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

2510--A

2015-2016 Regular Sessions

I N  S E N A T E

January 26, 2015

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- recommitted to the Committee on Energy and Telecommunications in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law and the environmental conservation law, in relation to emission allowance programs

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

Section 1. This act shall be known and may be cited as the "clean energy investment act of 2016".

S 2. Legislative intent. It is the intent of this legislation to:

1. promote energy efficiency, energy conservation and the installation of renewable energy technologies;

2. reduce energy consumption and energy costs;

3. reduce greenhouse gas emissions;

4. support sustainable community development; and

5. create local New York job opportunities in the energy fields of tomorrow.

S 3. Subdivision 18 of section 1854 of the public authorities law, as added by chapter 488 of the laws of 2009, is amended to read as follows:

18. EMISSION ALLOWANCE PROGRAMS. (A) TO CONTINUE TO RECEIVE FROM THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION OR OTHER REGULATORY AUTHORITY OR AGENCY, AND TO MAKE AVAILABLE FOR SALE OR AUCTION, EMISSION OR ENVIRONMENTAL ALLOWANCES OR CREDITS, HOWEVER DENOMINATED; TO USE THE PROCEEDS OF SUCH SALES TO PROMOTE THE PURPOSES OF THE PROGRAMS UNDER WHICH THE EMISSIONS OR ENVIRONMENTAL ALLOWANCES OR CREDITS WERE RECEIVED, INCLUDING, BUT NOT LIMITED TO, PROMOTING AND IMPLEMENTING PROGRAMS FOR ENERGY EFFICIENCY, RENEWABLE OR NON-CARBON EMITTING TECHNOLOGIES, INNOVATIVE CARBON EMISSIONS ABATEMENT TECHNOLOGIES, REDUCING

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

LBD06549-02-6

GREENHOUSE GAS EMISSIONS IN THE POWER SECTOR, AND OTHER PROGRAMS TO BENEFIT CONSUMERS AND THE PUBLIC; AND TO ENTER INTO AGREEMENTS AND UNDERSTANDINGS WITH ANY ENTITY TO ASSIST THE AUTHORITY IN CARRYING OUT THE PURPOSES OF THE PROGRAMS. THE AUTHORITY SHALL AMEND OR ADOPT SUCH RULES AND REGULATIONS AS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS SUBDIVISION.

(B) To provide for the deposit of all or a portion of the proceeds collected by the authority from the auction or sale of emission allowances allocated by the department of environmental conservation to the authority pursuant to regulations adopted by the department of environmental conservation to a green jobs-green New York fund to be established in the custody of the commissioner of taxation and finance. The monies in such fund shall be available for the green jobs-green New York program pursuant to title nine-A of THIS article [eight of this chapter].

S 4. (a) Should the emissions cap established under part 242 of title 6 of the New York code, rules and regulations be lowered in such a manner that results in increased proceeds associated with the sale or auction of emission allowances subject to such part, for fiscal years 2012-2013, 2013-2014 and 2014-2015, the New York state energy research and development authority shall allocate all proceeds in excess of sixty-six million dollars per fiscal year collected from such auction or sale for energy efficiency programs to reduce greenhouse gas emissions. Energy efficiency programs may include, but shall not be limited to: (1) efficiency and load management programs; (2) demand response programs; (3) programs for research, development and commercialization of products of processes which are more energy-efficient than those generally available; (4) programs for development of markets for such products and processes, including recommendations for new appliance and product efficiency standards; (5) programs providing support for energy use assessment, real time monitoring systems, engineering studies and services related to new construction or major building renovation, including integration of such assessments, systems, studies and services with building energy codes programs and processes, or those regarding the development of high performance or sustainable buildings that exceed code; (6) programs for the design, manufacture, commercialization and purchase of energy-efficient appliances and heating, air conditioning and lighting devices; (7) programs for planning and evaluation; (8) programs providing commercial, industrial and institutional customers with greater flexibility and control over demand side investments funded by the programs at their facilities; and (9) programs for public education regarding energy efficiency and demand management; provided, however, that not more than 10 percent of such funds shall be expended for items (3) and (4) collectively.

(b) For each fiscal year thereafter, such authority shall allocate all proceeds collected from such auction or sale of such allowances allocated by the department of environmental conservation as follows: (1) at least seventy percent of such proceeds for energy efficiency and innovative carbon abatement programs approved by such authority's members; and (2) up to thirty percent of such proceeds for programs to reduce greenhouse gas emissions in the power sector through the development and installation of renewable electricity generation.

S 5. Section 19-0301 of the environmental conservation law is amended by adding a new subdivision 6 to read as follows:

6. IN ADDITION TO EXISTING AUTHORITY FOR THE REGULATION OF GREENHOUSE GAS EMISSIONS, INCLUDING THROUGH THE ESTABLISHMENT OF A MARKET-BASED,

MULTI-STATE EMISSION ALLOWANCE TRADING PROGRAM WITH MECHANISMS FOR THE AUCTIONING OF EMISSION ALLOWANCES AND THE SETTING OF A RESERVE PRICE, PROVIDED IN THIS ARTICLE AND ARTICLES ONE AND THREE OF THIS CHAPTER, THE DEPARTMENT SHALL:

(A) IN COOPERATION WITH THE DEPARTMENT OF PUBLIC SERVICE AND THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, AMEND PART 242 OF TITLE 6 OF THE NEW YORK CODE, RULES AND REGULATIONS TO, IN A MANNER THAT IS CONSISTENT WITH FEDERAL LAW, COVER ELECTRICITY IMPORTED INTO THE STATE, REGULATE BY THE IMPOSITION OF EQUIVALENT FEES ON THE CARBON INTENSITY OF ELECTRICITY IMPORTED INTO THE STATE, OR OTHERWISE, TO THE EXTENT DEEMED NECESSARY, MAINTAIN THE ENVIRONMENTAL INTEGRITY OF THE MULTI-STATE PROGRAM IN WHICH THE STATE PARTICIPATES THAT WAS ESTABLISHED AS A MEANS OF REDUCING EMISSIONS FROM ELECTRIC GENERATING FACILITIES AS PROVIDED IN SUCH PART 242;

(B) AMEND PART 242 OF TITLE 6 OF THE NEW YORK CODE, RULES AND REGULATIONS, TO REDUCE NEW YORK'S ALLOWANCE ALLOCATIONS IN AN AMOUNT THAT WOULD BE CONSISTENT WITH ITS ALLOWANCE UNDER A REGIONAL CAP OF EIGHTY-FIVE MILLION TONS;

(C) REQUIRE THAT AT THE END OF EACH COMPLIANCE PERIOD ALL UNSOLD ALLOWANCES BE RETIRED;

(D) LINK WITH OTHER JURISDICTIONAL PROGRAMS; AND

(E) INCREASE THE RESERVE PRICE TO TEN DOLLARS PER ALLOWANCE AND ESTABLISH A COST CONTAINMENT CEILING PRICE FOR THE SALE OR AUCTION OF EMISSION ALLOWANCES, AS DEEMED APPROPRIATE BY THE DEPARTMENT.

S 6. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 7. This act shall take effect immediately.