

STATE OF NEW YORK

3058

2023-2024 Regular Sessions

IN SENATE

January 27, 2023

Introduced by Sens. HELMING, GALLIVAN -- read twice and ordered printed,
and when printed to be committed to the Committee on Energy and Tele-
communications

AN ACT to amend the public service law, in relation to setting the rate
of credit per kilowatt hour for farm waste generating equipment
customer-generators, which includes the anaerobic digestion of agri-
cultural waste

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

1 Section 1. Legislative Intent. It is the intent of this Legislature
2 to support the ongoing financial viability of farm waste generating
3 equipment customer-generators--more commonly known as anaerobic diges-
4 ters--in New York state. Anaerobic digesters located on New York dairy
5 farms create critical environmental attributes including, but not limit-
6 ed to, reducing methane gas releases and abating nutrient contamination
7 of nearby water sources. The Legislature also recognizes that legacy
8 anaerobic digesters are not financially viable under the current compen-
9 sation methodology; as such, legacy anaerobic digesters are at risk of
10 closure. Any closures would undo the significant financial investment
11 made by the state of New York to install anaerobic digesters under the
12 Clean Energy Fund program. Closures would also put New York behind on
13 meeting greenhouse gas emission reduction goals as set forth under the
14 State Energy Plan, and behind on developing a clean, distributed grid.
15 While the New York state Public Service Commission has initiated a
16 proceeding to transition to a compensation methodology based on the
17 value of distributed energy resources, the implementation of the new
18 methodology will not address the immediate financial need of existing,
19 or legacy, anaerobic digesters, or new digesters installed prior to the
20 finalization of a meaningful value stack methodology that includes envi-
21 ronmental values attributed to the avoided use of electricity generated
22 by fossil fuels and the reduction of on-site greenhouse gas emissions.

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

LBD05378-01-3

1 The Legislature hereby determines that the public interest requires an
2 increase in the rate of compensation for customer-generators operating
3 legacy anaerobic digesters, and new digesters installed prior to the
4 finalization of a meaningful value stack methodology, which will apply
5 to credit calculations for the customer-generators' bills following
6 implementation of this legislation.

7 § 2. Paragraph (b) of subdivision 4 of section 66-j of the public
8 service law, as amended by chapter 691 of the laws of 2022, is amended
9 to read as follows:

10 (b) In the event that the amount of electricity produced by a custom-
11 er-generator during the billing period exceeds the amount of electricity
12 used by the customer-generator, the corporation shall apply a credit to
13 the next bill for service to the customer-generator for the net elec-
14 tricity provided at the same rate per kilowatt hour applicable to
15 service provided to other customers in the same service class which do
16 not generate electricity onsite, except for micro-combined heat and
17 power or fuel cell or fuel-flexible linear generator customer-generators
18 ~~[or farm waste generating equipment customer-generators as described in~~
19 ~~subparagraph (ix) of paragraph (a) of subdivision one of this section]~~,
20 who will be credited at the corporation's avoided costs provided, howev-
21 er, that in the case of farm waste generating equipment customer-gener-
22 ators, the corporation shall apply a credit to the next bill at a rate
23 of no less than twelve cents per kilowatt hour. The avoided cost cred-
24 it provided to micro-combined heat and power or fuel cell or fuel-flexi-
25 ble linear generator customer-generators or farm waste generating equip-
26 ment customer-generators as described in subparagraph (ix) of paragraph
27 (a) of subdivision one of this section shall be treated for ratemaking
28 purposes as a purchase of electricity in the market that is includable
29 in commodity costs.

30 § 3. This act shall take effect immediately.