

3993--A

2015-2016 Regular Sessions

I N S E N A T E

February 25, 2015

Introduced by Sens. FUNKE, GRIFFO -- 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 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.  
21 THE DEPARTMENT SHALL CONSULT WITH THE NEW YORK STATE ENERGY RESEARCH AND

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

LBD04872-06-6

1 DEVELOPMENT AUTHORITY IN THE PREPARATION OF ITS RECOMMENDATIONS TO THE  
2 COMMISSION FOR SUCH DETERMINATION. THE PROGRAM MODIFICATIONS SHALL  
3 REQUIRE:

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

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

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

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

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

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

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

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

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

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

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

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

44 (B) A DIVERSITY OF PROJECT TYPES;

45 (C) PROGRAM ADMINISTRATION AND DELIVERY;

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

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

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

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

55 S 3. This act shall take effect immediately.