

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 20-E-0249 - In the Matter of a Renewable Energy Facility
Host Community Benefit Program.

NOTICE SOLICITING COMMENTS

(Issued May 29, 2020)

PLEASE TAKE NOTICE that this proceeding has been opened to consider the establishment of a Host Community Benefit Program for municipalities within which major renewable energy facilities are constructed.¹

Section eight of the Accelerated Renewable Energy Growth and Community Benefit Act (the Act)² provides that the Public Service Commission (the Commission) will establish a program through which the owners³ of major renewable energy facilities will fund a benefit for electric distribution utility customers located in the municipalities that host the facilities. The Act provides that the Host Community Benefit can take the form of a bill discount or credit, or a compensatory or environmental benefit for the impacted electric utility customers. Further, the Act provides that the Commission shall:

¹ For the purpose of the Host Community Benefit Program, a "major renewable energy facility" generally means a renewable energy system with a nameplate generating capacity of at least 25 thousand kilowatts, and appurtenant facilities as described in Executive Law §94-C(2)(h).

² 2020 New York State Session Laws Chapter 58, Part JJJ.

³ For the purpose of the Host Community Benefit Program, a "Renewable Owner" means the owner of a major renewable energy facility for the which the New York State Energy Research and Development Authority (NYSERDA) executes an agreement for the acquisition of environmental attributes related to a solicitation issued by NYSERDA after April 3, 2020.

determine the amount of such discount, credit, compensatory or environmental benefit based on all factors deemed appropriate by the commission, including the expected average electrical output of the facility, the average number of customers within the renewable host community, and the expected aggregate annual electric consumption within such renewable host community, the potential impact on environmental justice communities, and the role of utilities, if any, in implementing any aspect of such program.

PLEASE TAKE FURTHER NOTICE that comments are invited on how the Host Community Benefit should be structured. Specifically, comments are sought regarding the questions set forth in the attachment to this notice.

Comments may be submitted by e-filing through the Department's Document and Matter Management System (DMM)⁴ or by email to the Secretary at secretary@dps.ny.gov. Individuals unable to file electronically may mail their comments to the Hon. Michelle L. Phillips, Secretary to the New York State Public Service Commission, Three Empire State Plaza, Albany, New York, 12223-1350.⁵ Comments should refer to Case 20-E-0249 and be submitted by **4:30 p.m. on July 3, 2020**. All comments submitted to the Secretary will be posted on the Department's website, www.dps.ny.gov, and become part of the official case record.

Once comments have been received, it is anticipated that Department of Public Service Staff will publish a proposal detailing a Host Community Benefit Program. Interested persons

⁴ To register with DMM, go to <http://www.dps.ny.gov/e-file/registration.html>.

⁵ Please be aware that, due to concerns related to COVID-19, filing electronically or by email is strongly encouraged.

would then have the opportunity to comment on that specific proposal.

You have received this notice because you are on a service list in a related case. If you wish to continue receiving notices in this case, please subscribe to the service list.⁶

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

⁶ Information and instructions related to subscribing to the service list, or otherwise monitoring the status of this proceeding are on the Department's website at <http://documents.dps.ny.gov/public/MatterManagement/RequestAPStatus.aspx>.

QUESTIONS REGARDING THE HOST COMMUNITY BENEFIT PROGRAM

Section eight of the Accelerated Renewable Energy Growth and Community Benefit Act provides that the Public Service Commission (the Commission) shall:

commence a proceeding to establish a program under which renewable owners would fund a program to provide a discount or credit on the utility bills of the utility's customers in a renewable host community, or a compensatory or environmental benefit to such customers. Such proceeding shall determine the amount of such discount, credit, compensatory or environmental benefit based on all factors deemed appropriate by the commission, including the expected average electrical output of the facility, the average number of customers within the renewable host community, and the expected aggregate annual electric consumption within such renewable host community, the potential impact on environmental justice communities, and the role of utilities, if any, in implementing any aspect of such program.

In order to facilitate the development of the Host Community Benefit Program, interested entities should provide comments on the following questions. Commenters may also provide other information that may be useful in developing the Host Community Benefit Program.

A. Program Structure

1. What type of benefit should be provided under the Host Community Benefit Program?
 - a. Should it be a bill credit/bill discount?
 - b. Should it be an environmental benefit program?
2. If the Host Community Benefit is a bill credit/bill discount, should it be a one-time/single year credit or multi-year benefit, if so, how many years is appropriate?

3. If the Host Community Benefit is an environmental benefit program, what types of programs or measures should the program support?
4. Should the Host Community Benefit Program be open to all utility-customer types within the host community, or only residential customer classes?
5. What should the geographical bounds of the host community be in relation to the location of the major renewable energy facility, such as a certain number of miles from the site location, the entire town(s) in which the major renewable energy facility is located, or some other defined area?
6. How should the Host Community Benefit Program be structured if there are multiple major renewable energy facilities within the same host community?

B. Financial Structure

1. What is a reasonable cost to be borne by developers for each major renewable energy facility, in terms of dollars-per-kilowatt-hour or dollars-per-megawatt.
2. What is a reasonable range in which to set the level of benefit to be provided to each customer receiving such benefit?
 - a. Provide a reasonable range if the benefit is provided as a one-time benefit, or as a recurring benefit on an annual basis?
 - b. What other factors and/or considerations should be considered in determining the amount of the Host Community Benefit provided to customers?
3. If the Host Community Benefit is a bill credit/bill discount, how should the funding of the incentive payments flow from the developer to the utility, who would provide the benefit directly to the customer?
 - a. Should the developer pay the utility directly, and if so, how frequently should payments be sent to the utilities to support the program?
 - b. Should there be a fund administered by the New York State Energy Research and Development Authority (NYSERDA), into which the developer would pay, and from which NYSERDA would then disburse funds to the utilities as the utilities provide customers with the benefit? How should the payments into and out of this fund be structured?

C. Utility Coordination

1. If utilities are administering a bill credit/bill discount what information from the host community would the utility need in order to verify eligible customers?
 - a. If the benefit is determined to be a multi-year bill credit/bill discount, how often should the verification of eligible customers be reviewed?
 - b. If the benefit is determined to be a multi-year bill credit/bill discount, how often should the benefit be provided, e.g., monthly, quarterly, semi-annually, annually?
2. If the benefit is determined to be a bill credit/bill discount, what would the utilities need to do in order to implement such a program within their billing systems? Provide an estimated timeframe for implementation.
 - a. How should the bill credit/bill discount be identified in the bill?
 - i. Should it be included in an existing line item on the bill or as a separate line item?
 - ii. Should any bill message be included regarding the bill credit/bill discount?
 - b. Does special consideration need to be taken for bill credits/bill discounts provided by municipal electric utilities?