

STATE OF NEW YORK

5510

2025-2026 Regular Sessions

IN ASSEMBLY

February 14, 2025

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Energy

AN ACT to amend the public service law and the labor law, in relation to providing net revenues from utility-owned large-scale renewable generation projects to low-income customers and authorizes utility companies to own such projects

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

- 1 Section 1. Legislative findings and intent. 1. New York state recog-
2 nizes the deleterious impacts of climate change including increasingly
3 frequent catastrophic weather events.
- 4 2. Pursuant to the New York state climate leadership and community
5 protection act (CLCPA), New York state seeks to dramatically reduce
6 greenhouse gas emissions and move its electric generation from fossil
7 fuel-based generation to renewable-based generation. New York state has
8 mandated that seventy percent of electricity come from renewable energy
9 sources by year 2030 and one hundred percent of electricity come from
10 carbon neutral sources by 2040.
- 11 3. Further, New York state recognizes that the current pace of devel-
12 opment of in-state renewable energy resources is insufficient to meet
13 the state's statutory renewable generation goals on schedule.
- 14 4. Because New York state seeks to accomplish these energy-related
15 goals and standards as soon as practicable allowing regulated utilities
16 to own and operate renewable generation is essential to achieving such
17 goals and to provide a consistent and affordable supply of carbon-free,
18 renewably generated electricity by 2030, through 2050 and beyond.
- 19 5. New York state seeks to continue to develop in-state renewable
20 energy projects that will drive down costs, benefit customers receiving
21 retail electric delivery particularly those customers who are low to
22 moderate income.

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

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1 6. New York state has a proprietary interest in these projects being
2 efficiently built and operated without unnecessary disruptions, which
3 justifies the use of project labor agreements and labor peace agree-
4 ments.

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

7 § 66-x. Regulated large scale renewable generation. 1. In order to
8 support the state in meeting state energy-related goals and standards,
9 corporations subject to the provisions of this article providing retail
10 electric service shall be authorized to own and operate renewable energy
11 generating facilities in New York state. Such corporations shall be
12 authorized to own and operate such facilities individually or in part-
13 nership with other persons doing business in New York.

14 2. A corporation owning and operating a renewable energy generation
15 facility pursuant to this section shall provide all net revenues from
16 such facility to low-income customers in the form of bill credits, which
17 shall be in addition to any other program or benefit offered by the
18 corporation to assist such customers.

19 3. In addition to the provisions of subdivision two of this section,
20 any renewable energy generating facility owned by such a corporation
21 shall be:

22 (a) subject to commission oversight in order to ensure that: (i) the
23 power generated at such facilities remains in-state for the benefit of
24 customers and the state; (ii) the power generated at such facilities
25 shall not be exported out-of-state; and (iii) any repowering of such
26 generating facilities shall comply with all requirements of this
27 section;

28 (b) built, pursuant to a competitive third-party bidding process,
29 which shall be issued by the corporation;

30 (c) subject to section sixty-six-r of this article and section two
31 hundred twenty-four-d of the labor law; and

32 (d) owned and operated in a manner that provides beneficial cost and
33 rate impacts to customers.

34 4. The commission shall establish a generation capacity limit for the
35 total generation capacity owned by corporations pursuant to this
36 section. The total generation capacity shall not exceed twenty-five
37 percent of the total generation capacity needed to achieve the renewable
38 energy goals described in section sixty-six-p of this article.

39 5. The commission shall issue such orders, rules and regulations as
40 may be necessary and appropriate to implement this section.

41 § 3. Section 66-r of the public service law, as added by section 2-a
42 of part AA of chapter 56 of the laws of 2021, subdivision 1-a as added
43 and subdivision 3 and paragraph (a) of subdivision 4 as amended by
44 section 32 of part O of chapter 58 of the laws of 2024, is amended to
45 read as follows:

46 § 66-r. Requirements for certain renewable energy systems. 1. For the
47 purposes of this section, a "covered renewable energy system" means a
48 renewable energy system, as such term is defined in section sixty-six-p
49 of this article, with a capacity of greater than five megawatts alter-
50 nating current and which involves the procurement of renewable energy
51 credits by a public entity, or a third party acting on behalf and for
52 the benefit of a public entity. "Covered renewable energy system" shall
53 also include any generation facility authorized pursuant to section
54 sixty-six-x of this article.

55 1-a. For the purposes of this section, an "other covered project"
56 means: (a) any "thermal energy network" as defined by subdivision twen-

1 ty-nine of section two of this chapter; (b) any offshore wind supply
2 chain project, including but not limited to port infrastructure, primary
3 component manufacturing, finished component manufacturing, subassembly
4 manufacturing, subcomponent manufacturing, or raw material producers, or
5 a combination thereof receiving direct funding from the New York state
6 energy research and development authority pursuant to an award under a
7 New York state energy research and development authority solicitation;
8 or (c) a "major utility transmission facility" as such term is defined
9 by section one hundred twenty of this chapter or "major electric trans-
10 mission facility" as defined by article VIII of this chapter.

11 2. For purposes of this section, "public entity" shall include, but
12 shall not be limited to, the state, a local development corporation as
13 defined in subdivision eight of section eighteen hundred one of the
14 public authorities law or section fourteen hundred eleven of the not-
15 for-profit corporation law, a municipal corporation as defined in
16 section one hundred nineteen-n of the general municipal law, an indus-
17 trial development agency formed pursuant to article eighteen-A of the
18 general municipal law or industrial development authorities formed
19 pursuant to article eight of the public authorities law, and any state,
20 local or interstate or international authorities as defined in section
21 two of the public authorities law; and shall include any trust created
22 by any such entities.

23 3. The commission shall require that the owner of the covered renewa-
24 ble energy system or other covered project, or a third party acting on
25 the owner's behalf, as an ongoing condition of any renewable energy
26 credits agreement with a public entity, or as an ongoing condition of
27 its authorization to operate and support the state in meeting energy-re-
28 lated goals, shall stipulate to the fiscal officer that it will enter
29 into labor peace agreements with any bona fide labor organizations that
30 either are actively representing employees providing necessary oper-
31 ations and maintenance services for the renewable energy system at the
32 time of such agreement or provides notice that it is attempting to
33 represent any employees in any titles who provide, or who will provide,
34 necessary operations and maintenance services for the renewable energy
35 system employed in the state; provided, however, this subdivision shall
36 not apply to any covered projects defined in paragraph (c) of subdivi-
37 sion one-a of this section. The maintenance of such a labor peace
38 agreement, or agreements, which cover all classes of operations and
39 maintenance employees, shall be an ongoing material condition of any
40 continuation of payments under a renewable energy credits agreement or
41 authorization by the commission. For purposes of this section "labor
42 peace agreement" means an agreement between an entity and labor organ-
43 ization that, at a minimum, protects the state's proprietary interests
44 by prohibiting labor organizations and members from engaging in picket-
45 ing, work stoppages, boycotts, and any other economic interference with
46 the relevant renewable energy system. "Renewable energy credits agree-
47 ment" shall mean any public entity contract that provides production-
48 based payments to a renewable energy project as defined in this section.

49 4. (a) (1) Any public entity, in each contract for construction,
50 reconstruction, alteration, repair, improvement or maintenance of a
51 covered renewable energy system which involves the procurement of a
52 renewable energy credits agreement by a public entity, or a third party
53 acting on behalf and for the benefit of a public entity, the "public
54 work" for the purposes of this subdivision, shall ensure that such
55 contract shall contain a provision that the iron and steel used or
56 supplied in the performance of the contract or any subcontract thereto

1 shall be produced or made in whole or substantial part in the United
2 States, its territories or possessions. In the case of an iron or steel
3 product all manufacturing must take place in the United States, from the
4 initial melting stage through the application of coatings, except metal-
5 lurgical processes involving the refinement of steel additives.

6 (2) Any corporation in each contract for construction, reconstruction,
7 alteration, repair, improvement or maintenance of a covered renewable
8 energy system authorized pursuant to section sixty-six-x of this arti-
9 cle, or a third party acting on behalf and for the benefit of the corpo-
10 ration, the "public work" for the purposes of this subdivision, shall
11 ensure that such contract shall contain a provision that the structural
12 iron and structural steel used or supplied in the performance of the
13 contract or any subcontract thereto and that is permanently incorporated
14 into the public work, shall be produced or made in whole or substantial
15 part in the United States, its territories or possessions. In the case
16 of a structural iron or structural steel product all manufacturing must
17 take place in the United States, from the initial melting stage through
18 the application of coatings, except metallurgical processes involving
19 the refinement of steel additives. For the purposes of this subdivision,
20 "permanently incorporated" shall mean an iron or steel product that is
21 required to remain in place at the end of the project contract, in a
22 fixed location, affixed to the public work to which it was incorporated.
23 Iron and steel products that are capable of being moved from one
24 location to another are not permanently incorporated into a public work.

25 (b) The provisions of paragraph (a) of this subdivision shall not
26 apply if the head of the department or agency or corporation under
27 subparagraph one of such paragraph (a) constructing the public works, in
28 [~~his or her~~] the head's sole discretion, determines that the provisions
29 would not be in the public interest, would result in unreasonable costs,
30 or that obtaining such steel or iron in the United States would increase
31 the cost of the contract by an unreasonable amount, or such iron or
32 steel, including without limitation structural iron and structural steel
33 cannot be produced or made in the United States in sufficient and
34 reasonably available quantities and of satisfactory quality. The head of
35 the department or agency constructing the public works shall include
36 this determination in an advertisement or solicitation of a request for
37 proposal, invitation for bid, or solicitation of proposal, or any other
38 method provided for by law or regulation for soliciting a response from
39 offerors intending to result in a contract pursuant to this subdivision.
40 The provisions of paragraph (a) of this subdivision shall not apply for
41 equipment purchased by a covered renewable energy system prior to the
42 effective date of this chapter. The provisions of subparagraph two of
43 paragraph (a) of this subdivision shall not apply for equipment
44 purchased by a covered renewable energy system prior to the effective
45 date of such subparagraph.

46 (c) The head of the department or agency constructing the public works
47 may, at [~~his or her~~] the head's sole discretion, provide for a solicita-
48 tion of a request for proposal, invitation for bid, or solicitation of
49 proposal, or any other method provided for by law or regulation for
50 soliciting a response from offerors intending to result in a contract
51 pursuant to this paragraph involving a competitive process in which the
52 evaluation of competing bids gives significant consideration in the
53 evaluation process to the procurement of equipment and supplies from
54 businesses located in New York state.

55 5. Whenever changes are proposed to any public procurement process
56 involving the program described in subdivision two of this section, the

1 commission shall make simultaneous recommendations to the temporary
 2 president of the senate and speaker of the assembly, regarding necessary
 3 changes to this section, if any, in meeting the goals outlined in the
 4 legislative findings and intent of [~~the chapter by which this section~~
 5 ~~was enacted~~] part AA of chapter fifty-six of the laws of two thousand
 6 twenty-one.

7 § 4. Subdivision 1 of section 224-d of the labor law, as amended by
 8 section 31 of part 0 of chapter 58 of the laws of 2024, is amended to
 9 read as follows:

10 1. For purposes of this section, a "covered renewable energy system"
 11 means (a) a renewable energy system, as such term is defined in section
 12 sixty-six-p of the public service law, with a capacity of one or more
 13 megawatts alternating current and which involves the procurement of
 14 renewable energy credits by a public entity, or a company or corporation
 15 provided in subdivisions twenty-three and twenty-four of section two of
 16 the public service law, or a third party acting on behalf and for the
 17 benefit of a public entity; (b) any "thermal energy network" as defined
 18 by subdivision twenty-nine of section two of the public service law; (c)
 19 any offshore wind supply chain project, including but not limited to
 20 port infrastructure, primary component manufacturing, finished component
 21 manufacturing, subassembly manufacturing, subcomponent manufacturing, or
 22 raw material producers, or a combination thereof receiving direct fund-
 23 ing from the New York state energy research and development authority
 24 pursuant to an award under a New York state energy research and develop-
 25 ment authority solicitation; [~~e~~] (d) a "major utility transmission
 26 facility" as such term is defined by section one hundred twenty of the
 27 public service law; or (e) any "generation facility" as described in
 28 section sixty-six-x of the public service law.

29 § 5. No later than sixty days after the effective date of this act,
 30 the public service commission shall commence a proceeding necessary and
 31 appropriate to implement the provisions of section 66-x of the public
 32 service law.

33 § 6. This act shall take effect immediately.