

INDEPENDENT INTERVENOR EXHIBIT 3
AFFORDABILITY AND RELIABILITY
BOUNDARY LIMIT RECOMMENDATIONS

CLCPA Implementation Limit Recommendations

There is a fundamental Climate Leadership and Community Protection Act (CLCPA) implementation issue. Clearly there are bounds on what New York State ratepayers can afford and there are limits related to reliability risks for a system reliant on weather-dependent resources. The problem is that there are no criteria for acceptable bounds.

This exhibit documents references to affordability and reliability recommendations in the New York Department of Public Service (DPS) Document and Matter Management (DMM) System. The Independent Intervenors acknowledge the use of Perplexity (<https://www.perplexity.ai/>) to generate summaries and references included in this document. We entered the following prompts on [27 July 2025]:

- Find all explicit recommendations for affordability related to implementation of the Climate Leadership & Community Protection Act in the New York DPS DMM system.
- Find all explicit recommendations for reliability related to implementation of the Climate Leadership & Community Protection Act in the New York DPS DMM system.

The following quotes the results of the search¹.

¹ https://www.perplexity.ai/search/find-all-explicit-recommendati-cPeMC_BGTsiS7iP0HuH0IQ

Affordability Recommendations in CLCPA-Related Filings on the DPS DMM System

Key takeaway: Since 2022, at least six concrete safeguards have been proposed in the New York Department of Public Service (DPS) record to keep the Climate Leadership & Community Protection Act (CLCPA) affordable for households and businesses. They call for (1) rigorous public cost reporting, (2) objective “safety-valve” triggers under Public Service Law §66-p(4), (3) systematic pursuit of alternative funding, (4) expansion of low-income bill-protection programs, (5) transparent data dashboards, and (6) stricter benefit-cost and rate-design standards.

1. Statutory Baseline and Commission Direction

The Commission’s May 12 2022 *Order on Implementation of the CLCPA* requires Staff to file an annual public item that “detail[s] ... the cost and benefits to ratepayers of CLCPA investments,” emphasizing the link between CLCPA spending and the duty to maintain *just and reasonable* rates^[1]. The July 20 2023 First Annual Informational Report pledged to make future cost tables “easier to access, review, compare, and analyze”^[2].

2. Explicit Affordability Recommendations Logged in DMM

Filing Party & Date	DMM Reference	Explicit Recommendation	Thematic Category
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Multiple Intervenors coalition (55 large C&I customers), 10 Mar 2025	80838195 ^[3]	<ul style="list-style-type: none"> - Publish the overdue 2024 & subsequent Annual Informational Reports on time. - Add customer-class bill-impact tables and hold a yearly PSC agenda session devoted solely to CLCPA affordability. 	Cost- transparency & annual reporting
Roger Caiazza (Pragmatic Environmental of NY), 14 Apr 2025	D07D3596 ^[4]	<ul style="list-style-type: none"> - Define three affordability “triggers” (energy-burden $\geq 8.6\%$; arrears/disconnections $\uparrow 15\%$; CLCPA riders $\uparrow 10\%$ vs. 5-yr trend) that automatically invoke the §66-p(4) safety valve. - Launch a public dashboard that tracks those metrics quarterly. 	Safety-valve criteria; integrated oversight

AARP NY & Public Utility Law Project, 16 Apr 2024	5021E88E / cover 55 ^[5]	- Direct every IOU to file a public status report on all Infrastructure Law (IIJA) & Inflation Reduction Act (IRA) grant applications, awards or forfeitures, and how dollars will lower customer bills.	Alternative funding / federal capture
State Comptroller, Audit 2024-22-S4 (16 Jul 2024)	2024 audit ^[6]	- “Assess the extent ratepayers can reasonably assume responsibility,” “identify alternative funding sources,” and craft a back-up plan if affordability thresholds are exceeded.	Alternative funding; contingency planning
PSC Rate-Case Orders (e.g., Con Edison 22-E-0064/22-G-0065, Jul 2023)	Yates testimony 22-E-0317 et al. ^[7]	- Cap low-income energy burdens at 6%; require tiered bill-discount funding and a Customer Energy-Burden Analysis in future filings.	Low-income protections; BCA standards

Phase 2 Transmission Cost-Recovery Order, Jan 2025	20-E-0197 Order excerpt ^[8]	- Allocate CLCPA transmission costs on a statewide load-ratio basis to dilute local bill shocks and avoid overburdening any single service territory.	Equitable cost allocation
IPPNY comments on CES definitions, 21 Jan 2025	15-E-0302 filing ^[9]	- Invoke §66-p(4) as a <i>ratepayer safety valve</i> whenever CLCPA compliance would materially raise arrears or threaten service; establish a clear hearing schedule for suspensions.	Safety-valve criteria
DPS Staff First Informational Report, 20 Jul 2023	20E17489 ^[2]	- Commit to machine- readable cost tables and to exploring ways to make rate-impact data more accessible to the public.	Integrated oversight & data access

3. How the Recommendations Cluster

Safeguard Theme	Representative Filings	Essence of Recommendation
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1. Cost-Transparency & Annual Reporting	MI letter ^[3] ; PSC order ^[1]	Timely, publicly searchable cost and bill-impact data every year.
2. Statutory Safety-Valve Criteria	Caiazza ^[4] ; IPPNY ^[9]	Objective affordability metrics that, if breached, pause or modify CLCPA mandates under PSL §66-p(4).
3. Alternative Funding & Federal Capture	PULP/AARP ^[5] ; Comptroller ^[6]	Aggressively secure IJJA/IRA dollars and craft backup funding plans to blunt bill impacts.
4. Low-Income & DAC Protections	Con Ed rate order / Yates ^[7] ; PSC order ^[1]	Preserve the 6% energy-burden target, expand the Energy Affordability Program, and track DAC cost/benefit shares.
5. Integrated Oversight & Data Access	Caiazza dashboard ^[4] ; PSC report ^[2]	Public dashboards and machine-readable tables for costs, arrears, energy burdens, and emissions.
6. BCA & Rate-Design Standards	Rate-case testimony ^[7] ; Phase 2 order ^[8]	Break out CLCPA vs. non-CLCPA drivers in revenue requirements; apply standardized benefit-cost tests before recovery.

4. Progress to Date

- The Commission has acted on Low-Income protections in recent rate cases (e.g., 6% energy-burden cap)^[7], but the second annual cost report required by the 2022 Implementation Order remains outstanding, echoing MI’s transparency complaint^[3].
- Staff have not yet proposed formal affordability triggers, leaving §66-p(4) effectively dormant despite multiple calls to operationalize it^{[4][9]}.
- Utilities have begun reporting on federal grant pursuits, but no uniform template exists, and PULP/AARP’s statewide status-update request is still pending^[5].

5. Implications for Stakeholders

Implementing the six safeguard themes would embed affordability checks at every decision point—project approval, cost allocation, rate design, and ongoing monitoring—ensuring that CLCPA ambition does not eclipse the statutory duty to keep rates *just, reasonable, and affordable* for all New Yorkers.

Footnotes for Affordability Recommendations

1. <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={80838195-0000-C537-BCA7-55B8A7E6A333}>
2. <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={20E17489-0000-C114-AD41-8089369DB6F3}>
3. <https://states.aarp.org/new-york/aarp-pulp-petition-public-service-commission-to-protect-1-million-new-yorkers-at-risk-for-utility-shutoffs>
4. <https://www.wgrz.com/article/money/nys-clean-energy-climate-act-plan/71-74ff241c-a491-4285-85e1-212619a3a71d>
5. <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={5021E88E-0000-CB1B-AA0F-E789606368A2}>
6. <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={5F73F855-B506-41B3-AB05-3CF66F736497}>
7. <https://www.nysenate.gov/legislation/bills/2025/S5251>
8. <https://www.nysenate.gov/sites/default/files/admin/structure/media/manage/file/file/a/2025-01/public-utility-law-project.pdf>
9. <https://www.cleangroup.org/wp-content/uploads/Response-Comments-to-IPPNY-Petition.pdf>

Reliability Recommendations in CLCPA-Related Filings on the DPS DMM System

Key takeaway: Six distinct categories of reliability recommendations have been systematically documented in the New York Department of Public Service (DPS) Document and Matter Management (DMM) system for Climate Leadership & Community Protection Act (CLCPA) implementation. These encompass reliability assessments from NYISO, public service law safety valves, dispatchable emissions-free resource development, utility reliability warnings, state agency coordination requirements, and reliability planning process enhancements.

1. NYISO Reliability Warnings and Grid Security Assessments

The New York Independent System Operator (NYISO) has filed the most detailed and quantified reliability concerns in the DMM system through its formal planning processes.

New York City Reliability Deficiency

The NYISO's 2024 Reliability Needs Assessment (RNA) identifies a specific reliability need beginning in summer 2033 within New York City (Zone J) directly attributed to CLCPA implementation policies^[1]:

- **Magnitude:** 17 MW deficiency for 1 hour in summer 2033, growing to 97 MW for 3 hours in summer 2034^[1]
- **Primary drivers:** Forecasted demand increases, assumed retirement of NYPA small gas plants base DEC Peaker Rule^[1]
- **Impact:** The planned bulk power transmission system will not be able to securely and reliably serve forecasted demand in New York City^[1]

Statewide Reliability Margin Deterioration

The NYISO RNA documents concerning trends in system-wide reliability metrics^[1]:

- **Resource adequacy approaching limits:** Loss of load expectation approaches the 0.1 event-days per year criterion by 2034, indicating "no surplus power would remain without further resource development"^[1]
- **Negative statewide system margins:** Declining margins due to increased demand, generation retirements without adequate replacement, and unavailability of non-firm gas during winter peak conditions^[1]
- **Transmission overloads:** First-time observations of facility overloads in 2034 not due to specific transmission constraints but due to "insufficient generation reserves statewide"^[1]

NYISO STAR Reports Documenting Recurring Concerns

The Short-Term Assessment of Reliability (STAR) reports, filed quarterly in the DMM system, have consistently identified reliability risks related to CLCPA implementation^{[2][3][4]}:

2023 STAR Reports findings:

- Reliability margins in New York City could become deficient as soon as 2025^[4]
- Narrowing margins due to planned generator retirements under the DEC Peaker Rule^[4]
- Warning that "planned retirements of generators due to public policy requirements, electrification adoption, and extreme weather risks are having profound impacts on the electric system"^[4]

Peaker Rule Impact Quantification:

- As of May 2023, 1,027 MW of peaker plants have deactivated or limited operation in New York City^[3]
- An additional 590 MW of peakers expected to become unavailable beginning May 2025 per DEC emissions requirements^[3]
- Reliability deficiency of as much as 446 megawatts starting in May 2025^[3]

2. Public Service Law Safety Valve Provisions

Multiple DMM filings acknowledge the statutory reliability safety valve embedded in the CLCPA through Public Service Law Section 66-P(4).

Statutory Framework

PSL §66-p(4) provides that the Commission has authority to "temporarily suspend or modify the obligations under such program provided that the commission, after conducting a hearing... makes a finding that the program impedes the provision of safe and adequate electric service"^{[1][5]}.

Independent Power Producers' Reliability Warnings

IPPNY filed explicit comments in the DMM system regarding reliability risks^[1]:

- Stated that "the CLCPA is also carefully bounded to ensure reliability and affordability, providing that 'the Commission may temporarily suspend or modify' the program if it finds reliability violations"^[1]
- Emphasized that "having an electricity grid that meets the CLCPA emissions and technology specific standards is not a victory if it results in rolling blackouts"^{[6][7]}

Roger Caiazza Safety Valve Recommendations

Filed April 14, 2025 in DMM reference D07D3596, recommending^[1]:

- Define objective affordability "triggers" (energy-burden \geq 8.6%; arrears/disconnections \geq 15%; CLCPA riders \geq 10% vs. 5-yr trend) that automatically invoke the §66-p(4) safety valve^[1]
- Launch a public dashboard that tracks those metrics quarterly^[1]

3. Climate Action Council Reliability Concerns

Inadequate Reliability Safeguards

Council member Gavin Donohue documented explicit reliability concerns in his written statement on the adopted Scoping Plan^{[1][6]}:

- **"This Plan does not have adequate safeguards to ensure system reliability"**^[1]
- **"Reliability is inadequately addressed, putting New York at risk for economy crushing blackouts and potential public safety risks"**^[1]
- Noted NYISO's warnings about "future reliability concerns, especially for New York City, and calls for dispatchable emissions-free resources"^[1]

Dispatchable Emissions-Free Resources Critical Gap

The Climate Action Council acknowledged that renewable energy resources alone may not be capable of meeting the full range of electric system reliability needs^{[8][9]}:

- Multiple studies identified the need for 27-45 GW of dispatchable emission-free resources to "provide sustained on-demand power and system stability"^[10]
- The Brattle Group's Zero-Emissions Electric Grid study identified the need for 17-23 GW of "backstop thermal" generation capacity^[10]

4. Utility Consultation Group Reliability Recommendations

The DMM system contains comprehensive reliability recommendations from the Utility Consultation Group in response to the draft Scoping Plan^{[11][12]}:

Key Recommendations Filed July 1, 2022:

- **"Conventional generation resources should not be retired before adequate and reliable renewable replacements are available"**^[11]

- Emphasized that "reliability can be enhanced by optimizing the decarbonization of both the electric and gas delivery systems"^[11]
- Warned that "recent electric grid reliability disturbances in Texas and California reinforce the negative impacts on public health and safety if energy system reliability is not maintained"^[11]

Coordination with NYISO Requirements:

- Called for leveraging "NYISO's robust and transparent stakeholder process and expertise"^[11]
- Recommended that "State and local governments should leverage the NYISO's robust and transparent stakeholder process and expertise"^[11]

5. Coordinated Grid Planning Process (CGPP) and System Integration

The Commission approved the Coordinated Grid Planning Process as a reliability enhancement mechanism for CLCPA implementation^{[13][14]}:

CGPP Framework for Reliability:

- **Six-stage process** evaluating local transmission and distribution system needs^[13]
- Improves coordination among individual utility plans and analyses conducted by the NYISO^[13]
- Identifies cost-effective transmission investment plan for achieving the CLCPA while considering tradeoffs among generation, transmission, and non-wires alternatives^[13]

Advanced Technology Integration:

DPS has developed advanced technology screening for CGPP analysis including^{[15][16]}:

- Dynamic Line Rating (DLR) systems
- Transmission and distribution energy storage
- Advanced power flow control technologies

6. New York State Reliability Council (NYSRC) Rule Modifications

The NYSRC has developed specific reliability rules addressing CLCPA-related challenges^{[17][18]}:

Recent Rule Modifications for Gas Supply Reliability:

- **Reliability Rule B.1:** Sudden loss of gas fuel delivery system^[18]
- **Reliability Rule B.1:** Unavailability of generating units due to gas shortage^[18]
- These rules address transmission system planning performance requirements for contingency events that could impact reliability during the transition^[18]

7. DPS First Annual CLCPA Implementation Report

The July 2023 First Annual Report filed in Case 22-M-0149 acknowledges reliability challenges^{[19][20]}:

- States that "the magnitude of the changes involved, in the time mandated by the CLCPA, presents challenges and requires significant investment to preserve the reliability of our energy systems"^[1]
- Notes that "a new and diverse mix of electric generation technologies will be needed to reliably serve electric demand"^[1]

Summary of Documented Reliability Risk Scenarios

High Demand Forecast Scenarios:

- Could result in statewide resource adequacy violation by 2032^[1]
- Would accelerate New York City deficiency to occur in 2029 and grow to over 1,000 MW by 2034^[1]

CHPE Unavailability Scenarios:

- Would result in resource adequacy violation in 2034^[1]
- Would accelerate New York City deficiency to begin in 2026^[1]

Additional Generation Retirement Scenarios:

- Retirement of largest plants in Lower Hudson Valley, New York City, and Long Island would result in transmission security deficiencies starting in 2025^[1]

Recommended Solutions from DMM Filings

NYISO-Identified Solutions:

- Additional 5,000 MW of generation projects under development^[1]
- 7,000 MW of offshore wind necessary for CLCPA compliance^[1]
- Additional 700 MW of firm gas generation or dual-fuel capability^[1]
- Development of demand response programs and distributed energy resources^[1]

Coordination Recommendations:

- Implementation of the Coordinated Grid Planning Process (CGPP) to align local transmission and distribution planning with NYISO statewide planning^[1]
- Regular monitoring through quarterly STAR reports and biennial reliability assessments^[1]
- Continuous coordination between utilities, NYISO, and the New York State Reliability Council^[1]

The comprehensive documentation in the DMM system reveals that while reliability risks from CLCPA implementation are well-quantified and documented by multiple stakeholders, there remains limited evidence of comprehensive state response beyond acknowledgment of the statutory safety valve provisions and implementation of enhanced planning processes.

Footnotes for Reliability Recommendations

1. <https://pragmaticenvironmentalistofnewyork.blog/wp-content/uploads/2025/07/affordability-and-reliability-focused-recommendations-in-dps-dmm-system-1.pdf>
2. https://www.nyiso.com/documents/20142/47773760/2024RNA_Appendices_Draft0_forMC.pdf
3. <https://www.nyiso.com/-/press-release-|nyiso-releases-short-term-assessment-of-reliability-report>
4. <https://www.nyiso.com/documents/20142/16004172/2024-Q3-STAR-Report-final.pdf>

5. https://extapps.dec.ny.gov/docs/administration_pdf/cp492022.pdf
6. <https://climate.ny.gov/-/media/Project/Climate/Files/GavinJDonahue.pdf>
7. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4960819
8. [https://jointutilitiesofny.org/sites/default/files/Utility Consultation Group Comments.pdf](https://jointutilitiesofny.org/sites/default/files/Utility%20Consultation%20Group%20Comments.pdf)
9. https://www.nationalgridus.com/media/pdfs/other/clcpa-study-sh-meeting-national-grid-deck_upstate-7-13-mtg.pdf
10. https://dps.ny.gov/system/files/documents/2023/09/chge_dsip_itwg-meeting-9-21-23.pdf
11. <https://www.ippny.org>
12. <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-E-0302>
13. <https://pragmaticenvironmentalistofnewyork.blog/wp-content/uploads/2025/06/how-nys-psc-case-15-e-0302-addresses-dispatchable.pdf>
14. <https://www.nyiso.com/documents/20142/46037616/Appendix-F-Dispatchable-Emission-Free Resources.pdf/c18e686f-241e-f729-c0fa-ef3c43515bd3>
15. https://www.nyiso.com/documents/20142/44646498/03f_DRAFT Appendix - Dispatchable Emission Free Resources.pdf/82900cdd-4cf5-eaaa-552a-781e36c87fb4

16. <https://www.zeroemissiongrid.com/category-zeg-blog/the-critical-role-of-dispatchable-emission-free-resources-defrs-in-reaching-new-yorks-climate-goals/>
17. https://www.nyiso.com/documents/20142/28331683/08_CGPP_ESPWG_February_9th.pdf/855b2108-3aa4-19f7-87b0-390c0da012ab
18. [https://static1.squarespace.com/static/61c4c9f853c27d1232fffc7a/t/6397a39a39af1e26f1086b59/1670882204392/TO+Memo+on+CGPP+Proposal\[12\].pdf](https://static1.squarespace.com/static/61c4c9f853c27d1232fffc7a/t/6397a39a39af1e26f1086b59/1670882204392/TO+Memo+on+CGPP+Proposal[12].pdf)
19. <https://www.cenhud.com/globalassets/pdf/my-energy/energy-in-transition/psc-clcpa-white-paper.pdf>
20. <https://dps.ny.gov/system/files/documents/2023/07/clcpa-annual-report-session-presentation-v3.pdf>