

NYSDEC/NYSRC – March 14, 2024, Agenda – Meeting Notes

Status of NYSDEC Cap & Invest Regulatory Process – Comment period ended on March 1 but DEC and NYSERDA are still accepting comments. Higher percentage of detailed comments this time as compared to the first phase. 700-800 total comments for Phase 2, close to 4,200 in total. The window is still open for comments. NYSERDA RFQ for auction platform, market registry, reporting platform and market monitoring closed. Target is still end of this year – very difficult timeframe. CA and WA being monitored.

- Q – Kevin Lang – will a final rule be available by the end of year? It is still to be determined if we will issue the proposal by the end of the year or get through a formal rulemaking by the end of the year. But the timing of the latter will be difficult given the tight timeframe.
- Q – Cathy Waxman – what would be the program start date? Target is still 2025.

Status of RGGI Program Re-Evaluation Process – VA and PA status is making it more complicated. PA recently announced moving forward with their own program. Not sure they will be in or out. Agency heads – continuing to deliberate. The slope of curve and stringency of the program discussions are on-going. Hopeful for movement in the next month or two.

- Q – PA – will do their own thing. It is a policy determination. RGGI tracks PA emissions. VA is in the same status as last meeting. VA offered no allowance sales in the last auction and is committed to completed compliance for the 5th control period.
- Q – Rad – next steps on RGGI? Regional Cap will continue to be discussed. Final decisions will depend on whether the generation is in or out of NYCI. If not in NYCI, it is not certain what impact that will have on RGGI, but the goal is to develop a program that aligns with the CLCPA.

Legislation Session - 2024 Budget Update – Radmila

In terms of the NYS Budget process, we are now at the point where the Senate and Assembly have printed their own bills, in response to the Governor's Budget Bills.

Reviewed three budget proposals related to reliability interests.

Major Budget Issues

- **Air Permit Fees** - Part T of A.8808-A / S.8308-A - These fees pertain to reliability as they would fund the DEC's air permit programs. The Budget Language pertains to three types of fees:
 - **Title V Air Permit Fees** - Existing law on Title V fees has not been changed since 2015. Existing law requires the fees to pay for the costs of the DEC's Title V permitting program, but the EPA and the NYS Comptroller are saying that the current fees do not provide enough money to cover these costs. On Title V fees, the Senate mostly agrees with the Governor's Language. The Assembly proposes to further increase Title V fees.

- **State Air Quality Control Fees** - State Air Quality Control Fees were last modified in 1997. On State Air Quality Control Fees, the Senate retains the current fees. The Assembly also proposed to increase these fees.
- **Fees under Section 185 of the Clean Air Act** - For the Section 185 fees, the Budget Language would authorize DEC to promulgate regulations for the collection of these fees. These fees are to be paid to the DEC for non-attainment of the ozone standard in severe and extreme non-attainment areas. In terms of the Senate's One House Budget Bill Language, the Senate's provision on Section 185 fees would simplify the requirement for the DEC to promulgate regulations to be consistent with Clean Air Act requirements. In the Assembly's One House Budget Bill Language, the Governor's Language on the DEC to promulgate regulations on Section 185 fees is omitted.
 - The fee applies to major stationary sources of volatile organic compounds and nitrogen oxides when emissions exceed a baseline.
 - The DEC has indicated that the fees would be implemented **only if** the area does not attain the standard by July 20, 2027.
 - The Senate's provision on Section 185 Fees would simplify the requirement for the DEC to promulgate regulations to be consistent with Clean Air Act requirements.
 - In the Assembly's One House Budget Bill Language, the Governors Language on the DEC to promulgate regulations on Section 185 fees is omitted.
 - ✓ Q – Cathy – for 185 Fees? Only downstate – per 2008 Ozone Standard? Bob B – NYSDEC – if language is not put in, EPA may still push the issue even if the state does not. Fee is prescribed so either path would be the same cost. It would be based on 2027 emissions and imposed in 2028 and 2029.
- **Renewable Action Through Project Interconnection and Deployment (RAPID) Act - Reorganization of Article VII Transmission Siting Process into Office of Renewable Energy Siting Process** - Part O of A.8808-A / S.8308-A - The purpose of this Budget Language is to streamline the process for major electric transmission lines, in order to reach the CLCPA's targets. This budget language pertains to reliability, as it involves the timely siting of infrastructure to meet the CLCPA's targets.
 - The Governor's Budget Language would move ORES from the NYS Department of State to the Department of Public Service. Major renewable energy projects and electric transmission lines would be permitted by ORES with supervision by the Department of Public Service.
 - The Senate Budget Language proposes to **add 5 MW energy storage, which is not co-located** with major renewable energy facilities, to ORES review.

- The Assembly One House Budget Language proposes to have the need for major electric transmission facilities be consistent with long range plans for expansion of the power grid.
- **Affordable Gas Transition Act** - Part P of A.8808-A / S.8308-A - This provision is related to reliability, as it involves the movement of gas customers to electrification outcomes. This Budget Language is intended to support gas system transition planning for customers who switch from natural gas for purposes such as heating and cooking. The Budget Language states that the use of natural gas is not banned. Gas service must be provided to existing customers in a safe and adequate manner, while providing for an orderly transition to achieve the CLCPA's targets that allows customers to secure adequate substitutes for natural gas.
 - The **Senate One House Budget Bill** omits the Governor's Language and replaces it with NY HEAT Act ("NY Home Energy Affordable Transition Act") (S.2016-B (Krueger) / A.4592-B (Fahy). The bill aligns utility regulation with State climate justice and emission reduction targets and changes certain provisions of the Public Service Law relating to gas service and sale.
 - The **Assembly One House Budget Bill** also omits the Governor's Budget Language. The Assembly Budget Proposal Overview indicates the Assembly is exploring the removal of the current ability of new natural gas customers to receive the first 100 feet of gas pipeline free, known as the 100-foot rule.
- The NYS Budget is to be adopted by April 1, which is the Monday after Easter.
- Session is scheduled to conclude on June 6.
- **NYSDEC Proceedings**
 - **NYSDEC Draft DAC Policy Summary – Update –no update.**
 - **EPA Proposed Power Plant Emissions Regulation – Summary** - EPA will revise this proposed regulation for existing coal facilities and consider a new proposal for natural gas.
 - **EPA Revisions to the Air Emissions Reporting Requirements –No update.**
 - **EPA Cross State Air Pollution Rule (CSAPR 3) – Mike – litigation is on-going.** Request for stay was heard at the Supreme Court on February 21.
 - **DEC Application IDs: 3-1326-00211/00001** (Dover Compressor Station); 4-1922-00049/00004 (Athens Compressor Station) – Mike – comments are due in this permitting docket by March 29. Chris Wentlent identified this area of the state was identified in the recent FERC/NERC December 2022 Winter Storm Elliott Report. NYSRC is considering comments to highlight this point but has not finalized yet.
 - Q – Cathy W – are the projects needed for reliability and could it impact CLCPA? Mike Sheehan – The Peaker rule is a good example of how reliability is factored into decision-making. It will be part of the debate in any final decision.

- **EPA Proposed Methane regulations** – NYSDEC Staff – No update at this time.
- **NYISO Update** – James Sweeney
 - **NYC PPTN Status Update** – March 8 ESPWG Presentation. Solicitation for solutions will open on April 4. Additional discussions are expected at ESPWG meetings. Slide nine of the recent March 8th presentation provides a timeline. This solicitation will last into mid-2025.
https://www.nyiso.com/documents/20142/43434790/NYCPPTN_ESPWG_2024_03_08.pdf/8dcf8d7b-ae6d-b851-c5c7-a20569973b96
 - **Reliability Needs Assessment Update** – February 21 kickoff meeting at ESPWG. The presentation outlined the process and schedule. [Slide 1 \(nyiso.com\)](#)
 - **Interregional Transmission Planning Update** – IPSAC might meet in mid-2024. The NYISO is monitoring FERC on a potential order on interregional planning which could include timing, rules and cost allocation considerations.
 - NYISO continues to monitor activities at FERC related to a potential final rule on interregional planning. At the time of this meeting, the agenda for the 3/21 FERC session had not been posted, but NYISO is monitoring Commission activities for more information on when we should expect a final rule.
 - **NYISO New York Cap and Invest** – the NYISO filed comments prior to the March 1 informal comment due date. The comments are posted on both the NYCI and NYISO websites.
- **NYSRC Update** – Chris Wentlent
 - NYSRC met on Friday, March 8, 2024
 - We conducted a moment of silence for Paul Gioia, our NYSRC Counsel who passed away in February 2024.
 - We reviewed subcommittee reports from the ICS, RRS, RCMS and Extreme Weather Working Groups
 - RRS Draft Reliability Rules PRR 153a and 154a were approved for posting. The draft rules were noticed on the NYISO TIE List and are posted on the NYSRC website. Comments are due April 24, 2024.
 - Our next scheduled Executive Committee Meeting is Friday, April 12.
- **NYSPSC Staff Regulatory Update** – Jerry Mathew
 - **Energy Storage Proceeding** – 18-E-0130. No activity.
 - **Clean Energy Standard**
 - **Clean Energy Petitions** – 15-E-0302 – NYSERDA submitted an implementation plan and true-up process.
 - **Zero Emissions Resource Proceeding** – No activity.
 - **Electric Vehicle Proceeding** – 18-E-0138. **Petition of NYSEG and RGE** to Modify Managed Charging Program. NYSEG and RGE want to change the minimum monthly off-peak charging requirement for Intermediate tier Program Participants to be eligible for incentives from 90% to 80%. NYSEG and RGE also want to add a requirement for Advanced tier Program Participants to not override their managed charging schedule resulting in an on-peak charging event greater than 15 minutes, more than three times per month.

Petition of National Grid to modify Managed Charging Program. Modify the Program to allow participation from any residential customer capable of providing EV charging usage data from a managed charging enabling device, including networked EVSE, EV telematics, or other devices. Thus, the Program would support any devices that are capable of either “passive” or “active” managed charging, rather than only supporting active managed charging (smart charging) devices as the Program operates today. would go from supporting approximately 25% of EVs via telematics today (i.e., BMW and Tesla) to approximately 60% of EVs if this modification was approved. The Company recommends an incentive of \$15 per customer per month for participants who charge at least 50 kWh at home and achieve at least 80% of home charging during off-peak hours (11:00 pm to 7:00 am) for that month.

- **Offshore Wind Proceeding** – 18-E-0071. No orders or petitions. NYSERDA did make a filing providing notice that the OREC contracts for Empire Wind 2 and Beacon Wind were cancelled.
- **Energy Efficiency and Heat Pumps** – 18-M-0084. No activity.
- **PSC’s Transmission Planning Proceeding** – 20-E-0197.
January 19th Order Establishing Procedures for Advanced Technology Working Group:
 1. The Advanced Technology Working Group shall conduct at least one open call for stakeholders to submit advanced technology proposals ahead of the technical conference, as discussed in the body of this Order.
 2. Within 60 days of the conclusion of the conference, the Advanced Technology Working Group shall file its initial assessment of the proposals submitted pursuant to this Order and identify in the assessment any proposals it intends to consider further for potential implementation in the ongoing cycle of CGPP, as discussed in the body of this Order.
 3. The Advanced Technology Working Group shall publish the technology survey screening criteria discussed in Section 2.2.1 of the Plan, and any revisions that may be applied in the future, as discussed in the body of this Order.
 4. The Advanced Technology Working Group shall publish a calendar of its activities by January 31 of each year, beginning in 2025, as discussed in the body of this Order.
 5. As discussed in the body of this Order, the Advanced Technology Working Group shall file an annual report each year on January 31, beginning January 31, 2025, summarizing its activities, its current assessment of the technologies that are under review, and the results of pertinent studies. The report shall include a budget and identify technologies that the Advanced Technology Working Group recommends for deployment and describe the status of any advanced technology deployments, by utility. The Advanced Technology Working Group shall discuss the annual report and the status of its assessments at one of the quarterly stakeholder engagement meetings proposed in the Plan.

6. As discussed in the body of this Order, the Advanced Technology Working Group shall consult with Staff to support alignment between the Coordinated Grid Planning Process and Advanced Technology Working Group processes and regarding information requirements and guidance for technology proposers.

7. As discussed in the body of this Order, we direct the Advanced Technology Working Group to file a revised version of the Plan reflecting the requirements set forth here, including the revision of the second paragraph of Section 2.1.2 identified above, within 30 days of the issuance of this Order. 7. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

ATWG requested an extension. Extension was granted. Due March 21, 2024.

- **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.
- **NYSDEC** – Bob B – Attainment demonstrations for the 2008 and 2015 Ozone NAAQS, and the 2010 PM_{2.5} NAAQS are still under development. The proposed attainment demonstration for the 2015 ozone NAAQS is expected to be ready for public comment in the near future.
 - Q – Revised Standard – PM_{2.5} – will there be any non-attainment? Bob – we do not think so, but we are evaluating all data, including incomplete data from one monitor in New York City. Mike Sheehan – clean data may eliminate the need for an exceptional event demonstration. In the future, these could be a risk. Bob – DEC will be developing a “Designation Recommendation” that will be submitted to EPA by February 7, 2025.
- **Next Call** –Thursday, May 9, at 9am.