

# STATE OF NEW YORK

1540--A

2017-2018 Regular Sessions

## IN ASSEMBLY

January 12, 2017

Introduced by M. of A. JENNE, FAHY, HUNTER -- Multi-Sponsored by -- M. of A. MAGEE -- read once and referred to the Committee on Energy -- 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, in relation to long-term contracts for renewable energy

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-p to read as follows:

3 § 66-p. Long-term contracts for renewable energy. 1. Definitions. As  
4 used in this section the following terms shall have the following mean-  
5 ings:

6 (a) "Eligible resource" means a source of electrical generation that:  
7 (i) generates power that is within or delivered to the control region  
8 of the New York independent system operator;  
9 (ii) is a renewable energy resource; and

10 (iii) does not currently have a long-term contract with the state.  
11 (b) "Renewable energy resource" shall have the same meaning as set  
12 forth in subdivision twelve of section 1-103 of the energy law.

13 (c) "Renewable energy credit" means a tradable instrument that repres-  
14 ents an amount of electricity generated from eligible resources or  
15 renewable energy resources.

16 (d) "Long-term contract" means a contract with an electric and gas  
17 corporation for a period of up to twenty years.

18 2. Commission authority. The commission may direct electric and gas  
19 corporations to enter into long-term contracts for energy, capacity and  
20 renewable energy credits with eligible resources. At a minimum, the  
21 commission shall procure two percent of the state's annual retail elec-

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

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1 tricity load by two thousand nineteen, four percent by two thousand  
2 twenty-one, and six percent by two thousand twenty-three.

3 3. Priority of long-term contracts. In selecting energy, capacity and  
4 renewable energy credits for contracting pursuant to subdivision two of  
5 this section, the commission shall prioritize long-term contracts with  
6 eligible resources that the commission determines will maximize finan-  
7 cial benefits to electricity customers, provide a hedge against volatile  
8 fossil fuel prices, and create or maintain property taxes and employment  
9 in the state of New York.

10 4. Contract term. A contract entered into pursuant to this section may  
11 not be for a term of more than twenty years, unless the commission finds  
12 a contract for a longer term would provide significantly greater rate-  
13 payer benefits.

14 5. Competitive solicitation process and contract negotiation. The  
15 commission shall establish a schedule for annual competitive solicita-  
16 tions for long-term contracts pursuant to this section. This schedule  
17 must include a timeline for negotiation, commission decision making and  
18 contract closing.

19 6. Disposition of resources. An electric and gas corporation shall  
20 sell energy, capacity or other products purchased pursuant to this  
21 section or take other action relative to such energy, capacity or other  
22 products as directed by the commission.

23 7. Cost recovery. The commission shall ensure that all costs and  
24 direct financial benefits associated with contracts entered into under  
25 this section are allocated to ratepayers. A price differential existing  
26 at any time during the term of the contract between the contract price  
27 and the prevailing market price at which the energy, capacity and renew-  
28 able energy credits are sold or any gains or losses derived from  
29 contracts for differences must be reflected in the amounts charged to  
30 ratepayers and may not be considered imprudent.

31 8. Contract payments. Long-term contracts entered into pursuant to  
32 this section must provide that payments will be made only after  
33 contracted amounts of energy, capacity or other products have been  
34 provided.

35 9. Customer benefits. The commissioner may direct electric and gas  
36 corporations to enter into contracts under this section only as agents  
37 for their customers. The commission shall adopt rules to ensure that to  
38 the extent the benefits to ratepayers of a long-term contract are  
39 projected to occur in the later years of the contract term, adequate  
40 financial security is in place so that it is reasonably likely ratepay-  
41 ers will obtain the projected benefits of the long-term contract.

42 10. Rules and regulations. The commission shall adopt rules and regu-  
43 lations to implement this section. In adopting rules and regulations,  
44 the commission shall consider the financial implications of this section  
45 on electric and gas corporations.

46 § 2. This act shall take effect immediately.