



POWER PROCUREMENT

A.9461 (Brennan, et al.)

Summary

This bill would add a new Section 66-i of New York State's Public Service Law with respect to how utility companies manage the procurement of energy and the mix of sources and fuels available to meet demand. Under this legislation, utilities would be required to supply customers' energy needs while taking appropriate measures to minimize volatility of energy prices.

Explanation

Energy prices have garnered a great deal of attention among lawmakers—and New Yorkers—during the last several years. Energy price volatility has profound impacts on the state's economy and underscores the importance of having a mix of energy supplies and fuels, including renewable fuels, to utilize for electric power generation. This legislation, in combination with a reauthorized Article VI Energy Planning law, would do much to ensure a sustainable energy future for New York State.

This legislation would require electric utility companies to procure energy supplies in a manner that best serves the public's interest, including ratepayer impacts, reliability, energy efficiency and conservation, as well as impacts to the environment and public health. Utilities would be required to submit procurement plans for approval to the Public Service Commission (PSC) within six months of the legislation's effective date.

Utilities would be required to look at a variety of “supply-side” and “demand-side” resources for meeting their power procurement needs. Supply-side resources are those that deliver power directly to the state's transmission or distribution grid, usually from centralized generating stations that include a growing number of renewable energy generating facilities such as wind farms.

Demand-side resources include distributed generation sources that can be monitored in accordance with procedures established by New York's Independent System Operator and include on-site generation, load management activities, and energy efficiency programs that are above and beyond the New York State Energy Research & Development Authority's current ratepayer supported efforts.

Environmental Advocates of New York supports this bill.

Memo 49