Memorandum in Strong Opposition

May 6, 2022

A.1466-B (Carroll) / S.6453-A (Parker) – AN ACT to amend the public authorities law, in relation to implementing the "New York State Build Public Renewables Act"

We strongly oppose A.1466-B (Carroll) / S.6453-A (Parker). This legislation would, among other provisions, significantly expand the New York Power Authority’s (NYPA) ability to acquire, develop, own, and operate existing and new renewable electric generating facilities and energy storage in this State. The bill is unnecessary and would undermine the current, successful model, which relies on renewable energy and energy storage companies - big and small - to develop these projects to meet New York’s energy goals and the requirements of the Climate Leadership and Community Protection Act (CLCPA) and to grow the State’s clean energy economy. The legislation also would not provide revenues to local communities, as NYPA does not pay taxes.

The sponsors suggest that NYPA’s development of renewable energy and storage projects is necessary to achieve New York’s energy goals. This is not supported by the facts. New York State has purposefully planned and invited renewable energy and storage companies to invest in the State, and the response has been a nation-leading development of these projects that has met or will meet or exceed every State goal. For instance, New York has nearly achieved in 2022 the previously established goal of 6 gigawatts (GW) of solar power by 2025, and Governor Kathy Hochul recently approved a new goal of at least 10 GW of distributed solar by 2030. The NY-Sun Initiative and other State programs have leveraged $1 billion in incentives to attract $5.3 billion in private investment, resulting in an astounding 2,100% in solar energy growth, 12,000 jobs, and a 69% reduction in solar costs since 2011. In 2020, New York was the national leader for community solar power installations and was second in the nation for total installations.

Further, over 50,000 MW of wind, solar, and battery storage projects are in the New York Independent System Operator’s (NYISO) interconnection queue, awaiting the ability to interconnect to the State’s electricity grid. More than 88 renewable energy projects (some of
which include energy storage), totaling more than 6,000 MW, have received awards under renewable energy credit procurements by the New York State Energy Research and Development Authority. Also, there is 6,428 MW of renewable capacity currently installed, according to NYISO data. Clearly, renewable energy and energy storage industries are investing in New York today, and there is no evidence that the proposals submitted in response to these solicitations are inadequate or that the CLCPA’s requirements cannot be met by private developers. The State’s current plan and efforts have been and are successful, and there is no reason to have NYPA undertake the same types of projects.

NYPA cannot help the State meet its energy and environmental goals any faster than private developers can because NYPA cannot complete the siting process any quicker. NYPA has not built a new power plant in over 15 years and, instead, has successfully obtained its new power supplies through competitive procurement and from the competitive wholesale electricity market. The private sector has been successfully developing and operating large-scale renewable electric generation facilities for more than a decade.

If NYPA were to acquire, own, and develop renewable energy and storage projects, it would unfairly subject ratepayers to costs and risks (including, but not limited to, environmental, regulatory, and operational risks) that now are borne solely by renewable energy and storage companies. Also, NYPA’s customers would be responsible for paying all of the costs of such projects. This would include NYPA's more than 1,000 customers, from local and state governments (such as the New York City Housing Authority, New York City government, the Metropolitan Transportation Authority, Westchester County government and numerous municipalities and school districts), to large and small businesses and non-profit organizations (such as colleges, universities, and hospitals) that currently rely on NYPA's favorable energy rates.

Further, because NYPA’s generating facilities are tax exempt, the potential expansive footprint of its facilities across New York would deprive local governments of millions of dollars in critical property taxes. By comparison, private sector energy producers overall currently pay more than $1.5 billion in property taxes annually.

Finally, this legislation is inconsistent with provisions supported by the Legislature in the 2019 Enacted Budget, which expressly provided that NYPA would not build and own new generation. NYPA’s statute, even before the 2019 Enacted Budget, states that NYPA is to do competitive procurement for new energy supplies. NYPA should continue to issue Requests for Proposals (RFPs), as is consistent with its statute and its earlier RFPs to implement the Clean Energy Standard. NYPA is already performing its statutory role for the advancement of new renewable energy projects, and that role is building new transmission lines to provide the renewable energy from where it is generated to the locations where energy consumers can use it. NYPA should focus on that important mission rather than be forced to own and operate renewable and energy storage projects.

For these reasons, we oppose this legislation and urge you to reject these bills.

ACE NY is a member-based organization with a mission of promoting the use of clean, renewable electricity technologies, energy efficiency, and transportation electrification in New York State to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. Our diverse membership includes companies engaged in the full range of clean energy technologies as well as consultants, academic and financial institutions, and not-for-profit organizations interested in our mission.
The Independent Power Producers of New York, Inc. (IPPNY) is a trade association representing companies involved in the competitive power supply industry in New York State and in the development of electric generating facilities, the generation, sale, and marketing of electric power, and the development of natural gas transmission facilities. IPPNY Member companies produce the majority of New York's electricity, utilizing hydro, nuclear, wind, natural gas, solar, energy storage, biomass, oil, and waste-to-energy.

NY-BEST is a not-for-profit industry trade association with a mission to grow the energy storage industry in New York. We act as a voice of the energy storage industry for more than 180 member organizations on matters related to advanced batteries and energy storage technologies. NY-BEST promotes energy storage by: providing education and thought leadership; leading the development and deployment of energy storage solutions; and expanding markets for energy storage. Our membership includes global corporations, start-ups, project developers, leading research institutions and universities, and numerous companies involved in the electricity and transportation sectors.

NYSEIA is a not-for-profit industry trade association with a mission to advance and accelerate the deployment of distributed solar energy and energy storage in New York State. We proudly represent hundreds of distributed solar and storage businesses on key legislative, regulatory, and statutory policy matters affecting these industries. Our membership is primarily comprised of local, regional and national firms that develop and install distributed solar energy and battery storage systems across New York State. Our members are working every day to help achieve the ambitious clean energy and equity goals outlined in the Climate Leadership and Communities Protection Act.

The Solar Energy Industries Association® (SEIA) is leading the transformation to a clean energy economy, creating the framework for solar to achieve 30% of U.S. electricity generation by 2030. SEIA works with its 1,000 member companies and other strategic partners to fight for policies that create jobs in every community and shape fair market rules that promote competition and the growth of reliable, low-cost solar power. Founded in 1974, SEIA is the national trade association for the solar and solar + storage industries, building a comprehensive vision for the Solar+ Decade through research, education and advocacy.