



A.7557 (CAHILL, ET AL.) **S.4993 (THOMPSON, ET AL.)**

Summary

This bill would amend the Public Service Law related to net energy metering for non-residential customers who install wind and solar electric generating systems. Net metering is the practice that credits consumers for the power they generate themselves. Laws passed in 2008 allow businesses and commercial entities to net meter and capped the size of such systems at 2000 kilowatts, “or the customer’s peak load as measured over a twelve-month period.” These proposed amendments eliminate the problematic “or peak load” provision.

Explanation

Net metering is a simple, fair, low-cost and easily administered mechanism available to consumers in nearly every state. It encourages customer investment in renewable energy such as solar and wind power. On-site renewable power systems reduce stress on the electric grid, allow consumers to hedge against volatile and rising energy costs, and provide environmental, public health, and economic development benefits. By reducing the demand for power generated by burning fossil fuels, the expansion of larger net-metered renewable systems will help protect New Yorkers from the harmful effects of air pollution. These harmful effects include asthma attacks and premature deaths in seniors, increased mercury contamination, destruction of forests by acid rain, as well as wide-ranging negative effects associated with global climate change.

The commercial and industrial sectors are responsible for two-thirds of the state’s power use and represent a significant opportunity to expand clean, renewable generation. In recognition of the need to allow all customers to net meter, New York’s net metering law was expanded to cover nonresidential customers who install wind and photovoltaic systems. However, the existing peak load provision has proven to be problematic, and in practice has often prevented these customers from realizing the full benefits of clean technologies. In addition, the Public Service Commission’s interpretation of existing law allows utilities to arbitrarily limit customers without peak load information to smaller than desired installations-substantially below 2,000 kilowatts.

This legislation eliminates the peak load provision in order to afford all non-residential customers the ability to install systems with a rated capacity of up to 2,000 kilowatts. Promoting clean, renewable sources of electric power through a reformed net metering policy is a sound way to help protect New York’s environment.

Environmental Advocates of New York supports this bill.

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