



A.5409 (BRENNAN, ET AL.)

Summary

This bill would add a new Section 66-i to New York State's Public Service Law with respect to how utility companies manage energy procurement and the mix of sources and fuels available to meet demand. Under this legislation, utilities would be required to meet customers' energy needs while taking appropriate measures to minimize volatility of energy prices, including the consideration of demand-side measures such as energy efficiency and clean distributed generation.

Explanation

New York State's high energy prices have received a great deal of attention in recent years as lawmakers have explored possible mechanisms to insulate consumers from bill impacts. Energy price volatility has profound effects on the state's economy and underscores the importance of having a mix of energy supplies and fuels—including renewable fuels—to utilize for electric power generation. This legislation, in combination with the reauthorization of the Article VI Energy Planning Law, would do much to ensure a sustainable energy future for New York State.

This measure would require electric utility companies to procure energy supplies in a manner that best serves the public's interest, including ratepayer impacts, reliability, energy efficiency and conservation, as well as impacts to the environment and public health. Utilities would be required to submit procurement plans within six months of the bill's effective date, which would then be subject public review and comment prior to approval by the Public Service Commission.

The law would require utilities to look at a variety of "supply-side" and "demand-side" resources to meet their power procurement needs. Supply-side resources are those that deliver power directly to the state's transmission or distribution grid, usually from centralized generating stations that include a growing number of renewable energy generating facilities such as wind farms.

Demand-side resources include distributed generation sources that can be monitored in accordance with procedures established by New York's Independent System Operator, and include on-site generation, load management activities, and energy efficiency programs that are above and beyond the New York State Energy Research & Development Authority's current ratepayer-supported efforts.

Requiring utilities to assemble and submit such procurement portfolios will allow for greater public participation in how consumers get their electricity, and shed much needed light on the specific actions being taken by these companies to minimize the environmental and fiscal impacts of their decisions.

Environmental Advocates of New York supports this bill.

Memo 11