



Public Service Commission

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Rory M. Christian, Chair

Contact:

James Denn | James.Denn@dps.ny.gov | (518) 474-7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

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PSC Announces Initiative to Leverage New Clean Energy Technologies for a Zero-Emissions Electric Grid

Commission Seeks to Identify Innovative Technologies to Ensure Reliability of a Zero-Emissions Electric Grid

ALBANY — The New York State Public Service Commission (Commission) has initiated a process to examine the need for resources to ensure the reliability of the 2040 zero-emissions electric grid mandated by the Climate Leadership and Community Protection Act, or Climate Act.

“The Commission’s action reaffirms efforts to ensure New York has the needed clean-energy resources to replace existing fossil fuel-fired power plants,” **said Commission Chair Rory M. Christian.** “I am proud that New York continues to lead by advancing important clean energy initiatives, such as the one commenced today.”

The Climate Act, passed by the State Legislature in 2019, directs the Commission to establish, among other things, a program to ensure that by 2030, at least 70 percent of electric load is served by renewable energy, and that by 2040, there are zero emissions associated with electrical demand in the State. The initiative will help deliver on the Climate Act zero-emissions electric grid mandate and will enable the necessary types of clean energy to reach all New Yorkers. The Commission’s decision follows a substantial climate package announced by Governor Kathy Hochul in the FY24 enacted State Budget that will advance sustainable buildings, clean energy, and an affordable Cap-and-Invest program.

Today’s action recognizes that as renewable resources and storage facilities are added to the State’s energy supply, additional clean-energy resources capable of responding to fluctuating conditions might be needed to maintain the reliability of the electric grid. The Commission’s work to meet the Climate Act targets must include exploration of technologies that can support reliability once fossil generation has been removed from the system.

The order initiates a process to identify technologies that can close the anticipated gap between the capabilities of existing renewable energy technologies and future system reliability needs. Within the order, the Commission asks stakeholders a series of important questions, including how to define ‘zero-emissions’ for purposes of the zero emissions by 2040 target, and whether that definition should include cutting edge technologies such as advanced nuclear, long duration energy storage, green hydrogen, and demand response. The order further elicits feedback from stakeholders on how to best design a zero-emissions by 2040 program, consistent with the Climate Act’s requirement of delivering substantial benefits to disadvantaged communities and New York State’s electric grid reliability rules,

while also leveraging other state and federal efforts to research, develop, and deploy zero-emission resources.

After a 60-day public comment period, Commission staff will convene at least one technical conference to examine a series of issues and questions raised in this important proceeding. The Commission may take additional actions on zero-emission resources based on the information obtained through those processes.

This year's State Budget shows an unprecedented commitment to green infrastructure and reducing emissions from the building sector. Highlights include:

- **Building Decarbonization:** In New York State, buildings account for more than 30 percent of state greenhouse gas emissions. The final adopted Budget makes New York the first state in the nation to advance comprehensive legislation for constructing modern zero-emission new homes and buildings that will protect our families and our residents, while putting New York on trajectory to a cleaner, healthier future.
- **Investing in Affordable Energy:** As New Yorkers face rising costs, Governor Hochul has prioritized energy affordability as we transition to a clean energy future. The Budget included \$400 million to provide relief to New Yorkers experiencing high electric bills as well as lower energy burdens through electrifications and retrofits.
- **Cap-and-Invest:** The Budget advanced Governor Hochul's priority to create an affordable, equitable and effective Cap-and-Invest program that accelerates climate action, creates high-quality jobs, and protects and invests in disadvantaged communities. The Budget created the financial foundation required to support an economy-wide Cap-and-Invest program, which was endorsed by the Climate Action Council as the most environmentally effective and economically feasible way to reach New York's ambitious climate requirements established by the 2019 Climate Act.
- **New York Power Authority to Build Renewables:** To reach the Climate Act goal of 100 percent zero-emission electricity by 2040, Governor Hochul is requiring an all-hands on deck approach to building clean energy. Governor Hochul and State agencies have already made bold steps to ensure the development of clean energy and transmission infrastructure. Notably, NYPA has supported the State in building transmission lines to bring clean, reliable energy to where it is needed most, including by partnering extensively with the private sector. Building on its success with transmission development, the Budget enables NYPA to expand its renewable portfolio by working on its own and with private sector renewable energy developers to build new renewable generation to support the State's clean energy goals and create high-quality jobs backed by strong labor standards, while reducing costs for consumers.

New York State's Nation-Leading Climate Plan

New York State's nation-leading climate agenda calls for an orderly and just transition that creates family-sustaining jobs, continues fostering a green economy across all sectors and ensures that at least 35 percent, with a goal of 40 percent, of the benefits of clean energy investments are directed to disadvantaged communities. Guided by some of the nation's most aggressive climate and clean energy initiatives, New York is on a path to achieving a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and economywide carbon neutrality by mid-century. A cornerstone of this transition is New York's unprecedented clean energy investments, including more than \$35 billion in 120 large-scale renewable and transmission projects across the state, \$6.8 billion to reduce building emissions, \$1.8 billion to scale up solar, more than \$1 billion for

clean transportation initiatives, and over \$1.9 billion in NY Green Bank commitments. These and other investments are supporting more than 165,000 jobs in New York's clean energy sector in 2021 and a 2,100 percent growth in the distributed solar sector since 2011. To reduce greenhouse gas emissions and improve air quality, New York also adopted zero-emission vehicle regulations, including requiring all new passenger cars and trucks sold in the State be zero emission by 2035. Partnerships are continuing to advance New York's climate action with nearly 400 registered and 100 certified Climate Smart Communities, nearly 500 Clean Energy Communities, and the State's largest community air monitoring initiative in 10 disadvantaged communities across the state to help target air pollution interventions and combat climate change.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-E-0302 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.