

STATE OF NEW YORK

4066--A

2025-2026 Regular Sessions

IN SENATE

January 31, 2025

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, in relation to exempting renewable energy systems from certain requirements related to energy facilities (Part A); to amend part JJJ of chapter 58 of the laws of 2020, amending the public service law and other laws relating to accelerating the growth of renewable energy facilities to meet critical state energy policy goals, in relation to directing the New York power authority to propose a minimum of two priority transmission projects to address the areas of highest need on the bulk transmission system (Part B); and to amend the general municipal law and the education law, in relation to exempting payment in lieu of taxes revenue from property tax cap calculations (Part C);

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

1 Section 1. This act shall be known and may be cited as the "affordable
2 clean energy (ACE) act".
3 § 2. This act enacts into law major components of legislation which
4 are necessary to implement the "affordable clean energy (ACE) act". Each
5 component is wholly contained within a Part identified as Parts A
6 through C. The effective date for each particular provision contained
7 within such Part is set forth in the last section of such Part. Any
8 provision in any section contained within a Part, including the effec-
9 tive date of the Part, which makes a reference to a section "of this
10 act", when used in connection with that particular component, shall be
11 deemed to mean and refer to the corresponding section of the Part in

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

LBD08364-02-6

1 which it is found. Section four of this act sets forth the general
2 effective date of this act.

3 PART A

4 Section 1. Subdivision 1 of section 68 of the public service law, as
5 amended by section 5 of part X of chapter 57 of the laws of 2013, is
6 amended to read as follows:

7 1. Certificate required. No gas corporation or electric corporation
8 shall begin construction of a gas plant or electric plant, except for
9 renewable energy systems as defined in section sixty-six-p of this arti-
10 cle or energy storage systems not paired with electric generation
11 systems, without first having obtained the permission and approval of
12 the commission. No such corporation shall exercise any right or privi-
13 lege under any franchise hereafter granted, or under any franchise here-
14 tofore granted but not heretofore actually exercised, or the exercise of
15 which shall have been suspended for more than one year, without first
16 having obtained a certificate of public convenience and necessity issued
17 by the commission. Before such certificate shall be issued a certified
18 copy of the charter of such corporation shall be filed in the office of
19 the commission, together with a verified statement of the president and
20 secretary of the corporation, showing that it has received the required
21 consent of the proper municipal authorities. The commission shall have
22 power to grant the permission and approval herein specified whenever it
23 shall after due hearing determine that such construction or such exer-
24 cise of the right, privilege or franchise is convenient and necessary
25 for the public service. In making such a determination, the commission
26 shall consider the economic feasibility of the corporation, the corpo-
27 ration's ability to finance improvements of a gas plant or electric
28 plant, render safe, adequate and reliable service, and provide just and
29 reasonable rates, and whether issuance of a certificate is in the public
30 interest. Except as provided in article fourteen-A of the general munic-
31 ipal law, no municipality shall build, maintain and operate for other
32 than municipal purposes any works or systems for the manufacture and
33 supplying of gas or electricity for lighting purposes without a certifi-
34 cate of authority granted by the commission. If the certificate of
35 authority is refused, no further proceedings shall be taken by such
36 municipality before the commission, but a new application may be made
37 therefor after one year from the date of such refusal.

38 § 2. The closing paragraph of section 69 of the public service law, as
39 amended by chapter 222 of the laws of 1991, is amended to read as
40 follows:

41 A permission or approval by the public service commission of a merger
42 or consolidation shall not be deemed to be an approval of the value of
43 any property or accounts of any company involved in the merger at the
44 time of the merger, nor shall any such permission or approval be
45 construed to be a certification by the public service commission that
46 the bonds and/or capital stock of any such merged, merging or consol-
47 idating corporations are represented in value by commensurate physical
48 assets of such corporations, nor shall such approval be evidence as to
49 the value of any such property or account in subsequent rate proceedings
50 or before any court or public body. No provision of this section shall
51 apply to electric corporations where electricity is generated from
52 renewable energy systems as defined in section sixty-six-p of this arti-
53 cle.

1 § 3. Section 70 of the public service law is amended by adding a new
2 subdivision 8 to read as follows:

3 8. No provision of this section shall apply to electric corporations
4 where electricity is generated from renewable energy systems as defined
5 in section sixty-six-p of this article.

6 § 4. This act shall take effect immediately.

7 PART B

8 Section 1. Subdivision 5 of section 7 of part JJJ of chapter 58 of the
9 laws of 2020, amending the public service law and other laws relating to
10 accelerating the growth of renewable energy facilities to meet critical
11 state energy policy goals, is amended to read as follows:

12 5. The legislature finds and determines that timely development of the
13 bulk transmission investments identified in the state bulk transmission
14 investment plan is in the public interest of the people of the state of
15 New York. The legislature further finds and determines that the power
16 authority of the state of New York ("power authority") owns and operates
17 backbone electric transmission assets in New York, has rights-of-way
18 that can support in whole or in part bulk transmission investment
19 projects, and has the financial stability, access to capital, technical
20 expertise and experience to effectuate expeditious development of bulk
21 transmission investments needed to help the state meet the CLCPA
22 targets, and thus it is appropriate for the power authority as deemed
23 feasible and advisable by its trustees, by itself or in collaboration
24 with other parties as it determines to be appropriate, to develop those
25 bulk transmission investments found by the commission to be needed expe-
26 ditiously to achieve CLCPA targets ("priority transmission projects").

27 The legislature further finds and determines, following the issuance
28 of the climate scoping plan required by the CLCPA, that it is in the
29 public interest of the people of the state of New York for the power
30 authority to propose a minimum of two such priority transmission
31 projects, within nine months of the effective date of the chapter of the
32 laws of 2026 that amended this subdivision, to address the areas of
33 highest need on the bulk transmission system and further facilitate the
34 development of renewable energy projects in areas where there are limi-
35 tations on the capacity to interconnect new power generating facilities.
36 One of these projects shall address the locations of highest needs for
37 deploying additional renewable energy projects identified by the New
38 York independent system operator in its most recent twenty-year system
39 outlook. The other project shall propose grid infrastructure upgrades in
40 locations currently underserved by the grid for interconnecting renewa-
41 ble energy projects, where there is otherwise the potential to develop
42 renewable energy projects (to establish "renewable energy zones") as
43 determined by the power authority. The commission shall expeditiously
44 review and approve or reject these two proposals.

45 The power authority shall, through a public process, solicit interest
46 from potential co-participants in each project it has agreed to develop
47 and assess whether any joint development would provide for significant
48 additional benefits in achieving the CLCPA targets. The power authority
49 may thereafter determine to undertake the development of the project on
50 its own, or undertake the project jointly with one or more other parties
51 on such terms and conditions as the power authority finds to be appro-
52 priate and, notwithstanding any other law to the contrary, enter into
53 such agreements and take such other actions the power authority deter-
54 mines to be necessary in order to undertake and complete timely develop-

1 ment of the project. The intent of this act is for the power authority
2 to develop priority transmission projects authorized in this subdivi-
3 sion. For priority projects that the authority determines to undertake
4 and that are not substantially within the power authority's existing
5 rights of way, the authority shall, as deemed feasible and advisable by
6 its board of trustees, select private sector participants through a
7 competitive bidding process, provided however that priority transmission
8 projects is not intended to include generation lead lines, or repairs
9 to, replacement of or upgrades to the power authority's own transmission
10 assets.

11 To foster the continued development of community solar in New York,
12 the commission and the energy research and development authority should
13 determine a threshold for non-affordability for the interconnection
14 costs required by an investor-owned utility. When the required local
15 system upgrade costs for interconnecting a community solar project or a
16 group of community solar projects are above the non-affordability thres-
17 hold, the power authority shall intervene and implement a mechanism for
18 providing low interest financing for the costs of local system upgrades
19 above the threshold for the developer or developers of such community
20 solar project or projects.

21 § 2. This act shall take effect immediately; provided, however, the
22 amendments to section 7 of part JJJ of chapter 58 of the laws of 2020
23 made by section one of this act shall not affect the repeal of such
24 section and shall expire therewith.

25 PART C

26 Section 1. Subparagraphs (iii) and (vi) of paragraph (c) of subdivi-
27 sion 3 of section 3-c of the general municipal law, as added by section
28 1 of part A of chapter 97 of the laws of 2011, are amended to read as
29 follows:

30 (iii) Add any payments in lieu of taxes that were receivable in the
31 prior fiscal year, provided however, it shall not include payments in
32 lieu of taxes that were receivable from renewable energy generation
33 projects as defined in section sixty-six-p of the public service law.

34 (vi) Subtract any payments in lieu of taxes receivable in the coming
35 fiscal year, provided however, it shall not include payments in lieu of
36 taxes that are receivable from renewable energy generation projects as
37 defined in section sixty-six-p of the public service law.

38 § 2. Subparagraphs 3 and 6 of paragraph a of subdivision 3 of section
39 2023-a of the education law, as added by section 2 of part A of chapter
40 97 of the laws of 2011, are amended to read as follows:

41 (3) Add any payments in lieu of taxes that were receivable in the
42 prior school year, provided however, it shall not include payments in
43 lieu of taxes that were receivable from renewable energy generation
44 projects as defined in section sixty-six-p of the public service law.

45 (6) Subtract any payments in lieu of taxes receivable in the coming
46 fiscal year, provided however, it shall not include payments in lieu of
47 taxes that are receivable from renewable energy generation projects as
48 defined in section sixty-six-p of the public service law.

49 § 3. This act shall take effect immediately; provided, however, that
50 section one of this act shall first apply to the levy of taxes by local
51 governments for the fiscal year that begins in 2026; and provided,
52 further, that section two of this act shall first apply to school
53 district budgets and the budget adoption process for the 2026-2027
54 school year.

1 § 3. Severability clause. If any clause, sentence, paragraph, subdivi-
2 sion, section or part of this act shall be adjudged by any court of
3 competent jurisdiction to be invalid, such judgment shall not affect,
4 impair, or invalidate the remainder thereof, but shall be confined in
5 its operation to the clause, sentence, paragraph, subdivision, section
6 or part thereof directly involved in the controversy in which such judg-
7 ment shall have been rendered. It is hereby declared to be the intent of
8 the legislature that this act would have been enacted even if such
9 invalid provisions had not been included herein.

10 § 4. This act shall take effect immediately; provided, however, that
11 the applicable effective date of Parts A through C of this act shall be
12 as specifically set forth in the last section of such Parts.