE  
32 PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN SUBDIVI-  
33 SION TWO OF THIS SECTION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED  
34 WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIB-  
35 UTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN  
36 FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED  
37 SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE  
38 PROCURED; (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE  
39 AGREEMENTS; (IV) THE AMOUNT PAID TO QUALIFIED SOLAR ENERGY GENERATORS  
40 FOR SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENER-  
41 ATION THROUGH THE TARIFFS ESTABLISHED PURSUANT TO SUBDIVISION FOUR OF  
42 THIS SECTION; AND (V) THE ANNUAL RETAIL ELECTRICITY SALES REVENUE AND  
43 EXPENDITURES MADE FOR THE PROCUREMENT OF SRECS FOR THE PURPOSE OF MEET-  
44 ING THE APPLICABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION  
45 NEED ONLY BE REPORTED FOR THE PREVIOUS CALENDAR YEAR.

46 7. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SECTION, NOT OTHERWISE  
47 REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF  
48 WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE  
49 UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION  
50 EQUIPMENT RATED AT ONE MEGAWATT OR MORE A WAGE OF NOT LESS THAN THE  
51 PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY WHERE SUCH  
52 INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR THE DURA-  
53 TION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED PURSUANT TO  
54 THIS SECTION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND BEYOND THE  
55 AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR SUBJECT TO THE

1 PROVISIONS OF THIS SECTION SHALL MAINTAIN PAYROLL RECORDS IN ACCORDANCE  
2 WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

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

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