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:

Section 1. This act shall be known and may be cited as the "affordable clean energy (ACE) act".

§ 2. This act enacts into law major components of legislation which are necessary to implement the "affordable clean energy (ACE) act". Each component is wholly contained within a Part identified as Parts A through C. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be 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.

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

PART A

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

1. Certificate required. No gas corporation or electric corporation shall begin construction of a gas plant or electric plant**, except for renewable energy systems as defined in section sixty-six-p of this article or energy storage systems not paired with electric generation systems,** without first having obtained the permission and approval of the commission. No such corporation shall exercise any right or privilege under any franchise hereafter granted, or under any franchise heretofore granted but not heretofore actually exercised, or the exercise of which shall have been suspended for more than one year, without first having obtained a certificate of public convenience and necessity issued by the commission. Before such certificate shall be issued a certified copy of the charter of such corporation shall be filed in the office of the commission, together with a verified statement of the president and secretary of the corporation, showing that it has received the required consent of the proper municipal authorities. The commission shall have power to grant the permission and approval herein specified whenever it shall after due hearing determine that such construction or such exercise of the right, privilege or franchise is convenient and necessary for the public service. In making such a determination, the commission shall consider the economic feasibility of the corporation, the corporation's ability to finance improvements of a gas plant or electric plant, render safe, adequate and reliable service, and provide just and reasonable rates, and whether issuance of a certificate is in the public interest. Except as provided in article fourteen-A of the general municipal law, no municipality shall build, maintain and operate for other than municipal purposes any works or systems for the manufacture and supplying of gas or electricity for lighting purposes without a certificate of authority granted by the commission. If the certificate of authority is refused, no further proceedings shall be taken by such municipality before the commission, but a new application may be made therefor after one year from the date of such refusal.

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

A permission or approval by the public service commission of a merger or consolidation shall not be deemed to be an approval of the value of any property or accounts of any company involved in the merger at the time of the merger, nor shall any such permission or approval be construed to be a certification by the public service commission that the bonds and/or capital stock of any such merged, merging or consolidating corporations are represented in value by commensurate physical assets of such corporations, nor shall such approval be evidence as to the value of any such property or account in subsequent rate proceedings or before any court or public body. **No provision of this section shall apply to electric corporations where electricity is generated from renewable energy systems as defined in section sixty-six-p of this article.**

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

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

§ 4. This act shall take effect immediately.

PART B

Section 1. Subdivision 5 of section 7 of 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, is amended to read as follows:

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

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

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

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

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

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

PART C

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

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

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

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

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

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

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

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

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