



New York State Assembly

Carl E. Heastie, Speaker

ANNUAL REPORT 2015

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, 2015

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 2015 Annual Report of the Assembly Standing Committee on Energy. This legislative session marked my third as chair of the Committee. During this session, the Committee was able to once again address issues of importance to New York's ratepayers and those advocating for increased energy efficiency and renewable resources.

Throughout the course of the year, the Committee was actively engaged in several significant areas, including the passage of legislation contained in the SFY 2015-16 budget which delayed for one year any changes to eligibility for the Green Jobs-Green New York (GJGNY) program. Additionally, the legislation required the New York State Energy Research and Development Authority (NYSERDA) to convene a working group to develop strategies to increase financing to low-to-moderate income (LMI) customers for products.

Outside of the budget process, the Committee advanced successful legislation that extended a key component of the state's Underground Facilities Safety Act, allowing for the use of revenue raised from violations to be used for safety training and education (A.7640/Barron). Additionally, the Committee advanced successful legislation requiring the state's electric utilities to publicly post all requests for proposals for electric and transmission capacity on the Public Service Commission (PSC) website (A.6893-A/Paulin).

One of the accomplishments with which I am most pleased is the Committee's influential role in addressing issues of parity in the state's solar energy policy which have prevented participation of customers residing in apartments, condominiums and cooperatives. For the second year in a row, the Committee reported legislation that would allow for customers of an electric utility to subscribe to a shared solar facility in order to receive credits against their electric bills (A.107-A/Paulin). The legislation, which enjoyed the broad support of environmental and clean energy organizations, was

intended to allow renters to participate in a similar manner to net-metering. Because many of New York's electric ratepayers are renters, who pay in to the state's Renewable Portfolio Standard (RPS), but cannot participate in net-metering, it was necessary that the state change its solar policy. It was with great enthusiasm that I learned in July that the PSC approved an order instituting a community net-metering program, incorporating similar concepts to what was contained in the bill reported by the Committee. In the coming year, the Committee will actively watch the implementation of the community net metering order to ensure it meets the important goals of parity.

As you are aware, the Public Service Commission (PSC) is undergoing an ambitious proceeding, which may significantly change the way New York's gas and electric utilities serve ratepayers. The Reforming the Energy Vision (REV) proceeding is considering changes to the energy landscape, with the goal of encouraging the use of local distributed generation (DG), improving electrical infrastructure and significantly reducing emissions of greenhouse gases. When all is said and done, the state's electric industry may look significantly different than its current model. Such a broad undertaking requires significant legislative scrutiny. The Committee, which in September held a hearing to examine a component of the REV proposal to stimulate the growth of large scale renewables (LSR), will continue to play an oversight role.

In the year ahead I am eager to work with the committee on legislation that will protect ratepayers from spikes in energy bills, increase access to renewable energy and improve energy efficiency for homes and all sizes of businesses.

Sincerely,

A handwritten signature in black ink that reads "Amy R. Paulin". The signature is written in a cursive, flowing style.

Amy R. Paulin
Chair of the Assembly Energy Committee

2015 ANNUAL REPORT
OF THE NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON ENERGY

Amy R. Paulin, Chairwoman

Committee Members

Committee Members

Steve Englebright
Andrew Hevesi
Marcos Crespo
Francisco Moya
Linda Rosenthal
Addie Russell
Aravella Simotas
Sean Ryan
Anthony Brindisi
Angelo Santabarbara
Charles Barron
Latrice Walker

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

Staff

Paul Esmond, Legislative Analyst
Julia Mallalieu, Legislative Coordinator
Nairobi Vives, Associate Counsel
Stephanie Amann, Legislative Director
David Gordon, Committee Clerk
Nikki VanAuken, Program and Counsel Executive Secretary

I. INTRODUCTION

2015 Energy Report

The Assembly Energy Committee, now in its 33rd 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 Power Authority of the State of New York (PASNY, d/b/a 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 (DOS) and the Department of Transportation (DOT).

In 2015, 93 bills were referenced to the Committee and 12 were reported from the Committee. The full Assembly considered and passed seven of these bills. Two of those 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.

II. MAJOR ISSUES FOR 2015

Preserving Green Jobs-Green New York (GJGNY) program eligibility (A.3008-B (budget bill); Chapter 58 of the Laws of 2015)

The SFY 2015-16 Budget included a provision directing NYSERDA to continue offering financing to customers for qualified energy efficiency projects on the same terms which existed prior to January 1, 2015. This legislation came as a result of changes made to the GJGNY program, which restricted access to low-interest loans for energy efficiency and renewable energy projects for residential and small business customers. Established in 2009, GJGNY allows qualified customers, including low-income, to receive low-interest financing for projects which reduce energy usage including weatherization, heating and cooling upgrades and other improvements. In addition to postponing any changes to customer eligibility, the provision required NYSERDA to establish a working group to make recommendations to the authority on increasing access for low to moderate income customers (LMI) to the GJGNY program.

A. GAS SAFETY

Extension of the Underground Facilities Safety Training Account

(A.7640 Barron/S.5653 Griffo; Chapter 126 of the Laws of 2015)

This law extends the Underground Facilities Safety Training Account until 2020. Established in 2000 and renewed in 2010, the account consists of funds received by the state for violations of protections of underground facilities. Moneys accrued by this fund will continue to be used for programs to provide training and education on the requirements and procedures for protection of underground wires, conduits, cables and pipelines during excavation work. Moneys collected in the fund are payable to any one-call notification system to facilitate communication between excavators and operators to prevent damage to underground facilities and provide for prompt reporting when damage occurs.

Mapping of Proposed Gas Production and Transportation Facilities

(A.3237 Lupardo/S.180 O'Mara; Passed Assembly)

The Assembly approved legislation that would require the Department of Public Service (DPS) and Department of Environmental Conservation (DEC) 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 which would detail the location and route of such projects. Gas gathering lines are pipelines that transport gas from a production facility to a transmission line, main or end user. Pipeline facilities would include new and existing pipelines, rights-of-way and equipment used in the treatment or transportation of gas.

B. CONSUMER ISSUES

Notification of Meter Reading Rights to Consumers Disconnecting Service

(A.4742 Simotas/S.1931 Parker; 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.

C. NET ENERGY METERING, ENERGY EFFICIENCY, ALTERNATIVE ENERGY AND ENERGY PLANNING

The NY Sun Act of 2015

(A.6776 Englebright/S.7739 Latimer; Passed Assembly)

The Assembly passed 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.3096 Englebright/S.2878 Parker; 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 indefinitely carry over credit earned for excess energy produced. 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 legislation would encourage greater participation in electric consumer net-metering by allowing customers to use aggregated credits at times when energy is more expensive.

D. AIR EMISSIONS REDUCTION

Ensuring Adequate Funding for Residential Heating and Cooling Retrofits

(A.2111 Quart/S.3943/Griffo; Passed Assembly)

The Assembly passed legislation that would direct the PSC and NYSERDA to provide for \$15 million in funds to support residential and multi-family building owners to increase the efficiency and emissions profile of heating and cooling equipment in their buildings. The funds would support conversions to cleaner burning fuel sources and steam.

E. INCREASED TRANSPERANCY IN UTILITY SOLICITATIONS

Increased Transparency in Utility Solicitations

(A.6893/Paulin/S.3542/Griffo; Chapter 398 of 2015)

The Assembly approved legislation that requires PSC to post on its website all requests for proposals (RFP) and solicitations issued by electric companies for electric and transmission services. The legislation is intended to provide greater access to information by power producers and transmission developers in responding to the needs of electric corporation for increased electric capacity and transfer capability.

III. PUBLIC OVERSIGHT AND HEARINGS

Renewable Energy

In September of 2015, the Assembly Committee on Energy convened a hearing to examine the future of large scale renewable (LSR) energy development in New York State. The hearing focused on the LSR proceeding currently before the PSC. The LSR proposal, which was submitted by NYSERDA in 2014, includes potential strategies for incentivizing the development of LSR, including long-term power purchase agreements and utility ownership. The Committee solicited input from the commission and stakeholders, including NYSERDA, power producers, electric utilities, renewable energy advocates and environmental organizations. During the course of the hearing, the Committee received testimony regarding the LSR proposal as well as the current state of the Renewable Portfolio Standard (RPS), the state's current program for incentivizing renewable development. With the RPS scheduled to expire at the end of 2015, the Committee believes that the state must establish an effective program for the sustainable and responsible growth of renewable energy.

Gas Safety

On December 2015, the Committee on Energy joined the Corporations, Authorities and Commissions and the Subcommittee on Infrastructure held a hearing to examine natural gas safety efforts made by the state's utilities. At this hearing, the committee received testimony from the NYS Department of Public Service, City of New York, and representatives from the major gas utilities operating across the state. The hearing served as a follow up to a hearing held by the Committees in 2014 and provided stakeholders an opportunity to discuss efforts to improve gas safety and reduce incidents. The Committees received updates on how utilities plan to improve gas safety awareness and plan to replace aging and leak-prone pipeline.

APPENDIX A

2015 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	107	8	115
<u>Bills Reported With or Without Amendment</u>	11	0	11
To Floor	4	0	4
To Ways and Means	6	0	6
To Codes	1	0	1
To Rules	0	0	1
Bills Having Enacting Clause Stricken	0	0	0
Bills Never Reported, Remained in Committee	84	5	89
TOTAL NUMBER OF COMMITTEE MEETINGS HELD		5	

APPENDIX B

Bills Passed by Both Houses

<u>Governor's Action</u>	<u>Bill Number</u>	<u>Description</u>
Chapter 126	A.7640/Barron	Relates to extending provisions of law relating to the Underground Facilities Safety Training Account.
Chapter 398	A.6893-A/Paulin	Relates to the public availability of certain competitive requests for proposals.

APPENDIX C

Bills Passed by the Assembly

<u>Bill Number</u>	<u>Sponsor</u>	<u>Description</u>
A.2111	Quart	Requires the Public Service Commission (PSC) and the NYSERDA to ensure funds are available for certain heating and cooling replacement programs.
A.4742	Simotas	Requires electric and gas corporations to provide an actual meter reading upon discontinuation of residential service.
A.3096	Englebright	Allows residential electric customers to roll over credits earned from net-metering on a yearly basis.
A.3237	Lupardo	Requires certain information to be filed with the Department of Public Service.
A.4742	Simotas	Authorizes and directs the PSC to perform a study on the economic and environmental benefit and costs of net-metering.