

STATE OF NEW YORK

9426

IN SENATE

May 26, 2022

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law and the labor law, in relation to providing net revenues from utility-owned large-scale renewable generation projects to low-income customers and authorizes utility companies to own such projects

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Legislative findings and intent. 1. New York state recog-
2 nizes the deleterious impacts of climate change including increasingly
3 frequent catastrophic weather events.
- 4 2. Pursuant to the New York state climate leadership and community
5 protection act (CLCPA), New York state seeks to dramatically reduce
6 greenhouse gas emissions and move its electric generation from fossil
7 fuel-based generation to renewable-based generation. New York state has
8 mandated that seventy percent of electricity come from renewable energy
9 sources by year 2030 and one hundred percent of electricity come from
10 carbon neutral sources by 2040.
- 11 3. Further, New York state recognizes that the current pace of devel-
12 opment of in-state renewable energy resources is insufficient to meet
13 the state's statutory renewable generation goals on schedule.
- 14 4. Because New York state seeks to accomplish these energy-related
15 goals and standards as soon as practicable allowing regulated utilities
16 to own and operate renewable generation is essential to achieving such
17 goals and to provide a consistent and affordable supply of carbon-free,
18 renewably generated electricity by 2030, through 2050 and beyond.
- 19 5. New York state seeks to continue to develop in-state renewable
20 energy projects that will drive down costs, benefit customers receiving
21 retail electric delivery particularly those customers who are low to
22 moderate income.
- 23 6. New York state has a proprietary interest in these projects being
24 efficiently built and operated without unnecessary disruptions, which

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

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1 justifies the use of project labor agreements and labor peace agree-
2 ments.

3 § 2. The public service law is amended by adding a new section 66-t to
4 read as follows:

5 § 66-t. Regulated large scale renewable generation. 1. In order to
6 support the state in meeting state energy-related goals and standards,
7 corporations subject to the provisions of this article providing retail
8 electric service shall be authorized to own and operate renewable energy
9 generating facilities in New York state. Such corporations shall be
10 authorized to own and operate such facilities individually or in part-
11 nership with other persons doing business in New York.

12 2. A corporation owning and operating a renewable energy generation
13 facility pursuant to this section shall provide all net revenues from
14 such facility to low-income customers in the form of bill credits, which
15 shall be in addition to any other program or benefit offered by the
16 corporation to assist such customers.

17 3. In addition to the provisions of subdivision two of this section,
18 any renewable energy generating facility owned by such a corporation
19 shall be:

20 (a) subject to commission oversight in order to ensure that: (i) the
21 power generated at such facilities remains in-state for the benefit of
22 customers and the state; (ii) the power generated at such facilities
23 shall not be exported out-of-state; and (iii) any repowering of such
24 generating facilities shall comply with all requirements of this
25 section;

26 (b) built, pursuant to a competitive third-party bidding process,
27 which shall be issued by the corporation;

28 (c) subject to section sixty-six-r of this article and section two
29 hundred twenty-four-d of the labor law; and

30 (d) owned and operated in a manner that provides beneficial cost and
31 rate impacts to customers.

32 4. The commission shall establish a generation capacity limit for the
33 total generation capacity owned by corporations pursuant to this
34 section. The total generation capacity shall not exceed twenty-five
35 percent of the total generation capacity needed to achieve the renewable
36 energy goals described in section sixty-six-p of this article.

37 5. The commission shall issue such orders, rules and regulations as
38 may be necessary and appropriate to implement this section.

39 § 3. Section 66-r of the public service law, as added by section 2-a
40 of part AA of chapter 56 of the laws of 2021, is amended to read as
41 follows:

42 § 66-r. Requirements for certain renewable energy systems. 1. For the
43 purposes of this section, a "covered renewable energy system" means a
44 renewable energy system, as such term is defined in section sixty-six-p
45 of this article, with a capacity of greater than five megawatts alter-
46 nating current and which involves the procurement of renewable energy
47 credits by a public entity, or a third party acting on behalf and for
48 the benefit of a public entity. "Covered renewable energy system" shall
49 also include any generation facility authorized pursuant to section
50 sixty-six-t of this article.

51 2. For purposes of this section, "public entity" shall include, but
52 shall not be limited to, the state, a local development corporation as
53 defined in subdivision eight of section eighteen hundred one of the
54 public authorities law or section fourteen hundred eleven of the not-
55 for-profit corporation law, a municipal corporation as defined in
56 section one hundred nineteen-n of the general municipal law, an indus-

1 trial development agency formed pursuant to article eighteen-A of the
2 general municipal law or industrial development authorities formed
3 pursuant to article eight of the public authorities law, and any state,
4 local or interstate or international authorities as defined in section
5 two of the public authorities law; and shall include any trust created
6 by any such entities.

7 3. The commission shall require that the owner of the covered renewa-
8 ble energy system, or a third party acting on the owner's behalf, as an
9 ongoing condition of any renewable energy credits agreement with a
10 public entity, or as an ongoing condition of its authorization to oper-
11 ate and support the state in meeting energy-related goals, shall stipu-
12 late to the fiscal officer that it will enter into a labor peace agree-
13 ment with at least one bona fide labor organization either where such
14 bona fide labor organization is actively representing employees provid-
15 ing necessary operations and maintenance services for the renewable
16 energy system at the time of such agreement or upon notice by a bona
17 fide labor organization that is attempting to represent employees who
18 will provide necessary operations and maintenance services for the
19 renewable energy system employed in the state. The maintenance of such a
20 labor peace agreement shall be an ongoing material condition of any
21 continuation of payments under a renewable energy credits agreement or
22 authorization by the commission. For purposes of this section "labor
23 peace agreement" means an agreement between an entity and labor organ-
24 ization that, at a minimum, protects the state's proprietary interests
25 by prohibiting labor organizations and members from engaging in picket-
26 ing, work stoppages, boycotts, and any other economic interference with
27 the relevant renewable energy system. "Renewable energy credits agree-
28 ment" shall mean any public entity contract that provides production-
29 based payments to a renewable energy project as defined in this section.

30 4.(a) (1) Any public entity, in each contract for construction, recon-
31 struction, alteration, repair, improvement or maintenance of a covered
32 renewable energy system which involves the procurement of a renewable
33 energy credits agreement by a public entity, or a third party acting on
34 behalf and for the benefit of a public entity, the "public work" for the
35 purposes of this subdivision, shall ensure that such contract shall
36 contain a provision that the iron and structural steel used or supplied
37 in the performance of the contract or any subcontract thereto and that
38 is permanently incorporated into the public work, shall be produced or
39 made in whole or substantial part in the United States, its territories
40 or possessions. In the case of a structural iron or structural steel
41 product all manufacturing must take place in the United States, from the
42 initial melting stage through the application of coatings, except metal-
43 lurgical processes involving the refinement of steel additives. For the
44 purposes of this subdivision, "permanently incorporated" shall mean an
45 iron or steel product that is required to remain in place at the end of
46 the project contract, in a fixed location, affixed to the public work to
47 which it was incorporated. Iron and steel products that are capable of
48 being moved from one location to another are not permanently incorpo-
49 rated into a public work.

50 (2) Any corporation in each contract for construction, reconstruction,
51 alteration, repair, improvement or maintenance of a covered renewable
52 energy system authorized pursuant to section sixty-six-t of this arti-
53 cle, or a third party acting on behalf and for the benefit of the corpo-
54 ration, the "public work" for the purposes of this subdivision, shall
55 ensure that such contract shall contain a provision that the structural
56 iron and structural steel used or supplied in the performance of the

1 contract or any subcontract thereto and that is permanently incorporated
2 into the public work, shall be produced or made in whole or substantial
3 part in the United States, its territories or possessions. In the case
4 of a structural iron or structural steel product all manufacturing must
5 take place in the United States, from the initial melting stage through
6 the application of coatings, except metallurgical processes involving
7 the refinement of steel additives. For the purposes of this subdivision,
8 "permanently incorporated" shall mean an iron or steel product that is
9 required to remain in place at the end of the project contract, in a
10 fixed location, affixed to the public work to which it was incorporated.
11 Iron and steel products that are capable of being moved from one
12 location to another are not permanently incorporated into a public work.

13 (b) The provisions of paragraph (a) of this subdivision shall not
14 apply if the head of the department or agency or corporation under
15 subparagraph (1) of paragraph (a) constructing the public works, in his
16 or her sole discretion, determines that the provisions would not be in
17 the public interest, would result in unreasonable costs, or that obtain-
18 ing such steel or iron in the United States would increase the cost of
19 the contract by an unreasonable amount, or such iron or steel, including
20 without limitation structural iron and structural steel cannot be
21 produced or made in the United States in sufficient and reasonably
22 available quantities and of satisfactory quality. The head of the
23 department or agency constructing the public works shall include this
24 determination in an advertisement or solicitation of a request for
25 proposal, invitation for bid, or solicitation of proposal, or any other
26 method provided for by law or regulation for soliciting a response from
27 offerors intending to result in a contract pursuant to this subdivision.
28 The provisions of paragraph (a) of this subdivision shall not apply for
29 equipment purchased by a covered renewable energy system prior to the
30 effective date of this [~~chapter~~] section.

31 (c) The head of the department or agency constructing the public works
32 may, at his or her sole discretion, provide for a solicitation of a
33 request for proposal, invitation for bid, or solicitation of proposal,
34 or any other method provided for by law or regulation for soliciting a
35 response from offerors intending to result in a contract pursuant to
36 this paragraph involving a competitive process in which the evaluation
37 of competing bids gives significant consideration in the evaluation
38 process to the procurement of equipment and supplies from businesses
39 located in New York state.

40 5. Whenever changes are proposed to any public procurement process
41 involving the program described in subdivision two of this section, the
42 commission shall make simultaneous recommendations to the temporary
43 president of the senate and speaker of the assembly, regarding necessary
44 changes to this section, if any, in meeting the goals outlined in the
45 legislative findings and intent of [~~the chapter by which this section~~
46 ~~was enacted~~] part AA of chapter fifty-six of the laws of two thousand
47 twenty-one.

48 § 4. Subdivision 1 of section 224-d of the labor law, as added by
49 section 2 of part AA of chapter 56 of the laws of 2021, is amended to
50 read as follows:

51 1. For purposes of this section, a "covered renewable energy system"
52 means a renewable energy system, as such term is defined in section
53 sixty-six-p of the public service law, with a capacity of greater than
54 five megawatts alternating current and which involves the procurement of
55 renewable energy credits by a public entity, or a third party acting on
56 behalf and for the benefit of a public entity. "Covered renewable energy

1 system" shall also include any generation facility authorized pursuant
2 to section sixty-six-t of the public service law.

3 § 5. No later than sixty days after the effective date of this act,
4 the public service commission shall commence a proceeding necessary and
5 appropriate to implement the provisions of section 66-t of the public
6 service law.

7 § 6. This act shall take effect immediately.