

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

CASE 22-E-0633 - In the Matter of New York Independent System Operator, Inc. Proposed Public Policy Transmission Needs for Consideration for 2022.

NOTICE SOLICITING COMMENTS

(Issued July 30, 2025)

On May 15, 2025, the Public Service Commission (Commission) issued an Order Adopting Clean Energy Standard Biennial Review as Final and Making Other Findings in Case 15-E-0302 (Biennial Review Order).¹ In addition to the actions taken to modify the Clean Energy Standard and maintain progress towards the achieving the State's clean energy goals, the Commission sought additional input on two topics in particular: (1) utility ownership of renewable generation and (2) comprehensive review of the State's renewable solicitation practices. With respect to utility ownership of renewable generation, the Commission sought comment on a series of questions (which are included in the attachment to this Notice) to help better inform its assessment of whether changes to that policy might serve the interests of ratepayers.

With respect to the comprehensive review of the State's renewable solicitation practices, the Commission directed Department of Public Service staff (DPS staff) to

¹ Case 15-E-0302, Clean Energy Standard, Order Adopting Clean Energy Standard Biennial Review as Final and Making Other Findings (issued May 15, 2025).

evaluate the existing procurement structure and provide recommendations for improvements. The Commission further directed that, as part of the evaluation process, DPS staff consider specific topic areas. This Notice seeks stakeholder input on these topic areas, which are included in the attachment to this Notice, and any additional topics that stakeholders believe should be considered.

Additionally, on July 17, 2025, the Commission issued an Order Withdrawing Public Policy Transmission Need in Case 22-E-0633 (PPTN Order).² The PPTN Order recognized that federal government actions have halted offshore wind infrastructure development for the present time and the Commission directed DPS staff to include issues relating to the offshore wind industry in the comprehensive review directed under the Biennial Review Order. In particular, the Commission required DPS staff "to explore approaches to planning offshore wind infrastructure that reduce project development risks, promote cost-effective solutions, and maximize reliability and affordability benefits to the State's ratepayers."³ This Notice seeks responses to the initial questions on this topic, which also are included in the attachment to this Notice.

PLEASE TAKE NOTICE that interested persons are invited to submit comments on the questions and topic areas included in the attachment to this Notice, which include the following: (1) the questions posed in the Biennial Review Order regarding utility ownership of renewable generation; (2) the topic areas identified in the Biennial Review Order to be considered in the reevaluation of renewable solicitation practices; and (3) the

² Case 22-E-0633, Public Policy Transmission Needs, Order Withdrawing Public Policy Transmission Need (issued July 17, 2025) (PPTN Order).

³ PPTN Order, p. 18.

CASES 15-E-0302 and 22-E-0633

questions regarding offshore wind solicitations. Comments are due by September 26, 2025, and should be submitted by e-filing through the Department's Document and Matter Management (DMM) system.⁴ E-filed comments will become part of the record of the case in which they are filed.

Questions regarding this Notice should be directed to Tom Dwyer at Francis.Dwyer@dps.ny.gov.

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

⁴ To register with DMM, go to <https://dps.ny.gov/dmm-login-document-and-matter-management-system>.

**Questions regarding utility ownership of renewable generation
(from the Biennial Review Order, pages 65-66):**

- What, if any, additional regulatory requirements would be needed to ensure effective and fair oversight of utility-owned generation, vertical market power concerns, and information asymmetry?
- What does an ownership model look like if the clean energy project is owned by and located outside of the utility's service territory?
- Would projects be selected through a request for proposal process or other competitive mechanism?
 - What is the proposed role of the Commission for oversight of this process?
 - Would projects be developed by the utilities or purchased through build transfer agreements or other mechanisms?
- How would the Renewable Energy Certificates (RECs) that utility owned projects generate be utilized?
 - Will the utility keep the RECs on behalf of their customers, sold to NYSERDA, sold to other entities such as large volume customers, or some sort of prescribed blend?
 - How will value of such RECs be determined?
- How would utility-owned projects be financed?
 - If ratepayer funded, how and at what point in the process? Are costs allocated to the utilities rate base, or statewide through the load-share ratio or similar mechanism?
 - If ratepayer funded, how would financial net benefits accrue to ratepayers/customers? Would they go to the customers of record at the time any benefits are realized via a credit (or similar) or remitted to the State for overall clean energy compliance obligations?
- Who bears the project development risk?
 - What, if any, impact to ratepayers will unsuccessful projects have? How can the utility minimize ratepayer exposure to project development risk?
- Are there additional performance, measurement, and reporting requirements a utility-owned generation project should be subject to?
- Are there other considerations relevant to this inquiry?

Topics to consider as part of the comprehensive review of solicitation practices (from the Biennial Review Order, pages 68-70):

1. Value Proposition for Customers

The review shall examine how the renewable procurement program could hedge electricity price volatility for customers and reduce overall costs. This shall include evaluation of contracting for energy and capacity in addition to the renewable attributes. Also, tied to value, the review shall examine how competitive forces can be harnessed to enable the most efficient investments.

2. System Benefits

The review shall examine how renewable generation can be strategically deployed to provide meaningful benefits. This shall include how the procurement structure can ensure projects are sited to optimize these system benefits, including in coordination with the build out of the transmission and distribution system.

3. Procurement Mechanism

The review shall examine the benefits of alternate procurement mechanisms other than the central procurement structure currently administered by NYSERDA. This shall include leveraging NYPA's authority under the Build Public Renewables Act¹ and the consideration of utility-by-utility procurement obligations, including the recent directive to NYPA to evaluate procuring renewable energy to supply State agencies.

4. Voluntary Market Participation

The review shall examine how the renewable procurement program can best promote the voluntary market in New York and mitigate exports of RECs to markets outside of New York. This shall also include how to encourage and account for large loads satisfying their renewable generation obligations through contracting and/or direct development.

5. Market Design Changes

The review shall include an evaluation of how existing wholesale capacity and energy market designs may need to be modified to better align with the existing or proposed clean energy procurement mechanisms.

¹ The Biennial Review Order mistakenly referred to this act as the "Build Ready Renewables Act," but it is the Build Public Renewables Act that granted NYPA such powers.

Questions Regarding Offshore Wind Solicitations:

1. Have any other jurisdictions implemented approaches to planning offshore wind infrastructure that would help to reduce project development risks, promote cost-effective solutions, and maximize reliability and affordability benefits to the State's ratepayers?
2. What features of those approaches could be implemented in New York, and how would they be implemented?
3. Are there other approaches that have not been tried elsewhere that have the potential to reduce costs and risks to ratepayers?
4. What are the lessons learned through the most recent New York City Public Policy Transmission Planning Process that can be used to inform future planning work for offshore wind generation and transmission development?
5. How best can the development of offshore wind generation be aligned with the development of the necessary transmission infrastructure?
6. What measures can be taken to reduce the risk of generation development misaligning with the development of transmission infrastructure?