

NYSDEC/NYSRC – May 9, 2024, Meeting Notes

- **CO2 Programs – Mike**
 - **Status of NYSDEC Cap & Invest Regulatory Process** — The next round of NYCI outreach is expected to be Draft Express Terms. When proposed, the NYCI rules will follow the formal process most likely not until the second half of 2024. The formal SAPA process includes a written comment period and public hearings. Additional Executive level discussion is expected prior to any release.
 - **Status of RGGI Program Re-Evaluation Process**– Litigation in other states is making the next program design complicated. Agency heads continue to meet regularly. A RGGI announcement would be the actual agreement. Each state must then manage its own process to enact the changes.
 - ❖ Q –RGGI Timing is not expected to at least second half of 2024? A Yes.
 - ❖ Q – Is there a need to make any changes right now? Need to look at connectivity with NYCI. NJ’s climate requirements for electricity are 0 x 35, MD is similar, and NY is 0 x 40. Need to incorporate those changes into the RGGI program going forward to meet these goals.
 - ❖ Q/C –seems like we need to be conservative initially due to load growth, pace of new renewables, and new large load development to ensure we have enough allowances for the generation sector? As in past RGGI program reviews all aspects are being considered by AH’s.
- **Legislative Session Update**
 - The most significant bill, having a reliability implication, is the Peaker Justice Legislation, S.2935-D (Parker) similar to A.4866-C (Kelles), which also is known as the “Just Energy Transition Act” for High Emitting Facility Replacement Blueprint by 2030.
 - ❖ This bill would have NYSERDA develop a study of competitive options or strategies to phase-out, by 2030, at least a total of 4 GW of fossil-fueled generation capacity and would prioritize peakers, while ensuring resource adequacy.
 - NYSERDA would conduct the study, in consultation with the DPS, DEC, LIPA, the NYISO, the NYS Reliability Council, and facility owners.
 - ❖ The Senate bill has passed the Senate.
 - ❖ The Assembly bill, which is not a “same-as” companion, is in the Assembly Energy Committee.
 - ❖ The bill includes IPPNY’s amendments to involve the NYISO, the NYS Reliability Council, and affected facility owners in the study effort.
 - A.8469 (Kelles) / S.9228 (Parker) would establish an economy-wide cap-and-invest program.
 - ❖ The bill is in the Environmental Conservation Committee of both houses.
 - ❖ Compliance periods would be one year.
 - ❖ The bill would prioritize emissions reductions in Disadvantaged Communities (DACs) and set a lower cap in DACs and within a five-mile radius of DACs.

- ❖ DEC, NYSERDA, and the PSC would determine a timeline and related planning process for the retirement of fossil fuel generation facilities or their conversion to renewable energy facilities.
 - ❖ DEC is to establish a maximum allowance price for each compliance period and assess whether and how to increase it on an annual basis.
 - ❖ DEC would determine how to link the cap-and-invest program with the RGGI program.
 - ❖ DEC also could link the cap-and-invest program with other similar programs, based upon a plan to be provided for public comment and approval of the Legislature.
- **Legislative Session – 2024 - Budget Closeout**
 - **RAPID ACT** – transfer ORES to DPS. Transmission and RE under DPS with ORES support. Included in the budget.
 - **NY Heat Act** – substantial discussion but no action yet. Still under discussion during the rest of the session.
 - **NYSDEC Update** – Mike, Ona, Bob
 - **NYSDEC Draft DAC Policy Summary – Update** —DEP-24-1 published May 8, 2024. A link to the policy was distributed under separate email. (<https://dec.ny.gov/sites/default/files/2024-05/prgrmpolicy24dash1.pdf>)
 - **EPA FINAL Power Plant Emissions Regulation – Summary** – Final Rule adopted. NYSDEC is responsible for meeting the State Plan requirement. Anticipate additional regulation for existing natural gas & oil generation subject to a current open nonregulatory docket. ([Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants | US EPA](#)).
 - **EPA Revisions to the Air Emissions Reporting Requirements** — no update.
 - **EPA Cross State Air Pollution Rule (CSAPR 3)** – no update. Waiting for litigation outcome. NYAG participated in the 6th Circuit yesterday.
 - **DEC Application IDs: 3-1326-00211/00001** (Dover Compressor Station); 4-1922-00049/00004 (Athens Compressor Station) – Mike – no updates.
 - **EPA Proposed Methane regulations** – NYSDEC Staff —
 - ❖ NYS Regulation is wrapping up the first year of reporting under Part 203. Staff are evaluating that year-end data now.
 - ❖ EPA Oil & Gas Rule just released. NYSDEC is evaluating that final regulation comparing Part 203 with those new EPA requirements to ensure that requirements are consistent. (<https://www.epa.gov/newsreleases/biden-harris-administration-announces-final-rule-cut-methane-emissions-strengthen-and>)

- **NYISO Update** – James Sweeney
 - **NYC PPTN Status Update** – last presentation on March 21.
https://www.nyiso.com/documents/20142/43675604/02a_NYCPPTN_ESPWG_2024_03_21.pdf/0f060e28-de20-f55b-1e68-5430f4cb3aaa Solicitation on April 4 due June 4.
<https://www.nyiso.com/documents/20142/40894368/New-York-City-Offshore-Wind-Public-Policy-Transmission-Need-Project-Solicitation.pdf/90f7cebe-e8f0-e094-1aa1-f61cc55dd84f>
 - **System and Resource Outlook Update** – presentation at ESPWG. Ongoing steps – continue modeling developments.
https://www.nyiso.com/documents/20142/44393357/04a_04302024_ESPWG_2023-2042_Outlook_Update.pdf/15833e96-886a-3caa-77ea-14a7b8159d2e
 - **Reliability Needs Assessment Update** – April 18th ESPWG – substantial update.
https://www.nyiso.com/documents/20142/44204719/05a_2024RNA_InclusionRules_ESPWG_041824.pdf/0ac41390-ade2-39c5-78e4-7ac43518ae12 May-July timeframe to review results. Preliminary results in July. April 30th presentation on winter gas.
https://www.nyiso.com/documents/20142/44393357/03_2024RNA_WinterGasDerates_ESPWG_043024.pdf/c3ed0ce7-e850-31e3-1a4d-8cc400a7fc51
 - **Interregional Transmission Planning Update** – IPSAC met last week on Friday, May 3. DOE presentation – Atlantic Offshore Wind. <https://www.iso-ne.com/committees/planning/ipsac>
- **NYSRC Update** – Chris Wentlent
 - Our next Executive Meeting is tomorrow, May 9
 - EPA Power Plant Emissions Rules will be discussed.
 - The two posted draft reliability rules will be discussed and possibly voted on.
 - The full agenda is posted on our website.
- **NYSPSC Staff Regulatory Update** – Jerry Mathew
 - **New Grid of the Future Proceeding** – 24-E-0165 – April 18 – Approved proceeding for Grid of Future Plan. Focus is flexible resources (DERs, VPPs). Nov 15 – conduct a Grid Flexibility Study to determine status/potential for flexible resources, Dec 31 – First Iteration of Grid of The Future Plan. Dec 31, 2025 – Final Plan. Path for technical and commercial architecture in response to changing grid needs through 2040.
 - **Energy Storage Proceeding** – 18-E-0130. – March 2024 Order – August 21, 2023 – modification for dynamic load management programs. Previous sealed bid process. Little participation with this approach. Utilities want to offer more flexibility and visibility into potential revenues from participation for customers. Utilities also want the option to use current procurement methodology or alternate method. The

Commission agreed with the need to expand participation but directs utilities to file supplemental proposal on alternative procurement methods within 60 days.

- **Clean Energy Standard**

- ❖ **Clean Energy Petitions** – 15-E-0302 – April 19 – Utility Trading of Renewable Energy Credits (RECs). Joint Utilities (JU) filed a petition to allow them to sell/transfer banker Tier 1 VDER RECs amongst each other. Upstate selling to downstate utilities to meet 2023-2024 obligations. Joint Utilities estimate 1m banked VDER RECs at end of 2024 – Utilities with excess would have to forfeit it, those with deficiency would suffer alternative compliance payments, both costs borne by ratepayer. JU also wants NYSEDA to purchase excess RECs. Commission approved.

- ❖ **Zero Emissions Resource Proceeding** -no activity.

- **Electric Vehicle Proceeding** – 18-E-0138. – March 15 – Joint Utility (JU) Make Ready Program Petition – two revisions – communications standards for EV supply equipment hardware and software and eligibility criteria for incentives for customer-side costs of MD and HD Pilot. Joint Utilities found the implementation timeframe for EVSE hard/software was not achievable and slows down development, recommending pushing back enforcement date and not enforcing on in-progress projects. JU wants to expand MHD Pilot Make-Ready incentives to partial-DAC and DAC-adjacent regions.

March 27, 2024 – O&R filed to expand to install more L2 plugs beyond their 1546 threshold. They have reached their goal by Feb 2024. The company is proposing flexible incentive levels to install more for the same amount of money.

- **Offshore Wind Proceeding** – 18-E-0071.- no activity.
- **Energy Efficiency and Heat Pumps** – 18-M-0084. – no activity.
- **PSC's Transmission Planning Proceeding** – 20-E-0197 – April 19, Order for Ratemaking for Areas of Concern Transmission Upgrades. NYSEG and RG&E are seeking authorization from FERC to utilize 100% CWIP as a rate base for certain local transmission projects in AoC. \$1B in capex in the next few years and recovering through AFUDC would stress cash flow and credit metrics. ~\$300M in cost savings by taking this approach. Commission approved.
 - ❖ Q – will check about overlap of Grid of Future and 20-E0197? Whatever recommendations or actions the Commission takes in the Grid of the Future proceeding would be reflected in the 20-E-0197 planning proceeding.
 - ❖ Q – status of Zero Emissions Proceeding?
 - There is no timeline for the Commission yet re: the Zero Emissions proceeding.
- **Proceeding regarding Natural Gas Planning** – Con Edison, O&R, NYSEG/RGE, NGRID and NFG – no report except Chris Wentlent mentioned NGRID just started their LT NG Proceeding.

- **Matter of the Advancement of Distributed Solar** - 21-E-0629 – No activity
- **NYSDEC Compliance** –185 Fees will be a rulemaking. NYSDEC thinks it will be only a few pages long based on other regulations. We will focus outreach on impacted facilities only.
 - ❖ Q – Status of SF6 and HFC regulations? – The department is still assessing comments.
- **Next Call** –Thursday, July 18, at 9am.