STATE OF NEW YORK

1694--A

2023-2024 Regular Sessions

IN SENATE

January 13, 2023

Introduced by Sens. PARKER, HOYLMAN-SIGAL -- 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 -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law and the energy law, in relation to establishing the New York state grid modernization commission

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

Section 1. The public service law is amended by adding a new section 66-x to read as follows:

§ 66-x. New York state grid modernization commission. 1. Within one hundred eighty days of the effective date of this section, the New York state grid modernization commission shall be established. The chair of the commission, the commissioner of environmental conservation, the commissioner of economic development, the commissioner of transportation, the commissioner of labor, the commissioner of the division of homeland security and emergency services, the commissioner of agriculture and markets, the commissioner of health, the secretary of state and the president of the New York state energy research and development authority shall each appoint two members to serve on the grid modernization commission. The governor, temporary president of the senate and speaker of the assembly shall each appoint one additional representative to serve on the grid modernization commission. The grid modernization commission shall consist of members from communities of color, low-income communities, and communities bearing disproportionate pollution and climate change burdens, or shall be representatives of community-based organizations with experience and a history of advocacy on environmental justice issues, and shall include at least two representatives from New

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

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York city communities, two representatives from rural communities, and two representatives from upstate New York urban communities. Members of the grid modernization commission shall serve without compensation.

2. (a) The grid modernization commission shall conduct a study of research, development, and demonstrations of electric grid modernization that address the principal challenges identified in the New York Independent System Operator's 2021-2040 System & Resource Outlook. The grid modernization commission's study shall identify tools, resources, and deployment models that may enable improved performance through the adoption of emerging, commercially available or advanced grid technologies or solutions, including:

(i) micro-grids;

(ii) distributed energy resources;

(iii) energy storage;

(iv) electric vehicles;

(v) electric vehicle charging infrastructure;

(vi) integrated information and communications systems;

(vii) transactive energy systems;

(viii) advanced demand management systems; and

(ix) the role of state and local regulatory authorities in enabling a robust future electric grid to ensure that:

(A) electric utilities remain financially viable;

(B) electric utilities make the needed investments that ensure a reliable, secure, and resilient grid; and

(C) costs incurred to transform to an integrated grid are allocated and recovered responsibly, efficiently, and equitably.

(b) The grid modernization commission may solicit input from stakeholder interests, including but not limited to:

(i) local governments;

(ii) municipal utilities;

(iii) utility companies;

(iv) rural electric cooperatives;

(v) labor unions;

(vi) ratepayers;

(vii) trade associations;

(viii) generators;

(ix) community organizations; and

(x) transmissions owners.

(c) The grid modernization commission shall hold at least one public hearing and may base study findings on existing literature.

(d) Any reasonable costs associated with the functioning of the grid modernization commission shall be borne by the New York state energy research and development authority.

(e) No later than eighteen months after the effective date of this section, the grid modernization commission shall issue a report on the findings of its study to the state energy planning board containing any recommendations appropriate for consideration in the development of the state energy plan. The grid modernization commission shall issue an annual report following the submission of its initial report to the state energy planning board with any necessary updates.

3. (a) The grid modernization commission shall establish a grant program to carry out eligible projects related to the modernization of the electric grid, including the application of technologies to improve observability, advanced controls, and prediction of system performance on the distribution system.

(b) A project eligible for a grant under this subdivision shall:

(i) be designed to improve the performance and efficiency of the future electric grid, while ensuring the continued provision of safe, secure, reliable, and affordable power;

(ii) demonstrate:

(A) secure integration and management of two or more energy resources, including distributed energy generation, combined heat and power, micro-grids, energy storage, electric vehicles, energy efficiency, demand response, and intelligent loads; and

(B) secure integration and interoperability of communications and information technologies; and

(iii) be subject to the compliance funding program requirements of the federal Infrastructure Investment and Jobs Act.

(c) The New York state energy research and development authority is authorized to make loans for the cost of carrying out eligible projects and to enter public-private partnerships to co-develop projects. The New York state energy research and development authority shall invest or direct available and relevant resources in a manner designed to achieve a goal for disadvantaged communities to receive forty-five percent of overall benefits of spending on the program, including but not limited to any workforce development, efficiency upgrades, micro-grid reduction, or distributed resources resulting from such spending; provided, however, that disadvantaged communities shall receive no less than forty percent of the overall benefits of spending.

4. (a) Subject to paragraph (b) of this subdivision, the grid modernization commission shall establish and facilitate a collaborative process to develop model grid architecture and a set of future scenarios for the electric grid to examine the impacts of different combinations of resources (including different quantities of distributed energy resources and large-scale, central generation) on the electric grid.

(b) The grid architecture and scenarios developed under paragraph (a) of this subdivision shall account for differences in market structure, including an examination of the potential for stranded costs in each type of market structure.

(c) Based on the findings of grid architecture developed under paragraph (a) of this subdivision, the grid modernization commission shall:

(i) determine whether any additional policies are necessary to ensure the interoperability of grid systems and associated communications networks; and

(ii) make recommendations for such additional standards or policies.

§ 2. Section 6-104 of the energy law is amended by adding a new subdivision 6 to read as follows:

6. In the development of the state energy plan, the board shall consult with the grid modernization commission and consider the reasonableness, efficacy and expense of including in the state energy plan the recommendations contained in the grid modernization commission's report issued pursuant to section sixty-six-x of the public service law.

§ 3. This act shall take effect immediately.