

1214--B

2015-2016 Regular Sessions

I N A S S E M B L Y

January 8, 2015

Introduced by M. of A. PAULIN -- read once and referred 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 -- recommitted to the Committee on Energy in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, 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 establishing a fuel cell incentive program

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

1 Section 1. The public service law is amended by adding a new section
2 66-o to read as follows:
3 S 66-O. FUEL CELL INCENTIVE PROGRAM. 1. AS USED IN THIS SECTION:
4 (A) "ELECTRIC DISTRIBUTION COMPANY" MEANS AN INVESTOR-OWNED ELECTRIC
5 CORPORATION THAT DISTRIBUTES AND DELIVERS ELECTRICITY WITHIN THIS STATE
6 AND HAS ANNUAL REVENUES IN EXCESS OF TWO HUNDRED MILLION DOLLARS; AND
7 (B) "QUALIFIED FUEL CELL ELECTRIC GENERATING SYSTEM" MEANS: A SYSTEM
8 BASED ON A SOLID OXIDE, MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR
9 PHOSPHORIC ACID FUEL CELL THAT IS MANUFACTURED, INSTALLED AND OPERATED
10 IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS, AND
11 THAT IS OPERATED IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS
12 ESTABLISHED IN THIS CHAPTER OR BY ORDER OF THE PUBLIC SERVICE COMMIS-
13 SION.
14 2. WITHIN FORTY-FIVE DAYS OF THE EFFECTIVE DATE OF THIS SECTION, THE
15 COMMISSION SHALL COMMENCE THE CONSIDERATION OF MODIFICATIONS TO ITS
16 EXISTING PROGRAMS THAT ENCOURAGE THE DEVELOPMENT OF QUALIFIED FUEL CELL
17 ELECTRIC GENERATING SYSTEMS AND, NO LATER THAN JANUARY FIRST, TWO THOU-
18 SAND SEVENTEEN, THE COMMISSION SHALL MAKE A DETERMINATION ESTABLISHING
19 MODIFICATIONS TO ITS EXISTING PROGRAMS THAT ENCOURAGE THE DEVELOPMENT OF
20 QUALIFIED FUEL CELL GENERATING SYSTEMS IN CONFORMANCE WITH THIS SECTION.

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

LBD04872-05-6

1 THE DEPARTMENT SHALL CONSULT WITH THE NEW YORK STATE ENERGY RESEARCH AND
2 DEVELOPMENT AUTHORITY IN THE PREPARATION OF ITS RECOMMENDATIONS TO THE
3 COMMISSION FOR SUCH DETERMINATION. THE PROGRAM MODIFICATIONS SHALL
4 REQUIRE:

5 (A) ADMINISTRATION BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOP-
6 MENT AUTHORITY;

7 (B) PLANNED ANNUAL EXPENDITURES INCLUDING ALL COSTS OF A MINIMUM OF
8 FIFTY MILLION DOLLARS COMMENCING IN CALENDAR YEAR TWO THOUSAND SEVENTEEN
9 AND SUSTAINED EACH YEAR THROUGH CALENDAR YEAR TWO THOUSAND TWENTY-SEVEN;

10 (C) A DIVERSITY OF PROJECT SIZES, GEOGRAPHIC DISTRIBUTION, AND PARTICI-
11 IPATION AMONG CUSTOMER CLASSES, SUBJECT TO COST-EFFECTIVENESS CONSIDER-
12 ATIONS;

13 (D) INCENTIVE STRUCTURES THAT MAXIMIZE COST-EFFECTIVENESS AND PRACTI-
14 CALITY THROUGH COMPETITIVE PROCUREMENTS, STANDING-OFFERS, PRODUCTION
15 INCENTIVES OR CAPACITY INCENTIVES AT THE WHOLESALE OR RETAIL LEVEL AS IN
16 THE JUDGMENT OF THE COMMISSION, IN CONSULTATION WITH THE NEW YORK INDE-
17 PENDENT SYSTEM OPERATOR, PROVIDE FOR THE MOST EFFECTIVE PROGRAM;

18 (E) INCENTIVE STRUCTURES THAT TAKE INTO CONSIDERATION THE ECONOMIC
19 BENEFITS TO THE STATE OF NEW YORK;

20 (F) PROGRAM DESIGNS THAT TAKE INTO CONSIDERATION THE AVOIDANCE OF
21 LONG-TERM COSTS TO THE TRANSMISSION AND DISTRIBUTION SYSTEM AND MINIMI-
22 ZATION OF PEAK LOAD IN CONSTRAINED AREAS;

23 (G) ANNUAL REPORTS ON THE ACHIEVEMENTS AND EFFECTIVENESS OF THE
24 PROGRAM; AND

25 (H) SUCH OTHER ISSUES DEEMED APPROPRIATE BY THE COMMISSION.

26 S 2. Sections 1020-ii, 1020-jj and 1020-kk of the public authorities
27 law, as renumbered by chapter 388 of the laws of 2011, are renumbered
28 sections 1020-jj, 1020-kk and 1020-ll and a new section 1020-ii is added
29 to read as follows:

30 S 1020-II. ESTABLISHMENT OF FUEL CELL INCENTIVE PROGRAM. 1. AS USED IN
31 THIS SECTION THE TERM "QUALIFIED FUEL CELL ELECTRIC GENERATING SYSTEM"
32 MEANS: A SYSTEM BASED ON A SOLID OXIDE, MOLTEN CARBONATE, PROTON
33 EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL THAT IS MANUFACTURED,
34 INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND
35 INDUSTRY STANDARDS, AND THAT IS INSTALLED IN THE AUTHORITY'S SERVICE
36 TERRITORY AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN.

37 2. THE AUTHORITY SHALL CONTINUE TO ENCOURAGE THE DEVELOPMENT OF QUALI-
38 FIED FUEL CELL ELECTRIC GENERATING SYSTEMS IN ITS SERVICE TERRITORY
39 THROUGH IMPLEMENTATION OF THE FUEL CELL INCENTIVE PROGRAM. THE PROGRAM
40 SHALL REQUIRE:

41 (A) PLANNED ANNUAL EXPENDITURES INCLUDING ALL COSTS OF AT MINIMUM
42 FIFTEEN MILLION DOLLARS COMMENCING IN CALENDAR YEAR TWO THOUSAND SEVEN-
43 TEEN AND SUSTAINED EACH YEAR THROUGH CALENDAR YEAR TWO THOUSAND TWENTY-
44 SEVEN;

45 (B) A DIVERSITY OF PROJECT TYPES;

46 (C) PROGRAM ADMINISTRATION AND DELIVERY;

47 (D) INCENTIVE STRUCTURES THAT TAKE INTO CONSIDERATION THE ECONOMIC
48 BENEFITS TO THE STATE OF NEW YORK;

49 (E) PROGRAM DESIGNS THAT TAKE INTO CONSIDERATION THE AVOIDANCE OF
50 LONG-TERM COSTS TO THE TRANSMISSION AND DISTRIBUTION SYSTEM AND MINIMI-
51 ZATION OF PEAK LOAD IN CONSTRAINED AREAS AND THAT MAXIMIZES COST-EFFEC-
52 TIVENESS THROUGH COMPETITIVE PROCUREMENTS;

53 (F) ANNUAL REPORTS ON THE ACHIEVEMENTS AND EFFECTIVENESS OF THE
54 PROGRAM; AND

55 (G) ANY OTHER OBJECTIVES THE AUTHORITY MAY ESTABLISH.

56 S 3. This act shall take effect immediately.