

## **NYSDEC/NYSRC – January 18, 2024, Webex – Meeting Summary**

- **Status of NYSDEC Cap & Invest Regulatory Process** – Mike Sheehan – Three webinars in total are planned for next week, Thursday and Friday are the most important webex meetings for this group. Comments requested through March 1, but it is not a hard date. Goal to summarize. Formal regulatory process planned in 2024. CA regs are the best example for NY. Very dense program and it will take time to develop in NY. Additional information and data to be posted on the website after the presentation on Friday.
  - **Cathy** – presentations or asking questions? Both will be allowed during the webex as time permits.
  - **Cathy** – EPA data? Is it third party verification? Not sure per Mike but will note it as a comment.
  - **Rad** – For Electricity Sector obligation? What else is helpful? Mike is not certain at this point. Look at the analysis? Look at the additional information. Part of presentation and posted on the website.
  - **Rad** – how will facility specific cap work? Power sector or C&I? Could be any facility in a DAC? TBD. Within or outside per CLCPA. Co-pollutants – permit under CLCPA 7-2 and 7-3.
  - **In the DAC or impact the DAC?** Yes, but taking comments on what impact means.
  - **Chris F** – could you share the factors for the decision to leave the electricity sector TBD? Mike - many factors including – costs – reliability – RGGI – etc. RFQ is out on the street.
- **Status of RGGI Program Re-Evaluation Process** – Mike Sheehan – Agency Heads are discussing and deliberating program changes based on the model results and comments received. Very complicated Program Review Given PA and VA uncertainty. Other Climate initiatives for other states and impact on the electricity sector. PA is in litigation; VA litigation could pull them back in. Maryland is very engaged with NY Cap and Invest. RGGI has a fifth control period March Compliance deadline.
- **Legislation Session - 2023 Closeout & 2024 Preview** – Radmila
  - **January 9, 2024, State of The State Address – overview.**
    - RAPID Act** – co-mingled with ORES and Transmission under DPS. Combination is expected to streamline siting timing.
    - PSC Proceeding – NY GRID of the Future** – identify emerging technology.
    - Affordable Gas Transition Action** – move away from natural gas for heating. Legislation already exists for NY Heat. Try to patch together an approach to maintain affordability.

## **Interconnection of DER Resources.**

- **January 16, 2024 – Governor’s Budget Presentation** – more detailed on each item recommended in the SOS.

## **RAPID and Affordable Gas Transition Act.**

**Changes to Title V Permit Fees** also in the budget. Fees restructured to cover the costs of the program. The last change was 2015. Effective January 1, 2027. Per Mike Sheehan – T5 is underfunded.

- **Legislative Session Update** – Reliability Based Legislation

**Peaker Justice Legislation** – Just Energy Transition Act – 2030 Blueprint. NYSERDA study to evaluate strategy. Goal replace 4GWs. Wording about reliability review. Goal to follow the peaker rule. It will be a focus Albany.

- **Cathy** – simple cycle or steam units? Not defined in the bill. Looking at the highest emitting facilities. Isn’t this redundant? Legislation does not always evaluate current requirements. CLCPA pressure to do more.

**New Legislation – Economy Wide Cap and Invest Program** – A8469, no senate companion. One year compliance, prioritize DACs, set lower caps with five-mile radius, site or facility specific cap, review cap annually. Legislative engagement. GHG and co-pollutants. DACs would have a greater reduction than other communities. NYSERDA and DEC created the timeline. DEC – auction of allowance. They set maximum allowance price. DEC would try to link with RGGI program. Receive and inter-jurisdictional credit. RGGI and NYCI. DEC could establish mechanisms for other programs. Linkage – must be approved by legislature.

- **NYSDEC Draft DAC Policy Summary – Update** – Mike – nothing new.
  - **Will you publish response to comments?** Not certain but note that a response to comments is not required.
- **EPA Proposed Power Plant Emissions Regulation – Summary** - Mike – waiting on finalization of rulemaking.
- **EPA Revisions to the Air Emissions Reporting Requirements** – Mike – no activity, waiting on publication of final requirements.
- **EPA Cross State Air Pollution Rule (CSAPR 3)** – Mike – still in place. Many challenges exist. Supreme Court might stay the entirety of program. February arguments.

- **EPA Proposed Methane regulations** – NYSDEC Staff – Ona. – EPA finalized the Oil & Gas rule under 40 CFR Part 60 of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review the methane rule.

Link: [https://nysemail.sharepoint.com/:p:/r/sites/nyserda-ext/ExternalCollaboration/CLCPA/\\_layouts/15/Doc.aspx?sourcedoc=%7B1FD51719-84FE-4735-91BE-D30F4F0CEEE0%7D&file=NYCI%20201%20Draft%20-%20Clean.pptx&action=edit&mobileredirect=true](https://nysemail.sharepoint.com/:p:/r/sites/nyserda-ext/ExternalCollaboration/CLCPA/_layouts/15/Doc.aspx?sourcedoc=%7B1FD51719-84FE-4735-91BE-D30F4F0CEEE0%7D&file=NYCI%20201%20Draft%20-%20Clean.pptx&action=edit&mobileredirect=true)

High level description: routine monitoring for leaks similar to NY legislation. EPA will publish technologies to use for leaks. Pathways for periodic monitoring and continuous monitoring. They include a super emitter program where third parties can detect leakage and report to EPA. The EPA must approve third party.

In NY, we will begin our planning process. Two-year period. Here New York will determine if part 203 satisfies the EPA requirements under their final rule. While Part 203 is stringent, there may be some aspects that will need to change to align with the federal rule. Review is underway.

- **NYSRC question:** DOE Hydrogen PTC – Proposed regulation. Potentially some restrictions. Mike to check on whether this is being evaluated.

- **NYISO Update** – James Sweeney

- **Q4STAR Report** – completed last week. No additional reliability findings. Q2 STAR need was discussed in the report.

<https://www.nyiso.com/documents/20142/16004172/2023-Q4-STAR-Report.pdf/62c42ffb-912b-bc50-d0c4-1606934025d7>

- **Comprehensive Reliability Plan (CRP)** – posted November 28, 2023. No needs identified. <https://www.nyiso.com/documents/20142/2248481/2023-2032-Comprehensive-Reliability-Plan.pdf/c62634b6-cdad-31dc-5238-ee7d5eaece04>

- **NYC PPTN Status Update** – Technical Conferences held late last year. Expect project solicitation 1Q 2024.

[https://www.nyiso.com/documents/20142/42514137/03\\_NYCPPTN\\_ESPWG\\_2024\\_01\\_23.pdf/6333d601-61f1-6a88-a5e5-4bdafb8473a](https://www.nyiso.com/documents/20142/42514137/03_NYCPPTN_ESPWG_2024_01_23.pdf/6333d601-61f1-6a88-a5e5-4bdafb8473a)

- **Interregional Transmission Planning Update** – IPSAC met Dec 8. James will include the link and updates from all regions. [Interregional Planning Stakeholder Advisory Committee \(iso-ne.com\)](https://www.iso-ne.com/interregional-planning-stakeholder-advisory-committee)

- **DOE OSW** – will be published this year.

- **NYSRC Update** – Chris Wentlent

- Revised 2024 Goals and posted.
- Finalized progress on 2023 Goals.
- Approved 2024 Compliance Plan.

- Zach Smith, NYISO provided a CRP Presentation.
- **NYSPSC Staff Regulatory Update** – Mike Tushaj / Jerry Mathew
  - **Energy Storage Proceeding** – 18-E-0130. 11/21/2023 Order authorized revisions to the tariff amendments proposed by the Joint Utilities for their Term-Dynamic Load Management (DLM) and Auto-DLM programs. The programs are demand response procurement programs that enable customers to provide load relief during a capability period. Term-DLM participants are activated when the day ahead forecast reaches a certain percentage of its system peak, while auto-DLM participants are activated any time (excluding off-peak) with at least 10 minutes notice. The revisions provided additional clarification and removed language on diesel-fired generation. 12/14/2023 Order Approved the Supplemental Generic Environmental Impact Statement (SGEIS) discussing environmental impacts from potential actions considered in the 6 GW Roadmap. Considerations include fire hazards with lithium-ion batteries, land use, lifecycle emissions, recycling/disposal of batteries, effect of mineral extraction and waste management on public health/safety, and alternative battery technology.
  - **Clean Energy Standard 15-E-0302** – Clean Energy Petitions
    - Zero Emissions Resource Proceeding & Tech Conferences  
Some orders on Capacity Accreditation and Tariff Amendments. 12/18/2023 Order approved 2024 Administrative Fundings of \$33.5M for NYSERDA's Clean Energy Standard (CES) programs.
  - **Electric Vehicle Proceeding** – 18-E-0138. 1/4/2024 O&R Petition to modify its incentive structure in its managed charging program. Revised incentives include eliminating its \$5 per month for active participation, increasing its summer peak avoidance incentive from \$80 to \$140, and decreasing its off-peak charging incentive from \$0.10/kWh to \$0.07/kWh (to align with Commission requirements of a cost-based framework)
  - **Offshore Wind Proceeding** – 18-E-0071. 11/20/2023 Capacity Accreditation Rule Order authorizes revisions to the Reference Capacity Price formula by removing obligations for sources to include a set production factor in bids. The change helps CES solicitations accommodate the new NYISO Capacity Accreditation Rules, which aims to better reflect capacity value and contribution to RA. The rules also result in a more dynamic capacity that changes over time, reduces long-term capacity revenue for intermittent resources, and impacts existing Tier 1 and OSW RECs and ORECS. The Order also declines to adopt modifications to existing Tier 1 and OSW procurements prior to 2022, citing bidders were made aware of the NYISO rules during solicitation and current provisions in these procurements can be utilized by NYSERDA to reflect the new rules.
  - **Energy Efficiency and Heat Pumps** – 18-M-0084 - No Activity
  - **PSC's Transmission Planning Proceeding** – 20-E-0197 - No Activity

- **Proceeding regarding Natural Gas Planning** – Con Edison, O&R, NYSEG/RGE and NFG. No Activity
- **Matter of the Advancement of Distributed Solar** - 21-E-0629 – No Activity.
  - **DEC Proposed Regulation for SF6** – is DPS reviewing the standard? Staff are aware of DEC's SF6 rulemaking. The staff is also aware of potential cost implications and these costs would be evaluated during utility rate proceedings.
- **New York State Climate Assessment Update** – Sandi - The latest climate projections and key findings have been released and are available on the climate impacts assessment [website](#). The full climate impacts assessment report is in final review, and will likely be useful in the development of the statewide climate adaptation plan the governor referenced in the State-of-the-State:
- **NYSDEC - Bob** – No changes to status of development of the attainment demonstrations for the 2015 ozone standard, 2008 ozone standard, and 2010 sulfur dioxide standard. All three are under continued development.
- **Next Call** –Thursday, March 14, at 9am.