

NYSDEC/NYSRC – January 19, 2023, Meeting Summary

1. Climate Action Council Final Plan & State of the State Address – Rad & Chris

Governor Hochul – 2023 State of the State Address – Key Energy & Environmental Highlights

Governor Hochul presented her 2023 State of the State Address (Address) on Tuesday, January 10. The 2023 SOS Book, text of her speech and key proposals documents are attached. The major energy and environmental highlights of her Address are summarized below:

- **Advancing an economywide Cap-and-Invest-Program** that supports universal rebates to consumers which will be created by the New York State Department of Environmental Conservation (NYSDEC).
- **Investing \$500 million in clean water funding** to support water quality and infrastructure projects and protect public health.
- **Establishing a program offering financial assistance to municipalities to investigate sources of contamination** and remediate contaminated sites over the next five years.
- **Requiring zero-emission new construction**, with no on-site fossil fuel combustion by 2025 for smaller buildings, and by 2028 for larger buildings.
- Prohibiting the sale of any new fossil fuel heating equipment by **2030 for existing smaller buildings** and **2035 for larger existing buildings**, along with related fossil fuel systems for all buildings.
- **Advancing a benchmarking system** to assign letter grades to larger buildings statewide based on their energy usage to help building managers make informed choices to cut electricity bills and emissions.
- Directing the Department of Public Service (DPS) to **identify and remove the barriers to deploying charging infrastructure** for medium- and heavy-duty vehicles efficiently and timely.
- **Directing the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) to source all facilities' electricity from renewable energy sources by 2030** by generating its own electricity and prioritizing other green resources such as community solar or purchasing renewable energy from other local facilities.
- **Creating an Office of Just Transition** to centralize and direct State planning for a just transition; New York will be the first to advance a structure dedicated to the achievement of an economywide just transition for affected workers and communities that looks beyond the transition from coal and addresses the shift away from other fossil fuels.

- Addressing Energy Affordability - **proposing a series of policies to insulate our most vulnerable households from rising energy prices** while advancing the transition to lower emissions including:

2. Legislation Session - 2023

- Senate Hearing today at 10am to examine the legislative and budgetary actions necessary to implement the Climate Action Council Scoping Plan
- **A.522 (Carroll) of 2023 – Peaker Justice Legislation** – in Assembly Environmental Conservation Committee; the bill has not yet been re-introduced in the Senate.

The following bills have not yet been re-introduced. Note: below are 2022 bill numbers for consistency.

- **S4264A/a6927** - CCIA Legislation
- **S.5939-A (Ramos) / A.6761-A (Mamdani)** - An ACT to amend the public service law and the environmental conservation law, in relation to prohibiting the development of any new major electric generating facilities that would be powered in whole or in part by any fossil fuel
- **S.6497-A (Parker) / A.8094 (Cusick)** - PSC Zero-Emissions Innovative Technologies
- **S.8405-A (Parker) / A.9881-A (Cusick)** – Blueprint to Replace Highest-Emitting Facilities by 2030 with Reliability
- The bill below became law (Chapter 840 of the Laws of 2022), and a Chapter Amendment is required to address concerns with the bill and has been introduced this year as S.1317 (Stewart-Cousins) / A.1286 (Pretlow).
 - **A.2103-D (Pretlow) / S.8830 (Stewart-Cousins) of 2022 - DEC Permits and Disadvantaged Community Disproportionate Impacts**
 - Among the Chapter Amendment’s (S.1317 (Stewart-Cousins) / A.1286 (Pretlow)) provisions is the following more helpful language on permit renewals:
 - “In the case of an application for renewal of an applicable permit, the department shall not issue an applicable permit if it determines that the project would significantly increase the existing disproportionate pollution burden on the disadvantaged community.”
 - The language in the original bill was more open-ended and referred to “disproportionate burden.”
 - The new language is more consistent with that of Part 487 (significant, adverse, and disproportionate) that IPPNY sought via the attached letter to the Governor.
 - S.1317 of 2023 is on the Senate Floor.

- A.1286 of 2023 is in the Assembly Environmental Conservation Committee.
3. **2022-2023 NYS Climate Impacts Assessment** – Sandi M The latest revisions to the chapters are about two months behind. NYSERDA taking each chapter summary and editing; after these revisions there will be two peer reviews. Probably mid-year at best before the assessment is public.
 4. **Status of NYSDEC Cap & Invest Regulatory Process – Mike Sheehan** – we are just getting started on the development of an economy wide cap and invest program. Robust stakeholder process to inform program design will be a critical component. Currently figuring out how to coordinate it that effort but expect meetings to start in the next month or so. Climate Act – January 1, 2024. RGGI process was a long-term process. DEC will have more information by the next time we meet. Starting to meet with individual stakeholders with a focus on sectors with compliance obligations. Two regulations – one for cap and invest, and one for mandatory reporting.

Pulling together an outreach team now. Other offices involved. Point people – Air (Mike Sheehan), staff from Environmental Justice, Climate Change and Environmental Management.

Q – timeframe? Proposed Regulation would be needed by late summer to meet CLCPA deadline.

5. **Other NYSDEC, NYSDPS Climate Action Council Scoping Plan Outcome** – Expected Proceedings –. Office of Climate Change might look at SF6 and HFC. Looking at Solid Waste Management Plan.
6. **RGGI Update** – Part 242 Regulations, VA Participation, PA LEGAL Activity – Mike Sheehan. Plotting along on Program Review. Economy wide goes beyond RGGI. Do not want sources regulated under two different programs. 2040 aggressive targets. Cap stringency. Only looking at program basics – creating reference case. More changes in each state. Noted NYISO Carbon pricing as one example where the total cost is \$50, RGGI sources would be \$50 less costs of a RGGI allowance.
7. **Status of Air Permits** – Michael Sheehan, NYSDEC –
 - Danskammer Update
 - NRG Astoria Generating Facility Upgrades Update
 - Greenidge T4 and T5 Permit Renewal Status Report.
 - <https://www.dec.ny.gov/permits/6061.html>

8. **DAR 21 and CP49 Final Policy Recommendations**– Mike Sheehan. Policies are final. Legislation mentioned above is similar to Section 7(3) in the Climate Act. We need a more holistic approach for disadvantaged communities. Additional guidance is under development. The document is attached.
9. **DEC Rulemaking on Uniform Procedures Act Including CLCPA. Consistency and Environmental Justice** – Mike Sheehan. No update.
10. **California regulations:** Advanced Clean Trucks (ACT), Heavy-duty Low NOx Omnibus, and Phase 2 Greenhouse Gas Standards – NYSDEC. Proposed as emergency regulations – current open comment period.
<https://www.dec.ny.gov/regulations/26402.html>
11. **EPA Cross State Air Pollution Rule (CSAPR 3)** – no updates. Waiting on EPA FIP. Possibly February/March timeframe. Not sure what it will look like.
12. **EPA Proposed Methane regulations** – NYSDEC Staff – Ona. Part 203 reporting requirements started January 1. Planned and unplanned blowdowns over 10K standard cubic feet must be reported. DEC created a website to report ([Controlling Air Pollution from Facilities - NYS Dept. of Environmental Conservation](#)). Information and a link was emailed to the stakeholder list. Two blowdown reporting options for 1Q 2023: 1) use form created or 2) send email. Beginning April 1, 2023 – only online form reports will be accepted. The survey of components report is due March 31, 2023 and that reporting information is on the same web page. The survey report is a one-time report. DEC presented a webinar in 2022 outlining how to submit reports. See web page: [Controlling Air Pollution from Facilities - NYS Dept. of Environmental Conservation](#) There are other requirements associated with Part 203 beyond the reporting such as leak detection and repair.

Q – spreadsheet for components survey?

A – Yes, there is an option to use a formatted spreadsheet for the components survey and email it to Part 203 email address at Part203OilandGas@dec.ny.gov.

EPA proposed an oil and gas supplemental rule which proposes to regulate these same sources more rigidly than their previous regulation. EPA will accept comments until February 13, 2023. See this link for more information:
<https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/epa-issues-supplemental-proposal-reduce>.

13. **NYISO Update** – James Sweeney

- **BSM & Capacity Accreditation Update** – Tuesday MIWG/ICAP outlined projects for 2023. Continuing project. Functional requirements. Will be meeting with NYSRC for functional requirements.

- **NYISO Long Island PPTN Update** – Late November – ESPWG provided a review of assumptions. 1Q 2023 Discussions continue.
https://www.nyiso.com/documents/20142/35802702/LIPPTN_ESPWG_01-24-2023.pdf/40c1b781-e6f4-540a-ee3-bef5bd0c26ee
- **4Q STAR Update** – posted January 13. No needs identified. Narrowing margins.
- **Recent FERC NOPRS** – Transmission Planning, Interconnection and Extreme Weather – no activity.
- **Status of Interconnection Process** – At TPAS today. Continuing work in progress. CY 21 ended about one week. CY23 in February.
- **Interregional Transmission Planning Update** – December 5th IPSAC meeting. Materials are available at:
<https://www.pjm.com/-/media/committees-groups/stakeholder-meetings/ipsac/2022/20221205/agenda.ashx>

<https://www.pjm.com/-/media/committees-groups/stakeholder-meetings/ipsac/2022/20221205/item-02-3-ipsac-nyiso-updates-on-comprehensive-system-planning-process.ashx>

14. NYSRC Update – Roger Clayton

- Retirement – Al Adamson. Added Wes Yeomans.
- 2023-2024 IRM approved at 20%. Slight increase from 19.6% from last year. Partially due to wind resources
- New Rules
 - ✚ IBR WG – IBR resources being interconnected due to CLCPA. 90 GWs of IBR in the current queue. No national standard. IEEE2800 – in the process of appending the standard in NY. Target – 2023 Class Year. Unlikely to meet that date. In other parts of the country – Texas and CA – widespread disturbances. High priority item for NYSRC
 - ✚ Extreme Weather – slower schedule – changes in climate. Need to address them in the future and their impact on reliability and resiliency.
 - ✚ NERC has issued disturbance reports. Odessa 2 Disturbance Report is attached.
- FERC NOPR – IBR resources. NYSRC will submit comments in this docket.

15. NYSPSC Staff Regulatory Update – Mike Tushaj

- **PSC's Transmission Planning Proceeding – 20-E-0197**
AVANGRID Phase 1 Petition Update (filed 12/23/21):
Sought approval to continue accelerated development of **23 proposed projects** - ~\$1.944 B to fully build.
 - 04 – Binghamton Area
 - 04 – Ithaca Area

- 01 – Lancaster Area
- 01 – Lockport Area
- 13 – Oneonta Area

Staff is focusing heavily on the Phase 1 Order requirements that all P1 projects should: 1) address **reliability** and **asset condition issues** *and* 2) **provide increased HR**, Staff is diving deep into the Company's projects and searching for ways to effectively manage the magnitude of the proposed project costs, while maximizing the levels of incremental HR added to the system.

- The staff's review re-categorized the twenty-three proposed projects into forty-six component projects.
 - 27 of the 46 component projects were determined to qualify for cost recovery treatment pursuant to the Phase 1 Order ("Qualifying Projects").
- **December 15, 2022 – Order Authorizing the Continuation of Phase 1 Transmission Projects and Cost Recovery Measures**
 NYSEG Ordered to continue advancing the development for "Qualifying Projects" identified by Staff within the Order, subject to a 'cost cap.' Because the current rate case process is still ongoing and may continue past the existing rate plan (existing rate plan ends April 30, 2023), accumulating Cost Cap calculations were computed, by month, highlighting the cost ceiling for the suite of Qualifying Projects beginning from the end of the existing rate plan and continuing for several months, should the settlement/litigation process continue past the existing rate plan:
 - \$98.8 million through April 30, 2023;
 - \$111.4 million through May 31, 2023;
 - \$126.6 million through June 30, 2023;
 - \$141.3 million through July 31, 2023;
 - \$149.0 million through August 31, 2023;
 - \$153.9 million through September 30, 2023.

16. Coordinated Grid Planning Process (CGPP) Working Group

- December 27, 2022 – Coordinated Grid Planning Process Proposal issued by joint utilities. Within the document, the CGPP process is defined and a timeline is developed, broken into several detailed stages, for the entirety of the CGPP process. Additionally, several rounds of comments have been received on the CGPP proposal and can be found under the case number.

17. Clean Energy Standard –15-E-0302

- **December 15, 2022** – Order Approving 2023 Clean Energy Standard Administrative Funding and Reconciliation of Year 2021 Administrative Costs
- 2023 Clean Energy Standard administrative budget is approved, with modifications discussed in the body of this Order. NYSERDA directed to file a revised 2023 Clean Energy Standard administrative budget reflecting these modifications within ten days of the effective date of this Order.
- NYSERDA is authorized to use previously collected revenues including bid fees, forfeited contract security funds, Alternative Compliance Payments received, and interest income to fund the 2023 Clean Energy Standard compliance period of the Renewable Energy Standard, and is authorized to fund the 2023 Clean Energy Standard compliance period of the Zero-Emission Credit program through the Zero Emission Credit adder, as discussed in the body of this Order.
- NYSERDA shall continue to file quarterly reports containing itemized expenses associated with the administration of the Renewable Energy Standard and Zero-Emission Credit programs.

18. Energy Storage Proceeding – 18-E-0130

- **November 30, 2022** – Joint Utility Petition to Modify the Energy Storage Order
- The JU seek these modifications of the Energy Storage Order and Modifications Order to incorporate into future solicitations:
 - an extension of the in-service date for storage resources from December 31, 2025, to no later than December 31, 2028, and;
 - an extension of the maximum dispatch rights contract duration from the current “up to ten (10) years” to “up to fifteen (15) years.”
- **December 9, 2022** – 2022 Bulk Storage Implementation Plan
- Con Ed/O&R filed a revised implementation plan for a competitive direct procurement of scheduling rights from qualified energy storage systems. More details regarding the revisions can be found in case 18-E-0130, but a brief highlight of some revisions include: Big/Bidder eligibility criteria, bid requirements, winner bidder responsibilities, and storage operations expectations.

19. Electric Vehicle Proceeding – 18-E-0138

- No new orders/petitions to report on.

20. Offshore Wind Proceeding – 18-E-0071

- No new orders/petitions to report on.

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21. Energy Efficiency and Heat Pumps – 18-M-0084

- **November 22, 2022** – Refiling (Version 3) of the Statewide Low- to Moderate- Income Portfolio Implementation Plan was posted to DMM; it includes the following initiatives:
 - Existing 1-4 Family Homes
 - Existing Affordable Multifamily Buildings
 - Affordable New Construction
 - Additional LMI Initiatives
- **December 14, 2022** – Refiling (Version 5) of the NYS Clean Heat: Statewide Heat Pump Program Implementation Plan (“Implementation Plan”) was posted; the plan in its entirety can be viewed in DMM.

22. Resource Adequacy Proceeding – 19-E-0530

- No new orders/petitions to report on.

23. Proceeding regarding Natural Gas Planning – 20-G-0131

- No new orders/petitions to report on.

24. Matter of the Advancement of Distributed Solar - 21-E-0629

- No new orders/petitions to report on.

25. NYSDEC Regulatory and State Implementation Plan Update – NYSDEC Staff
No significant updates. Bob Bielawa - Staff is in the final stage of developing the attainment demonstration SIP for the 2015 ozone NAAQS. A public comment period will be held in the coming months.

Next Call – Thursday, March 9, 2023, at 9am.