



2018 ANNUAL REPORT

New York State Assembly

Carl E. Heastie

Speaker

Committee on

Energy

Michael J. Cusick

Chair





MICHAEL J. CUSICK
Assemblyman 63rd District
Richmond County

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIRMAN
Committee on Energy
COMMITTEES
Governmental Employees
Higher Education
Transportation
Veterans' Affairs
Ways and Means

December 15, 2018

Honorable Carl E. Heastie
Speaker of the Assembly
Legislative Office Building, Room 932
Albany, NY 12248

Dear Speaker Heastie:

I am pleased to submit to you the 2018 Annual Report of the Assembly Standing Committee on Energy. This legislative session marked my first as chair of the Committee.

Throughout the course of the year, the Committee was actively engaged in the passage of the SFY 2018-19 budget, as well as legislation related to consumer protections and the deployment of distributed energy resources.

I have greatly enjoyed working with the Energy Committee and look forward to another productive year. Under your leadership, the Assembly will continue its efforts to protect ratepayers and enhance renewable energy markets throughout the 2019 legislative year.

Sincerely,

Michael J. Cusick
Chair of the Assembly Standing Committee
on Energy

2018 ANNUAL REPORT
OF THE NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON ENERGY

Michael J. Cusick, Chairman

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INTRODUCTION

The Assembly Energy Committee, now in its 37th 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 Energy Law, Public Service Law, 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 Power Authority of the State of New York (PASNY, d/b/a NYPA), the Public Service Commission (PSC), the New York State 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 (DOS) and the Department of Transportation (DOT).

In 2018, 91 bills introduced in the Assembly were referenced to the Committee, and 11 were reported from the Committee. The full Assembly considered and passed 6 of these bills. Five bills were signed into law. This report outlines the legislation that incorporates many of the Assembly's proposals developed by the Committee to address the challenges to New York State energy policy.

MAJOR ISSUES OF 2018

A. BUDGET HIGHLIGHTS

Utility Assessments

The SFY 2018-2019 Budget included provisions that:

- extended for an additional year the authorization for certain expenses of the Office of Parks, Recreation and Historic Preservation and the departments of Agriculture & Markets, Health, Environmental Conservation, and State to be reimbursed by a utility assessment, and
- extended for an additional year the authorization for NYSERDA to receive up to \$19.7 million from an assessment on gas and electric corporations.

Electric Generation Facility Cessation Mitigation Fund

The Electric Generation Facility Cessation Mitigation Fund is available to local government entities, including counties, towns, cities, villages, school districts and special districts, where the closing of an electric generating facility has caused a reduction of at least 20% in the real property tax collections or payments in lieu of taxes owed by such facility.

The 2018-2019 budget included provisions that authorized an additional \$24 million to be made available through the fund.

B. GAS SAFETY

Mapping of Proposed Gas Production and Transportation Facilities (A.917 Lupardo; Passed Assembly)

This bill would require the Department of Public Service (DPS) and the Department of Environmental Conservation to establish a computer mapping program for plotting the location of proposed gas gathering and gas pipeline facilities. Under the legislation, all persons proposing to construct such facilities would be required to file special mapping data with DPS, detailing the location and route of such projects.

C. CONSUMER ISSUES

Notification of Meter Reading Rights to Consumers Disconnecting Service **(A.2451 Simotas; Chapter 213 of the Laws of 2018)**

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 forty-eight hours of such request.

Energy Conservation **(A.8869 Thiele; Reported from Committee)**

The Committee approved legislation to protect energy consumers from rate increases related to consumer energy conservation efforts. The bill would codify provisions prohibiting the Public Service Commission from authorizing gas and electric rate increases to offset utility revenue losses that are the result of consumer energy conservation efforts.

D. ENERGY STORAGE

Energy Storage Deployment Policy **(A.8921-A Paulin; Chapter 324 of the Laws of 2018)**

This law will provide the State with flexibility in the deployment of energy storage resources. The bill requires the Public Service Commission to establish a 2030 storage goal and deployment policy by December 31, 2018, in consultation with the Long Island Power Authority and the New York State Energy Research and Development Authority.

The legislation provides that such energy storage policy include cost effectiveness, integration of variable-output energy resources, a reduction of greenhouse gases and demand for peak electrical generation; and improve the reliable operation of the electrical transmission or distribution system.

(A.11099 Cusick; Passed Both Houses)

The Assembly passed legislation to help achieve cost-effective deployment of energy storage systems. The bill would require the Public Service Commission to consult with the New York Independent System Operator in the adoption of an energy storage goal and

energy storage deployment policy. Further, it would require the use of a competitive process in the procurement of energy storage systems to support such goal and policy.

E. GREEN BUILDINGS

Affordable Residential Green Building Program **(A.8922 Rosenthal L; Chapter 311 of the Laws of 2018)**

This law amends Section 1872-a of the Public Authorities Law to provide for greater accessibility to information and resources related to construction of green affordable residential buildings.

The legislation directs NYSERDA to provide information and resources to developers, builders, design professionals, and potential owners of affordable new residential buildings. Such resources would be based, in part, on design building techniques that promote the reduction of greenhouse gases and encourage the incorporation of environmentally responsible products.

The law also requires NYSERDA to issue a report determining the benefits of providing new financial incentives for the construction of affordable residential green buildings. The report is due to the Governor and Legislature by December 31, 2018.

F. RURAL ELECTRIC COOPERATIVES

Excess Revenues **(A.7953-A Brindisi; Chapter 300 of the Laws of 2018)**

New York rural electric cooperatives were created in 1941 to provide electric service in areas not served by private power companies. Each cooperative is a nonprofit electric utility owned by the customers it serves and governed by a board of directors elected by the cooperative membership.

The Assembly passed legislation relating to the excess revenues of rural electric cooperatives. The law also establishes conflict of interest and whistleblower policies, in addition to requiring cooperatives to provide access to meeting minutes and board records.

G. TRANSMISSION

Siting of Major Utility Transmission Facilities **(A.10341 Cusick; Reported from Committee)**

This legislation would provide that in the siting of major utility transmission facilities, state agencies and municipalities may require conditions for the construction and operation of such facilities in such instances where it is expressly authorized by the Public Service Commission or necessary for the administration and enforcement of the New York State Uniform Fire Prevention and Building Code.

H. NET ENERGY METERING, ALTERNATIVE ENERGY & ENERGY PLANNING

Existing Large Scale Renewable Resources **(A.7275-C Jenne; Reported from Committee)**

The Committee passed legislation that would require the Public Service Commission, in consultation with the New York State Energy & Research Development Authority, to adopt a program to support certain existing large-scale renewable energy resources in the State.

The program would include an obligation on load-serving entities to purchase Tier 2 “Renewable Energy Credits” (RECs) from eligible resources, as well as additional financial assistance to facilities for which the Tier 2 RECs are insufficient.

Value of Distributed Energy Resources **(A.10474 Englebright; Passed the Assembly)**

The Assembly passed legislation to ensure that the development of distributed energy resources is not disrupted by a transition away from net energy metering.

This bill would restore statutorily approved net energy metering compensation for solar, farm waste, fuel cell, micro-hydroelectric, and micro-combined heat & power (CHP) electric-generating technologies through December 31, 2021.

The legislation would also direct the Public Service Commission and the Long Island Power Authority to adopt a “value of distributed energy resources” crediting mechanism that includes the long-term value of benefits such as grid security and resilience, reduced

emissions of greenhouse gases and other air and water pollutants, and environmental justice attributes.

Fort Drum Radar Zone

(A.9053-A Jenne; Reported from Committee)

The Committee reported legislation that would ensure Fort Drum's mission readiness. The bill would prevent wind facilities within a defined area around Fort Drum from being eligible to redeem incentives or payments related to state agency programs. The legislation would be deemed repealed fifteen years after becoming law.

Incinerators

(A.10277-A Cusick; Reported from Committee)

The Committee reported a bill that would ensure that the siting of incinerators is in compliance with local laws. The legislation would provide that the New York State Board on Electric Generation Siting and the Environment may not grant a Certificate of Environmental Compatibility and Public Need to an incinerator unless it is in compliance with applicable state and local laws.

PUBLIC OVERSIGHT AND HEARINGS

Storm Response

On May 29, the Assembly Standing Committees on Energy and Corporations, Authorities, and Commissions held a hearing in the City of White Plains to examine the response of utilities to winter snowstorms in March that left over 500,000 homes and businesses without power. The vast majority of outages occurred in the Hudson Valley (including Dutchess, Putnam, Sullivan and Westchester counties) with some lasting as long as ten days.

The Committees received testimony from local officials, the Department of Public Service, and several utilities. The hearing was an opportunity to discuss the ways in which to improve communication and quickly and safely restore power to customers in the wake of future storms.

OUTLOOK FOR 2019

During the 2019 legislative session, the Energy Committee will continue to oversee State energy policy to ensure that consumers are provided safe and reliable energy at reasonable costs. Additionally, the Committee looks forward to continued efforts to achieve the State's renewable energy, energy efficiency and energy storage goals.

APPENDIX A

2018 SUMMARY SHEET

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

<u>Final Action</u>	<u>Assembly Bills</u>	<u>Senate Bills</u>	<u>Total</u>
<u>Bills Reported Favorable To:</u>			
Codes	0	0	0
Judiciary	0	0	0
Ways and Means	6	0	6
Rules	2	0	2
Floor	3	0	3
Total	11	0	11
<u>Bills Having Committee Reference Changed</u>			
To Ways and Means	1	0	1
<u>Bills Having Enacting Clause Stricken</u>	5	0	5
<u>Bills Held For Consideration</u>	2	0	2
<u>Bills Never Reported, Remained in Committee</u>	72	2	74
TOTAL BILLS	91	2	93
TOTAL NUMBER OF COMMITTEE MEETINGS HELD		4	

APPENDIX B

BILLS THAT PASSED BOTH HOUSES

<u>Governor's Action</u>	<u>Bill Number</u>	<u>Description</u>
Chapter 213	A.2451 (Simotas)	Relates to the discontinuation of utility service to residential customers.
Chapter 300	A.7953-A (Brindisi)	Relates to patronage capital contributions, allocations and retirements.
Chapter 324	A.8921-A (Paulin)	Relates to establishing the energy storage deployment policy.
Chapter 311	A.8922 (Rosenthal L)	Relates to the affordable residential green building program.
Awaiting Governor's Action	A.11099 (Cusick)	Relates to the energy storage deployment policy.

APPENDIX C

BILLS THAT PASSED THE ASSEMBLY ONLY

<u>Bill Number</u>	<u>Sponsor</u>	<u>Description</u>
A.10474	Englebright	Relates to rate schedules for net energy metering and to directing the Public Service Commission and the Long Island Power Authority to adopt a methodology for the establishment of a value of distributed energy resources crediting mechanism.