

Committee on Corporations, Authorities and Commissions

Carl E. Heastie, Speaker • Jeffrey Dinowitz, Chair

Message from the Chair



Dear Friend,

On behalf of the New York State Assembly Committee on Corporations, Authorities, and Commissions, I am pleased to introduce myself as the new Chair of the Committee. For those who do not know me, I represent the 81st Assembly District located in the northwest Bronx, and previously served as chair of the Committee on Consumer Affairs and Protection.

The 2017 Legislative Session is underway and there is much work to be done this year, but first I would like to acknowledge James Brennan for his work and efforts during his tenure as chairman before retiring last year from the Assembly.

The Committee holds jurisdiction over the laws that affect private, non-profit and public corporations in New York, with a focus on the organization and actions of the State's public authorities to ensure these entities act in a responsible, fiscally sensible, and transparent manner. These public corporations and authorities are created through state law to provide infrastructure, mass public transportation, power generation, and construction services. The largest such authority is the Metropolitan Transportation Authority which operates subways, buses, and commuter rail lines in the New York City metropolitan area. Additionally, the Committee monitors the activities and policies of the Public Service Commission. The Commission is responsible for ensuring that residents of New York are being provided with reasonable service and rates from water, electric, gas, and telecommunication utilities.

I look forward to a productive session and to focusing on issues that affect all New Yorkers.

Sincerely,



Jeffrey Dinowitz

Chair, Committee on Corporations, Authorities, and Commissions

Important Contacts

NYS Public Service Commission

Empire State Plaza, Agency Building 3, Albany, NY 12223
1-800-342-3377 • <http://www.dps.ny.gov/>

The purpose of the Public Service Commission is to ensure residential and business consumers in New York have access to electric, gas, steam, water, telecommunications, and cable TV services that are affordable, safe, and reliable – while protecting the natural environment. With input from its staff arm, the Department of Public Service, the Commission achieves its charge by setting rates, evaluating industry mergers, approving franchises, encouraging strategic investments, and assessing the siting of major gas and electric facilities. Every year, a number of binding orders dealing with these topics are issued by the Commission, typically, after hearing from advocates, affected industries, and everyday consumers.

NYS Department of State – Division of Corporations, State Records, and Uniform Commercial Code

99 Washington Avenue, 6th floor, Albany, NY 12231
518-473-2492 • <https://www.dos.ny.gov/corps/>

The Division of Corporations, State Records and Uniform Commercial Code examines, files, and maintains numerous documents vital to business and state government including state and local laws, oaths of office, trademarks, certificates of incorporation, and Uniform Commercial Code Article 9 financing statements.

NYS Attorney General

The Capitol, Albany, NY 12224
1-800-771-7755 • www.ag.ny.gov

The New York State Office of the Attorney General mediates and litigates various cases against businesses and individuals engaged in fraudulent, misleading, deceptive or illegal trade practices. The Office pays special attention to patterns of complaints involving the same company, in addition to new and unique issues. For complaints that the Attorney General is not currently handling, the office will direct consumers to the appropriate agency.

Federal Communications Commission

445 12th Street SW, Washington, DC 20554
1-888-225-5322 • <https://www.fcc.gov/>

The Federal Communications Commission regulates a variety of communication platforms that include radio, television, wire, satellite, and cable – in all 50 states, the District of Columbia and U.S. territories. A U.S. government agency overseen by Congress, the Commission is the United States' primary authority for communication law and regulation.



Legislative Summary – 2016

New Laws

A.5991-A (Crespo) **Chapter 403**

This chapter establishes the “school energy efficiency collaboration program” to provide support to public schools on energy efficiency and designates the New York State Energy Research and Development Authority (NYSERDA), in collaboration with public and private entities, as the lead agency in developing the program.



Chairman Dinowitz discussing legislation at the first committee meeting of 2017

A.9175 (Steck) **Chapter 5**

This chapter makes a technical correction to Chapter 421 of the Laws of 2015 which provides that the ten largest shareholders of a foreign corporation are liable for any wages due to laborers, servants or employees for services that were not paid for but performed in the State.

A.9998 (Quart) **Chapter 319**

This chapter adds public authorities to the list of entities that are subject to the Open Meetings Law,

which requires these entities to broadcast and archive all meetings of the public body via the internet, to the extent practicable and within available funds.

A.10365-B (Brennan) **Chapter 466**

This chapter makes clarifying changes to the Not-For-Profit Revitalization Act of 2013. This legislation removes unnecessary burdens on not-for-profit boards to among other changes: make clear what kinds of related party transactions can proceed without board involvement; clarify the definition of an “independent director;” modify the administration of conflict of interest and whistleblower policies; increase the revenue threshold related to not-for-profits conducting business with entities owned by, or that employ, a director of such not-for-profit; and allow an employee to serve as chair of the board upon a two-thirds vote by the board.

Public hearing on the Zero-Emissions Credit Program and the rate increases on your electric bill

On August 1, 2016 the New York State Public Service Commission (PSC) approved the Clean Energy Standard (CES) (case 15-E-0302), which established the goal of obtaining 50% of the state’s electricity from renewable sources by 2030. A component of the CES is the twelve-year “Zero-Emissions Credit” (ZEC) program. In the first two years alone, the program will cost New York ratepayers, mostly from downstate, as much as \$965 to subsidize four upstate aging nuclear power generating facilities owned by the Exelon Corporation (Fitzpatrick, Ginna, and Nine Mile Units 1 and 2), with rates increasing as high as 10% for each two-year interval of the program. Concerns have been raised about this program and as a result the committee held a public hearing to discuss these concerns.

The Committee on Corporations, Authorities, and Commissions along with the committees on Energy, Environmental Conservation, and Consumer Affairs and Protection held a hearing in March to explore how the PSC arrived at its decision. The hearing examined alternatives to the ZEC program, such as investments in renewable energy sources and conservation; testimony was provided by affected industries and advocates, such as large energy users and representatives of low income ratepayers; and there was a discussion on ways for the Commission to provide for more transparency and public involvement in the decision-making process of this scale and impact. Video and audio of the hearing is available online at <http://nyassembly.gov/av/hearings/>. Unfortunately, the PSC chose not to attend this very important hearing, denying the public the ability to hear answers to important questions on the ZEC program, which subsidizes a single corporation and could reach as high as \$7.6 billion over the 12 year span.



The Committees held a follow-up hearing two months later at which both the PSC and the New York State Energy and Research Authority (NYSERDA) presented testimony and answered questions. To be clear, the Committees agree that the goal of achieving 50% percent of New York’s electricity from renewable resources by 2030 is extremely important. However, providing a subsidy of as much as \$7.6 billion, the majority of which is paid for by downstate ratepayers, to keep four aging nuclear facilities open without specific disclosure to the public of how this money is being spent is questionable. While the PSC and NYSERDA answered some of the questions raised at the hearing, many questions were not answered to the Committees’ satisfaction. For example: the PSC claimed to not know how much of the subsidy will go towards corporate profit.

Decisions like the ZEC program that affects the lives and pocketbooks of millions of New Yorkers should be made in the open; and the Committees will continue to work to ensure this happens to the greatest extent possible.

Legislative Summary – 2016

Passed the Assembly

A.274-A (Rozić)

This bill would allow victims of domestic violence to cancel contracts with telephone, cable television or satellite companies upon providing a domestic violence incident report, a police report, an order of protection, or a signed affidavit.

A.5083-D (Paulin)

This bill would establish a natural gas pipeline leak classification system and procedures to ensure that natural gas leaks are identified and repaired in a timely manner. It would require the classification, and annual reporting to the Department of Public Service, of all reported leaks of natural gas by gas corporations. It would also require a municipality or the state to report to the relevant gas corporation any significant project exposing natural gas infrastructure, to survey such site for gas leaks, and require the Public Service Commission to commence a proceeding to investigate the need for additional winter surveillance of gas pipelines due to the extended frost season.

A.5415 (Brennan)

This bill would make changes to the Public Authority Reform Act. The bill would, by-in-large, make changes to clarify many existing provisions, such as changing references of

“public authority” to “state and local authority.” The bill makes technical changes, such as adding the Comptroller or the Authorities Budget Office (ABO) to many reporting requirements. It also changes many reporting deadlines to make them more conducive to the varied fiscal years that authorities may have.

A.7587 (Cook)

This bill would require the Metropolitan Transportation Authority (MTA) to submit its strategic operation plan on or before September 1st of each year, beginning with the plan for the period commencing January 1, 2017, in order to more closely align it with the budget process. The bill also would authorize such plan to include information on MTA operations and capital construction required under §17(a) of the Transportation Law. Under current law, these are completed separately and have deadlines of July 1 and October 1, respectively.

A.7786-A (Brennan)

This bill would make permanent the public interest review standard for reviewing cable corporation mergers or acquisition, currently set to expire on April 1, 2017. This standard requires a cable corporation to show that a proposed merger or acquisition is in the public interest in order for the Public Service Commission to approve the transaction.

Helpful Information

Disputes with Public Utilities?

For assistance with a dispute with an electric, gas, telecommunications, or water utility, please contact the Office of Consumer Services within the Department of Public Service. There are a number of ways to contact the Office of Consumer Services:

Online: <http://www.dps.ny.gov/> and go to complaints

Phone: Toll Free at 1-800-342-3377 or 1-800-662-1220 for those with Hearing/Speech Impairments

Fax: 518-472-8502

Mail or In Person:

Albany • Empire State Plaza, Agency Building 3, Albany, NY 12223

Buffalo • Ellicott Square Building
295 Main Street – 10th Floor, Room 1050, Buffalo, NY 14203

NYC • 90 Church Street, New York, NY 10007

Long Island • Department of Public Service – Long Island Office
125 East Bethpage Road, Plainview, NY 11803

Continued on next page

Utility Emergencies

If you smell, see, or hear a natural gas leak in your immediate area, **evacuate and call 911** or your local gas provider! Do not try to find the leak or use anything that is electronically powered as that can ignite the gas. Let your local utility company handle the situation for everyone's safety.

If you see downed powerlines, **stay away and call 911** or your local electric provider! Always assume that it is a live powerline and do not touch anything the line is in contact with. When moving away, shuffle your feet, **do not run!** If your vehicle is in contact with downed powerlines, **stay inside** until electrical workers tell you it is safe to leave! If you must evacuate your vehicle due to other imminent danger, **jump** from the vehicle away from the downed power line, land with your feet together and shuffle away from the vehicle.

If there is a water main break, please contact your local water provider **as soon as possible!** If asked to by your water authority, please use bottled water or conserve your water supply and ration its usage. A good way to do this is to fill up your bath tub before water service is shut off. After water service has been restored, please run your taps for a period of time to ensure that there is no dirt, fungi, or bacteria in your water supply that can cause harm to yourself and family.

NY Dig Safely

To protect our underground utilities and structures from damage and service disruption, please call, toll free, 811 before digging. The 811 service ensures that everyone involved in the process, including the excavator, business or homeowner, and utility companies, are all on the same page so a project runs smoothly and safely for everyone involved. For more information about the NY Dig Safely program please go to <https://www.digsafelynewyork.com/safety-training/education>.

Public Transit

New York State has an extensive public transportation system made up of regional transportation authorities. The Metropolitan Transportation Authority (MTA), the Niagara Frontier Transportation Authority (NFTA), and the Capital District Transportation Authority (CDTA) make up just part of the more than 130 transportation authorities within the state. Using public transportation is an environmentally friendly method of transportation, which saves 1.3 billion gallons of gasoline and 37 million metric tons of carbon dioxide from being released annually. Public transportation is an economically sensible method of transportation as well; saving the average commuter almost \$10,000 annually. Nearly 60% of New York State residents use public transportation to commute to and from their workplace. Public transportation supports more than 400,000 jobs required for moving millions of New Yorkers across the State.

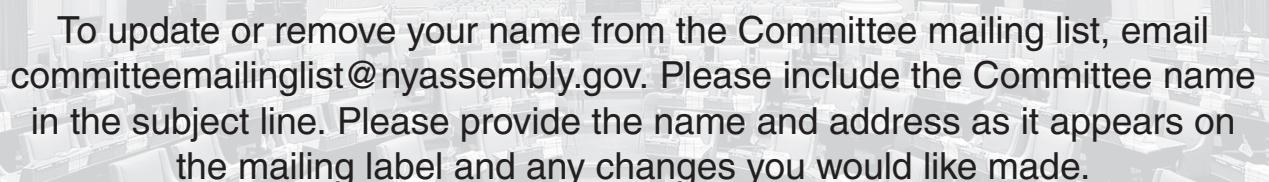
New York State Assembly, Albany, New York 12248

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2017 Legislative Update from the New York State Assembly

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Committee on Corporations, Authorities, and Commissions

Assemblyman Jeffrey Dinowitz, Chair