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

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2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT in relation to establishing a plan to promote increased residential use of energy efficient modalities

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

Section 1. Plan to promote increased use of energy efficient modalities. The president of the New York state energy research and development authority and the executive director of the dormitory authority, in consultation with the chair of the public service commission, the presidents of the power authority of the state of New York and Long Island power authority and responsible officials of one or more private electric and gas utility companies that operate within the state, shall establish a plan complying with section two of this act to promote increased residential use of energy efficient modalities among customers of public and private electric and gas utilities within the state. Such plan shall be completed not later than December 1, 2015. The completed plan shall be presented to the boards of the New York state energy research and development authority and the dormitory authority. If the plan is not approved by both such boards, the president of the New York state energy research and development authority and the executive director of the dormitory authority shall work with their respective boards to amend the plan so that the boards may approve the amended plan. If both of the boards shall approve such plan, it shall be presented to the director of the budget, and the secretaries of the senate finance committee and the assembly ways and means committee and to the ranking minority member on each such committee. If the boards shall not approve a plan by April 1, 2016, the president of the New York state energy research and development authority shall so report to the director of

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

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the budget, the temporary president of the senate and the speaker of the assembly.

S 2. Elements of a plan to promote increased residential use of energy efficient modalities. The plan required to be established by section one of this act shall contain the following elements:

1. An equipment and utilization plan. Such a plan shall favor renewable sources of energy and shall contain, at a minimum, the following elements separately for electrical energy efficiency, and gas and other fossil fuel energy efficiency:

(a) A description of energy efficient modalities to be promoted under the plan, which description may include specific individual items of equipment, generic descriptions of types of equipment, and equipment without descriptions except for quantitative energy use reduction goals.

(b) Criteria by which determinations can be made as to which energy consumers may qualify for each of the selected energy efficient modalities, individually or by class. Such criteria shall be based on objective factors leading to the judgment that such consumers can benefit from a specific modality.

(c) Criteria for establishing a cost-benefit analysis for items or types of equipment in various environments.

2. A marketing plan. Such a plan should provide overall guidance to all participants of the plan to assure appropriate penetration of the available markets for each classification of equipment.

3. A financing plan. Such a plan shall contain at a minimum the following elements:

(a) A plan for raising funds from private investors to allow residential consumers to purchase energy efficient modalities favored by the equipment and utilization plan, which funds can be repaid by the consumer in monthly installments in connection with their utility bills.

(b) A plan for collection and remittance of such monthly consumer installment payments for the payment of bondholders.

(c) A plan for assuring repayment to bondholders by incorporating strong incentives to the consumer to make the necessary payments, or by setting up a fund to cover expected defaults, or both.

S 3. Pilot program implementation. 1. Not earlier than ninety days after the submission of the plan required to be submitted by section one of this act, the dormitory authority and the New York energy research and development authority shall begin to activate the plan to promote increased residential use of energy efficient modalities as a pilot program. The authorities shall enter into an agreement with one or more private or public utilities providing electric and/or gas service. Such agreement shall establish marketing responsibilities for the approved energy savings modalities, require the utility to add the monthly installment payments for the acquisition by customers of the utility of any approved energy efficient modalities and to collect and remit such payments as required by the agreement for the repayment of bonds issued by the dormitory authority pursuant to section four of this act. The agreement shall provide for an appropriate administrative fee to be withheld by the utility to compensate it for its services. Such agreement shall be limited to purchases of energy saving modalities during a period not to exceed three years, provided, however, that the agreement shall provide for servicing of accounts by the utility through the life of the bonds issued by the dormitory authority pursuant to section four of this act.

2. Not later than two years after the inception of the plan, the dormitory authority and the New York state energy research and develop-

ment authority shall provide to the director of the budget, the secretaries of the senate finance committee and assembly ways and means committee and the ranking minority member of the senate finance committee and assembly ways and means committee a report detailing the progress of the program during the first eighteen months of its operation. The authorities shall update the report for each three-month period following the first eighteen months.

S 4. Dormitory authority bonds. The dormitory authority may issue its bonds and notes up to the maximum amount of five million dollars for the purpose of financing the purchase of energy efficient modalities by consumers which bonds and notes shall be secured by a pledge of installment payments due from the purchasers of energy efficient modalities and payable through the cooperating utility.

S 5. This act shall take effect immediately.