S.4134 (Parker)/A.279 (Carroll)

View Edit Delete Revisions Clone

STAFF CONTACT : Ken Pokalsky | Vice President | 518-694-4460

BILL
S.4134 (Parker)/A.279 (Carroll)
SUBJECT
New York State Build Public Renewables Act
DATE
February 13, 2023
OPPOSE

The Business Council joins a wide range of business, municipal and labor organizations in opposing adoption of this legislation that would:

- Require the New York Power Authority (NYPA) to divest its non-renewable generating assets by 2030, including 13 separate generating facilities with more than 1,900 MW of generating capacity (specifically, it directs NYPA to "phase out" its use of non-renewable generation, leaving uncertain whether such generation would be allowed to continue generation under different ownership).
- Grant NYPA the ability to acquire and operate any existing renewable energy project in the state and give it the right of first offer and first refusal for new renewable energy projects over 25 megawatts.
- Establish NYPA as the sole electricity and power provider to all state and municipal facilities statewide, with limited exceptions.
- Direct NYPA for the first time to do engage in direct power sales to residential customers at a price significantly below market rates.

This legislation is mostly a push toward achieving statewide "public power." While NYPA programs have certainly provided significant economic benefits across the state, "public power" in general has not been without its major failures. Moreover, this legislation would move energy sales away from public utilities that are subject to Public Service Commission oversight, to an entity – NYPA – that is beyond the PSC's review and regulation. Moreover, there is nothing in this bill that would make NYPA's efforts to site new renewable energy generation any less challenging than that already facing the private sector, raising questions as to how exactly this legislation would expedite achievement of CLCPA goals.

This legislation would impose significant additional financing obligations on NYPA, with unclear funding mechanisms. The Authority would incur significant new costs to acquire and construct renewable generation and related energy infrastructure, as well as entirely new obligations to finance mold and lead abatement (and possible asbestos abatement) measures in public buildings, including schools, public housing and others. However, NYPA would also be subject to significant restrictions on its energy rates, such as sales to low- and moderate-income households limited to 50 percent of the prevailing rate charged by private utilities.

Presumably NYPA would recover those costs by increased power rates to customer classes not subject to price restrictions under this legislation. The bill provides that, “nothing in this act shall impact the . . . existing recharge New York power program . . . or any other power allocation program managed by [NYPA],” but we have significant concerns that the financing pressures imposed on NYPA by this legislation could adversely impact the pricing of economic development power sales.

Contrary to the uncertain financing of these new NYPA mandates, New York has seen a significant increase in private sector investments and commitments in all aspects of its renewable energy system, including more than $5 billion in new solar capacity, more than $2 billion committed to offshore wind projects, multi-billion dollar commitments to construct recently approve power transmission infrastructure, and others. And based on recent legislation, these private sector renewable projects are already covered by the pro-labor provisions of this legislation.

In summary, this legislation would massively disrupt ongoing efforts to achieve the already-challenging renewable energy deployment and carbon emission reduction mandates of the CLCPA, driven by the questionable public policy goal of statewide public power.

For these reasons, The Business Council strongly opposes adoption of S.4134/A.279.