STATE OF NEW YORK

4946

2023-2024 Regular Sessions

IN SENATE

February 17, 2023

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 public authorities law, in relation to establishing a clean and resilient energy program

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-u to read as follows:

§ 66-u. Clean and resilient energy program. 1. As used in this section:

(a) "Clean and resilient behind the meter distributed energy resource project" means an electricity generating system located behind a customer meter in the state that is configured to provide uninterrupted electric service to a customer throughout an extended outage of the electricity distribution system, and which:

(i) (1) generates electricity without producing greenhouse gases or local combustion related pollutants; or

(2) generates electricity or electricity and thermal energy via a non-combustion process at an annual average efficiency of no less than fifty-five percent measured on a lower heating value basis; or

(3) generates electricity and thermal energy at an annual average efficiency of no less than seventy percent measured on a lower heating value basis and reduces the local combustion related air pollutant oxides of nitrogen by at least fifty percent in comparison to the most recent annual average marginal emission factors, accounting for line losses, for the New York independent system operator zone in which the project is located at the time of interconnection; and

(ii) is located at a community continuity asset or within the boundaries of an existing or planned microgrid.

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

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(b) "Community continuity asset" means a public or private entity that provides critical services to the public during an outage of the electric distribution system. Community continuity assets shall include, but are not limited to: telecommunications providers, large retail stores, supermarkets, government agencies, data centers, transportation systems, financial institutions, gas stations, educational institutions, health care providers, large multi-family residential housing, community centers, and other customers deemed by the commission to provide a critical service to the public that would promote or enhance health and safety during an outage of the electric distribution system.

(c) "Extended outage" means an outage of the electric distribution system that continues for a period of twenty-four hours or longer.

(d) "Uninterrupted" means that the output of the system is delivered to the end-use customer throughout an extended electric distribution system outage, with the exception of momentary interruptions associated with transitions to and from grid parallel and grid islanded operations.

(e) "Microgrid" means a load or group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid. A microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode.

2. Within one hundred eighty days of the effective date of this section, the commission shall modify the clean energy fund investment plan to allocate no less than five percent of annual clean energy fund expenditures to encourage the development of clean and resilient behind the meter distributed energy resource projects. The program modifications shall require:

(a) administration by the New York state energy research and development authority;

(b) planned annual expenditures that amount to no less than five percent of overall annual clean energy fund expenditures commencing in calendar year two thousand twenty-four and sustained each year through calendar year two thousand twenty-eight;

(c) incentive structures that maximize cost-effectiveness and practicality through competitive procurements, standing-offers, or production incentives;

(d) annual reports on the achievements and effectiveness of the program; and

(e) any other requirements deemed appropriate by the commission to effectuate the purposes of this section.

§ 2. The public authorities law is amended by adding a new section 1020-nn to read as follows:

§ 1020-nn. Clean and resilient energy initiative. 1. As used in this section:

(a) "Clean and resilient behind the meter distributed energy resource project" means an electricity generating system located behind a customer meter that is configured to provide uninterrupted electric service to a customer throughout an extended outage of the electric distribution system, and which:

(i) (1) generates electricity without producing greenhouse gases or local combustion related pollutants; or

(2) generates electricity or electricity and thermal energy via a non-combustion process at an annual average efficiency of no less than fifty-five percent measured on a lower heating value basis; or

(3) generates electricity and thermal energy at an annual average efficiency of no less than seventy percent measured on a lower heating

value basis and reduces the local combustion related air pollutant oxides of nitrogen by at least fifty percent in comparison to the most recent annual average marginal emission factors, accounting for line losses, for the New York independent system operator zone in which the project is located at the time of interconnection; and

(ii) is located at a community continuity asset or within the boundaries of an existing or planned microgrid.

(b) "Community continuity asset" means a public or private entity that provides critical services to the public during an outage of the electric distribution system. Community continuity assets shall include, but are not limited to: telecommunications providers, large retail stores, supermarkets, government agencies, data centers, transportation systems, financial institutions, gas stations, educational institutions, health care providers, large multi-family residential housing, community centers, and other customers deemed by the authority to provide a critical service to the public that would promote or enhance health and safety during an outage of the electric distribution system.

(c) "Extended outage" means an outage of the electric distribution system that continues for a period of twenty-four hours or longer.

(d) "Uninterrupted" means that the output of the system is delivered to the end-use customer throughout an electric distribution system outage, with the exception of momentary interruptions associated with transitions to and from grid parallel and grid islanded operations.

(e) "Microgrid" means a load or group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid. A microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode.

2. Within one hundred eighty days of the effective date of this section, the authority shall modify its existing programs that encourage the development of clean and resilient behind the meter distributed energy resource projects. The authority shall consult with the New York state public service commission and the New York state energy research and development authority in the design and implementation of such program. The projects shall require:

(a) planned annual expenditures that amount to no less than fifteen million dollars commencing in calendar year two thousand twenty-four and sustained each year through calendar year two thousand twenty-eight;

(b) incentive structures that maximize cost-effectiveness and practicality through competitive procurements, standing-offers, or production incentives;

(c) annual reports on the achievements and effectiveness of the program; and

(d) any other requirements deemed appropriate by the authority to effectuate the purposes of this section.

§ 3. This act shall take effect immediately.