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

6476--A

I N S E N A T E

January 19, 2016

Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to require the public service commission and the New York state energy research and development authority to implement a low carbon portfolio standard; and to amend the public authorities law and the state finance law, in relation to creating the zero carbon emission investment program and zero carbon emission investment program fund

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

Section 1. The public service commission, hereafter referred to as the commission, is hereby directed to establish parameters for the creation of a low carbon portfolio standard in New York state, and to replace the renewable portfolio standard with the newly created standard. The commission will consider new targets for the purchase of low carbon-emitting electricity sources, including no less than seventeen percent of electricity derived from nuclear generating facilities.

S 2. The New York state energy research and development authority, hereafter referred to as the authority, shall act as the central procurement agency to promote low carbon emissions energy development in the state. The authority shall provide incentives for low carbon generation; and shall hold all rights and claims to low carbon attributes of electricity generated to meet the state's low carbon goals.

S 3. The renewable portfolio standard charge shall now be referred to as the low carbon portfolio standard charge. The authority shall manage any funds gathered through such surcharge on each kilowatt-hour sold by the state's investor-owned utilities. The surcharge shall be kept separate from any other state funds. Any customers exempt from contributing to the SBC are also exempt from the low carbon portfolio standard charge.

S 4. Article 8 of the public authorities law is amended by adding a new title 9-B to read as follows:

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

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TITLE 9-B

ZERO CARBON EMISSION INVESTMENT PROGRAM

SECTION 1900. SHORT TITLE.
1901. DEFINITIONS.
1902. ADMINISTRATION BY THE AUTHORITY.
1903. CALCULATION OF AWARDS.
1904. ANNUAL REPORTING.
1905. FUNDS ADMINISTRATION.

S 1900. SHORT TITLE. THIS TITLE SHALL BE KNOWN AND MAY BE CITED AS THE "ZERO CARBON EMISSION INVESTMENT PROGRAM".

S 1901. DEFINITIONS. AS USED IN THIS TITLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AVOIDED EMISSIONS" MEANS THE ESTIMATE OF CO2 EMISSIONS, AS CALCULATED BY THE AUTHORITY, THAT WOULD HAVE BEEN RELEASED IF A ZERO CARBON EMITTER HAD NOT EXISTED.

2. "AUTHORITY" SHALL HAVE THE SAME MEANING AS IN SUBDIVISION TWO OF SECTION EIGHTEEN HUNDRED FIFTY-ONE OF THIS ARTICLE.

3. "ZERO CARBON EMITTER" MEANS A FACILITY THAT USES ATOMIC ENERGY TO GENERATE ELECTRICITY.

4. "ATOMIC ENERGY" MEANS ALL FORMS OF ENERGY RELEASED IN THE COURSE OF NUCLEAR FISSION OR NUCLEAR TRANSFORMATION.

5. "CLEARING PRICE" MEANS THE AVERAGE OF THE QUARTERLY REGIONAL GREENHOUSE GAS INITIATIVE AUCTION CLEARING PRICES FOR THE CURRENT YEAR.

S 1902. ADMINISTRATION BY THE AUTHORITY. WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THIS TITLE, THE AUTHORITY IS HEREBY AUTHORIZED AND DIRECTED TO ESTABLISH AND ADMINISTER THE ZERO CARBON EMISSION INVESTMENT PROGRAM. THE AUTHORITY SHALL IMPLEMENT THE PROGRAM IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC SERVICE, THE POWER AUTHORITY OF THE STATE OF NEW YORK, AND THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION. THE AUTHORITY IS AUTHORIZED AND DIRECTED TO:

1. USE MONIES MADE AVAILABLE FOR THE PROGRAM PURSUANT TO SECTION NINETEEN HUNDRED FIVE OF THIS TITLE TO ACHIEVE THE PURPOSES OF THE PROGRAM, SPECIFICALLY TO AWARD ZERO CARBON EMITTERS FOR AVOIDED EMISSIONS;

2. ENSURE MONIES ARE MADE AVAILABLE TO QUALIFYING ZERO CARBON EMITTERS NO LESS THAN SIXTY DAYS AFTER THE FINAL QUARTERLY AUCTION OF THAT YEAR; AND

3. EXERCISE SUCH OTHER POWERS AS ARE NECESSARY FOR THE PROPER ADMINISTRATION OF THE PROGRAM.

S 1903. CALCULATION OF AWARDS. THE AUTHORITY SHALL CALCULATE AND ISSUE AN AWARD TO EACH ZERO CARBON EMITTER IN THE FOLLOWING MANNER: THE AUTHORITY SHALL TAKE THE AVERAGE OF THE FOUR QUARTERLY AUCTION CLEARING PRICES OF THE MOST RECENT YEAR MULTIPLIED BY FIFTY PERCENT OF THE ZERO CARBON EMITTER'S AVOIDED EMISSIONS TO DETERMINE SUCH AWARD. THE AUTHORITY SHALL CALCULATE THE ANNUAL AVOIDED EMISSIONS FOR EACH FACILITY.

S 1904. ANNUAL REPORTING. NO LATER THAN OCTOBER FIRST, TWO THOUSAND SEVENTEEN AND OCTOBER FIRST OF EACH YEAR THEREAFTER, THE PRESIDENT OF THE AUTHORITY SHALL ISSUE AN ANNUAL REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE MINORITY LEADER OF THE SENATE AND THE MINORITY LEADER OF THE ASSEMBLY CONCERNING THE AUTHORITY'S ACTIVITIES RELATED TO THE ZERO CARBON EMISSION INVESTMENT PROGRAM CREATED PURSUANT TO THIS TITLE.

S 1905. FUNDS ADMINISTRATION. THE AUTHORITY SHALL ENSURE THAT NOT LESS THAN THE TOTAL AWARDS ISSUED TO QUALIFYING ZERO CARBON EMITTERS IS MADE AVAILABLE FOR THE PURPOSE OF FUNDING THE ZERO CARBON EMISSION INVESTMENT PROGRAM. THE ZERO CARBON EMISSION INVESTMENT PROGRAM FUND ESTABLISHED PURSUANT TO SECTION NINETY-NINE-Y OF THE STATE FINANCE LAW SHALL CONSIST

OF MONIES COLLECTED BY AUCTIONS ADMINISTERED UNDER THE REGIONAL GREENHOUSE GAS INITIATIVE.

S 5. The state finance law is amended by adding a new section 99-y to read as follows:

S 99-Y. ZERO CARBON EMISSION INVESTMENT PROGRAM FUND. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE A SPECIAL FUND TO BE KNOWN AS THE "ZERO CARBON EMISSION INVESTMENT PROGRAM FUND". THE MONIES IN SUCH FUND SHALL BE AVAILABLE FOR THE ZERO-CARBON EMISSION INVESTMENT PROGRAM PURSUANT TO TITLE NINE-B OF ARTICLE EIGHT OF THE PUBLIC AUTHORITIES LAW.

2. MONIES IN THE ZERO CARBON EMISSION INVESTMENT PROGRAM FUND SHALL BE KEPT SEPARATELY FROM AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONIES IN THE JOINT OR SOLE CUSTODY OF THE STATE COMPTROLLER OR THE COMMISSIONER OF TAXATION AND FINANCE. ANY INTEREST RECEIVED BY THE COMPTROLLER ON MONEYS DEPOSITED IN THE ZERO CARBON EMISSION INVESTMENT PROGRAM FUND SHALL BE RETAINED IN AND BECOME A PART OF SUCH FUND.

S 6. This act shall take effect immediately.