

# 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:

1 Section 1. The public service law is amended by adding a new section  
2 66-x to read as follows:

3 § 66-x. New York state grid modernization commission. 1. Within one  
4 hundred eighty days of the effective date of this section, the New York  
5 state grid modernization commission shall be established. The chair of  
6 the commission, the commissioner of environmental conservation, the  
7 commissioner of economic development, the commissioner of transporta-  
8 tion, the commissioner of labor, the commissioner of the division of  
9 homeland security and emergency services, the commissioner of agricul-  
10 ture and markets, the commissioner of health, the secretary of state and  
11 the president of the New York state energy research and development  
12 authority shall each appoint two members to serve on the grid moderniza-  
13 tion commission. The governor, temporary president of the senate and  
14 speaker of the assembly shall each appoint one additional representative  
15 to serve on the grid modernization commission. The grid modernization  
16 commission shall consist of members from communities of color, low-in-  
17 come communities, and communities bearing disproportionate pollution and  
18 climate change burdens, or shall be representatives of community-based  
19 organizations with experience and a history of advocacy on environmental  
20 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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1 York city communities, two representatives from rural communities, and  
2 two representatives from upstate New York urban communities. Members of  
3 the grid modernization commission shall serve without compensation.

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

12 (i) micro-grids;

13 (ii) distributed energy resources;

14 (iii) energy storage;

15 (iv) electric vehicles;

16 (v) electric vehicle charging infrastructure;

17 (vi) integrated information and communications systems;

18 (vii) transactive energy systems;

19 (viii) advanced demand management systems; and

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

22 (A) electric utilities remain financially viable;

23 (B) electric utilities make the needed investments that ensure a reli-  
24 able, secure, and resilient grid; and

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

27 (b) The grid modernization commission may solicit input from stake-  
28 holder interests, including but not limited to:

29 (i) local governments;

30 (ii) municipal utilities;

31 (iii) utility companies;

32 (iv) rural electric cooperatives;

33 (v) labor unions;

34 (vi) ratepayers;

35 (vii) trade associations;

36 (viii) generators;

37 (ix) community organizations; and

38 (x) transmissions owners.

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

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

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

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

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

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

4 (ii) demonstrate:

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

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

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

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

24 4. (a) Subject to paragraph (b) of this subdivision, the grid modern-  
25 ization commission shall establish and facilitate a collaborative proc-  
26 ess to develop model grid architecture and a set of future scenarios for  
27 the electric grid to examine the impacts of different combinations of  
28 resources (including different quantities of distributed energy  
29 resources and large-scale, central generation) on the electric grid.

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

34 (c) Based on the findings of grid architecture developed under para-  
35 graph (a) of this subdivision, the grid modernization commission shall:

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

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

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

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

47 § 3. This act shall take effect immediately.