



New York State Assembly

Sheldon Silver
Speaker



2013

ANNUAL REPORT

Committee on
Energy

Amy R. Paulin
Chair





THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Committee on Energy

COMMITTEES
Education
Health
Higher Education

AMY PAULIN
Assemblywoman 88TH District
Westchester County

December 15, 2013

Honorable Sheldon Silver
Speaker of the Assembly
Legislative Office Building, Room 932
Albany, NY 12248

Dear Speaker Silver:

I am pleased to submit to you the 2013 Annual Report of the Assembly Standing Committee on Energy. In my first year as chair I had the opportunity to meet with many citizens and organizations who shared their concerns about energy issues impacting New York, including the availability of renewable energy, congestion on our high voltage transmission system, power plant siting and gas and electric rates.

In 2013, the committee worked on several important legislative issues, including legislation that strengthened the regulatory authority of the Public Service Commission over gas and electric corporations. This reform legislation was included in the SFY 2013-2014 budget and was the result of close cooperation with the Committee on Corporations, Authorities and Commissions and much input from the various parties and stakeholders who insisted that utility companies make adequate preparations for emergency events such as the 2012 Hurricane Sandy, in which millions of New Yorkers were left without electric service for an extended period of time.

Outside of the budget process, the committee played an integral role in the successful passage of legislation that bolsters the state's net-metering statute and encourages greater participation by customers who can produce electricity at their home, business or farm. Additionally, the committee advanced successful legislation to expand the state's landmark Green Jobs-Green New York (GJGNY) program to include renewable technologies.

In the year ahead I am eager to advance legislation that will further incentivize the use of clean energy technologies, including the establishment of a program to allow electric customers who lack the space or ability to install renewable devices to subscribe to receive credit for the electrical output of a local renewable facility. Additionally, I am interested in legislation that will establish a municipal aggregation program to use the bulk buying ability of thousands of customers to purchase lower priced electric supply from producers, including energy produced by renewable devices. I look forward to a busy and productive year for the committee.

Sincerely,

Amy R. Paulin
Chair of the Assembly Energy Committee

2013 ANNUAL REPORT
OF THE NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON ENERGY

Amy R. Paulin, Chairwoman

Committee Members

Committee Members

Marcos Crespo
Steve Englebright
Dennis Gabryszak
Andrew Hevesi
Francisco Moya
Linda Rosenthal
Addie Russell
Aravella Simotas
Sean Ryan
Anthony Brindisi
Angelo Santabarbara
Edward Hennessey

Phillip Palmesano, Ranking Minority Member
Gary Finch
William Barclay
John Ceretto

Staff

Julia Mallalieu, Legislative Coordinator
Nairobi Vives, Associate Counsel
Paul Esmond, Legislative Analyst
Stephanie Amann, Legislative Director
Tammie Kheocha-on, Committee Clerk
Maegan Lynch, Program and Counsel Executive Secretary

I. INTRODUCTION

2013 Energy Report

The Assembly Energy Committee, now in its 32nd year, has jurisdiction over legislation relating to energy availability and sources, policy and planning, conservation, and electric, gas and steam rate-making in New York State. The Committee considers legislation that amends the Energy Law, the Public Service Law, the Public Authorities Law, Economic Development Law and Rural Electric Cooperative Law. The Committee works closely with the Assembly Committee on Corporations, Authorities and Commissions, which considers legislation concerning the structure and operations of the New York Power Authority (NYPA), the Public Service Commission (PSC), the New York Energy Research and Development Authority (NYSERDA), and the Long Island Power Authority (LIPA). The Committee also works with other State agencies including the Department of Economic Development (DED), the Department of Environmental Conservation (DEC), the Department of State and the Department of Transportation (DOT).

In 2013, ninety-seven bills were referenced to the Committee and twenty-six bills were reported from the Committee. The full Assembly considered and passed fourteen of these bills. Four of those bills were signed into law. The report outlines the legislation that incorporates many of the Assembly's proposals developed by the Committee to address the challenges facing us regarding New York State energy policy.

II. MAJOR ISSUES FOR 2013

Strengthening Public Service Commission Oversight of Electric and Gas Companies (A.3007-D (budget bill); Chapter 57 of the Laws of 2013)

This legislation bolsters the Public Service Commission's (PSC) oversight by authorizing the Commission to levy administrative penalties against combination electric and gas corporations for violations of Public Service Law, including safety violations and failure to prepare for and respond to sustained power outages. The legislation came as a result of recent storm events including Hurricane Irene (August 2011) and Hurricane Sandy (October 2012) which resulted in millions of customers losing electrical service – many for more than one week. The legislation requires utilities to improve their emergency preparedness.

Additionally, the legislation augments the PSC's oversight by authorizing regular management and operations audits of electric companies with a provision requiring such companies to conform to more stringent standards pursuant to audits. The PSC is also authorized to modify or revoke the operating certificate of an electric company for persistent violations.

A. ENERGY EFFICIENCY

Enhancing Energy Efficiency Standards for State-Purchased Consumer Electronic Equipment

(A.1829-B/Hevesi; Vetoed)

The Assembly passed legislation requiring that at least 95 percent of consumer electronic equipment purchased by state agencies meet Electronic Product Environmental Assessment Tool (EPEAT) Gold Standards. Additionally, the bill would require that state agencies develop policies for extending the useful life of such technology.

B. CONSUMER ISSUES

Providing Gas and Electric Bill Information to Prospective Renters

(A.3552/Camara; Passed Assembly, Memo 219)

The Assembly approved legislation that would require a utility to make available to a landlord or lessor of rental property, upon the written request of a prospective tenant prior to the commencement of tenancy, information consisting of charges sustained at the premises for gas or electric service for the life of the dwelling unit or two years, whichever is lesser. Under this legislation, a previous tenant or ratepayer's privacy would be protected by allowing only for the disclosure of the address and charges.

Utility Portfolio Management

(A.5376/ Brennan; Passed Assembly)

The Assembly passed legislation amending Public Service Law to require electric utilities to institute portfolio management services for their customers and place new requirements on electric utility companies to protect their customers from increasing volatility in energy prices.

The legislation would require electric utilities to consider all reasonably available resources to provide "portfolio management" services to their customers. Such portfolio management services would include mechanisms such as long- and short-term energy contracts, energy efficiency, distributed generation and renewable energy technology, which would reduce the volatility of wholesale electrical prices and minimize customer bills.

Notification of Meter Reading Rights to Customers Disconnecting Service

(A.2197/Simotas; Passed Assembly)

The Assembly passed legislation that would require a gas and electric company, upon discontinuation of residential service to a customer, to notify such customer that he or she is entitled to a physical meter reading within 48 hours of such request.

Indian Point Energy Center Closure Report
(A.1038/Jaffee; Passed Assembly)

The Assembly approved a bill that would require the State Energy Planning Board (SEP) to issue a report, no later than March 31, 2014 to examine the impact of the potential closure of the Indian Point Energy Center (IPEC), a 2,100 megawatt nuclear power plant located in Westchester County. In addition to an examination of the energy impacts of such a closure, the study would include strategies to offset energy produced by IPEC and an analysis of the plant's closure on the regional economy.

C. NET ENERGY METERING, ALTERNATIVE ENERGY AND ENERGY PLANNING

Expanding Remote Net-Metering
(A.6366/Paulin; Chapter 200 of 2013)

The Assembly approved legislation that allows farm operation and non-residential electric customers who own or operate a fuel cell electric generating system to participate in remote net-metering. Established in 2011, remote net-metering allows non-residential customers to devote credits earned for energy produced to more than one meter on property they own, operate or lease. Prior to this chapter, remote net-metering was only authorized for solar, wind and farm waste devices.

Increasing Solar Incentives For Farm Customers
(A.4997-C/Hevesi; Chapter 253 of 2013)

The Assembly passed legislation that authorizes agricultural customers of an electric corporation who utilize a residential electric meter to install solar generating devices of up to 100 kilowatts for the purpose of net-metering. Previously, the law limited such customers to solar devices of no greater than 25 kilowatts.

Including Renewable Energy Devices in the Green Jobs-Green New York Program
(A.1245/Cahill; Chapter 386 of 2013)

The Assembly approved legislation adding the installation of net-metering technologies (solar, wind, farm waste, fuel cell, micro-hydroelectric) to the list of qualifying projects that can be financed through the Green Jobs-Green New York (GJGNY) program. Established in 2009, the GJGNY program provides low interest loans to qualifying property owners who install energy efficiency technologies that reduce energy usage.

The NY Sun Act of 2013
(A.5060-D/Englebright; Passed Assembly)

The Assembly approved legislation that would commit \$150 million in annual funding to solar programs administered by the state through 2023. Under this legislation, the PSC

would be required to analyze, and where necessary, modify existing programs to ensure adequate funding, geographic distribution and incentive structures that are geared towards large and small project sizes.

Allowing Net Metering Customers to Carry Over Credits From Excess Energy on an Annual Basis

(A.5822/Englebright; Passed Assembly)

The Assembly passed legislation that would further encourage electric customers to participate in net-metering. This legislation would allow customer generators operating solar, farm waste, and wind generation electric systems the option to carry over credit earned for excess energy they produced indefinitely. Under current net-metering law, unless the utility chooses otherwise, customers are paid out at the end of each year. Additionally customer-generators would be entitled to an accounting of aggregate credits once on a five-year basis. The law would encourage greater participation by allowing customers to use aggregated credits at times when energy is more expensive.

Changing the Credit Structure for Net-Metering for Combined Heat and Power and Fuel Cell Customers

(A.6367/Paulin; Passed Assembly)

The Assembly approved a bill that would allow electric customers who own and operate Combined Heat and Power (CHP) and fuel cell electric generating equipment to earn credits for energy produced at the same rate as charged to the same class of customers who do not produce electricity through net-metering. Currently, CHP and fuel cell customers receive credit at an electric company's avoided cost.

Removing Load Requirement for Micro-Hydroelectric Generating Equipment

(A.6675/Crespo; Vetoed; Memo 209)

The Assembly passed legislation to clarify that customers operating hydro-electric generating equipment do not require a minimum electric load for the host meter, with which the device is interconnected.

A Study of Benefits of Microgrids to Disaster-Relief Non-Profit Organizations

(A.7049/Crespo; Chapter 221 of 2013)

The Assembly approved a bill amending Part T of Chapter 58 of 2013 (A.3008-D) to direct the PSC, in consultation with NYSERDA and Department of Homeland Security and Emergency Services (DHSES), in its study of the feasibility of microgrids, to consider non-profit organizations whose purposes are to assist in disaster response. A microgrid is a local electrical network that is designed to withstand a widespread power outage through the use of backup generation and distributed generation sources such as solar and fuel cell electric generating equipment.

APPENDIX A

2013 SUMMARY SHEET

Summary of Action on All Bills Referred to the Committee on
ENERGY

<u>Final Disposition</u>	<u>Assembly Bills</u>	<u>Senate Bills</u>	<u>Total</u>
TOTAL Bills Referred to Committee	97	12	109
<u>Bills Reported With or Without Amendment</u>	26	0	26
To Floor	7	0	7
To Ways and Means	17	0	17
To Codes	1	0	1
To Rules	1	0	1
Bills Having Enacting Clause Stricken	0	0	0
Bills Never Reported, Remained in Committee	69	9	78

**TOTAL NUMBER OF COMMITTEE
MEETINGS HELD**

APPENDIX B

Bills Passed by Both Houses

<u>Governor's Action</u>	<u>Bill Number</u>	<u>Description</u>
Chapter 200	A.6366 (Paulin)	Authorizes remote net-metering for non-residential customers operating fuel cells.
Chapter 221	A.7049 (Crespo)	Includes certain not-for-profit organizations for collaboration purposes for microgrid recommendations
Chapter 253	A.4997-C (Hevesi)	Allows farm operation customers paying a residential electric rate to interconnect solar devices up to 100 kilowatts for the purpose of net metering
Chapter 386	A.1245 (Cahill)	Adds renewable energy devices to the list of projects eligible for Green Jobs-Green New York (GJGNY) financing.
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Veto. 209	A.6675 (Crespo)	Removes minimum load requirement for the net-metering of micro-hydroelectric generating equipment.
Veto. 219	A.1829-B (Hevesi)	Requires that state agency purchases of consumer audio and video products meet Electronic Product Environmental Assessment Tool (EPEAT) Gold Standard.

APPENDIX C

Bills Passed by the Assembly

<u>Bill Number</u>	<u>Sponsor</u>	<u>Description</u>
A.1038	Jaffee	Directs State Energy Planning Board (SEP) to conduct a study on impacts of potential closure of Indian Point Energy Center (IPEC).
A.2197	Simotas	Requires electric and gas corporations to provide an actual meter reading upon discontinuation of residential service.
A.3552	Camara	Requires gas and electric utilities to make available to landlords upon request information concerning gas and electric charges incurred for residential premises.
A.5060-D	Englebright	Establishes the NY Sun Act of 2013, requiring \$150 million annual statewide spending on solar electric generating devices.
A.5376	Brennan	Requires electric and gas corporations to develop portfolio management services.
A.5822	Englebright	Allows residential electric customers to roll over credits earned from net-metering on a yearly basis.
A.6367	Paulin	Directs utilities to credit net-energy metering customers operating fuel cell and combined heat and power (CHP) equipment at the same rate of customers who do not participate in net-metering.
A.7069	Barrett	Directs the Secretary of State to appoint a person from the Department of State's Utility Intervention Unit to serve on the State Energy Planning Board (SEP)