



PEAK Coalition
New York Power Authority 2024 Conferral Process Comments
August 14, 2024

PEAK Coalition respectfully submits the following written comments in response to New York Power Authority's annual conferral process to gather information and views on the state's progress on Climate Leadership and Community Protection Act (CLCPA) mandates to help inform the Authority's renewable development strategies.

The PEAK Coalition, made up of UPROSE, THE POINT CDC, New York City Environmental Justice Alliance (NYC-EJA), New York Lawyers for the Public Interest (NYLPI), and Clean Energy Group (CEG), is a campaign to end the long-standing pollution burden from fossil fuel-fired power plants. This coalition represents over 750,000 New Yorkers, 78% of whom are people of color or people with low incomes, living within a half mile of these peaker plants, and is the first comprehensive effort in the US to reduce the negative and racially disproportionate health impacts of a city's peaker plants by replacing them with renewable energy and storage solutions.

New York State is not building sufficient renewable energy and is therefore making woefully inadequate progress toward its CLCPA mandates.

The New York State Energy Research and Development Authority (NYSERDA) and the New York State Public Service Commission (PSC) have reported in the Draft Clean Energy Standard Biennial Review that New York will likely be unable to meet the Climate Leadership and Community Protection Act's 70% renewable energy grid by 2030 mandate and that delaying the timeline to 2033 or beyond could be "unavoidable." The review cites an increase in electricity usage due to "data center expansion, clean tech manufacturing growth, and electrification efforts," among other reasons.¹ **However, the review is clear that the primary reason that New York is not on track to reach its clean energy mandates is due to a failure to bring a sufficient capacity of renewable generation online quickly enough.** This failure is attributed to multiple reasons beyond the control of New York State entities. These include unfavorable conditions in global energy markets, such as supply chain issues, geopolitical tensions, high interest rates, and inflation — issues that were on full display when private renewable energy developers unsuccessfully petitioned the PSC in 2023 for non-competitive price adjustments to their preexisting contracts. The report's data also shows but fails to mention the significant impact large-load interconnections have on the grid contrasted with comparatively modest load growth from electrification.

While these external factors present a real barrier to rapid, mass deployment of renewable energy, many causes for the delay are policy failures well within the control of the State and must be changed. Unnecessary delays exist across the board, such as in the New York Independent System Operator (NYISO) interconnection process, which often takes three to four years before a new generator can connect to the transmission system. The Biennial Review also points to significant gaps in the clean energy workforce, as well as the need for significant transmission upgrades both between and within NYISO load zones. Nearly

¹ NYSERDA and PSC Draft Clean Energy Standard Biennial Review, pg. 42.

every point of delay also demonstrates clear, achievable opportunities for improvement, and we are pleased to see that some of those opportunities are being seized upon. For example, NYISO is transitioning to a “cluster study” period for the first time in the summer of 2024, which is expected to streamline the study process and ultimately shorten the time for interconnection. Similarly, legislation like the RAPID Act, which may streamline the land-based siting and permitting process for new generation from an average of 3.5 years to 1.2 years, should be looked toward as an exemplar for expediting processes without sacrificing safety. These changes show that while there is some degree of concrete restraints on renewable energy resources— as exemplified by the global impacts on supply chains— much of the delay can also be attributed to problems in permitting and review processes. These problems are made in New York, come from our state legislature and executive agencies, and ultimately hurt the people of New York, who continue to demand a swift and equitable transition to a clean, reliable, and affordable energy future as codified in the nation-leading CLCPA.

Deliberate inaction and avoidable delays by state departments and authorities continue to put the legally mandated and technically feasible timeline of implementing the energy transition at severe risk. Many of the state actors responsible for the clean energy transition - including NYPA - focus more on their limitations than the capabilities they have had since the FY2023 Budget. NYPA's mandate to build public renewables sunsets in 2033. **The Authority should do everything possible to retire dirty, harmful, expensive peaker plants and build renewable energy and energy storage before that point. At times, however, NYPA's actions suggest the authority is trying to run out the clock instead. To date, NYPA has taken few concrete steps toward developing renewable resources as the Authority's own fossil peakers continue to exacerbate the climate crisis and harm surrounding communities.** Continuing business-as-usual with insufficient deployment of renewable energy creates reliability concerns like those cited in the 2023 NYISO decision to keep the Gowanus and Narrows peaker plants in Sunset Park, Brooklyn, online two years past their regulated deactivation date. This is a dangerous precedent. **Every year that the state slow-walks swift and equitable renewable energy deployment is another year that the state's Disadvantaged Communities continue to unequally endure expensive energy bills and toxic air pollution from fossil fuel-fired power plants located in their neighborhoods.** A change in outlook is required.

As directed under the 2023-2024 New York State Budget, the New York Power Authority (NYPA) must shut down over 400 MW of its fossil fuel power generation capacity and build any necessary renewable energy generation by 2030 to guarantee that New York State meets its CLCPA mandate of a 70% renewable electricity grid six years from now. As the state's largest clean energy power provider through NYPA's fleet of hydroelectric power plants, **NYPA is uniquely positioned, well equipped, and strongly encouraged to swiftly develop, build, and own several gigawatts of renewable electricity generation and energy storage to meet the state's renewable generation mandate and secure a timely achievement of a zero-emissions grid.** Incentives offered by federal legislation, such as the Inflation Reduction Act (IRA), should be used liberally by NYPA. They could be even more accessible in the coming years as federal guidance and criteria are finalized. For instance, the Authority is eligible for direct pay incentives and federal grants that private renewable energy and battery storage developers cannot otherwise attract, bringing significant matching federal funding for NYPA's mandated renewable energy investments and enhancing the Authority's existing billions of dollars in bondmaking capacity.

Additionally, NYPA's support for CLCPA must prioritize its impact and benefits in New York's Disadvantaged Communities. Consistent with the goals of energy transition programs across the state, NYPA projects should aim to achieve additional grid resiliency, fossil-fuel

phase-out, and energy affordability, as well as ensure that a minimum of 35-40% of these benefits and investments are located in Disadvantaged Communities.

The PEAK Coalition is motivated by its collaborative efforts with NYPA in 2022 to publish the Small Clean Power Plant Adaptation Study, which confirmed that NYPA can phase out the use of its fossil fuel peaker plants with currently available short-duration battery storage alone by 2030. We are further encouraged by NYPA's subsequent Request for Proposal to implement such battery storage deployment. However, the selection process has dragged on for over two years without any visible progress. However, as a utility provider to some state agencies and authorities, local governments, and nonprofit education institutions, NYPA can also educate, encourage, and assist its customers in working with other utilities to implement a comprehensive demand reduction or management strategy. NYPA's ability to fully leverage this opportunity is critical to ensuring that efforts to electrify our economy and new large-load interconnections do not put additional strain or danger on the reliability of the energy grid, which would require prolonged operation of power plants in Disadvantaged Communities. Distributed, customer-sited technologies, like rooftop solar, batteries, EV chargers, and smart devices, require significantly less capital investment and can and must be done through structural programmatic changes to be effective at scale. The PEAK Coalition is encouraged by NYPA's Virtual Power Plant (VPP) pilot demonstration project and its work with customers to facilitate distributed resource development. **NYPA should proactively work with its customers and relevant local utilities to scale up and expand such emerging programs and institutionalize demand management, distributed resource development, and VPPs as part of its standard utility operations.**

Finally, the framing of the conferral process questions does not adequately capture the purpose or value of the conferral process itself, the binding nature of the CLCPA, or NYPA's unique position, which allows it to develop and own renewable energy generation projects.

The legislative mandate for NYPA to complete this process requires not only that NYPA confer with the public on "the state's progress on meeting the renewable energy goals established by the Climate Leadership and Community Protection Act" but also states that "the information developed through such conferral *shall* be used to identify projects to help ensure that the state meets its goals under the climate leadership and community protection act."² (Emphasis added.) The questions included in this process are limited to those that are overly broad and unlikely to elicit responses that will help NYPA identify specific projects, types of projects, locations for projects, and more. **Future conferral processes must have more detailed and pointed questions so participants can provide direct and useful insights for NYPA to satisfy legal requirements and environmental justice commitments. These processes must lead to firm, actionable commitments by NYPA that will advance the environmental and social justice objectives mandated by the CLCPA.**

The PEAK Coalition is encouraged by the new authorizations and some steps that the New York Power Authority has taken to facilitate the implementation of New York's Climate Leadership and Community Protection Act. At the same time, the PEAK Coalition believes that NYPA can and must do more within its scope to develop renewable energy infrastructure, deploy battery storage, retire fossil fuel facilities, and scale demand management and VPP systems with a focus on creating measurable benefits for Disadvantaged Communities across New York State in a timely manner.

² N.Y. Pub. Auth. Law § 1005(27-a)(d) (McKinney).