STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission to	)	
Implement a Large-Scale Renewable	)	Case 15-E-0302
Program and a Clean Energy Standard	)	

JOINT UTILITIES COMMENTS REGARDING THE WHITEPAPER ON CLEAN ENERGY STANDARD PROCUREMENTS TO IMPLEMENT NEW YORK'S CLIMATE LEADERSHIP AND COMMUNITY PROTECTION ACT

On June 18, 2020, the Department of Public Service Staff and the New York State Energy Research Development Authority Staff (DPS/NYSERDA Staffs) filed their *White Paper on Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act.*[1] The Joint Utilities[2] submit these comments in response to the White Paper and parties' preliminary comments.[3]

The Joint Utilities support the clean energy goals of the Climate Leadership and Community Protection Act (CLCPA) as well as its commitment to providing benefits to disadvantaged communities and attention to cost-effectiveness.[4] We further note that the Public

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1 Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard* (CES Proceeding), White Paper on Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act (White Paper) (filed June 18, 2020).

2 The Joint Utilities are Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

3 Preliminary comments were due on July 24, 2020 and these comments are due August 31, 2020. CES Proceeding, Notice Scheduling Technical Conference and Soliciting Comments (issued June 30, 2020).

4 Chapter 106 of the Laws of 2019. CLCPA is available at https://legislation.nysentate.gov/pdf/bills/2019/S6599 The CLCPA does consider disadvantaged communities, *E.g.*, CLCPA, Sec. 7. The CLCPA also has a focus on

Service Commission's specific efforts, including those underway before passage of the CLCPA, related to energy efficiency, renewable resources, electric heat pumps, and electric vehicles (EVs), all represent critical elements in achieving the State's decarbonization goals, as well as its attention to equity and allocation of benefits to low- and moderate-income customers. In support of CLCPA's goals and these Commission initiatives, the Joint Utilities have also consistently urged equitable cost-sharing for all electric customers including those of public authorities, to promote overall cost-effectiveness and do so again in these comments. Specifically, the Joint Utilities:

1. Recommend recovery of the New York Power Authority's (NYPA) shortfall in Zero Emission Credits (ZEC) from NYPA's customers to ensure that they pay their fair share;
2. Oppose NYPA participation in Tier 2 solicitations as NYPA's resources are not in financial risk;
3. Seek clarification of the proposed Tier 4 Program and for further detail and review of this program;
4. Recommend use of alternative compliance payments (ACP) funds to the benefit of customers and relaxation of the Commission's policy preference for third-party ownership of generation to help meet the CLCPA goals;

reducing the cost of renewable energy and specifically includes this as one of its purposes, CLCPA, Sec. 3, and continues from there, *e.g.*, Sec. 75-0103(14)(b) (Climate Action Council to address costs); Sec. 75-0109(3)(a)(Department of Environmental Conservation (DEC) rules to minimize greenhouse gas emissions to "minimize costs;" Sec. 75-0119(2)(e)(DEC reports to address whether regulations minimized costs; and Sec.66-p (7)(PSC programs to be developed at "reasonable cost)."

5. Recommend that biogas must play a role in meeting New York's renewable electricity and greenhouse gas emissions goals;
6. Urge close monitoring of annual Tier 1 procurement levels to protect customers from spikes in prices; and
7. Support the development of programs and policies to reduce co-pollutant emissions and their disproportionate impact on disadvantaged communities.

I. ZEC Shortfalls

All New York State electric customers should fairly share the costs to implement the CLCPA, regardless of whether their respective providers are utilities, state agencies, energy services companies, or other providers. The White Paper reports that the Long Island Power Authority participates as a voluntary load serving entity (LSE) in NYSERDA's ZEC procurement process but that NYPA intends to act independently to meet the ZEC targets.[5] The current ZEC payment shortfall is approximately $34 million[6] and it is the Joint Utilities' understanding that this shortfall is largely attributable to undercollections from NYPA.

The White Paper proposes curing the current ZEC shortfall through use of uncommitted and unspent funds held by NYSERDA related to collections for the Energy Efficiency Portfolio Standard, the Renewable Portfolio Standard, and the Systems Benefit Charge rather than through a backstop approach.[7] While agreeing that the shortfall should be addressed, non-NYPA customers should not be expected to make up NYPA's ZEC shortfall and to support a public authority. Funds collected from customers served by utilities should support utility-driven work

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[5] CES Proceeding, White Paper, pp. 65.
[6] *Id.*
[7] *Id.*, p. 66.

to implement the CLCPA. Thus, NYPA should meet its ZEC obligations with monies provided by its own customers. The Joint Utilities additionally urge New York decisionmakers to take steps that would support broader ZEC procurement responsibilities. Merely, establishing NYPA reporting requirements[8] is inadequate. The key is to provide funding support from all LSEs..

II. NYPA Participation in Tier 2 Solicitations

The White Paper notes that NYSERDA's pending Tier 2 Petition[9] addresses funding for non-state-owned run-of-river hydropower generators and wind generators in commercial operation before January 1, 2015[10] through three annual solicitations paid for by LSEs.[11] The White Paper also recognizes that NYPA initially responded to the Tier 2 Petition by indicating that if NYPA's hydroelectric generation were deemed Tier 2-eligible, NYPA would retain and retire "sufficient environmental attributes from its existing hydroelectric resources (self-supply) to meet the Tier 2 program targets in accordance with its share of statewide load."[12] While NYPA has indicated its unwillingness to participate in the initial solicitation, the Whitepaper seeks comments on NYPA's future participation in Tier 2.[13]

The Joint Utilities have consistently opposed NYPA's participation in these solicitations.[14] Now NYPA seeks Commission expansion of the proposed Tier 2 eligibility to include its hydroelectric fleet.[15] While disclaiming participation in the first such solicitation,

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8 *Id.*, pp. 28, 67.

9 *Id.*, pp. 5, 58-60, referring to CES Proceeding. *See id.*, Petition Regarding Clean Energy Standard, Competitive Tier 2 Program for Baseline Renewable Generation (Tier 2 Petition) (filed January 24, 2020).

10 CES Proceeding, White Paper, p. 58.

11 *Id.*, pp. 58-59.

12 *Id.*, p. 59.

13 *Id*.

14 CES Proceeding., Joint Utilities Reply to Comments Regarding New York State Energy Research and Development Authority's Petition for Tier 2 Renewable Energy Credits (submitted May 18, 2020), pp. 2-3.

15 CES Proceeding, Comments of the New York Power Authority (filed May 4, 2020), pp. 4-5.

NYPA argues that its participation in subsequent Tier 2 procurements would result in an appropriate valuation of environmental attributes while helping advance CLCPA goals.[16] NYPA, as a governmental authority, shares responsibility for meeting the State's clean energy goals. Moreover, unlike other clean energy resources that are subject to market competition, NYPA's hydropower units face no risk of retirement and/or leakage through sales of attributes to out-of-state markets. Indeed, the primary purpose of the Tier 2 procurement process is New York State retention of existing renewable resources that have the option of selling energy attributes in external markets.[17] Accordingly, the Joint Utilities see no public interest reason to allow NYPA's hydropower resources to participate in the Tier 2 solicitations or self-supply (by using these existing resources to reduce or eliminate the need to buy new Renewable Energy Credits (RECs)) to avoid paying for its fair share of future Tier 2 obligations. The Commission should also affirm that utility-owned hydropower facilities and utility legacy power purchase agreements with hydropower generators (where the utility has the rights to the environmental attributes) has the ability to self-supply and/or participate in Tier 2 solicitations on behalf of their LSE obligations.

Alternatively, to the extent that the Commission permits NYPA to participate in the Tier 2 solicitations, fairness considerations dictate that the Commission recognize that NYPA resources, be used to reduce future compliance requirements for all LSEs. However, regardless of the participation of NYPA units in Tier 2 solicitations, the Commission should require NYPA

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16 *Id.*

17 CES Proceeding, Tier 2 Petition, p. 3

to pay its fair share of all new Tier 2 resources that are solicited under the CES White Paper process.[18]

III. Proposed Tier 4 Elements

The White Paper recommends establishing a Tier 4 solicitation process to address concerns related to the level of penetration of clean energy resources currently within New York City and concerns about the extent to which offshore wind energy (OSW) can be delivered to Zone J.[19] The White Paper intends for Tier 4 to address this challenge through a process to fund renewable energy delivered into Zone J.[20] The Joint Utilities support addressing the imbalance in renewable energy development between upstate and downstate and replacing in-city generation with renewable resources to both meet the State's goals as well as provide associated reduction in emissions and corresponding public health benefits in a densely populated area of the State. However, in order to develop a program to achieve these results, the Joint Utilities agree with a number of other commenters that additional detail and review is needed.[21] In particular, five elements of the White Paper's proposed Tier 4 solicitation process merit comment here and additional detail and review: (1) the relationship of the Tier 4 proposal to New York Independent System Operator (NYISO) market rules on siting decisions; (2) the ability of new clean energy resources within New York City to participate in the Tier 4 solicitation process; (3) the ability of OSW to participate in Tier 4 solicitations; (4) the proposed

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[18] CES Proceeding, Joint Utilities Preliminary Comments on the White Paper Regarding Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act (Joint Utilities Preliminary CES Comments) (filed July 24, 2020), p. 19.

[19] CES Proceeding, White Paper, p. 46.

[20] *Id.*, pp. 46-47.

[21] *See, e.g.*, CES Proceeding, Preliminary Comments of the City of New York (NYC Comments) (filed July 24, 2020), pp. 2-5; and Vitol Inc.'s Preliminary Comments on the White Paper on Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act (filed July 24, 2020), pp. 2-3.

treatment of RECs when there are negative energy prices; and (5) the relationship between Tier 4 and Tier 1 RECs and ACPs.

As the Joint Utilities have noted,[22] the NYISO has established market rules to incent project siting decisions based on locational energy, capacity, and ancillary services pricing as well as its transmission planning process to the extent that it addresses deliverability constraints. The Joint Utilities support the State's goal of a cleaner generation mix for New York City, as part of the overall CLCPA objectives and also agree with AVANGRID's preliminary comment that "Tier 4, as well as any new product being used to achieve CLCPA goals, must be carefully evaluated before implementation . . .and should consider the impact on existing products, such as Tier 1 and offshore wind, as well as the likelihood of being able to achieve competitive procurements, with inclusion of in-state resources."[23] The incentive for renewable generators to site their projects is already transparently available within the NYISO's energy, capacity, and ancillary services market pricing for a particular zonal location. The locational aspect of the proposed Tier 4 may impact this wholesale market signal and further analysis is needed on its relationship to established transmission planning processes that take into account the needs of the entire State, including reliability, congestion, and public policy, among other needs. Given these considerations, the Joint Utilities agree with parties urging more analysis of the Tier 4 proposal.[24]

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[22] CES Proceeding, Joint Utilities Preliminary CES Comments, pp. 3-4.

[23] CES Proceeding, AVANGRID, Inc. Preliminary Comments on the White Paper on Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act (filed July 27, 2020), p. 2, as further articulated with examples in pp. 14-16.

[24] *See, e.g.*, CES Proceeding, NYC Comments, pp. 8-10.

The Joint Utilities also seek to confirm that behind-the-meter resources can participate in the Tier 4 program. The White Paper clearly states that suppliers locating a utility-scale resource within Zone J would be eligible to participate,[25] but does not directly address the treatment of new behind-the-meter clean resources injecting energy within Zone J. The Joint Utilities believe such resources should be permitted to participate in Tier 4 solicitations but seek clarification to verify this understanding.

In its review of the role of OSW, the White Paper notes the great potential of the Offshore Wind Standard[26] to deliver benefits to New York City.[27] Although the White Paper does not address whether OSW resources would be allowed to participate in the Tier 4 process, the DPS/NYSERDA Staffs requested comments on this matter at the recent technical conference.[28] As the Joint Utilities observed, the White Paper noted that "resource diversity concerns may limit the extent to which New York City can rely solely on offshore wind to achieve the CLCPA requirements" and that "it is unclear at present how much offshore wind will be delivered to Zone J as opposed to other zones."[29] Given these considerations, the Joint Utilities urge the Commission to reserve the Tier 4 objective of up to 3,000 MW of renewable attributes for incremental clean energy resources other than OSWlocated within Zone J or connected to Zone J by a dedicated line(s).

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25 CES Proceeding, White Paper, p. 50.

26 *See id.* p. 38, where it is noted that "the CLCPA has established the requirement to develop at least 9 GW of offshore wind by 2035, codifying the overall size and end date of goal of the offshore wind standard."

27 *Id.*, p. 46.

28 CES Proceeding, Technical Conference on White Paper: Clean Energy Standard Procurements to Implement New York State's Climate Leadership and Community Protection Act (held July 14, 2020).

29 CES Proceeding, White Paper, p. 46 (referred to in CES Proceeding, Joint Utilities Preliminary CES Comments, p. 4).

The White Paper also proposes that there be no compensation for RECs generated in hours in which Zone J energy prices average below zero.[30] The Joint Utilities support this concept,[31] but seek clarification for why the White Paper uses real-time prices to determine if prices are below zero while the Commission had previously determined that day-ahead hourly averages were appropriate for that determination.[32]

The White Paper is unclear as to how Tier 4 will impact LSE's Tier 1 obligations as part of the annual Divergence Test.[33] The White Paper proposes a Divergence Test process for NYSERDA's annual revision of procurement targets for Tier 1 solicitations based on "new information regarding attrition among selected (Tier 1) projects, changes in load, and project development under other programs such as the Offshore Wind Standard, NY-Sun, and Tier 4"[34] Every LSE has a compliance obligations to procure specified amounts of Tier 1 RECs based on NYSERDA targets and/or pay ACP. However, it is also unclear how Tier 1 obligations and ACP will be adjusted if a substantial amount of the energy generated to meet Tier 4 obligations results from resources not necessarily eligible under Tier 1 (*e.g.*, Canadian hydropower). Clarification on this issue and consideration of how to limit costs to customers via the overall CES program are needed.

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30 CES Proceeding, White Paper, pp. 51-52.

31 CES Proceeding, Joint Utilities Reply Comments on Proposal for Indexed Renewable Energy Credit Procurement Mechanism (filed November 15, 2019), pp. 7-8.

32 CES Proceeding, Order Modifying Tier 1 Renewable Procurements (issued January 16, 2020) (Tier 1 Modification Order), pp. 23-24.

33 The White Paper makes s single reference to a procurement adjustment that does not provide sufficient explanation. CES Proceeding, White Paper, p. 22.

34 CES Proceeding, White Paper, p. 29.

IV. Use of ACP Funds

The Commission also requested comments regarding the use of ACP funds.[35] This is an important issue because the Commission stated in 2016 that the ACP was not a penalty for non-compliance but rather an "alternative avenue to compliance" and added that "ACP payments must always be applied to the benefit of consumers" to reduce clean energy costs.[36] The Commission later reiterated this view by calling it "most prudent" to use ACP funds to offset clean energy goals, including mitigating the impact on customers of financial backstops.[37] Thus, customers pay for ACPs when there are insufficient RECs, with the ACP funds providing an alternative pathway to support clean energy goals to benefit customers.

Recently, however, due to REC shortfalls, ACPs have become significantly more costly to customers. The 2020 Triennial Review reported that the lag in projects in commercial operation coupled with a shortage of available RECs on the market resulted in the ACP meeting 51 percent of LSE clean energy obligations for 2018.[38] While the White Paper proposes to adjust LSE obligations downward in the near term, ACPs still have the potential to be a significant portion of continuing LSE compliance obligations. The 2020 Triennial Review in fact concedes: "While data is not yet available for 2019 and 2020, NYSERDA expects material reliance on ACP in these years due to the difference between expected REC resales volumes and Tier 1 obligation targets."[39] This projection is further reflected in NYSERDA's CES Financial Status Report for calendar year 2019, which noted customers are paying $2.3M in ACPs while

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[35] CES Proceeding, Order Approving Phase 4 Implementation Plan (issued August 13, 2020) p. 15.

[36] CES Proceeding, Order Adopting a Clean Energy Standard (issued August 1, 2016) (CES Framework Order), pp. 109-110

[37] CES Proceeding, Order Approving Phase 2 Implementation Plan (CES Phase 2 Implementation Order) (issued November 17, 2017), p. 19.

[38] CES Proceeding, 2020 Triennial Review, p. 20, Table 11.

[39] *Id*., p. 134.

the procurement of actual RECs was at cost of just over $4.1 M in 2019.[40] These reports taken together show that the ACP is having a material impact on how much customers pay now, and will continue to pay for meeting LSE compliance obligations. This is particularly true if eligible renewable energy projects continue to fall short of meeting the CLCPA's goals.

Due to the likelihood that ACPs will continue to feature prominently in compliance obligations, the Commission should take a measured approach to the calculation of ACPs and take steps to ensure that the monies collected are used to benefit customers. Specifically, the Commission should commit to the customers who fund the ACP that those funds will directly contribute to secure the environmental benefits of clean electric generation by paying down the cost of future RECs. If ACP funds are used, to support other CES goals, that action would simply raise future REC prices without increasing their corresponding societal value. Indeed, customers would effectively pay twice for the same environmental benefits if ACP funds were used for other purposes.

Finally, the Commission has recognized the opportunity for utility ownership of generation,[41] including clean energy resources.[42] The White Paper estimates[43] that achieving the 70 by 30 goal will require construction of an additional 11,809 MW of new on-shore wind and solar resources, generating 21,420 GWh of energy by 2030, an increase of more than 2,100 GWh per year for 10 years. The proposal laid out in the White Paper contemplates adding onshore

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[40] CES Proceeding, New York State Energy Research and Development Authority (NYSERDA) CES Financial Status Report for calendar year 2019 (filed April 1, 2020), p. [1].

[41] Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision*, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015), pp. 68-70.

[42] *E.g.*, Case 16-E-0622, *Petition of Consolidated Edison Company of New York, Inc. for Approval of a Pilot Program for Providing Shared Solar to Low-Income Customers*, Order Approving Shared Solar Program with Modifications (issued August 2, 2017).

[43] CES Proceeding, White Paper, Appendix A, Tables 23 and 24, p. 53.

large-scale renewable generation at triple the annual rate it achieved in the previous two decades. In light of the immense challenge of meeting the ambitious clean energy goals of the CLCPA, the Commission should allow the State's electric utilities, should the utilities choose to do so, the opportunity to develop large-scale renewable generation. The State's large annual renewable generation goals mean there is significant opportunity for many different developers and development models to co-exist.

The State has made recent changes that have significantly altered renewable energy development, and which make it timely to reconsider utility interest in renewable generation ownership. Through its authorization of indexed RECs,[44] the State has effectively placed the risk of energy market outcomes for renewable generation resources on customers, removing this risk from third-party owners of renewable generation projects. Additionally, the State, by legislative action,[45] recently authorized NYPA to finance the development of new renewable generation in the state on behalf of its customers. This change permits NYPA to contribute directly to meeting the State's ambitious renewable electricity goals but may result in competition for third-party renewable energy project developers from a government entity with the potential ability to pass costs directly on to its customers. Shifting market risks to customers and allowing government entities to participate directly in the renewable generation development business undercut previous rationales for the Commission declining to authorize renewable generation ownership by utilities: that third-party ownership was preferable because this

[44] CES Proceeding, Tier 1 Modification Order, pp. 20-21.
[45] S. 1508/A. 2008.

protected customers from market risks, and that allowing utilities with their large customer base to participate in the renewable generation market would "chill" third-party activity.

The Joint Utilities believe that the policy preference for third-party ownership of generation, established more than two decades ago due to a general concern about the ability of transmission owners to exercise market power in favor of their own generation assets, should be reconsidered in the context of renewable generation. NYISO now has operational responsibility for the transmission system, and regulators exert oversight for potential marker power concerns from generators. Moreover, renewable generation operates when the fuel resource (the sun or the wind) is available, and cannot be dispatched to take advantage, for example, of a transmission outage that could increase market prices. Finally, renewable generation projects, typically much smaller than large conventional generation plants, are unlikely to be able to exert market power due to their smaller size and intermittency.

The Joint Utilities request that the Commission authorize utilities to work with third-party renewable generation developers, under a "build-transfer" model, to develop and finance renewable energy projects which would be owned by utilities upon commercial operation date, but where project development and construction risks would be carried by third-party developers, and developers would be compensated for bearing these risks. This authorization would allow utilities, alongside private third-party developers and NYPA, to contribute directly to meeting the State's goals, while placing the most serious risks – project development and construction risk – on private third-parties that can best mitigate this risk. By granting this authorization, the Commission can increase the likelihood that the goals set out in the White Paper can be met cost-effectively by a range of developers with a variety of development opportunities and business models. This approach may also help limit REC shortfalls while doing so at the least cost to customers.

V. Role of Biogas as Clean Energy Source

New York City [46] and the Environmental Energy Alliance of New York (EEANY)[47] question the White Paper's recommendation to cease allowing electricity generated using biogas to qualify as renewable electricity. Both observe that New York will need to rely on biogas as an energy source in the long term to address greenhouse gas emissions from waste and agriculture sectors. Both also point out that the NYSERDA-sponsored *Pathways to Deep Carbonization in New York State* [48] assumes that electricity generated from biogas will be available in the future to meet the CLCPA's ambitious renewable electricity and greenhouse gas emission targets, and to provide needed flexibility to the electric system as intermittent generating resources assume a larger role.[49] New York City and EEANY urge the Commission to reconsider the White Paper's recommendation to exclude electricity generated using biogas from the Clean Energy Standard.

The Joint Utilities agree with New York City and EEANY that biogas must play a role in meeting New York's renewable electricity and greenhouse gas emissions goals. As the Pathways Report correctly recognized, an electricity system heavily dependent on intermittent resources will need the capacity and flexibility provided by biogas-fueled generation.[50] The Joint Utilities, therefore, urge the Commission to continue to recognize biogas-fueled generation

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[46] CES Proceeding, NYC Comments, pp. 18-20.

[47] CES Proceeding, Environmental Energy Alliance of New York Comments (EEANY Comments) (filed July 24, 2020), pp. 1-4.

[48] Energy and Environmental Economics, Inc., *Pathways to Deep Carbonization in New York* (Pathways Report) (dated June 24, 2020).

[49] CES Proceeding, NYC Comments, pp. 18-19; EEANY Comments, p. 4.

[50] Pathways Report, Section 4.4.5, p. 38.

as a clean energy resource and either continue to qualify it as a Tier 1 REC or alternatively establish a separate tier for such resources.

VI. Monitor Tier 1 Procurement Levels

New York City expresses concern regarding potential bill impacts due to the level of flexibility the White Paper recommends for NYSERDA's procurement of Tier 1 and OSW resources. New York City recommends that the Commission maintain an oversight role regarding NYSERDA's flexibility so that any NYSERDA actions to condense procurements into shorter time periods do not result in large prices spike and/or price volatility.[51] The Joint Utilities share this concern and support New York City's recommendation that NYSERDA be required to notify the Commission of any plans to deviate significantly from the projected annual GWh levels provided in the White Paper.[52]

VII. Reducing Co-Pollutant Impacts on Disadvantaged Communities

NY Renews, citing evidence showing that disadvantaged communities bear a disproportionate burden from not only carbon emissions but other co-pollutants such as nitrogen oxides, sulfur dioxide, and fine particulate matter, states that the CES White Paper is not aligned with CLCPA's direction that the Commission address the disproportionate burdens of these pollutants on disadvantaged communities.[53] As a result, NY Renews recommends that the Commission: (1) establish an Investment Mandate to assure that "no less than 35%, and a goal of

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[51] CES Proceeding, NYC Comments, p. 21.
[52] *Id.*, pp. 21-22.
[53] CES Proceeding, Preliminary Comments of NY Renews to Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Programs and a Clean Energy Standard (NY Renews Comments) (filed July 24, 2020), pp. 3-5.

40%, of the benefits from State climate investments be realized by disadvantage communities;"[54] and (2) immediately develop a pathway that prioritizes reductions in co-pollutants and carbon emissions in disadvantaged communities, particularly with an eye towards areas of New York City where large fossil-fired plants are located.[55]

The Joint Utilities agree with these concerns and note that the Commission recently provided the Joint Utilities $701 million to start work developing light-duty EV charging infrastructure while also starting work to EV charging infrastructure for medium- and heavy-duty fleets as well as electrified mass transit options.[56] Given that the transportation sector is the largest contributor to the State's greenhouse gas emissions,[57] and also the largest contributor to air pollution in disadvantaged communities in New York State,[58] this work has significant potential to improve air quality in disadvantaged communities.

The monetization of reductions in co-pollutants could provide an additional path to address NY Renews' concerns. The Commission and the State should be creative in exploring funding options, outside of the customer funded CES construct, that consider the primary sources of co-pollutants.

VIII. Conclusion

In their support of CLCPA's goals and the Commission's clean energy initiatives, the Joint Utilities urge equitable cost-sharing to promote cost-effectiveness To that end, the Joint

54 *Id.*, p. 2.
55 *Id.*
56 Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure* (EV Proceeding*)*, Oder Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs (EV Order) (issued July 16, 2020) pp. 132-136.
57 *Id.*, p. 3.
58 EV Proceeding, EV Order, p. 44.

Utilities recommend that the Commission support NYPA contribution of its share to the ZEC shortfall, reject NYPA participation in Tier 2 solicitations, provide clarification and detail on the proposed Tier 4 Program, direct use of ACP funds to benefit customers and reconsider the policy preference for third-party ownership of generation to support CLCPA goals, consider the role of biogas as a clean energy fuel source, closely monitor Tier 1 procurement levels to protect customers, and direct development of programs to reduce co-pollutant emissions in disadvantaged communities.

Dated: August 31, 2020

Respectfully submitted,

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