

## Feedback on Climate Action Council Draft Scoping Plan

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### General Electricity Points

- The electric system must maintain certain generation attributes in order to remain reliable, including dispatchability, the ability to produce energy for long durations (i.e. days at a time), ramp up/down flexibility, etc. These attributes are the hallmark of fuel-burning resources like combined cycles and combustion turbines. Until new technologies evolve that produce needed attributes without burning fuel, we must focus on developing fuel alternatives that meet environmental needs, and it is positive that the Draft Plan recognizes this need but focuses mostly on hydrogen, with some mention of other fuels such as renewable natural gas.
- The Draft Plan makes clear that firm resources are needed, such as hydrogen.
  - No discussion exists for how to develop those resources on the needed scale in time to be useful?
  - How much hydrogen is needed to maintain reliability, and what is the program to make sure it will be available?
  - What will the back-up be if hydrogen is not available?
  - The Draft Plan says that 50 percent of needed green hydrogen will be imported; from where?
    - Where is the working relationship to make this import happen?
    - What is the back-up plan, if hydrogen cannot be imported?
- It is positive that existing hydro and nuclear are part of resource mix and to meet reliability.
  - What is the plan to keep existing renewable resources around?
    - The renewable energy baseline will be lower next year than it was when the CES first started.
    - We must have refinements to NYSERDA's Competitive Tier 2 Program.
      - Renewable companies are exporting their RECs to other regions, where they are paid better for them.
        - Exported RECs do not count towards CLCPA targets.
      - Need to know how much existing renewables we are able to keep, in order to know how much new renewables we need to reach CLCPA targets.
      - The export of RECs from existing renewables also increases the cost of meeting the CLCPA targets.
      - S.7027 (Parker) / A.8096 (Cusick) contains a provision for the maximum bid price utilized by NYSERDA in its RFPs to be set at a price equal to 75 percent of NYSERDA's Tier 1 REC sale price for the most recently completed Tier 1 RFP.
        - The \$200 million cost cap on the total existing program would be eliminated, and the program would remain in place until 2030.
    - What is the specific process for deciding what to do with the ZEC program before 2029?
- What is being done to develop 100-hour batteries?

## Industry

- The industry section of the Draft Plan allows carbon capture and storage for cement process emissions.
  - What about for power plants and other Title V generation?
  - In what arena will carbon capture be developed to be widely useful?
- In response to discussions during the November 17 Council feedback session on providing flexibility to industry through the alternative compliance mechanism, the DEC only should look at a subset of elements of that mechanism as a way to provide flexibility for industry, while setting aside whether or not the DEC decides to establish the alternative compliance mechanism.
  - The DEC has given the Council the DEC's interpretation of the CLCPA – that, as long as the DEC does not establish the mechanism, everything still is on the table, as the State's modeling clearly shows the need for provisions related to dispatchable resources to remain on the table.
- In response to discussion during the November 17 Council feedback session about what provisions the Draft Plan may include on cryptocurrency and bitcoin mining, the State should not discourage any business activity and, instead, needs to find pathways for all types of businesses to have practical means to comply with the CLCPA. All Title V permit holders currently operate in compliance with DEC permits, and that will continue to be the case as they comply with the CLCPA.

## Moratorium

- **The Draft Plan contains controversial provisions on fossil facility use and for new and repowered facilities.**
  - These provisions are consistent with the recommendations of the Power Generation Panel, ***but now, would the whole Council be saying this?***
    - There is no mention in the document of DEC guidance for how to implement CLCPA Section 7 in interim period until DEC rules are in place in 2024.
    - There is no mention of CLCPA Section 7 provisions for Title V, under which DEC would identify alternatives and mitigation measures.
    - The Installed Reserve Margin (IRM) will need to be much bigger in 2040 than it is now.
      - The State should not deny permits to facilities that can be converted to use CLCPA compliant fuels and zero emission energy systems under the pending PSC petition (Case: 15-E-0302).
      - Current facilities that can be converted would likely be needed to fulfill the IRM need in 2040.
    - Draft Scoping Plan contemplates 60 GW of solar.
      - What will the IRM be then, and would that signal the need for zero emission dispatchable resources to be available to ensure reliability for that much solar?
    - State should immediately host another Reliability Listening Session to get NYISO and NYSRC feedback on most current modeling and what the IRM will be and how much zero emissions dispatchable resources need to be developed under program pursuant to the pending PSC petition (Case: 15-E-0302).
    - Moratorium provisions are NOT needed.

- Under the current Article 10 law, the Siting Board's decision-making criteria already include evaluation of cumulative environmental impacts of related facilities, including cumulative emission impacts on the local community.
- The DEC's regulation, Analyzing Environmental Justice Issues in Siting of Major Electric Generating Facilities Pursuant to Public Service Law Article 10 (6 NYCRR Part 487), already requires any significant and adverse disproportionate environmental impacts to be minimized, avoided, or offset to the maximum extent practicable using verifiable measures for the duration of the Article 10 certificate.
- Additionally, the Board's criteria include consideration of consistency with energy policies and long-range planning objectives and strategies contained within the most recent State Energy Plan, which was updated in 2020 to include the goals of the CLCPA.
- Furthermore, applications under Article 10 already require a reliability study.

### Markets and Carbon Pricing

- Good statements on carbon pricing.
- The Analysis Group's assessment of NYISO's Carbon Pricing Proposal, and accompanying Summary for Policymakers, identified key value propositions of adding a carbon pricing mechanism in wholesale electricity markets. Those benefits are:
  - Accelerated entry of renewables projects via improved revenue certainty;
  - Revenue streams and economic benefits, as carbon pricing can reduce state-funded clean energy costs while providing clear signals that reward investment in clean energy;
  - Benefits for public health and environmental justice, as carbon pricing will reduce emissions from fossil generation and local air pollution;
  - Acceleration of fossil retirements and reduced use of natural gas;
  - Incentives for efficient transmission investments between upstate and downstate;
  - Increased innovation, as a carbon price in the NYISO energy market will increase incentives for entrepreneurs and others to develop new supply-side and demand-side technologies, products, and services;
  - Compatibility with public policy goals, given that a carbon price aligns market-based incentives with clean energy policies by valuing low-carbon investment and operations in the electric system;
  - Reducing consumer cost impacts, given that competitive markets have a 20-year record of delivering the least-cost supply mix to consumers and producing long-term savings; and
  - Incentives for energy efficiency and other customer-based actions, as a carbon price improves price signals to encourage consumers to more effectively manage their energy use with clean energy solutions.
- The Council should consider additional provisions of the Paulin-Parker bill.
  - A.1168 / S.4372 would require the DEC to determine and establish a carbon price and transmit that price to the NYISO for use in its carbon pricing proposal.
  - This legislation would allow the NYISO's proposal to move forward at FERC.
- Need more info on Clean Dispatch Credit, in terms of what it is and how it will be done

- Document says: "Proactive Advocacy: Based on available resources, the State should fund expansion of the existing office and team within DPS that systematically focuses on proactive advocacy at NYISO and FERC to provide the necessary resources to DPS to ***ensure that wholesale markets and planning processes align with Climate Act goals and support environmental justice concerns, while maintaining reliability***. The expanded office should focus on improved coordination with other essential state agencies including NYSEDA and DEC. The office should also monitor the developments of FERC's soon to be created Office of Public Participation and work with both that office and its Environmental Justice senior advisor to assist and support increased participation by low-income New Yorkers at FERC."
  - What will this mean?
  - ***Good coordination or market interference?***
- Document says: "Equity of rules: The PSC/DPS should ensure that energy storage does not face double rules and unfair charges. The State should consolidate its permitting rules for energy storage so they can be evaluated in one process. Utility commissions should reexamine their tariffs on energy storage resources and ensure they are applied fairly."
  - ***What double counting and what permitting rules?***

#### New Technologies

- Many good statements in the Draft Plan discuss need to develop new technologies.
- Sounds like the Draft Plan supports the need for the pending PSC petition (Case: 15-E-0302), and the Draft Plan should say that this petition is a vehicle to accomplish the needed development of zero emission dispatchable technologies shown to be necessary to maintain reliability, as indicated by the State's consultant E3 and the NYISO.
- As a next step, the PSC should have a reply comment period and conduct a comprehensive proceeding that would include a technical conference, during which stakeholders could present and resolve viewpoints in a way that elucidates needed details under the petition and allows the PSC to make a decision in a timely manner.
  - The PSC should also evaluate other CES program design decisions that may be precluding immediately achievable reductions of emissions and consider including program elements from other states and Europe, in order to focus on both near-term and longer-term solutions.

#### Gas System Transition

- The key stakeholders list for transition away from natural gas needs to include power plant owners.
- Document says: "To ensure grid reliability, complete the transition in parallel with the NYISO's Reliability Needs Assessment."
  - This is an important statement for the transition away from natural gas.
  - NYISO and NYSRC need to be involved to maintain reliability.

#### Cost

- We could not find any discussion of how to pay for Scoping Plan provisions.
  - Draft Plan cannot move forward without specifics, or at least a process, for how the Council will identify solutions for how to pay for the Scoping Plan.
  - Figuring out options for how to pay for the Plan cannot be delayed until some future implementation step; that would be irresponsible for energy consumers.

- The State has indicated that the Economy-Wide provisions will include options on carbon pricing, in terms of a carbon tax or fee and a “cap and invest” approach.
  - The State said that options include whether they should be economy-wide or sector specific, such as the NYISO’s carbon pricing proposal and the RGGI program.
    - The State needs to reconcile the NYISO’s carbon pricing proposal and the RGGI program with any economy-wide approach.
    - The State should discuss what funding mechanisms currently exist, including NYSERDA programs, Federal funding, and the proposed Bond Act, and what else is needed to fill the gap, in order to provide financial assistance to consumers to comply with the Plan.
  - The State should include Case Study Scenarios to provide examples about cost impacts on consumers, as an interim step between the current Integration Analysis results and the ratepayer impact analysis requested by our January 20, 2021 Joint Cost Letter that was submitted to the Council.
    - These scenarios would look at what each consumer sector needs to do to comply with the Plan and what those costs are either known or estimated to be, such as the cost of residential customers installing heat pumps.
    - The scenarios should be done for each class: residential, commercial, industrial, and institutional.
    - The scenarios also should be done for power plant owners, other Title V permit holders (hospitals, universities, multi-family dwellings, and businesses), local governments, and State agencies.

## Waste

- Document says: "Products that could benefit from new EPR [Extended Producer Responsibility/Product Stewardship] legislation include packaging and printed paper, carpet, tires, textiles, **solar panels, wind turbines, all batteries**, appliances (especially those containing refrigerants), mattresses, and other methane-generating wastes."
  - Need to know how this will affect cost of solar, wind, and batteries and ability to meet CLCPA goals.
- Document says: "Additionally, **the end-of-life management of solar panels and large-scale batteries will become more of a concern** as renewable energy technologies are implemented and grow."
  - This raises concern about cost of CLCPA compliance.
- Document says: "DEC should research end-of-life management for difficult to manage materials, such as solar panels."
  - See S.5447 (O'Mara) - solar panel recycling bill that has IPPNY Member input amendments for more workable approach to solar panel recycling and disposal where needed.
    - Many companies voluntarily have a standard to recycle all out-of-service PV panels instead of disposing them in a landfill.
    - The recycling method involves either repairing the panels for continued use or recycling the metals via reclamation.
    - Solar panel recycling facilities are audited to ensure they are operating in compliance with this standard.
  - The State needs to look at increased costs and impacts of getting to goals.

- The Plan should not add burdens to companies that already have equipment recycling programs.
- Waste-to-energy facilities are an important component of the State's solid waste management hierarchy in existing law, ahead of landfilling.
  - The DEC has explained that they will have a role after all waste is recycled.
  - Waste-to-energy facilities comply with DEC permits and will continue to do so under the CLCPA.

#### Council Voting Process

- The Council needs to know what they are voting on:
  - Release the Draft Plan that includes all options and reflects the views of Council Members?
  - Vote on substantive provisions of the Draft Plan?
    - If there is a vote on substantive provision of the Draft Plan, there needs to be a clear process to include minority/dissenting views in the Plan, so that everything can be considered in public comments.

Thank you for your consideration.

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