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I N A S S E M B L Y

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Introduced by M. of A. ENGLEBRIGHT, CAHILL, LENTOL, TITONE, STEVENSON, BRINDISI, CRESPO, CASTRO, MAGNARELLI, ZEBROWSKI, SIMOTAS, RABBITT, GRAF, CASTELLI, CALHOUN -- Multi-Sponsored by -- M. of A. ABBATE, BLANKENBUSH, BURLING, CROUCH, DUPREY, GIBSON, GLICK, HAWLEY, JACOBS, MAGEE, ORTIZ, SMARDZ, SWEENEY -- 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 2012 and the procurement of solar renewable energy credits

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, reduced peak demand, development of capacity
13 resources in capacity-constrained areas, alleviation of local trans-
14 mission and distribution constraints, and a decrease in the emission of
15 harmful air pollution, including localized and other emissions. By
16 establishing such a program, New York will create a solar energy enter-
17 prise that will elevate the state to be among the world's cutting edge
18 clean energy industry leaders, while helping to secure increased econom-
19 ic development for New Yorkers.
20 S 2. Short title. This act shall be known and may be cited as the
21 "New York solar industry development and jobs act of 2012".

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

LBD08692-11-2

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

3 S 66-N. 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) "PREVAILING RATE OF WAGES" SHALL HAVE THE SAME MEANING AS SUCH
16 TERM IS DEFINED IN PARAGRAPH A OF SUBDIVISION FIVE OF SECTION TWO
17 HUNDRED TWENTY OF THE LABOR LAW;

18 (E) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED (I)
19 WITHIN FIFTEEN YEARS OF THE DATE THE QUALIFIED SOLAR ENERGY GENERATOR
20 RECEIVED PERMISSION FROM THE ELECTRIC DISTRIBUTION COMPANY TO ENERGIZE;
21 (II) BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION
22 SYSTEM OR AREA SUBSTATIONS AND ASSOCIATED FACILITIES THAT COMPRISE THE
23 LOCAL AREA NETWORK OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE
24 AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

25 (F) "QUALIFIED SOLAR ENERGY GENERATOR" MEANS THE OWNER OF A PHOTOVOL-
26 TAIC DEVICE OR DEVICES THAT PRODUCES QUALIFIED SOLAR ENERGY GENERATION;

27 (G) "RETAIL DISTRIBUTED SOLAR ENERGY GENERATION" MEANS QUALIFIED SOLAR
28 ENERGY GENERATION PRODUCED BY A PHOTOVOLTAIC DEVICE THAT IS INTERCON-
29 NECTED TO THE DISTRIBUTION SYSTEM ON THE CUSTOMER SIDE OF THE ELECTRIC
30 DISTRIBUTION COMPANY METER;

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

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

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

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

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

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

52 COMPLIANCE	ANNUAL
53 YEAR	REQUIREMENT
54 2014	0.15%
55 2015	0.20%
56 2016	0.30%

1	2017	0.50%
2	2018	0.75%
3	2019	1.00%
4	2020	1.25%
5	2021	1.50%
6	2022	1.80%
7	2023	2.10%
8	2024	2.40%
9	2025	2.70%
10	2026	3.00%

11 (B) COMPLIANCE SHALL CONTINUE THROUGH TWO THOUSAND FORTY AS FOLLOWS:

12 (I) ELECTRIC DISTRIBUTION COMPANY OBLIGATIONS FOR THE PROCUREMENT OF
13 SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION SHALL CONTINUE
14 UNTIL ALL EXISTING SOLAR PURCHASE AGREEMENTS ENTERED INTO THROUGH TWO
15 THOUSAND TWENTY-SIX HAVE EXPIRED. ELECTRIC DISTRIBUTION COMPANIES SHALL
16 NOT BE OBLIGATED TO ENTER INTO NEW SOLAR PURCHASE AGREEMENTS AFTER TWO
17 THOUSAND TWENTY-SIX.

18 (II) EACH RETAIL ELECTRIC SUPPLIER THAT IS NOT AN ELECTRIC DISTRIB-
19 UTION COMPANY SHALL ANNUALLY PROCURE SRECS TO MEET THE PERCENTAGES OF
20 SUCH SUPPLIER'S TOTAL ELECTRIC SALES IN ACCORDANCE WITH THE FOLLOWING
21 SCHEDULE:

22 (A) FOR COMPLIANCE YEARS TWO THOUSAND TWENTY-SEVEN THROUGH TWO THOU-
23 SAND TWENTY-EIGHT, THE ANNUAL REQUIREMENT SHALL BE THE ANNUAL REQUIRE-
24 MENT IN TWO THOUSAND TWENTY-SIX;

25 (B) FOR COMPLIANCE YEAR TWO THOUSAND TWENTY-NINE, THE ANNUAL REQUIRE-
26 MENT SHALL BE THE ANNUAL REQUIREMENT APPLICABLE IN TWO THOUSAND TWENTY-
27 EIGHT LESS THE ANNUAL REQUIREMENT APPLICABLE IN TWO THOUSAND FOURTEEN;
28 AND

29 (C) FOR COMPLIANCE YEARS TWO THOUSAND THIRTY THROUGH TWO THOUSAND
30 FORTY, THE ANNUAL REQUIREMENT SHALL BE THE ANNUAL REQUIREMENT IN THE
31 PRIOR COMPLIANCE YEAR LESS THE NET OF THE ANNUAL REQUIREMENT APPLICABLE
32 IN THE FIFTEENTH AND SIXTEENTH YEAR PRIOR. FOR PURPOSES OF ILLUSTRATION,
33 THE ANNUAL REQUIREMENT FOR TWO THOUSAND THIRTY-FIVE IS 1.75%
34 $((2.00) - \{(1.25\%) - (1.00\%)\})$.

35 (C) AT LEAST TWENTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO
36 EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY
37 SHALL BE MET THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL
38 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION; AND AT LEAST AN ADDITIONAL
39 THIRTY PERCENT OF THE ANNUAL OBLIGATION APPLICABLE TO EACH RETAIL ELEC-
40 TRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL BE MET
41 THROUGH THE PROCUREMENT OF SRECS ASSOCIATED WITH RETAIL DISTRIBUTED
42 SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE.

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

47 (E) EACH SREC PROCURED BY A RETAIL ELECTRIC SUPPLIER FROM QUALIFIED
48 SOLAR ENERGY GENERATION EQUIPMENT THAT IS PLACED IN SERVICE WITHIN A
49 LOAD ZONE FOR WHICH A LOCATIONAL MINIMUM INSTALLED CAPACITY REQUIREMENT
50 HAS BEEN ESTABLISHED BY THE NEW YORK INDEPENDENT SYSTEM OPERATOR AS OF
51 THE EFFECTIVE DATE OF THIS SECTION SHALL BE COUNTED AS ONE AND A HALF
52 SRECS TOWARD THE RETAIL ELECTRIC SUPPLIER'S ANNUAL PROCUREMENT OBLI-
53 GATION ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBDIVISION.

54 (I) WITHIN NINETY DAYS OF THE CONCLUSION OF THE THIRD ANNUAL PROCURE-
55 MENT PERIOD, THE COMMISSION SHALL INITIATE A REVIEW, WITH NOTICE AND
56 OPPORTUNITY FOR PUBLIC COMMENT, ON THE AMOUNT OF SRECS PROCURED FROM

1 WITHIN EACH TARGETED LOAD ZONE. FOR THAT REVIEW, THE COMMISSION SHALL
2 DETERMINE THE AMOUNT OF SRECS PROCURED FROM WITHIN EACH TARGETED LOAD
3 ZONE AS A PERCENTAGE OF SRECS PROCURED STATEWIDE FOR EACH COMPLIANCE
4 PERIOD UNDER REVIEW, AND ALSO SHALL DETERMINE THE AMOUNT OF RETAIL SALES
5 OF ELECTRIC COMMODITY SOLD WITHIN EACH TARGETED LOAD ZONE AS A PERCENT-
6 AGE OF SAME PROCURED STATEWIDE FOR EACH COMPLIANCE PERIOD UNDER REVIEW.
7 IF THE RESULTING PERCENTAGE OF SRECS PROCURED FROM WITHIN THE TARGETED
8 LOAD ZONE EXCEEDS THE RESULTING PERCENTAGE OF RETAIL SALES OF ELECTRIC
9 COMMODITY SOLD WITHIN THE TARGETED LOAD ZONE, THEN THE COMMISSION MAY
10 ADJUST OR ELIMINATE THE SREC MULTIPLIER SET FORTH IN THIS PARAGRAPH FOR
11 SYSTEMS PUT IN SERVICE AFTER THE REVIEW HAS BEEN COMPLETED, BUT NOT
12 BEFORE THE NEXT COMPLIANCE YEAR. IF THE RESULTING PERCENTAGE OF SRECS
13 PROCURED FROM WITHIN THE TARGETED LOAD ZONE DOES NOT EXCEED THE PERCENT-
14 AGE OF RETAIL SALES OF ELECTRIC COMMODITY SOLD WITHIN THAT TARGETED LOAD
15 ZONE, THEN THE COMMISSION SHALL NOT ADJUST OR ELIMINATE THE SREC MULTI-
16 PLIER.

17 (II) THE COMMISSION SHALL CONDUCT THE REVIEW SET FORTH IN THIS PARA-
18 GRAPH EACH YEAR FOLLOWING THE THIRD ANNUAL PROCUREMENT PERIOD. IF, AFTER
19 HAVING ADJUSTED OR ELIMINATED THE SREC MULTIPLIER PURSUANT TO A PRIOR
20 ANNUAL REVIEW, THE COMMISSION SUBSEQUENTLY DETERMINES THAT THE RESULTING
21 PERCENTAGE OF SRECS PROCURED FROM WITHIN THE TARGETED LOAD ZONE NO LONG-
22 ER EXCEEDS THE PERCENTAGE OF RETAIL SALES OF ELECTRIC COMMODITY SOLD
23 WITHIN THAT TARGETED LOAD ZONE, THEN THE COMMISSION SHALL REINSTATE THE
24 SREC MULTIPLIER SET FORTH IN THIS PARAGRAPH FOR SYSTEMS PUT IN SERVICE
25 AFTER THE REVIEW HAS BEEN COMPLETED, BUT NOT BEFORE THE NEXT COMPLIANCE
26 YEAR.

27 (F) WITHIN THREE MONTHS OF THE EFFECTIVE DATE OF THIS SECTION, THE
28 COMMISSION, IN CONSULTATION WITH THE NEW YORK STATE ENERGY RESEARCH AND
29 DEVELOPMENT AUTHORITY AND THE NEW YORK INDEPENDENT SYSTEM OPERATOR,
30 SHALL ESTABLISH AN AUTOMATED GENERATION ATTRIBUTION TRACKING SYSTEM
31 CAPABLE OF TRACKING SRECS.

32 (G) SRECS SHALL BE ELIGIBLE FOR USE IN MEETING THE OBLIGATIONS ESTAB-
33 LISHED IN THIS SUBDIVISION IN THE COMPLIANCE YEAR IN WHICH THEY ARE
34 CREATED AND FOR THE FOLLOWING TWO COMPLIANCE YEARS.

35 3. (A) IN THE EVENT THAT RETAIL ELECTRIC SUPPLIERS CANNOT MEET THEIR
36 OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION, THEY SHALL
37 BE PERMITTED TO DISCHARGE SUCH OBLIGATIONS BY MAKING A SOLAR ALTERNATIVE
38 COMPLIANCE PAYMENT. THE AMOUNT OF THE PAYMENT BY AN ELECTRIC SUPPLIER
39 SHALL BE CALCULATED AS THE ANNUAL SREC SHORTFALL MULTIPLIED BY THE
40 APPLICABLE ANNUAL SOLAR ALTERNATIVE COMPLIANCE PAYMENT LEVEL AS PROVIDED
41 IN PARAGRAPH (B) OF THIS SUBDIVISION.

42 (B) NO LATER THAN JANUARY FIRST, TWO THOUSAND THIRTEEN, THE COMMISSION
43 SHALL ESTABLISH A SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE THROUGH
44 THE YEAR TWO THOUSAND TWENTY-SIX, AND SHALL ANNUALLY ADD A THIRTEENTH
45 YEAR TO THE SCHEDULE ON A ROLLING ANNUAL BASIS THROUGH COMPLIANCE YEAR
46 TWO THOUSAND FORTY. THE COMMISSION SHALL ANNUALLY REVIEW SUCH SCHEDULE
47 EVERY THREE YEARS TO ENSURE THAT THE PAYMENTS ARE SET AT A LEVEL TO
48 STIMULATE THE DEVELOPMENT OF NEW QUALIFIED SOLAR ENERGY GENERATION
49 EQUIPMENT NECESSARY TO ACHIEVE THE OBLIGATIONS ESTABLISHED IN SUBDIVI-
50 SION TWO OF THIS SECTION. ONCE SUCH SCHEDULE IS ESTABLISHED, THE COMMIS-
51 SION MAY ADOPT, AFTER APPROPRIATE NOTICE AND OPPORTUNITY FOR PUBLIC
52 COMMENT, AN ADJUSTMENT TO ALTERNATIVE COMPLIANCE PAYMENTS, PROVIDED THAT
53 THE COMMISSION SHALL NOT PROVIDE RELIEF FROM THE OBLIGATION OF PAYMENT
54 OF THE SOLAR ALTERNATIVE COMPLIANCE PAYMENTS BY THE RETAIL ELECTRIC
55 SUPPLIERS IN ANY FORM.

1 (C) THE COMMISSION SHALL MAKE AVAILABLE ALL MONIES FROM AMOUNTS
2 COLLECTED THROUGH SUCH SOLAR ALTERNATIVE COMPLIANCE PAYMENTS FOR A SOLAR
3 SOLICITATION TO BE CONDUCTED BY THE NEW YORK STATE ENERGY RESEARCH AND
4 DEVELOPMENT AUTHORITY UTILIZING THE TEMPLATE FOR SOLAR PURCHASE AGREE-
5 MENTS AS ESTABLISHED BY THE COMMISSION UNDER PARAGRAPH (A) OF SUBDIVI-
6 SION FOUR OF THIS SECTION FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH
7 QUALIFIED SOLAR ENERGY GENERATION. THE PROCUREMENT OF SRECS UNDER THIS
8 PROVISION SHALL INCLUDE CRITERIA IN THE REVIEW AND SELECTION PROCESS
9 THAT MORE HIGHLY RANK PROPOSALS THAT (I) HAVE THE MOST BENEFICIAL IMPACT
10 ON DISPLACING LOCAL EMISSIONS, (II) DEFER OR AVOID INFRASTRUCTURE COSTS
11 IN CONSTRAINED AREAS, AND (III) ALIGN WITH THE NEW YORK INDEPENDENT
12 SYSTEM OPERATOR ZONAL LOCATION FROM WHICH THE SOLAR ALTERNATIVE COMPLI-
13 ANCE PAYMENTS HAVE BEEN RECEIVED.

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

19 (B) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
20 COMPANY SHALL, NOT LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, SUBMIT
21 FOR COMMISSION REVIEW AND APPROVAL A SOLAR SOLICITATION PLAN THAT SHALL
22 INCLUDE A TIMETABLE AND METHODOLOGY FOR SOLICITING PROPOSALS FOR SRECS
23 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL
24 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, FOR THE PURPOSE OF FULFILL-
25 ING ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE
26 ELECTRIC DISTRIBUTION COMPANY'S SOLAR SOLICITATION PLAN SHALL BE
27 DESIGNED TO FOSTER A DIVERSITY OF SOLAR PROJECT SIZES AND PARTICIPATION
28 AMONG ALL ELIGIBLE CUSTOMER CLASSES SUBJECT TO COST-EFFECTIVENESS
29 CONSIDERATIONS. THE ELECTRIC DISTRIBUTION COMPANY SHALL ESTABLISH A
30 SEPARATE SOLICITATION PROCESS FOR THE PROCUREMENTS OF SRECS ASSOCIATED
31 WITH RETAIL DISTRIBUTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT
32 THAT IS BETWEEN FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE.
33 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION WITHIN THIS SIZE RANGE SHALL
34 BE ELIGIBLE TO RECEIVE A SREC OFFER PRICE EQUIVALENT TO THE WEIGHTED
35 AVERAGE ACCEPTED BID PRICE IN THE CONCURRENT SOLICITATION FOR RETAIL
36 DISTRIBUTED SOLAR ENERGY GENERATION SYSTEMS GREATER THAN TWO HUNDRED
37 FIFTY KILOWATTS IN SIZE, PLUS AN ADDITIONAL INCENTIVE OF UP TO TEN
38 PERCENT AS MAY BE REQUIRED BY THE COMMISSION, TO ACCOUNT FOR COST
39 DIFFERENCES BETWEEN THESE MARKET SEGMENTS. THE SREC OFFER PRICE SHALL
40 CONTINUE TO BE AVAILABLE UNTIL THE SOONER OF: (I) THE ACCEPTANCE BY THE
41 ELECTRIC DISTRIBUTION COMPANY OF RESERVATIONS FROM QUALIFIED RETAIL
42 DISTRIBUTED SOLAR ENERGY GENERATION FOR AVAILABLE STANDARD OFFER SRECS;
43 OR (II) THE ELECTRIC DISTRIBUTION COMPANY'S COMPLETION OF ITS NEXT ANNU-
44 AL SOLICITATION.

45 (C) EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
46 COMPANY SHALL EXECUTE ITS APPROVED SOLICITATION PLAN AND SUBMIT FOR
47 COMMISSION REVIEW AND APPROVAL ITS PREFERRED SOLAR PROCUREMENT PLAN
48 COMPRISED OF PROPOSED SOLAR PURCHASE AGREEMENTS FOR SRECS ASSOCIATED
49 WITH QUALIFIED SOLAR ENERGY GENERATION OTHER THAN SMALL RETAIL DISTRIB-
50 UTED SOLAR ENERGY GENERATION. THE COMMISSION MAY APPROVE, REJECT OR
51 MODIFY AN APPLICATION FOR APPROVAL OF SUCH PLAN, PROVIDED THAT THE
52 COMMISSION SHALL APPROVE SUCH PLAN IF THE COMMISSION FINDS THAT: (I) THE
53 SOLICITATION AND EVALUATION CONDUCTED BY THE ELECTRIC DISTRIBUTION
54 COMPANY WAS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT
55 PROCESS; (II) APPROVAL OF THE SOLAR PROCUREMENT PLAN WOULD RESULT IN THE
56 ACHIEVEMENT OF THE DISTRIBUTION COMPANY'S OBLIGATIONS PERTAINING TO THE

1 PROCUREMENT OF SRECS ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION
2 OTHER THAN SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION AT THE
3 LOWEST REASONABLE COST; AND (III) SUCH PROCUREMENT PLAN SATISFIES OTHER
4 CRITERIA AS MAY BE ESTABLISHED IN THE APPROVED SOLICITATION PLAN. IF THE
5 COMMISSION DOES NOT APPROVE, REJECT OR MODIFY THE DISTRIBUTION COMPANY'S
6 APPLICATION WITHIN SIXTY DAYS, THE PROCUREMENT PLAN SHALL BE DEEMED
7 APPROVED.

8 (D) NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, EACH RETAIL ELEC-
9 TRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION COMPANY SHALL SUBMIT TO
10 THE COMMISSION FOR REVIEW AND APPROVAL A PLAN FOR THE ACHIEVEMENT OF ITS
11 OBLIGATION PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL
12 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION
13 TWO OF THIS SECTION.

14 (E) EACH ELECTRIC DISTRIBUTION COMPANY'S SREC PROCUREMENT SHALL BE
15 CONSISTENT WITH THE SEGMENT-SPECIFIC PERCENTAGES PROVIDED IN THE PLANS
16 APPROVED BY THE COMMISSION PURSUANT TO PARAGRAPHS (B) AND (D) OF THIS
17 SUBDIVISION. IF, HOWEVER, ON THE BASIS OF THE ACTUAL SOLICITATION
18 RESULTS, THE COLLECTIVE ANNUAL COST ASSOCIATED WITH SUCH PROCUREMENT
19 WOULD EXCEED ONE AND ONE-HALF PERCENT OF SUCH COMPANY'S ANNUAL RETAIL
20 ELECTRICITY SALES REVENUES, THE ELECTRIC DISTRIBUTION COMPANY SHALL HAVE
21 THE OPTION OF SUBSTITUTING, BY UP TO TWENTY-FIVE PERCENT, THE NUMBER OF
22 SRECS PROCURED FROM THE HIGHEST COST SEGMENT WITH SRECS PROCURED FROM
23 QUALIFIED SOLAR ENERGY GENERATION OF ANY SIZE.

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

30 6. NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, THE COMMISSION
31 SHALL ESTABLISH AN INCENTIVE PROGRAM FOR RETAIL ELECTRIC SUPPLIERS THAT
32 ARE ELECTRIC DISTRIBUTION COMPANIES BASED ON SUCH COMPANIES' ACHIEVEMENT
33 OF THEIR OBLIGATIONS, AND EXEMPLARY PERFORMANCE BEYOND SUCH OBLIGATIONS,
34 ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION (I) IN A COST-EFFECTIVE
35 MANNER THAT ACHIEVES THE OBLIGATIONS AT LEAST COST AND AVOIDS LONG-TERM
36 COSTS TO THE TRANSMISSION AND DISTRIBUTION SYSTEM; (II) PROVIDES
37 ENHANCED ELECTRICITY RELIABILITY WITHIN COMPANIES' SERVICE TERRITORIES;
38 AND (III) MINIMIZES PEAK LOAD IN CONSTRAINED AREAS.

39 7. NO LATER THAN JANUARY FIRST, TWO THOUSAND THIRTEEN, THE COMMISSION
40 SHALL, IN CONSULTATION WITH THE NEW YORK STATE ENERGY RESEARCH AND
41 DEVELOPMENT AUTHORITY, ESTABLISH THE TERMS AND CONDITIONS THAT SHALL BE
42 APPLICABLE TO SOLAR PURCHASE AGREEMENTS ENTERED INTO BY RETAIL ELECTRIC
43 SUPPLIERS THAT ARE ELECTRIC DISTRIBUTION COMPANIES FOR THE PROCUREMENT
44 OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENER-
45 ATION, FOR THE PURPOSE OF ACHIEVING SUCH COMPANIES' OBLIGATIONS PERTAIN-
46 ING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN SUBDIVISION
47 TWO OF THIS SECTION. SUCH TERMS AND CONDITIONS SHALL INCLUDE A TARIFF,
48 AS ESTABLISHED BY THE COMMISSION IN CONJUNCTION WITH THE NEW YORK STATE
49 ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, FOR THE PROCUREMENT OF SRECS
50 ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, TO BE
51 PAID BY ELECTRIC DISTRIBUTION COMPANIES TO APPLICABLE QUALIFIED SOLAR
52 ENERGY GENERATORS. THE COMMISSION, IN CONJUNCTION WITH THE NEW YORK
53 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, SHALL CONSIDER COST
54 DIFFERENCES BETWEEN VARIOUS MARKET SEGMENTS, INCLUDING RESIDENTIAL,
55 COMMERCIAL AND NOT-FOR-PROFIT, AND APPLICATIONS, SUCH AS BUILDING INTE-
56 GRATED PHOTOVOLTAIC EQUIPMENT, AND SHALL DETERMINE WHETHER SUCH COST

1 DIFFERENCES ARE MATERIAL SUCH THAT MARKET OR APPLICATION SPECIFIC
2 TARIFFS ARE WARRANTED. THE COMMISSION, IN CONJUNCTION WITH THE NEW YORK
3 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, SHALL, AT LEAST ANNUAL-
4 LY, REVIEW SUCH TARIFFS AND ADJUST AS NECESSARY TO ACHIEVE THE OBLI-
5 GATIONS PERTAINING TO SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED
6 SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.
7 THE COMMISSION MAY ALSO INSTITUTE, AFTER NOTICE AND OPPORTUNITY FOR
8 PUBLIC INPUT, A MECHANISM THAT ALLOWS FOR ADJUSTMENT TO THE TARIFF RATE
9 BASED ON ELECTRIC DISTRIBUTION COMPANIES' PROCUREMENT OF SRECS, RELATIVE
10 TO THE ANNUAL TARGETS FOR SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENER-
11 ATION. ANY SUCH ADJUSTMENTS SHALL BE APPLIED PROSPECTIVELY, AND SHALL
12 NOT AFFECT THE TARIFF RATE OF SMALL RETAIL DISTRIBUTED SOLAR ENERGY
13 GENERATION ALREADY ENROLLED.

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

18 9. EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIBUTION
19 COMPANY SHALL BE PERMITTED TO RESELL OR OTHERWISE DISPOSE OF SRECS AND
20 ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION PROCURED BY SUCH COMPA-
21 NY THAT IS IN EXCESS OF ITS OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO
22 OF THIS SECTION, PROVIDED THE COMPANY SHALL NET THE COST OF PAYMENTS
23 MADE FOR SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION
24 UNDER SOLAR PURCHASE AGREEMENTS AGAINST THE PROCEEDS OF THE SALE OF
25 SRECS AND ANY ASSOCIATED QUALIFIED SOLAR ENERGY GENERATION, AND THE
26 DIFFERENCE SHALL BE CREDITED OR CHARGED TO THE ELECTRIC DISTRIBUTION
27 COMPANY'S CUSTOMERS THROUGH A RECONCILING COMPONENT OF ELECTRIC RATES,
28 AS DETERMINED BY THE COMMISSION.

29 10. (A) WITHIN THIRTY DAYS OF THE SUBMISSION OF THE ANNUAL COMPLIANCE
30 REPORTS FILED BY RETAIL ELECTRIC SUPPLIERS PURSUANT TO SUBDIVISION ELEV-
31 EN OF THIS SECTION, THE COMMISSION SHALL DETERMINE THE COMBINED TOTAL
32 ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS MADE BY RETAIL ELECTRIC
33 SUPPLIERS FOR THE PURPOSES OF MEETING THE ANNUAL REQUIREMENT SET FORTH
34 IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE APPLICABLE
35 COMPLIANCE YEAR AS A PERCENTAGE OF THE TOTAL RETAIL ELECTRICITY SALES
36 REVENUES FOR RETAIL ELECTRIC SUPPLIERS FOR SUCH COMPLIANCE YEAR. IF SUCH
37 PERCENTAGE EXCEEDS ONE AND ONE-HALF PERCENT, THEN THE ANNUAL REQUIREMENT
38 FOR THE COMPLIANCE YEAR FOR WHICH THE COMMISSION MAKES ITS DETERMINATION
39 SHALL CONTINUE TO BE THE ANNUAL REQUIREMENT APPLICABLE IN EACH SUBSE-
40 QUENT COMPLIANCE YEAR UNTIL THIS LIMITATION ENDS AS PROVIDED IN PARA-
41 GRAPH (B) OF THIS SUBDIVISION.

42 (B) IF THE LIMITATION PROVIDED FOR IN PARAGRAPH (A) OF THIS SUBDIVI-
43 SION IS TRIGGERED, IT SHALL END UPON A DETERMINATION BY THE COMMISSION,
44 BASED UPON A REVIEW OF THE RETAIL ELECTRIC SUPPLIERS' ANNUAL COMPLIANCE
45 REPORTS, THAT THE COMBINED TOTAL ANNUAL EXPENDITURES FOR THE PROCUREMENT
46 OF SRECS MADE BY RETAIL ELECTRIC SUPPLIERS TO MEET THE APPLICABLE ANNUAL
47 REQUIREMENT FOR A COMPLIANCE YEAR DID NOT EXCEED ONE AND ONE-HALF
48 PERCENT OF THE TOTAL RETAIL ELECTRICITY SALES REVENUES FOR RETAIL ELEC-
49 TRIC SUPPLIERS FOR SUCH COMPLIANCE YEAR. FOR THE COMPLIANCE YEAR IMME-
50 DIATELY FOLLOWING THE END OF THE LIMITATION PURSUANT TO THIS PARAGRAPH,
51 THE APPLICABLE ANNUAL REQUIREMENT SHALL BE THE REQUIREMENT SET FORTH IN
52 PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION FOR THE COMPLIANCE YEAR
53 IMMEDIATELY FOLLOWING THE COMPLIANCE YEAR FOR WHICH THE LIMITATION IN
54 PARAGRAPH (A) OF THIS SUBDIVISION WAS TRIGGERED. THE ANNUAL REQUIREMENT
55 SHALL CONTINUE TO INCREASE IN THE INCREMENTS PROVIDED FOR IN PARAGRAPH
56 (A) OF SUBDIVISION TWO OF THIS SECTION FOR EACH SUBSEQUENT YEAR UNTIL

1 THE ANNUAL REQUIREMENT REACHES THE PERCENTAGE SET FORTH IN SUCH PARA-
2 GRAPH FOR COMPLIANCE YEAR TWO THOUSAND TWENTY-SIX.

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

7 11. (A) NO LATER THAN JULY FIRST, TWO THOUSAND FIFTEEN, AND NO LATER
8 THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND
9 TWENTY-SEVEN THE COMMISSION SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE
10 ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE
11 AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT
12 REGARDING THE PROGRESS OF EACH RETAIL ELECTRIC SUPPLIER IN MEETING ITS
13 OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

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

18 (C) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS SUBDIVISION
19 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR EACH RETAIL ELECTRIC SUPPLIER
20 FOR THE PREVIOUS CALENDAR YEAR AND FOR THE TOTAL OF ALL CALENDAR YEARS
21 TO DATE: (I) THE ACTUAL NUMBER OF MEGAWATT-HOURS OF QUALIFIED SOLAR
22 ENERGY GENERATION SOLD AT RETAIL TO NEW YORK END-USE CUSTOMERS AND THE
23 TOTAL NUMBER OF MEGAWATT-HOURS SOLD AT RETAIL TO NEW YORK END-USE
24 CUSTOMERS; (II) THE NUMBER OF SRECS ASSOCIATED WITH QUALIFIED SOLAR
25 ENERGY GENERATION THAT WERE RETIRED FOR THE PURPOSES OF MEETING THE
26 SUPPLIER'S OBLIGATIONS ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION;
27 (III) THE AMOUNT, IF ANY, OF SOLAR ALTERNATIVE COMPLIANCE PAYMENTS MADE;
28 AND (IV) ITS ANNUAL RETAIL ELECTRICITY SALES REVENUE AND EXPENDITURES
29 FOR THE PROCUREMENT OF SRECS MADE FOR THE PURPOSES OF MEETING THE APPLI-
30 CABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION NEED ONLY BE
31 REPORTED FOR THE PREVIOUS CALENDAR YEAR. SUCH REPORT SHALL ALSO
32 INCLUDE, FOR EACH RETAIL ELECTRIC SUPPLIER THAT IS AN ELECTRIC DISTRIB-
33 UTION COMPANY: (1) THE NUMBER OF SRECS EACH ASSOCIATED WITH SMALL RETAIL
34 DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIBUTED SOLAR ENERGY
35 GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN FIFTY-ONE AND TWO
36 HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED SOLAR ENERGY
37 GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE PROCURED; (2) THE
38 NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE AGREEMENTS; AND (3)
39 THE AMOUNT PAID TO QUALIFIED SOLAR ENERGY GENERATORS THROUGH TARIFFS
40 ESTABLISHED PURSUANT TO SUBDIVISION SEVEN OF THIS SECTION FOR SRECS
41 ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION.

42 12. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SECTION, NOT OTHERWISE
43 REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF
44 WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE
45 UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION
46 EQUIPMENT RATED AT TWO HUNDRED FIFTY KILOWATTS OR MORE A WAGE OF NOT
47 LESS THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY
48 WHERE SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR
49 THE DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED
50 PURSUANT TO THIS SECTION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND
51 BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR
52 SUBJECT TO THE PROVISIONS OF THIS SUBDIVISION SHALL MAINTAIN PAYROLL
53 RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

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

19. 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) "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;

(3) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED (I) WITHIN FIFTEEN YEARS OF THE DATE THE QUALIFIED SOLAR ENERGY GENERATOR RECEIVED PERMISSION FROM THE ELECTRIC DISTRIBUTION COMPANY TO ENERGIZE;

(II) BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION SYSTEM OR AREA SUBSTATIONS AND ASSOCIATED FACILITIES THAT COMPRISE THE LOCAL AREA NETWORK OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

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

(5) "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;

(6) "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;

(7) "SOLAR PURCHASE AGREEMENT" MEANS AN AGREEMENT, FOR A MINIMUM OF FIFTEEN YEARS, FOR THE PURCHASE OF SRECS FROM A QUALIFIED SOLAR ENERGY 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 YEAR	ANNUAL REQUIREMENT
2014	0.33%
2015	0.50%
2016	0.75%
2017	1.00%
2018	1.25%
2019	1.50%
2020	1.75%
2021	2.00%
2022	2.30%
2023	2.60%
2024	2.90%
2025	3.20%
2026	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.

(5) EACH SREC PROCURED BY THE AUTHORITY FROM QUALIFIED SOLAR ENERGY GENERATION EQUIPMENT THAT IS PLACED IN SERVICE WITHIN A LOAD ZONE FOR WHICH A LOCATIONAL MINIMUM INSTALLED CAPACITY REQUIREMENT HAS BEEN ESTABLISHED BY THE NEW YORK INDEPENDENT SYSTEM OPERATOR AS OF THE EFFECTIVE DATE OF THIS SECTION SHALL BE COUNTED AS ONE AND ONE-HALF SRECS TOWARD THE AUTHORITY'S ANNUAL PROCUREMENT OBLIGATION ESTABLISHED IN THIS PARAGRAPH.

C. (1) NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, 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. THE AUTHORITY SHALL ESTABLISH A SEPARATE SOLICITATION PROCESS 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. RETAIL DISTRIBUTED SOLAR ENERGY GENERATION WITHIN THIS SIZE RANGE SHALL BE ELIGIBLE TO RECEIVE A SREC OFFER PRICE EQUIVALENT TO THE WEIGHTED AVERAGE ACCEPTED BID PRICE IN THE AUTHORITY'S CONCURRENT SOLICITATION FOR RETAIL DISTRIBUTED SOLAR ENERGY GENERATION SYSTEMS GREATER THAN TWO HUNDRED FIFTY KILOWATTS IN SIZE, PLUS AN ADDITIONAL INCENTIVE OF UP TO TEN PER CENT AS MAY BE DETERMINED BY THE AUTHORITY TO ACCOUNT FOR COST DIFFERENCES BETWEEN THESE MARKET SEGMENTS. THE SREC OFFER PRICE SHALL CONTINUE TO BE AVAILABLE UNTIL THE SOONER OF: (I) THE ACCEPTANCE BY THE AUTHORITY OF RESERVATIONS FROM QUALIFIED RETAIL DISTRIBUTED SOLAR ENERGY GENERATION FOR AVAILABLE STANDARD OFFER SRECS; OR (II) THE AUTHORITY'S COMPLETION OF ITS NEXT ANNUAL SOLICITATION.

(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 ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

(3) NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, 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 PLAN FOR THE ACHIEVEMENT OF ITS OBLIGATION PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL

1 RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN PARAGRAPH B OF
2 THIS SUBDIVISION.

3 (4) THE AUTHORITY'S SREC PROCUREMENT SHALL BE CONSISTENT WITH THE
4 SEGMENT-SPECIFIC PERCENTAGES PROVIDED IN THE PLANS SUBMITTED PURSUANT TO
5 SUBPARAGRAPHS ONE AND THREE OF THIS PARAGRAPH. IF, HOWEVER, ON THE BASIS
6 OF THE ACTUAL SOLICITATION RESULTS, THE COLLECTIVE ANNUAL COST ASSOCI-
7 ATED WITH SUCH PROCUREMENT WOULD EXCEED ONE AND ONE-HALF PERCENT OF THE
8 AUTHORITY'S ANNUAL RETAIL ELECTRICITY SALES REVENUES, THE AUTHORITY
9 SHALL HAVE THE OPTION OF SUBSTITUTING, BY UP TO TWENTY-FIVE PERCENT, THE
10 NUMBER OF SRECS PROCURED FROM THE HIGHEST COST SEGMENT WITH SRECS
11 PROCURED FROM QUALIFIED SOLAR ENERGY GENERATION OF ANY SIZE.

12 D. (1) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES FOR
13 THE PROCUREMENT OF SRECS, MADE FOR THE PURPOSES OF MEETING THE ANNUAL
14 REQUIREMENT SET FORTH IN SUBPARAGRAPH ONE OF PARAGRAPH B OF THIS SUBDI-
15 VISION FOR A COMPLIANCE YEAR, EXCEEDS ONE AND ONE-HALF PERCENT OF ITS
16 ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR, THEN THE
17 ANNUAL REQUIREMENT FOR THE COMPLIANCE YEAR FOR WHICH THE AUTHORITY MAKES
18 ITS DETERMINATION SHALL CONTINUE TO BE THE ANNUAL REQUIREMENT APPLICABLE
19 IN EACH SUBSEQUENT COMPLIANCE YEAR UNTIL THIS LIMITATION ENDS AS
20 PROVIDED IN SUBPARAGRAPH TWO OF THIS PARAGRAPH.

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

36 E. (1) NO LATER THAN JULY FIRST, TWO THOUSAND FIFTEEN, AND NO LATER
37 THAN JULY FIRST OF EACH YEAR THEREAFTER THROUGH THE YEAR TWO THOUSAND
38 TWENTY-SEVEN, THE AUTHORITY SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE
39 ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE
40 AND ASSEMBLY ENERGY COMMITTEES, AND SHALL POST ON ITS WEBSITE, A REPORT
41 REGARDING ITS PROGRESS IN MEETING ITS OBLIGATIONS ESTABLISHED IN PARA-
42 GRAPH B OF THIS SUBDIVISION.

43 (2) EACH REPORT THAT SHALL BE SUBMITTED PURSUANT TO THIS PARAGRAPH
44 SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR THE PREVIOUS CALENDAR YEAR AND
45 FOR THE TOTAL OF ALL CALENDAR YEARS TO DATE: (I) THE NUMBER OF SRECS
46 ASSOCIATED WITH QUALIFIED SOLAR ENERGY GENERATION RETIRED FOR THE
47 PURPOSES OF MEETING THE AUTHORITY'S OBLIGATIONS ESTABLISHED IN PARAGRAPH
48 B OF THIS SUBDIVISION; (II) THE NUMBER OF SUCH SRECS EACH ASSOCIATED
49 WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION, RETAIL DISTRIB-
50 UTED SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT THAT IS BETWEEN
51 FIFTY-ONE AND TWO HUNDRED FIFTY KILOWATTS IN SIZE AND RETAIL DISTRIBUTED
52 SOLAR ENERGY GENERATION PRODUCED BY EQUIPMENT OF ANY SIZE THAT WERE
53 PROCURED; (III) THE NUMBER OF SUCH SRECS PROCURED THROUGH SOLAR PURCHASE
54 AGREEMENTS; AND (IV) THE ANNUAL RETAIL ELECTRICITY SALES REVENUE AND
55 EXPENDITURES MADE FOR THE PROCUREMENT OF SRECS FOR THE PURPOSE OF MEET-

1 ING THE APPLICABLE ANNUAL REQUIREMENT, PROVIDED THAT SUCH INFORMATION
2 NEED ONLY BE REPORTED FOR THE PREVIOUS CALENDAR YEAR.

3 F. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SUBDIVISION, NOT OTHER-
4 WISE REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE
5 OF WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN
6 EMPLOYEE UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY
7 GENERATION EQUIPMENT RATED AT TWO HUNDRED FIFTY KILOWATTS OR MORE A WAGE
8 OF NOT LESS THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE
9 LOCALITY WHERE SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN
10 EFFECT FOR THE DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM
11 ESTABLISHED PURSUANT TO THIS SUBDIVISION AND IN NO EVENT SHALL SUCH
12 REQUIREMENT EXTEND BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM.
13 EVERY CONTRACTOR SUBJECT TO THE PROVISIONS OF THIS PARAGRAPH SHALL MAIN-
14 TAIN PAYROLL RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF
15 THE LABOR LAW.

16 S 5. Sections 1020-ii, 1020-jj and 1020-kk of the public authorities
17 law, as renumbered by chapter 388 of the laws of 2011, are renumbered
18 sections 1020-jj, 1020-kk and 1020-ll and a new section 1020-ii is added
19 to read as follows:

20 S 1020-II. PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS. 1. AS USED
21 IN THIS SECTION:

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

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

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

33 (D) "QUALIFIED SOLAR ENERGY GENERATION" MEANS POWER GENERATED (I)
34 WITHIN FIFTEEN YEARS OF THE DATE THE QUALIFIED SOLAR ENERGY GENERATOR
35 RECEIVED PERMISSION FROM THE ELECTRIC DISTRIBUTION COMPANY TO ENERGIZE;
36 (II) BY A PHOTOVOLTAIC DEVICE THAT IS CONNECTED TO THE DISTRIBUTION
37 SYSTEM OR AREA SUBSTATIONS AND ASSOCIATED FACILITIES THAT COMPRISE THE
38 LOCAL AREA NETWORK OF AN ELECTRIC DISTRIBUTION COMPANY SERVING THE STATE
39 AFTER JANUARY FIRST, TWO THOUSAND ELEVEN;

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

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

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

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

52 (I) "SOLAR RENEWABLE ENERGY CREDIT" OR "SREC" MEANS THE ENVIRONMENTAL
53 ATTRIBUTES ASSOCIATED WITH ONE MEGAWATT-HOUR OF QUALIFIED SOLAR ENERGY
54 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
2014	0.33%
2015	0.50%
2016	0.75%
2017	1.00%
2018	1.25%
2019	1.50%
2020	1.75%
2021	2.00%
2022	2.30%
2023	2.60%
2024	2.90%
2025	3.20%
2026	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 THIRTEEN, 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 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 SUBJECT TO COST-EFFECTIVENESS CONSIDERATIONS. THE AUTHORITY SHALL ESTABLISH A SEPARATE SOLICITATION PROCESS 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. RETAIL DISTRIBUTED SOLAR ENERGY GENERATION WITHIN THIS SIZE RANGE SHALL BE ELIGIBLE TO RECEIVE A SREC OFFER PRICE EQUIVALENT TO THE WEIGHTED AVERAGE ACCEPTED BID PRICE IN THE AUTHORITY'S CONCURRENT SOLICITATION FOR RETAIL DISTRIBUTED SOLAR ENERGY GENERATION SYSTEMS GREATER THAN TWO HUNDRED FIFTY KILOWATTS IN SIZE, PLUS AN ADDITIONAL INCENTIVE OF UP TO TEN PER CENT AS MAY BE DETERMINED BY THE AUTHORITY, TO ACCOUNT FOR COST DIFFERENCES BETWEEN THESE MARKET SEGMENTS. THE SREC OFFER PRICE SHALL CONTINUE TO BE AVAILABLE UNTIL THE SOONER OF: (I) THE ACCEPTANCE BY THE ELECTRIC DISTRIBUTION COMPANY OF RESERVATIONS FROM QUALIFIED RETAIL DISTRIBUTED SOLAR ENERGY GENERATION

FOR AVAILABLE STANDARD OFFER SRECS; OR (II) THE ELECTRIC DISTRIBUTION COMPANY'S COMPLETION OF ITS NEXT ANNUAL SOLICITATION.

(B) 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 ASSESS WHETHER IT IS THE RESULT OF A FAIR, OPEN, COMPETITIVE AND TRANSPARENT PROCESS AND SHALL REPORT TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY, TEMPORARY PRESIDENT OF THE SENATE, AND CHAIRS OF THE SENATE AND ASSEMBLY ENERGY COMMITTEES REGARDING THE RESULTS OF SUCH ASSESSMENT.

(C) NO LATER THAN JULY FIRST, TWO THOUSAND THIRTEEN, 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 PLAN FOR THE ACHIEVEMENT OF ITS OBLIGATION PERTAINING TO THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION.

(D) THE AUTHORITY'S SREC PROCUREMENT SHALL BE CONSISTENT WITH THE SEGMENT-SPECIFIC PERCENTAGES PROVIDED IN THE PLANS SUBMITTED PURSUANT TO PARAGRAPHS (A) AND (C) OF THIS SUBDIVISION. IF, HOWEVER, ON THE BASIS OF THE ACTUAL SOLICITATION RESULTS, THE COLLECTIVE ANNUAL COST ASSOCIATED WITH SUCH PROCUREMENT WOULD EXCEED ONE AND ONE-HALF PERCENT OF THE AUTHORITY'S ANNUAL RETAIL ELECTRICITY SALES REVENUES, THE AUTHORITY SHALL HAVE THE OPTION OF SUBSTITUTING, BY UP TO TWENTY-FIVE PERCENT, THE NUMBER OF SRECS PROCURED FROM THE HIGHEST COST SEGMENT WITH SRECS PROCURED FROM QUALIFIED SOLAR ENERGY GENERATION OF ANY SIZE.

4. NO LATER THAN JANUARY FIRST, TWO THOUSAND THIRTEEN, THE AUTHORITY SHALL ESTABLISH A TARIFF THAT IT SHALL PAY TO APPLICABLE QUALIFIED SOLAR ENERGY GENERATORS WITH WHICH THE AUTHORITY ENTERS INTO SOLAR PURCHASE AGREEMENTS FOR THE PROCUREMENT OF SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION FOR THE PURPOSE OF ACHIEVING THE AUTHORITY'S OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SUCH GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY SHALL CONSIDER COST DIFFERENCES BETWEEN VARIOUS MARKET SEGMENTS, INCLUDING RESIDENTIAL, COMMERCIAL AND NOT-FOR-PROFIT, AND APPLICATIONS, SUCH AS BUILDING INTEGRATED PHOTOVOLTAIC EQUIPMENT, AND SHALL DETERMINE WHETHER SUCH COST DIFFERENCES ARE MATERIAL SUCH THAT MARKET OR APPLICATION SPECIFIC TARIFFS ARE WARRANTED. THE AUTHORITY SHALL, AT LEAST ANNUALLY, REVIEW SUCH TARIFFS AND ADJUST AS NECESSARY TO ACHIEVE ITS OBLIGATIONS PERTAINING TO SRECS ASSOCIATED WITH SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION ESTABLISHED IN SUBDIVISION TWO OF THIS SECTION. THE AUTHORITY MAY INSTITUTE, AFTER NOTICE AND OPPORTUNITY FOR PUBLIC INPUT, A MECHANISM THAT ALLOWS FOR ADJUSTMENT TO THE TARIFF RATE BASED ON THE LEVEL OF THE AUTHORITY'S PROCUREMENT OF SRECS RELATIVE TO ITS ANNUAL TARGETS FOR SMALL RETAIL DISTRIBUTED SOLAR ENERGY GENERATION. ANY SUCH ADJUSTMENTS SHALL BE APPLIED PROSPECTIVELY, AND SHALL NOT AFFECT THE TARIFF RATE OF SMALL RETAIL DISTRIBUTED SOLAR GENERATION ALREADY ENROLLED.

5. (A) IF THE AUTHORITY DETERMINES THAT ITS ANNUAL EXPENDITURES FOR THE PROCUREMENT OF SRECS, 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 AND ONE-HALF PERCENT OF ITS ANNUAL RETAIL ELECTRICITY REVENUES FOR SUCH COMPLIANCE YEAR, THEN THE

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

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

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

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

45 7. EVERY CONTRACTOR EMPLOYED PURSUANT TO THIS SECTION, NOT OTHERWISE
46 REQUIRED TO PAY LABORERS, WORKERS OR MECHANICS THE PREVAILING RATE OF
47 WAGES PURSUANT TO ARTICLE EIGHT OF THE LABOR LAW, SHALL PAY AN EMPLOYEE
48 UNDER CONTRACT FOR THE INSTALLATION OF QUALIFIED SOLAR ENERGY GENERATION
49 EQUIPMENT RATED AT TWO HUNDRED FIFTY KILOWATTS OR MORE A WAGE OF NOT
50 LESS THAN THE PREVAILING RATE OF WAGES FOR SUCH WORK IN THE LOCALITY
51 WHERE SUCH INSTALLATION OCCURS. THIS REQUIREMENT SHALL BE IN EFFECT FOR
52 THE DURATION OF THE AVAILABILITY OF THE INCENTIVE STREAM ESTABLISHED
53 PURSUANT TO THIS SECTION AND IN NO EVENT SHALL SUCH REQUIREMENT EXTEND
54 BEYOND THE AVAILABILITY OF SUCH INCENTIVE STREAM. EVERY CONTRACTOR
55 SUBJECT TO THE PROVISIONS OF THIS SUBDIVISION SHALL MAINTAIN PAYROLL
56 RECORDS IN ACCORDANCE WITH SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

1 S 6. Section 1854 of the public authorities law is amended by adding a
2 new subdivision 19 to read as follows:

3 19. TO IMPLEMENT THE PROVISIONS OF PARAGRAPH (F) OF SUBDIVISION TWO,
4 PARAGRAPH (C) OF SUBDIVISION THREE AND SUBDIVISION SEVEN OF SECTION
5 SIXTY-SIX-N OF THE PUBLIC SERVICE LAW.

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

12 S 8. This act shall take effect immediately.