

NYSDEC/NYSRC AGENDA – January 13 @ 9am – Meeting Summary

- **State of State 2022 – Rad & Chris**
 - On January 5th, Governor Hochul delivered her first State of the State Address, and her Briefing Book outlined her major energy priorities.
 - The following are highlights of energy provisions that have a reliability implication:
 - NYSERDA will launch its next offshore wind procurement in 2022, and it will include additional scoring credit for projects that propose to repurpose existing downstate fossil-based electric generation infrastructure and utilize energy storage to enhance future system reliability.
 - The Energy Storage Roadmap will double energy storage deployment to reach at least 6 GW of energy storage by 2030 and will address long-duration energy storage.
 - The Energy Storage Roadmap will focus on storage deployments to eliminate the highest emitting fossil fuel facilities, in coordination with existing utility and NYISO planning processes, in an effort to phase-out peaker plants and maintain system reliability.
 - NYSERDA, DPS, and DEC will develop a blueprint to guide the retirement and redevelopment of the oldest and most-emitting fossil fuel facilities and their sites by 2030.
 - All new building construction is to be zero-emissions by 2027.
 - The State's light-duty fleet and school buses will be electrified by 2035.
- **Climate Action Council Update – Rad & Chris**
 - The New York State Climate Action Council released its Draft Scoping Plan for a 120-day public comment period.
 - The State also will announce at least six public hearings.
 - The draft Plan primarily relies on a significant expansion of renewable energy facilities and energy storage, and it acknowledges the ongoing need for the State's nuclear facilities, at least through 2029.
 - The draft Plan contains provisions for reducing greenhouse gas emissions from each sector of the economy, and it also addresses proposals for buildings and transportation that rely upon electrification and the transition away from emitting fuels.
 - Even though the draft Plan discusses need for zero-emission dispatchable resources to maintain reliability, it stops short of having it be an actual recommendation.

- The document includes cursory discussion of the need to maintain existing renewable facilities by briefly mentioning the CES Maintenance Tier and omitting discussion of the need to improve the Competitive Tier 2 program.
 - The draft Plan mentions moratoriums on the permitting of new fossil fuel plants and natural gas infrastructure, but they are not a Council-wide recommendation.
 - The Economy-Wide Strategies Chapter of the draft Plan provides a detailed discussion of carbon pricing options for public comment, especially the NYISO’s carbon pricing proposal; more specifically, these options are:
 - a tax or fee establishing a carbon price, referred to as a carbon pricing
 - a program that caps emissions across the economy, or within sectors, and allocates emissions primarily through an auction mechanism that provide revenues for investment, known as cap-and-invest
 - a clean energy supply standard, which would require providers of liquid and gaseous fuels across the economy to reduce the carbon intensity of fuels they introduce into commerce
 - The draft Plan includes provisions for a macro-economic examination of the societal costs and benefits of the draft Plan and concludes that more benefits will result in a way that far outweigh the costs.
 - The Council will decide which provisions will be included in the finalized Scoping Plan, which is due to be completed by January 1, 2023.
 - After the Council finalizes the Plan, the DEC will promulgate its regulations in 2024 on compliance with the statewide greenhouse gas emissions limit as required by the CLCPA
- **Legislation Session 2022 – Rad**
 - **Climate and Community Investment Act - S.4264-A (Parker) / A.6967 (Cahill)**
 - Nothing is new on this bill since the last NYSRC-DEC meeting.
 - The bill is intended to create a source of revenues to implement the CLCPA, with investments targeted to environmental justice communities.
 - The source of the revenue is fees on all Title V permit holders for emissions of “regulated air contaminants.”
 - There also is a “carbon pollution fee” on the sale and use of carbon-based fuels.
 - The amount of the carbon pollution fee starts at \$55 per ton for 2022 and would increase from there based upon a formula in the legislation.
 - The fee revenues would be used to pay for projects for environmental justice communities, such as:
 - renewable energy
 - energy storage
 - the reduction of regulated air contaminants and greenhouse gas emission reductions

- the permanent closure of fossil fuel-fired power plants including peaker plants or waste-to-energy plants
 - electrification
 - The bills remain in the Environmental Conservation Committees of each house.
- **Peaker Replacement Bill - S.4378-A (Brisport) / A.6251 (Carroll)**
 - Nothing is new on this bill since the last NYSRC-DEC meeting.
 - At the time of renewal of Title V permits by the DEC, this legislation would require peaker plant owners to submit a compliance plan to specify how the facility will be converted to operate using renewable energy and energy storage in five years.
 - If a facility is needed for reliability, there can be only one five-year extension of the requirement to comply with the plan.
 - If a facility does not submit a plan, the bills envision that the facility would retire by 2026.
 - The bill in the Environmental Conservation Committee of each house.
- **Article 10 Certificate and Title V Permits Only for Reliability - S.5939-A (Ramos) / A.6761-A (Mamdani)**
 - This bill has moved from the Senate Energy Committee to the Senate Floor. The Assembly bill is in its Energy Committee.
 - As drafted, this bill may jeopardize the electric power supply reserve margins that are needed to maintain electric system reliability.
 - The NYISO has indicated resource adequacy margins are tightening across the New York grid from Buffalo to Long Island, and reliability margins are thinning as soon as 2023.
 - Additional reliable sources of electricity supply will be essential to support the massive increase in electricity demand under the CLCPA.
 - More specially, this legislation would prohibit the New York State Board on Electric Generation Siting and the Environment from issuing a certificate of environmental compatibility and public need under Article 10 for fossil fuel-powered facilities unless a written attestation and demonstration is provided that an existing reliability need cannot be met with any combination of transmission upgrades, energy storage, zero carbon electric generation, demand response, and/or energy efficiency.
 - The bill also would prohibit the DEC from issuing a Title V permit that is in violation of these Article 10 provisions.
 - This legislation is premature as it would pre-empt the DEC's finalization of its draft guidance on the CLCPA and new permit

applications. Public comments on the draft guidance are due by February 7, 2022.

- This bill also is premature because it would pre-empt the efforts of the Climate Action Council to develop a scoping plan for meeting the CLCPA's goals, including how to reconcile the operation of fossil fueled power plants by 2040.
- Additionally, this legislation would discourage the development of dispatchable, emissions-free technologies.

- **Hydrogen Demonstration – NYPA – Emma M – no update**

- **2022-2023 Climate Study – Sandi M** – updates ClimAID Report from 2010. That is baseline. Climate impacts, adaptation, and resiliency. Will not recommend policy but help with decisions in the future. Columbia University is providing updated climate data and Industrial Economics is evaluating costs. Analysis will be provided for eight sectors: Agriculture, Buildings, Ecosystems, Energy, Human Health & Safety, Society & Economy, Transportation, and Water Resources. Cross-cutting issues include Coastal and Marine Resources, Environmental Justice, Great Lakes, and Municipalities. There is a technical working group and a number of external advisors for each sector. 2023 Final Document due. Public Education series as well. Additional details at nysclimateimpacts.org
- **RGGI Update – Part 242 Regulations, VA Participation, PA Activity – Mike Sheehan** - VA Participation, PA Activity – Mike Sheehan. Program review kicking off. Several stakeholder meetings have been held. Will have a parallel NYS process. A couple of months away. VA – elections have changed. Governor would like to remove VA, but AG noted it would require a regulatory process. PA participation delayed – monitoring it.
- **Status of Air Permits – Michael Sheehan, NYSDEC**
 - Danskammer Update – [Danskammer Energy Center - NYS Dept. of Environmental Conservation](https://www.dec.ny.gov/enb/20220112_hearings.html) and https://www.dec.ny.gov/enb/20220112_hearings.html
 - NRG Astoria Generating Facility Upgrades Update [Astoria Gas Turbine Power Replacement Project - NYS Dept. of Environmental Conservation](#)
 - Greenidge T4 and T5 Permit Renewal Status Report. [Greenidge Station - NYS Dept. of Environmental Conservation](#)
- **DAR 21 Policy Recommendations & Comment Due Date – Mike Sheehan.** Comments due February 7. Impacts both new facilities and permit renewals. <https://www.dec.ny.gov/regulations/26402.html>
<https://www.dec.ny.gov/regulations/56552.html>

Q – How will permit renewals be handled? Maybe follow similar path as Peaker Rule. Must look at it in a holistic way. MS – put your thoughts in writing - follow peaker process and TOs/ISO should be involved.

Q - A permit could be revised vs either denying it or approving it? That is correct.

Q – Cathy – based on analysis by facility? Routine renewal – would not expect CLCPA analysis. Mike S – recommends commenting on this matter and where unclear, asking for clarification.

- **California regulations: Advanced Clean Trucks (ACT), Heavy-duty Low NOx Omnibus, and Phase 2 Greenhouse Gas Standards – NYSDEC.** ACT issued yesterday. https://www.dec.ny.gov/enb/20220112_not0.html Following CA efforts.

Q – 218 Template for large fleet owners? Underdevelopment.

- **EPA Cross State Air Pollution Rule (CSAPR 3) Final Allowance Allocation – NYSDEC Staff.** MS – nothing to report. EPA is moving forward with next transport rule. Released modeling platform. NY is subject to FIP.

Q – S Konary – allowance transfer deadline extended? Deadline for holding allowances is June 1 and compliance calculations are August 1st.

- **EPA Proposed Methane regulations – NYSDEC Staff – Ona. Part 203 –** Comments have been assessed and the rule package is routing internally. Expect something in near term. On Dec 16, 2021, Federal Register – EPA published a finding of failure to submit. It sets timeline for NY State Rule. Otherwise – we need to follow the FIP.
 - Federal Register link:
<https://www.federalregister.gov/documents/2021/12/16/2021-27213/findings-of-failure-to-submit-state-implementation-plan-revisions-for-the-2016-oil-and-natural-gas>
 - CLCPA Draft Scoping Plan includes language around the natural gas sector including production, transmission, storage and distribution. Any interested party may review and comment on the proposed strategies.

Q –Bill Slade - Draft DAR21 – another document. Will preliminary draft be revised when it is published? Upstream and in-state emissions factors. Ona – it is a changing document. DEC intends to update the document as more information becomes available. MS – Annual Emissions Report is on time. Goal will be to update those emissions factors. There will be a lag. Recommend you comment if you have a concern. Ona – if a facility develops or identifies an emission factor that better represents their situation, they may present it for consideration on a permit.

- **NYISO Update – James Sweeney & Carl Patka**
 - **NYISO Carbon Pricing Update** - no change
 - **BSM & Capacity Accreditation Update** – 205 filed to FERC last week under Docket ER-22-772.
 - **NYISO Long Island PPTN Update** – 19 projects from four developers. Reviewing submittals. Draft Viability possibly in Feb/March timeframe. Study agreements is next phase.
 - **Interregional Transmission Planning Update** – IPSAC on December 10th. Materials are available at <https://www.iso-ne.com/committees/planning/ipsac/>. 2022 interest to prepare bi-annual report for Spring comments. James to provide link to materials. Jonathan – DOE Study is ongoing. All regions are participating in it while considering a NE process.
 - **Comprehensive Reliability Plan** - report issued in December. Available on website. No immediate reliability needs but margins are thin. Tipping points that could lead to reliability needs. RA or transmission security issues. Short Term Reliability Plan will be posted today. Under current – no new needs for 4Q 2021. Will start Q1 2022 – ISO is in input stage of RNA. Will kick off new RNA in April.

Comment – Roger – mentioned wind lull analysis. In Zone J – need for 350 MWs of compensatory MWs. Carl agrees with this summary – solution to be determined.

- **NYSRC Update – Roger Clayton –**
 - NYSRC – IRM 2022 was approved. Cable outage delay for Neptune impacted IRM from 19.1 to 19.6. Delayed through summer 2022 due to supply chain issues. Raised IRM from 19.1 to 19.6.
 - RAWG Metrics – continue to evaluate metrics. Under a changing resource grid – other metrics being evaluated. LOLH and EUE are being studied. Our 2022 Goals include continue examination of these metrics. They will enhance our findings and information. Table from CA and TX outages – TX was one event; CA was two events. LOLH and EUE varied by region per the event.
 - NERC – is developing a new standard to examine these types of situations for energy limited resources. In the future, we could need resources for multiple days.
- **NYSPSC Staff Regulatory Update - Jonathan**
 - **Clean Energy Standard –15-e-0302 –**
 - In November, NYSERDA filed a report on the Benefits and Costs of Preserving the Option to Create Meshed Offshore Grid. The report expands on the analysis of Offshore Wind transmission that was part of the NYS Power Grid Study.
 - Also in November, a petition was filed by NYSERDA regarding Agreements for Procurement of Tier 4 Renewable Energy Certificates. The petition includes two contracts for Tier 4 RECs: Clean Path New York (CPNY), and Champlain Hudson Power Express (CHPE), including detailed benefit/cost analysis. A formal notice soliciting comments on the

petition was issued, comments are sought by Feb. 7th, and reply comments by Feb 21st.

- Separately but concurrently, in November, the City of New York filed a petition informing the Commission of its intent to procure renewable energy directly serving NYC (OSW and Tier 4 resources) in a quantity equal to its consumption. The City also indicates its intention to coordinate its efforts with NYPA.
 - A group of commenters made a filing requesting a Technical Conference in response to the petition of IPPNY and the NYS Building and Construction Trades Council and NYS AFL-CIO relating to the establishment of Zero-Emissions Energy Systems Program under the CES. No determination or date has been set for a technical conference at this time.
 - Additionally, NYSERDA requested, and the Commission granted an extension of time for filing its Tier 4 Implementation Plan as required in the Oct. 15, 2020, Order Adopting Modifications to the CES. The new filing date will be established by the Commission following the submission of comments and a future Commission Order on Tier 4.
 - An additional extension was granted to NYSERDA for filing of its 2022 Alternative Compliance Payment Price with respect to Tier 1 Program, from Dec. 31, 2021, to Jan. 31, 2022.
 - At the December Session, the Commission issued an Order Approving the 2022 CES Administrative Budget.
- **Energy Storage Proceeding – 18-e-0130.**
 - State Of State Address: increase storage target from 3000 to 6000 MW. Staff and PSC are evaluating for next steps.
 - **Electric Vehicle Proceeding – 18-e-0138.**
 - At the November Session, the Commission issued an Order Approving Tariff Amendments allowing the utilities to fully implement the EV Make-Ready program. The tariff amendments effectuate cost recovery and accounting for the EV Make-Ready program, including implementing an EV Make-Ready Surcharge. The proposed amendments went into place in Jan. 2021 on a temporary basis, this order allows them to be effective on a permanent basis.
 - A Customer Experience Working Group meeting was held on Nov. 29th. Materials were made available on DMM.
 - Additionally, the Joint Utilities in coordination with DPS held a Technical Conference on Dec. 10, 2021, addressing the EV Charing Infrastructure Forecasting requirements set by the Commission. The Tech Conference covered the utilities' forecasting methodologies and results and took stakeholder feedback. Materials also available on DMM.
 - **Offshore Wind Proceeding – 18-e-0071.**
 - NYSERDA report on Mesh Grid option

- **Energy Efficiency and Heat Pumps – 18-m-0084.**
 - SOS will trigger some new proceedings.
 - The utilities continue to submit their quarterly Clean Energy Dashboard Scorecards, and quarterly revisions and updates to their System Energy Efficiency Plans (SEEPs).
 - In December, the Joint Utilities and NYSERDA submitted its revised Statewide Low- and Moderate-Income Joint Management Committee Manual.

- **Resource Adequacy Proceeding – 19-e-0530.** No report

- **PSC’s Transmission Planning Proceeding – 20-E-0197.**
 - On December 17th, the Joint Utilities filed their proposal for a Coordinated Grid Planning Process (CGPP) and Revised Benefit Cost Analysis (BCA) proposals to comply with the Sept. 2021 Order on Local Transmission and Distribution Planning Process and Phase 2 Project Proposals. Details of the proposals can be found on DMM. A SAPA was issued and comments on the CGPP and BCA proposals are requested by March 21, 2022. Additionally, a Technical Conference will be held on Jan. 27th to review the proposal for transmission system planning and explore options for further stakeholder engagement on the proposal.
 - Last week the Joint Utilities, in coordination with NYISO and DPS, submitted a proposal for a Cost Sharing and Recovery Agreement (CSRA) for recovery of Commission approved Phase 2 costs, as well as “the details of a volumetric load ratio share Allocation Mechanism” for Phase 2 costs, which is proposed to be in addition to the NYISO’s OATT as Rate Schedule 18. Details can be found in the filing on DMM.

Q – Slade – CPMY and Champlain – subject to comments? PSC order after comments are received and reviewed.

- **NYSDEC Regulatory and State Implementation Plan Update – NYSDEC Staff**
 - DEC drafting moderate SIP submission under 2015 ozone NAAQSEPA will be reclassifying NYMA to severe nonattainment of the 2008 ozone NAAQS in the near future.
 - Working on SO₂ SIP for St. Lawrence County.
- **New Business**
- **Action Items**
 - **Add NY SUN Expansion from 6GW to 10 GW to NYSPSC list of initiatives**
- **Next Call – Thursday, March 3, 2022, at 9am.**