

NEW YORK STATE
PUBLIC SERVICE COMMISSION

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

COMMENTS OF INDEPENDENT
POWER PRODUCERS OF NEW YORK, INC.

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Pursuant to the New York State Public Service Commission’s (“Commission”) notice soliciting comments in the New York State Register published on August 20, 2025, Independent Power Producers of New York, Inc. (“IPPNY”) hereby offers its comments on Department of Public Service Staff’s (“Staff”) proposal to extend the Zero-Emissions Credit (“ZEC”) program.¹ In its Proposal, Staff recommends that the Commission continue the ZEC program, which preserves the environmental attributes of the State’s existing nuclear generation fleet to maintain their benefits from 2029 through 2049 (“ZEC 2.0”). As discussed below, due to New York’s continued lack of support for pro-competitive market policies to price the value of zero-emissions resources in the wholesale markets operated by New York Independent System Operator, Inc. (“NYISO”), IPPNY supports Staff’s proposed extension of the ZEC program. The NYISO’s carbon pricing mechanism (“Carbon Adder”), proposed more than eight years ago to leverage the power of the state’s competitive markets to help achieve its climate objectives and reduce or eliminate the need for out of market payments, would internalize the value of zero-emissions attributes in wholesale energy prices and send competitive market signals to retain baseload nuclear and other facilities. New York’s continued reliance on state-administered

¹ Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Energy Program and a Clean Energy Standard*, Department of Public Service Staff Zero-Emissions Credit Program Extension Proposal, filed July 31, 2025 (“Proposal”).

programs to maintain and attract the resources needed to meet public policy goals has increasingly hindered the natural operations of the market.

The member companies of IPPNY,² a not-for-profit trade association representing the independent power industry in New York State, have invested billions of dollars in New York's competitive electric generation system to meet the energy needs of New York consumers and ensure system reliability since the inception of wholesale competition in 1999. IPPNY member companies continue to be actively involved in the operation and ongoing maintenance of a wide range of electric generating technologies and development of new renewable and energy storage resources in New York State. Further, IPPNY member companies produce the majority of New York's electricity, utilizing almost every form of baseload, peaking, and variable generation technology available today.

IPPNY has been a proponent of the Carbon Adder since 2017. IPPNY supports Staff's recommendation that the Commission require the ZEC 2.0 program be modified or eliminated by the Commission "if a national, [NYISO], or other program is instituted that pays for or internalizes the value of the zero-emissions attributes in a manner that adequately replicates the economics of the program...."³ Additionally, the Commission should support efforts to develop mechanisms that provide the revenues necessary to retain baseload and dispatchable resources needed to maintain reliability through the NYISO's competitive electricity markets. Competitive markets can generate revenue to support New York's climate goals, so the State should promote measures like carbon pricing to enable market solutions.

IPPNY has consistently emphasized in its comments the need for system reliability to

² IPPNY's comments do not necessarily represent the position of its individual members.

³ Proposal at 25.

remain paramount in this proceeding. Also, the NYISO has repeatedly warned of decreasing reliability margins, as the State continues to move towards achieving the CLCPA mandates, with its more recent studies underscoring the urgency for actions to be taken in the near term to shore up the State's supply margins. In its 2025 *Power Trends* Report, issued in early June, the NYISO emphasized that generator deactivations (especially in the downstate region) are outpacing new supply additions in the face of burgeoning load levels.⁴ Pointing to the combined effect of these system dynamics, the NYISO established that conventional generation will be needed for reliable power system operations until the capabilities it offers can be supplied by other resources.⁵ In addition, the State's successful economic development initiatives are driving major, high energy-intensive business activity in New York that will add additional large loads to the system in the near term at unprecedented levels.⁶ After this summer's heat wave conditions caused the NYISO to issue multiple "Energy Watches," the NYISO has since placed additional focus on system reliability.⁷ In

⁴ See New York Independent System Operator, Inc., "2025 Power Trends – The New York ISO Annual Grid and Markets Report" (June 2, 2025) ("2025 Power Trends Report") at 4, available at <https://www.nyiso.com/documents/20142/2223020/2025-Power-Trends.pdf/51517a1b-36fa-4f3d-d44d-eabe23598514>. In 2020 and 2021, the Indian Point facility retired under an agreement with the State. In 2023, a significant number of peaking generation facilities in New York City and Long Island retired under the more stringent emissions limitations promulgated by the New York Department of Environmental Conservation, known as the Peaker Rule. In 2025, another set of peaking generation facility retirements followed when the second level of more stringent environmental requirements under the Peaker Rule became effective. These retirements alone have stripped the system of over 3,000 MW of baseload and dispatchable generation capable of running without interruption.

⁵ *Id.* at 13-14 (establishing nuclear generation provides reliable, continuous and predictable supply as large, baseload resource and fossil generation and certain hydropower assets can respond quickly to changing conditions providing necessary dispatchability services and thus must remain on system).

⁶ Notably, since the NYISO issued its RNA in November 2024, the total MWs reflected in large load interconnection requests has increased 100% from 4,000 MW to 8,000 MW. Further, the NYISO has confirmed the more recent requests have centered on data center and other business applications requiring continuous service.

⁷ See, e.g., New York Independent System Operator, Inc. "Major Emergency Report June 24, 2025, Operating Reserve Deficiency" (presented at July 17, 2025 Operating Committee meeting), available at <https://www.nyiso.com/documents/20142/52506209/SOAS%20presentation%20ME%2006.24.2025.pdf/313b8042-f676-6644-7c03-85b6ae74a24a> and New York Independent System Operator, Inc., "Operations Performance Metrics Monthly Report" (presented at August 16, 2025 Operating Committee meeting) at 3, available at

that same vein, the NYISO's Comprehensive Reliability Plan, approved by the NYISO Operating Committee last week, provides extensive information detailing the substantial risks the system faces if various operational scenarios were to unfold, any one of which, or combination of which, may result in service disruptions.⁸ These findings include that "most plausible futures point to significant reliability shortfalls within the next ten years" which, if permitted to materialize without timely action, could result in consequences that "extend beyond operational challenges to widespread impacts on public safety, property, and economic activity."⁹ As the NYISO documents, this scenario would be exacerbated by the loss of the existing nuclear units when their current licenses expire, which would cause major reliability violations immediately.¹⁰ As both the State and the NYISO have recognized, all existing resources, including the existing upstate nuclear resources, will play a critical role to maintain system reliability as the State implements the CLCPA.

Perhaps most unequivocal and relevant to the immediate question of ZEC extension is NYISO's comments on the Draft State Energy Plan, which plainly state:

Simply maintaining the existing fossil-fuel-based generation fleet and carefully managing the requirement of these resources over the next fifteen years is not enough to maintain electric system reliability. The electric system needs *all existing generation*

<https://www.nyiso.com/documents/20142/52506209/SOAS%20presentation%20ME%2006.24.2025.pdf/313b8042-f676-6644-7c03-85b6ae74a24a> (establishing heat waves experienced in summer 2025 left system with insufficient reserves to meet requirements); *see also*, New York Independent System Operator, Inc., "2025-2034 Comprehensive Reliability Plan – Draft" (presented for, and approved by, October 16, 2025 Operating Committee meeting) at 44 (emphasizing two past reliability needs assessments showed clear trend toward narrowing reliability margins the effects of which have only been compounded by risks and uncertainties highlighted throughout the report). The NYISO Management Committee and NYISO Board of Directors are expected to act on the CRP later this month and next month, respectively.

⁸ *Id.*, *passim*.

⁹ *Id.* at 8-10.

¹⁰ *Id.* at 68.

resources before the current fleet suffers a catastrophic failure that jeopardizes the health, safety, and welfare of New Yorkers (emphasis added).¹¹

Existing upstate nuclear facilities produce approximately half of the State’s reliable base-load carbon-free electricity and are essential to support the electrification efforts under the CLCPA and the expansion of high load economic development investment.¹² The Commission expressly recognized the need for the zero emissions attributes of the State’s existing nuclear fleet in 2016 in its Order Adopting a Clean Energy Standard (“CES”) and confirmed the continued need for nuclear operations earlier this year in its order comprehensively reviewing the CES Program.¹³ The existing nuclear facilities play a large zero-emissions role in the State’s energy mix. In 2023, 22% of New York’s statewide energy production was generated by nuclear facilities.¹⁴ Further, existing nuclear facilities can operate primarily at baseload, providing vast amounts of around-the-clock zero-emission power, year in and year out. In its *2023–2042 System & Resource Outlook*, the NYISO concluded that, as more wind, solar, and storage resources are added to the grid, up to 40 gigawatts of resources capable of serving system demand when intermittent generation is unavailable must be added to complement these resources.¹⁵

Further complicating this situation, the PSC has not yet established what qualifies as a Dispatchable Emissions Free Resource (“DEFR”), which complies with the CLCPA’s 2040 zero

¹¹ *Comments of the New York Independent System Operator on the Draft State Energy Plan*, NYISO (Oct. 6, 2025), at 8, [5675df00-b281-bc67-f4b3-26e2155f6826](https://www.nyiso.com/documents/20142/2226333/2025-Gold-Book-Public.pdf)

¹² See 2025 Load & Capacity Data (Goldbook), NYISO (Apr. 29, 2025) at 77, available at <https://www.nyiso.com/documents/20142/2226333/2025-Gold-Book-Public.pdf>

¹³ Case 15-E-0302, *supra*, Order Adopting a Clean Energy Standard at 150–152 (Aug. 1, 2016); *see also* Case 15-E-0302, *supra*, Order Adopting Clean Energy Standard Biennial Review as Final and Making Other Findings (May 15, 2025) at 68.

¹⁴ Proposal at 14.

¹⁵ *2023–2042 System & Resource Outlook*, NYISO (Jul. 23, 2024), at 9, <https://www.nyiso.com/documents/20142/46037414/2023-2042-System-Resource-Outlook.pdf> (“NYISO Outlook”) at 48.

emissions mandate. IPPNY and labor organizations submitted a petition¹⁶ in 2021 requesting the PSC adopt a program under its CES to incentivize these DEFRs that are needed for system reliability, but little progress has been made on the petitions.¹⁷ Both the New York State Climate Action Council’s Scoping Plan and the Draft State Energy Plan acknowledged the value of nuclear generation in achieving the State’s clean energy goals.¹⁸ Thus, policy mechanisms to preserve New York’s existing generation fleet and incentivize next generation technologies, including nuclear, should be advanced to capture critical, emission-free capable technologies.

In the absence of state support for carbon pricing in NYISO’s wholesale electricity markets, the CES Tier programs (including ZEC 2.0) are needed to meet the States’s public policy goals. However, with growing reliability concerns at the end of this decade, the Commission should establish, as soon as possible, a program to retain needed, and incent the development of new, zero emissions capable energy systems, including gas turbines which one day may be converted to run on hydrogen, and support a market mechanism at the NYISO, such as the Carbon Adder, that fairly and efficiently values low and zero-emissions resources.

Respectfully submitted,

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¹⁶ *Petition of Independent Power Producers of New York, Inc., New York State Building and Construction Trades Council and New York State AFL-CIO For the Establishment of a Zero Emissions Energy Systems Program Under the Clean Energy Standard* (Aug. 2021)

¹⁷ See *Zero Emissions Proceeding IPPNY Comments* (Jan. 2025), [8602ea75-201c-4390-966d-dd5eaf0753d7.pdf](https://climate.ny.gov/-/media/Project/Climate/Files/NYS-Climate-Action-Council-Final-Scoping-Plan-2022.pdf)

¹⁸ *New York State Climate Action Council Scoping Plan*, New York State Climate Action Council (Dec. 2022) (“Scoping Plan”), App’x G at 92, <https://climate.ny.gov/-/media/Project/Climate/Files/NYS-Climate-Action-Council-Final-Scoping-Plan-2022.pdf>; *New York State Draft 2025 Energy Plan*, New York State Energy Planning Board (Sep. 2025), [Draft 2025 Energy Plan - New York State New Energy Plan](#)

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