**NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)**

**BILL NUMBER:** A8240-A

**SPONSOR:** Walker

**TITLE OF BILL**: An act to amend the public service law and the public

authorities law, in relation to establishing a clean and resilient ener-

gy program

**PURPOSE OR GENERAL IDEA OF BILL**:

The purpose of this bill is to establish, within the Clean Energy Fund,

a program to encourage the development of resilient, behind the meter,

distributed energy resource projects that will ensure uninterrupted

electric power at facilities that provide services to the public in the

event of an extended outage of one or more of the electric distribution

systems in the state.

**SUMMARY OF PROVISIONS**:

Section 1: Adds a new Section 66-p to the Public Service Law which:

defines "Clean and Resilient Behind the Meter Distributed Energy

Resource Project" that must meet strict emission and reliability crite-

ria; defines "Community Continuity Asset" customers that provide vital

services to the public in the event of a long term electric system

outage; defines "uninterrupted" with respect to qualified systems;

requires the Public Service Commission, in consultation with the New

York State Energy Research and Development Authority (NYSERDA), to adopt

modifications to its existing programs so as to encourage the develop-

ment of such Clean and Resilient Systems and their deployment by Commu-

nity Continuity Asset Customers. This Section also requires: NYSERDA to

administer the program; planned expenditures on the program to total no

less than 5% of annual program expenditures from 2020 to 2025; the use

of incentive structures that maximize cost-effectiveness and practical-

ity through competitive procurements, standing-offers or production

incentives; and the publication of annual reports on the program.

Section 2: Requires the Long Island Power Authority to adopt the same

program. This Section requires LIPA to spend no less than $15 million

annually from 2020 to 2025

Section 3: Provides that the act would take effect immediately.

**JUSTIFICATION**:

The bill is intended to ensure community continuity during long term

outages of the electric grid. New York has experienced increasingly

severe weather in recent years. Scientists predict that our changing

climate can be expected to increase the frequency, intensity, and dura-

tion of extreme weather events that result in outages of the electric

grid. In addition, the state's energy infrastructure is the target of a

growing threat from cyber criminals and other bad actors including

hostile foreign governments. Our dependence upon an uninterrupted supply

of electricity has never been greater and that dependence increases with

each passing year. We rely on uninterrupted access to electricity for

our communications, social networks, financial transactions, transporta-

tion, and public and personal security. As the State increases its reli-

ance on resources that are located far from the state's major urban load

centers and simultaneously increases its reliance on the electricity

system for transportation and heating, the societal and economic conse-

quences of a long term outage become more severe. In fact, the present

trend in New York energy policy is to promote reliance on more remote

sources of power. In the April 2016 Order Adopting a Clean Energy Stand-

ard (CES) the Commission determined that behind the meter distributed

resources would be ineligible for the CES and could not generate Renewa-

ble Energy Credits (RECs), instead focusing singularly on grid-connected

resources. Further, the Value of Distributed Energy Resources (VDER)

proceeding has yet to extend to any locational, temporal, environmental,

capacity, avoided distribution, avoided transmission, or other system

and/or societal benefits to behind the meter distributed energy

resources, again focusing singularly on grid-connected resources. While

grid-connected resources are worthy of state support, an April 2019

report, from the national energy experts at the National Association of

Regulatory Utility Commissioners (NARUC) highlighted the critical impor-

tance of incentivizing the development of additional resilient distrib-

uted energy resources to address the increased risk of electric grid-

connected resource failures.

In advance of future weather events or terrorist attacks, this bill will

work toward the goal of ensuring that there is no such thing as a "wide-

spread blackout" of key community services in the future. Instead citi-

zens will know that certain types of facilities that provide important

public services during outages of the electric grid will have electric-

ity and will be available to serve the public. This bill is purposefully

not limited to "shelters" and similar public facilities but instead

intentionally includes the types of organizations and private businesses

that serve a public need during outages of the electric grid. For

instance, private telecommunications providers serve both citizens and

emergency service workers during public emergencies. Insulating multi-

family residential buildings from outages could enable more low-income

communities to be pre-positioned for successfully riding through storms.

An open grocery store can be a critical community resource during an

outage of the electric grid, especially a long term outage. Large

retail stores can serve as pre-positioned supplies of food, clothes,

water, building supplies, and equipment necessary for storm preparation

and recovery efforts.

The bill is intended to encourage behind the meter systems that are at

the intersection of clean energy and resilient energy. New Yorkers,

especially those residing and working in urban areas, are chronically

exposed to unhealthy combustion-related air pollutants, including oxides

of nitrogen (Nox) and Particulate Matter (PM) that traditional forms of

back-up and/or resilient on-site power generation (i.e. Diesel, Fuel

Oil, etc.) increase. The environmental standards adopted in the bill

exclude these traditional resources by setting very high standards and

that require both the virtual absence of local forms of air pollution as

well as technologies that will produce significant

avoided CO2 emissions.

The resiliency standard of 24 hours of uninterrupted electricity

supplies to the qualifying end-use customer is intended to ensure that

the subject projects are truly capable of "riding through" an outage of

the electric grid that lasts for at least an entire day rather than for

a few minutes or hours.

**PRIOR LEGISLATIVE HISTORY**:

2018: A11280 - Energy

**FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS**:

None.

**EFFECTIVE DATE**:

Immediately.