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2022 Hearing on The Role of State Authorities in Renewable Energy Development
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TESTIMONY of
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Thank you for the opportunity to provide testimony on the role of state authorities in renewable energy development on behalf of the Alliance for Clean Energy New York. The Alliance for Clean Energy New York (ACE NY) is a broad coalition dedicated to promoting clean energy, energy efficiency, a healthy environment, and a strong economy for the Empire State, and is New York's premier advocate for the rapid adoption of renewable energy, energy efficiency technologies and transportation electrification. Our members include renewable energy, energy efficiency and electrified transportation companies -- many of the companies that employ New Yorkers in the clean energy economy. According to the 2021 Clean Energy Industry Report published by NYSERDA, in 2020 there were 157,700 clean energy jobs. Our goal is to protect and grow these jobs for New Yorkers as we also grow the supply of clean, pollution-free power. You can learn more about ACE NY at www.aceny.org.

My testimony will focus on the current challenges facing the renewable energy development industry and the role that the State can take to overcome them, and specifically the actions our State authorities can do support and expand renewable energy per the topic of this hearing. ACE NY is strongly supportive of any efforts to encourage and facilitate the development of renewable energy, but we do not believe that the approach outlined in the Build Public Renewables Act, for example, is the best approach, and this testimony will focus briefly on that issue as well. This testimony is organized in the following sections:

I. Role of State Authorities in Renewable Energy Development

In the next section, this testimony discusses the challenges facing the renewable energy industry in New York (and in the U.S.). How can New York State, and particularly its public authorities, address these challenges to facilitate New York's Climate Leadership and Community Protection Act (CLCPA) success? ACE NY has the following comments on this question:

- The New York State Energy Research and Development Authority (NYSERDA) is the agency most critical to achievement of the Clean Energy Standard by virtue of its implementation responsibilities, plus NY-Sun and its other programs. In our view, NYSERDA should continue to implement all tiers of the Clean Energy Standard, including Tier 1, a more robust Tier 2 to support legacy renewables, the Offshore Wind Tier, and the NYC Renewable Energy Program (Tier 4), with timely annual solicitations for market certainty[1], and adherence to the procurement targets (4,500 MWh Tier 1 and 1000 MW Offshore wind Renewable Energy Certificates (ORECs)). NYSERDA's other important role – among many – is community outreach and education for cities, towns and counties that could potentially host renewables; transparency regarding the progress in the program; and the renewable energy Build-Ready Program. The Build-Ready Program should continue to try to focus on those development opportunities that the private sector is not pursuing.

- The New York Power Authority (NYPA) should continue to have a critical role in NY's achievement of the CLCPA goal. First and foremost, the role for NYPA should be to address the very significant transmission constraints that are hampering renewables deployment and when projects are built, are predicted to cause deliverability and curtailment problems. Thus far, NYPA has only designated one priority transmission project[2] since it was given the authority to do so by this legislature in 2021. The Smart Path transmission project is a fine example of the key role NYPA should take in developing renewables, and we urge NYPA to explore other ways it can build out the transmission system to better host renewable energy facilities, including the development of renewable energy interconnection hubs in strategic locations. The Clean Path NY Project, selected as a Tier 4 project [3] and awarded a contract by NYSERDA, is another approach that NYPA could take. Also, NYPA has the authority – granted by the Legislature in 2018, to develop offshore transmission infrastructure to facility offshore wind power. And NYPA is partnering with Consolidated Edison on the transmission project to bring the power from the Sunrise offshore wind project to Long Island. Again, we firmly believe that bold investment in new transmission facilities would be the best way that NYPA can leverage its expertise and credit worthiness and contribute to New York's achievement of climate goals.

  Second, NYPA should issue solicitations to buy clean power and/or Renewable Energy Credits (RECs) from renewable energy facilities in New York and re-sell that power to their customers. In this way, NYPA can contribute to the 70% by 2030 and 100% by 2040 energy goals, and gradually phase out its use of non-renewable power. NYPA has announced intentions to procure renewables in the past, but the results have been unsuccessful and/or underwhelming. The first solicitation, aiming for 1.5 million megawatt-hours resulted in one contract award, which was later cancelled. The second NYPA solicitation resulted in two contract awards, at least one of which was not executed due to proposed NYPA changes to the contract.

  Further – reaching 70% renewables by 2030 depends in no small part on how much power New Yorkers will be using in 2030; energy efficiency initiatives in all buildings are a major and critical

[1] We note that that 2022 solicitation is already 3 months late.

[2] https://www.nypa.gov/power/transmission/transmission-projects/smart-path-connect; https://www.governor.ny.gov/news/governor-hochul-announces-milestone-smart-path-clean-energy-initiative-north-country

[3] https://www.cleanpathny.com/

part of the strategy to keep power demand roughly level through 2030. NYPA can have a huge role to play in advising, financing, and implementing deep building retrofits in all publicly owned buildings in New York, from the village police station to New York City Hall to the Empire State Plaza to the entire operations of the Department of Corrections. NYPA has also been given an important role in building out the electric vehicle charging infrastructure in New York – another important part of meeting CLCPA goals.

- Long Island Power Authority (LIPA). Similar to NYPA, LIPA should be striving to meet the 70% by 2030 and 100% by 2040 goals. Currently, 3% of LIPA's power comes from renewable energy[4]. The South Fork Wind Farm, under contract with LIPA, will increase that percentage, but we suggest that like the rest of New York, LIPA should accelerate renewables contracting and storage deployment and get on a pathway to 70 renewable electricity by 2030. In the case of LIPA, this also includes investing in necessary local transmission upgrades and working with the Public Service Commission and the New York Independent System Operator (NYISO) on bulk transmission system upgrades, such as the need to improve export capacity from Long Island to facilitate offshore wind development.

- All Authorities with Physical Assets. As a further role for our State's Authorities, we suggest that each authority that owns land or otherwise has a physical presence (building) should be required to assess their property for renewable energy hosting and development and, where feasible, competitively procure a wind, solar, storage, or fuel cell developer to deploy renewables at each and every location. This can be done individually by each authority or as part of a cooperative effort coordinated by NYPA or the Office of General Services (OGS). Each prison, State University of New York (SUNY), and State Police parking lot and roof should be covered in solar panels. All state-owned land should be assessed for the possibility of leasing land/space for renewables development or for a standalone energy storage project that would help New York meet the 6GW storage goal and strengthen the grid and resiliency. The Metropolitan Transportation Authority (MTA) should have solar parking canopies and solar on their garages. More rural locations should be assessed for the feasibility of wind power facilities. Further, each state agency and authority should ensure that the power they use is 100% renewable by 2030 through a combination of buying RECs, procuring green power through their utility, or generating clean power on-site.

II. Renewable Energy Development in New York: Status and Challenges

The New York State Legislature gave a significant boost to renewable energy policy through its passage of the CLCPA, which requires, among other ambitious goals, 70% renewable electricity by 2030 in New York. That is, 70% of the electricity that we all use in 2030 is meant to be generated using renewable technologies. This will be a dramatic increase from the current percentage of 27% in 2021. Prior to the CLCPA, past Governors also created renewable energy goals – first 25% by 2020 and 30% by 2020, and then later 50% by 2030 and 70% by 2030. But our percentage of renewables used in New York has only increased from

[4] https://www.lipower.org/wp-content/uploads/2021/06/LIPAs-2022-IRP-June-23-BOT.pdf (see slide 6)

19.3% in 2005[5] to 27% in 2021. Over that timeframe, more than 1,200 wind turbines have been installed in NYS; the solar market has grown from zero; we have 1,000 MW of community solar (the most of any state), and about 3,900 MW[6] of rooftop and community solar operating. But in terms of the percentage of total power used, we still have far to go.

New York has a central procurement approach to renewable energy procurement – different than any other state in that that the State itself is the buyer of RECs. And the renewable energy industry is essentially in a public-private partnership with the state of New York by competing for long-term contracts to provide the Renewable Energy Credits (RECs) to New York; contracts that get wind and solar energy projects built. In 2016, the name changed from Renewable Portfolio Standard to Clean Energy Standard (CES), but the MAJOR change was a shift from a 'budget limited" program (that is, a certain amount of funds would be committed each year) to a procurement amount program, whereby NYSERDA would issue a solicitation and aim to procure a certain amount, that amount being set by the pathway to achieve 70% renewables by 2030. Which means there was a major and significant acceleration in contract awards.

Under the new Clean Energy Standard, the private sector has proven its very real interest and ability to invest in New York and develop wind and solar projects in New York: the competition in all NYSERDA solicitations has been robust and the REC prices have remained affordable. Since 2017, NYSERDA has awarded 123 contracts[7] totaling 12,808 megawatts of generating capacity. That is a rapid acceleration that has queued up a diverse array of projects. At this point though, of those, only 17 are operational, and 6 of the remaining 106 that are categorized as "under development" are actually under construction. There have been serious delays in getting projects from contract to construction. Several of the factors causing delays have been addressed (like this Legislature replacing the Article 10 permitting process with the 94-C permitting process in 2020), at least in part, but others remain. With permitting, the process is still long, complex, and expensive in NY, but ACE NY is optimistic that the permitting reforms will gradually bear fruit. We estimate that 25 projects have permits (but haven't started construction) and 9 projects have permit applications that have been submitted or deemed complete. Then there are an additional 66 contracted projects for which we don't know the specific status (because they are permitted at the local level), but they are in the permitting process, and 4 of the projects are for offshore wind, which will be permitted by the federal government. Under the CES, NYSERDA needs to procure an additional 4,500 million megawatt-hours of new generation in 2022, 2023, 2024, 2025, and 2026. Plus, the remainder of the 9,000 MW of offshore wind (about half) needs to be contracted. If all that happens, we will have enough projects under contract to meet the 70% by 2030 goal. In fact, in its latest announcement of contract awards, NYSERDA reported that IF ALL of the currently contracted projects were built and became operational, New York would meet 66% of its 2030 power demand with renewable energy. That represents real and significant progress, but it still requires that the projects actually get built.

[5] https://www.nyserda.ny.gov/-/media/Project/Nyserda/files/Publications/Energy-Analysis/RPS/NYS-RPS-performance-report-2005.pdf
[6] https://www.nyserda.ny.gov/All-Programs/NY-Sun/Solar-Data-Maps/Statewide-Projects (as of March 31, 2022)
[7] An additional 14 projects were awarded contracts but are identified as cancelled. These 14 projects represent a 10% attrition rate. The 4,500 GWh/year average annual procurement estimate assumes an attrition rate of 20%. As the June 2020 White Paper on Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act explains, "While some project failure is inevitable, it will not be possible for the Tier 1 procurements to play their necessary role in getting to 70 by 30 without comparatively low and predictable rates of attrition, along with timely project development and construction."

Even without the expanded authority to own generation that would be conferred through the Building Public Renewables Act, NYPA is contributing to the development of New York State's fledgling offshore wind industry. For example, NYPA is partnering with Ørsted and Eversource, the primary developers of the 934 MW Sunrise Wind Project, selected under NYSERDA's 2019 competitive solicitation for offshore wind and slated for completion of construction in 2025. NYPA will be responsible for the construction and operation of the 3-mile segment of New York State jurisdictional transmission export cable connecting the windfarm to the New York bulk power system. Additionally, NYPA is in contention for the Public Policy Transmission Needs (PPTN) project identified by the Public Service Commission in 2021 facilitating greater export capacity for offshore wind from Long Island (Zone K) to New York City (Zone J) and beyond. Given the central role transmission expansion will play in achieving New York State's ambitious climate objectives, and its legacy as an owner and operator of transmission assets across the region, we believe NYPA should continue to focus its resources in this area.

Challenges. After identifying a location for a potential project and getting land control (through either purchase or lease), a renewable energy developer needs a long-term offtake agreement for its power and RECs to be able to get a project financed. Other requirements include a permit (or permits); a tax agreement(s); and an interconnection agreement. Finally, a developer needs an entity to perform the construction (usually an Engineering, Permitting, and Construction "EPC" contractor); labor, and all of the construction and generating materials and equipment. Each of these ingredients introduce risk into the development recipe, and many of them are under particular stress in the U.S. and in New York right now.

In 2020, the Legislature passed the Accelerated Renewable Energy Growth and Community Benefit Act which created a new state permitting system for only renewable projects and required the Commission to study the needs of the grid to achieve the CLCPA goals. It also gave NYPA new authority to plan, designate, and construct priority transmission projects. And, in 2021, the Legislature enacted a requirement that the State publish a standardized property tax assessment model that ensures all municipalities hosting renewables will receive the fair compensation. All of these measures addressed barriers and challenges to renewables development. We supported them all and appreciate the Legislature's serious efforts; but the full impact of them has yet to be felt.

Prior to the 2020 Accelerated Renewable Energy Growth and Community Benefit Act, grid scale projects had to go through the tedious Article 10 permitting process, which took over 5 years to get a permit. In 2020, there were 39 projects working their way through that process. The new permitting system overseen by the Office of Renewable Energy Siting (ORES) has the same environmental and local law reviews as before but is tailored to the permitting requirements of renewables instead of oil or gas fired power plants. ORES has issued five permits, all of which were projects that transferred from the Article 10 process, and just this week ORES issued a permit for the first project that started the process under 94-c. The permitting backlog and process length has been one of the challenges for renewables development.

A second issue concerns transmission. New York State is taking concrete steps to accelerate transmission planning and investment using the CLCPA goals as a planning lens, and we applaud these efforts. Strategic efforts are needed by New York to accelerate transmission buildout. With respect to advanced transmission technologies, with robust investments and wise policy, New York (and the U.S.) can become a global leader in designing, developing, and using transmission technologies into the next decade and beyond – while

increasing energy security. We continue to urge New York, and specifically the Public Service Commission, to continue its acceleration of transmission planning and investment. Given the magnitude of the renewable energy need, and the subsequent order by the Commission for the New York Transmission Owners (NYTOs) to provide a comprehensive solution to the transmission constraints preventing energy deliverability, ACE NY is encouraged by both the NYTO's proposed Phase 2A projects and the Commission's determination and commitment to the goals of the CLCPA. Such commitment is essential to provide developers and financiers with the confidence to move forward with the development and construction of billions of dollars of renewable energy projects which will create jobs, provide clean power, improve the environment, provide additional revenue to farms, and ensure the sustainability of our way of life long into the future. In formal comments, ACE NY recently urged the Public Service Commission to approve and accelerate the Phase 1 and the Phase 2A upgrades proposed in each area of concern with opportunities for redesign and optimization that would be beneficial from a ratepayer cost impact perspective and would enable additional clean energy integration.

Another issue is the significant delays in the NYISO interconnection process. Dramatically increased amounts of interconnection requests due to interest in the development of wind power, solar power, energy storage, offshore wind power, and transmission projects, combined with limited staff, a tight nationwide labor market, and a lengthy and complex interconnection process is putting stress on the New York Independent System Operator (NYISO) and causing delays in the interconnection process. These delays are a serious issue, creating a barrier to project completion and thus progress towards the State's clean energy goals. ACE NY also appreciates that the NYISO has recognized this issue and is serious about tackling it. ACE NY recently proposed an interconnection process enhancements project for the 2022 Budget and Priorities Working Group (BPWG) stakeholder voting exercise at the NYISO. This project is supported by a significant number of NYISO stakeholders, and we expect it will become a new priority project in 2023, in which a range of tariff changes will be explored to overcome these delays and make the process as efficient as possible without sacrificing any reliability or safety analyses. Further, the Federal Energy Regulatory Commission (FERC) recently issued a Notice of Proposed Rulemaking (NOPR) on this same topic of interconnection, because the delays in interconnection are not unique to the NYISO and many Regional Transmission Organizations across the U.S. are facing major delays and even moratoria on processing interconnections due to the number of proposed projects.

Tax policy is also an important barrier to renewable energy projects. A preliminary injunction in effect precludes the use of the new wind and solar appraisal model[8] required by Real Property Tax Law § 575-b. The New York State Department of Taxation and Finance (DTF) promulgated the appraisal model, as mandated by Real Property Tax Law § 575-b, following input from stakeholders, including assessors, renewable energy developers, and the public. Implementation of the appraisal model will provide certainty to renewable energy developers, lenders, investors, and taxing authorities, which will facilitate the rapid development of renewable energy facilities necessary for the State to meet its statutory climate change goals. The enjoinment on applying the appraisal model impedes the State from meeting its statutory climate change goals and harm the public's interest in avoiding climate change.

[8] https://www.tax.ny.gov/research/property/renewable-appraisal.htm

We mention one additional issue to illustrate how the unprecedented acceleration of contracting can lead to unexpected problems. The State Department of Transportation (DOT) requires State Police escorts for moving the wind turbine blades and parts from the ports to the site. Just 10 land-based wind power projects will require 4,100 superloads with State Police escorts. Assemblywoman Hunter has legislation that would allow other police forces and contractors to escort these superloads. We urge the Assembly to pass A.10478 (Hunter).

Another challenge are the new requirements being placed on renewable energy. As more attention has been focused renewables development, additional requirements have been applied by this Legislature, by the NYS Administration, and by the federal government. And perhaps most importantly, market forces have brought on additional stress to the development process. New requirements include, but are not limited to: prevailing wage requirements for the construction and operation phase, Labor Peace Agreements requirements, Project Labor Agreement negotiations; requirements to minimize solar development on agricultural soils and complete a new NYSERDA solar scorecard; requirements to hire or contract with MWBE and disabled veterans' businesses (and how to integrate that with the requirement for PLAs); new Buy American provisions; requirements to invest in disadvantaged communities; new prohibitions on doing business with any companies that do business in Russia; and additional species preservation requirements and use of a Species Conservation Mitigation Fund. We underscore that ACE NY did not oppose any of these new requirements, but they are collectively affecting the ease of developing renewable energy projects.

The offshore wind market segment has experienced a variety of additional federal requirements, and at the state level, a requirement to develop a meshed-ready transmission interconnection, plus uncertainty as to how to interact with a proposed offshore wind interconnection hub. At the NYISO, new rules will significantly reduce revenue from the capacity market as increased deployment of renewables occurs. At the Commission, one example is the new requirement to offer a bill discount to residents of a town that hosts a large-scale renewables facility. Additional ORES requirements for landscaping, wetlands protections, and visual barriers also pose challenges and create delays. As a final example, NYSERDA offers incentives to integrate storage with proposed renewables projects – which developers want to pursue to increase their chances of winning a contract – but there was a lack of rules at the NYISO for how to pair renewables with storage.

Layered on top of these new requirements – none of which ACE NY individually opposed, but all which should be included in the total picture of the renewables development landscape – is inflation, supply chain constraints, a shortage of EPC/construction contractors, and interest rate increases. To understand the impact of these changes, consider that a private company bids in a REC price several years before reaching the point of financing, equipment purchase, and locking in construction costs.

Energy Storage-Specific Comments Regarding Challenges and Actions: ACE NY collaborate with the New York Battery and Energy Storage technology Consortium (NY-BEST) on storage policy questions, and we share the following concerns: At the present time, there are many challenges to the deployment of energy storage. These challenges include but are not limited to the following: siting and permitting issues; interconnection; market barriers and market rule challenges at the NYISO; supply chain disruptions and cost pressures; economic barriers; tax issues and utility-imposed contract demand charges. These issues are seriously undermining the industry's efforts to accelerate the deployment of energy storage.

We are grateful to the Energy Committee Chairs for sponsoring legislation (A.7316/S.3277-A) to enact a sales tax exemption for energy storage and we continue to urge the Legislature to enact this important legislation that will provide to energy storage the same sales tax exemption currently afforded to solar and fuel cell technologies and help to improve energy storage project economics.

In addition to the challenges outlined above, with the exhaustion of NYSERDA energy storage incentive funding in 2021, the energy storage industry essentially has been stalled in the development of new projects as we await the State's new Energy Storage Roadmap and new programs that will capture the full benefits energy storage provides to the electric grid.

In looking at the role of the State's public authorities in relation to energy storage deployment, ACE NY and NY-BEST offer the following:

- NYSERDA: NYSERDA plays a crucial role in the development of programs to achieve the CLCPA goals and to support the deployment of energy storage, in particular. NYSERDA is currently working with Department of Public Service staff on a new Roadmap for Energy Storage which we expect to be adopted before the end of the year. We anticipate that the Roadmap will adopt new program and funding mechanisms to help achieve the State's new goal of 6 GW of energy storage by 2030 and that it will include the role for storage in replacing fossil-fueled peaking generation in disadvantaged communities. We also look forward to the Roadmap including programs to deploy storage statewide, including on Long Island.

- NYPA: NYPA should continue to play an integral role in the achievement of CLCPA goals and should be working to achieve the goals in its own operations and programs. ACE NY and NY-BEST were pleased to see NYPA recently release an RFP for the development of energy storage on the sites of their existing peaking plants. We encourage the State to move forward with additional similar initiatives that leverage private sector expertise and resources and use storage and renewable energy to replace these fossil-fueled resources. We also encourage NYPA to consider and evaluate energy storage as a transmission asset in its role as a transmission provider. We encourage additional solicitations by NYPA to partner with renewable energy and energy storage providers to ensure its customers are receiving clean power.

- LIPA: NY-BEST has been urging LIPA to implement plans to achieve the CLCPA goals as part of its forthcoming Integrated Resource Plan (IRP), expected later this year. This plan is intended for LIPA to wholistically examine the Long Island grid system and begin to develop concrete action plans for renewable energy, transmission, and energy storage development. The 2022 IRP is expected to study supply- and demand-side resources for electric power supply to Long Island and the Rockaways and help LIPA chart a path forward for compliance with CLCPA.

  NY-BEST has also urged LIPA to move more aggressively on energy storage. In 2020, NY-BEST commissioned a study examining the potential for energy storage to replace peaking units on Long Island. The study found that it is feasible and cost-effective to replace over 2,300 MW of Long Island's fossil-fueled peaker plants with energy storage over the next decade. Approximately half of

these resources, 1,116 MW, could be retired and replaced with energy storage by 2023. The remaining 1,209 MW could be replaced with energy storage by 2030, using the storage to supplement the state's planned deployments of increased solar, energy efficiency, and offshore wind, which will also help enable fossil fuel retirements in Long Island's transmission constrained East End load pocket.

In 2021, LIPA issued an RFP for 150 MW of energy storage, however, awards are still pending, frustrating industry as bidders are forced to take on additional costs while awaiting a decision. NY-BEST also strongly encourages LIPA to procure larger amounts of energy storage to address Long Island's many electricity distribution system needs and we urge LIPA to allow for merchant (privately owned) storage projects to compete in future procurements versus their current model requiring LIPA to take ownership the energy storage systems.

III. Comments on the Build Public Renewables Act

On June 1st, 2022, the Senate passed S.6453-C, a bill that grants the New York Power Authority (NYPA) unlimited ability to purchase, construct, and operate renewable energy projects, without any competitive cost controls, and also directs NYPA to do so. Additionally, the bill requires that all power generation owned by NYPA be renewable by 2030; that all State buildings receive power from NYPA by 2030; and that all electricity used by municipal buildings be provided by NYPA if electricity costs are below utility rates.

While we fervently share the mutual goal of getting renewable energy projects built as quickly as possible to help limit global warming to 1.5 degrees Celsius -a level that would mitigate the worst impacts of climate change – the renewable energy industry in New York disagrees with the approach set out in this bill. Under the Clean Energy Standard, the State of New York has been cultivating a private renewable energy industry in New York and encouraging its investment in our State. The private sector has responded in-kind, by investing in project development and competing for contracts with NYSERDA. Even with that progress, there are barriers to wind and solar projects getting built in New York, as discussed in detail above, but this bill doesn't solve them. NYPA should be focused on the needed upgrades to the transmission grid to enable the interconnection and delivery of clean energy -- that is the right role for NYPA. NYPA has the authority already to buy clean energy from new wind and solar energy projects and provide that to its customers, and that would be another helpful role for NYPA. Setting NYPA and private clean energy developers on an unfair playing field is just simply not going to help us reach our clean energy goals.

NYPA was granted expanded authority in 2019 AND in 2020 to buy renewable energy on behalf of ANY public entity in NYS; to have priority in building new transmission upgrades; to build transmission infrastructure offshore; and to build electric vehicle charging stations. NYPA pledged in 2019 to procure 1 million megawatt- hours of renewable energy with great fanfare and, ultimately, procured zero; and again in 2021 issued a large solicitation and awarded only two solar contracts[9]. It's worth noting that of the two large-scale solar projects that NYPA announced awards for in 2021, at least one (K. High Solar) did not move

[9] https://twitter.com/nypaenergy/status/1356723146695593984?lang=en ; https://www.nypa.gov/-/media/nypa/documents/document-library/procurement-and-real-estate/nypa-lsr2-awards.pdf?la=en

forward after NYPA changed the contract and, subsequently, the developer didn't accept the award. K. High Solar (19.8 MW) and Honey Ridge Solar (90 MW) were part of the 24 large-scale renewable energy generation projects announced in the 2021.[10] In short – NYPA has great breadth and authority to help NY transition to clean energy and has yet to act or deliver any significant results in the renewable energy development arena.

NYPA is helping with the transition – it is an integral part of the public-private partnership advancing the Clean Path NY project which will build and unlock new renewable energy generation upstate and deliver it to New York City through a completely underground transmission line, 105 miles of which is in an existing NYPA transmission corridor. The project will drive significant energy delivery cost savings by alleviating congestion on New York's power grid. Ratepayers will also see energy generation savings from the transition from fossil fuels to renewable energy sources. Wind and solar energy sources, which do not require fuel, have lower operating costs compared to fossil-fuel fired generation sources, and millions of megawatt hours of low-cost renewable energy delivered annually to the grid by Clean Path NY will benefit consumers. Substantial additional long-term savings are expected by virtue of the public-private partnership advancing the Clean Path NY project, specifically, NYPA will assume full ownership of the Clean Path NY transmission line after the first 25 years so that it can be used as a resource for the state for decades to come.

Contrary to the claims of the supporters of this bill, NYPA construction and ownership of renewables will result in fewer renewables being built with higher costs for ratepayers. Presently, private companies take on the risk of developing renewable energy projects. The switch to a state agency fully places the costs and risks of project development on the backs of NYPA ratepayers. The bill has no control for cost overruns, allowing NYPA to pass increased bonding and construction costs on to their customers, and because the bill also would require all municipalities to receive their power from NYPA, our State's taxpayers will be paying for renewable construction that the private market currently funds.

Instead of increasing renewables construction, this bill will chill and delay private renewable development. NYPA's ability to issue bonds backed by ratepayers will out-compete market financing for renewable projects, making access to capital for private renewable construction scarcer and more expensive. Also, NYPA projects will not be completed any faster than independent renewable projects since they both need the same permitting and regulatory approvals, including electrical grid interconnection agreements. NYPA's role should not be in competition with the private sector, but to help reduce the hurdles facing renewable development, like the current lack of transmission capacity.

Another claim by the bill's proponents is that the private renewable energy industry is simply afraid of competition. This belief ignores how competition currently exists in New York. Private wind and solar companies compete with each other for a contract with NYSERDA, and if successful, then proceed to obtain a permit, a tax agreement, and electrical grid interconnection agreement before starting construction and selling power in the wholesale market. But NYPA would not compete for a contact with NYSERDA, because they would sell their power and RECs to their own customers (because they are a utility), so they do not

[10] https://www.nyserda.ny.gov/All-Programs/Clean-Energy-Standard/Renewable-Generators-and-Developers/RES-Tier-One-Eligibility/Solicitations-for-Long-term-Contracts/2021-Solicitation-Resources (note: this list doesn't include the NYPA projects)

have the same pressure to keep the price low nor do they have to wait to see if they win a NYSERDA contract. Second, they might potentially be interconnecting to their own transmission line, which would clearly give them a leg up in the electrical grid interconnection process. And while the permitting process would be the same (although it would be one state agency issuing another state agency a permit), NYPA is exempt from paying property taxes and likely would not be forced to negotiate a tax agreement, while a private developer would.[11] Finally, if NYPA has captive customers (as this bill sets out for State buildings) they would not have to sell their power through the NYISO wholesale market, eliminating another point of competition and cost control. In short, NYPA would not really be competing with the private developers but would be on a different playing field altogether.

In sum, while the sponsors and proponents of this bill have good intentions, it does not address the current barriers to renewable energy development, and instead would suppress the development of new wind and solar projects in New York. This legislation would result in higher energy costs and less investment in renewable energy projects by the private sector.

CONCLUSION

In these Comments, we have attempted to highlight opportunities for New York's authorities to seriously contribute to NY's renewable energy goals established by the Legislature in the CLCPA; explain some of the challenges facing renewables development; and explain our lack of support for the BPRA. We sincerely appreciate the Legislature's interest in this important topic and, more generally, in tackling climate change.

We at ACE NY and our member companies stand ready to help you make the changes we need to meet the ambitious goals in the Climate Leadership and Community Protection Act. This past year, young climate activist Greta Thornburg admonished us that "Our house is on fire" but here in New York, I'm proud to say, we will do more than just watch it burn.

[11] It is unclear if NYPA would voluntarily provide payments to localities as certain State agencies and authorities currently do.