

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

CASE 20-E-0249 - In the Matter of a Renewable Energy Facility  
Host Community Benefit Program.

ORDER ADOPTING A HOST COMMUNITY BENEFIT PROGRAM

Issued and Effective: February 11, 2021

Table of Contents

INTRODUCTION..... 1

BACKGROUND..... 1

    The Act ..... 2

    Renewable Energy Credits ..... 4

SUMMARY OF PROPOSAL..... 5

NOTICE OF PROPOSED RULE MAKING..... 7

LEGAL AUTHORITY..... 8

DISCUSSION..... 8

    Program Benefit ..... 9

        1. Type of Benefit ..... 10

        2. Consideration of Environmental Justice Communities .... 13

        3. Eligible Recipients ..... 15

        4. Definition of a Host Community ..... 16

        5. Allocation of Benefit Among Multiple Municipalities ... 18

        6. Frequency and Duration of Bill Credit ..... 19

    Program Fees and Applicability ..... 22

        1. Magnitude of Fees and  
            Estimate of Resulting Bill Credits ..... 22

        2. Applicability of the Program Fee ..... 24

    Program Administration ..... 26

        1. NYSERDA’s Obligations ..... 26

        2. Electric Utilities’ Obligations ..... 28

            a. Program Fee Collection ..... 28

            b. Bill Credit Disbursement ..... 29

            c. Presentation on Bills ..... 31

            d. Costs ..... 33

            e. Implementation Plans ..... 35

            f. Reporting Requirements ..... 37

CONCLUSION..... 38

List of Electric Distribution Utilities..... Appendix A

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on February 11, 2021

COMMISSIONERS PRESENT:

John B. Rhodes, Chair  
Diane X. Burman  
James S. Alesi  
Tracey A. Edwards  
John B. Howard

CASE 20-E-0249 - In the Matter of a Renewable Energy Facility  
Host Community Benefit Program.

ORDER ADOPTING A HOST COMMUNITY BENEFIT PROGRAM

(Issued and Effective February 11, 2021)

BY THE COMMISSION:

INTRODUCTION

Section eight of the Accelerated Renewable Energy Growth and Community Benefit Act (Act)<sup>1</sup> requires the Commission to consider a "Host Community Benefit Program" to provide benefits to utility customers in Host Communities in which future "Major Renewable Energy Facilities" are located. On September 23, 2020, Department of Public Service Staff (Staff) issued a Host Community Benefit Program Proposal (Proposal). By this Order the Commission adopts the proposed Host Community Benefit Program, with modifications.

BACKGROUND

The Act required that the Commission commence a proceeding to establish a Host Community Benefit Program within

---

<sup>1</sup> 2020 New York State Session Laws Chapter 58, Part JJJ.

60 days of the effective date of the Act. The Act became effective on April 3, 2020. On May 29, 2020, the Secretary to the Commission issued a notice of the creation of this case and soliciting comments on a series of questions regarding the structure of a potential Host Community Benefit Program.<sup>2</sup>

After considering the comments received in response to that notice, Staff issued its Proposal on September 23, 2020. Staff conducted a Stakeholder Forum on November 10, 2020, at which interested entities could ask questions of Staff to better understand the Proposal prior to submitting written comments.<sup>3</sup>

#### The Act

The Act envisions a Host Community Benefit Program that provides benefits to utility customers in Host Communities in which future "Major Renewable Energy Facilities" are located. The Act states that the benefit can take the form of "a discount or credit on the utility bills of the utility's customers in a renewable host community, or a compensatory or environmental benefit to such customers."<sup>4</sup>

The Act defines "Renewable Host Community" as "any municipality within which a major renewable energy facility defined in paragraph (h) of subdivision 2 of section 94-c of the executive law, or any portion thereof, has been proposed for development."<sup>5</sup> Further, the Act defines "Renewable Owner" as "the owner of a major renewable energy facility constructed

---

<sup>2</sup> Case 20-E-0249, In the Matter of a Renewable Energy Facility Host Community Benefit Program, Notice Soliciting Comments (issued May 29, 2020).

<sup>3</sup> Case 20-E-0249, supra, Notice Rescheduling Stakeholder Forum (issued October 28, 2020).

<sup>4</sup> §8(2).

<sup>5</sup> §8(1)(a).

after the effective date of this section that is proposed to be located in a host community, for which the New York state energy research and development authority has executed an agreement for the acquisition of environmental attributes related to a solicitation issued by such authority after the effective date of this section."<sup>6</sup>

Executive Law §94-c(2)(h), which was also enacted as part of the Act, defines a "major renewable energy facility" (Facility) generally as "any renewable energy system, as such term is defined in section sixty-six-p of the public service law with a nameplate generating capacity of twenty-five thousand kilowatts<sup>7</sup> or more, and any co-located system storing energy generated from such a renewable energy system prior to delivering it to the bulk transmission system, including all associated appurtenances..." Public Service Law §66-p defines "renewable energy systems" as "systems that generate electricity or thermal energy through use of the following technologies: solar thermal, photovoltaics, on land and offshore wind, hydroelectric, geothermal electric, geothermal ground source heat, tidal energy, wave energy, ocean thermal, and fuel cells which do not utilize a fossil fuel resource in the process of generating electricity."

The Act specifically provides the benefit to a "utility's customers," and defines "utility" as "an electric distribution utility regulated pursuant to section 66 of the public service law and serving customers within a host community."<sup>8</sup> Further, recognizing that the identified benefit does not apply to customers of the Long Island Power Authority

---

<sup>6</sup> §8(1)(b).

<sup>7</sup> Twenty-five thousand kilowatts is equivalent to 25 megawatts (MW).

<sup>8</sup> §8(1)(c).

(LIPA), the Act explicitly provides that LIPA shall establish a program in its service territory to achieve the same objectives.<sup>9</sup>

### Renewable Energy Credits

The Commission's Order Adopting the Clean Energy Standard,<sup>10</sup> as further refined in additional orders and implementation plans that followed in Case 15-E-0302, established the Renewable Energy Standard (collectively, the Renewable Energy Standard Orders). The Renewable Energy Standard includes a Tier 1 obligation for load serving entities to procure Renewable Energy Credits (RECs) associated with new renewable energy resources. The Renewable Energy Standard Orders authorize the New York State Energy Research and Development Authority (NYSERDA), as central procurement administrator, to offer long-term contracts to renewable generators, on a competitive basis, for the purchase of Tier 1 New York Generation Attributes Tracking System (NYGATS) certificates, or RECs. A Tier 1 REC results from the production of one megawatt hour (MWh) of energy from eligible renewable generation sources. Pursuant to the Renewable Energy Standard Orders, NYSEDA contracts with suppliers, through a series of competitive requests for proposals, for the Renewable Energy Standard Tier 1 RECs created by eligible generation resources. NYSEDA procures Tier 1 RECs through a competitive solicitation process in which renewable generators submit \$/MWh REC bids. Once a project is operational, Tier 1 RECs are transferred from the renewable generator's NYGATS account to NYSEDA's NYGATS

---

<sup>9</sup> Act §8(2).

<sup>10</sup> Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Order Adopting the Clean Energy Standard (issued on August 1, 2016).

account and the renewable generator invoices NYSERDA for the Tier 1 RECs. NYSERDA accepts the Tier 1 REC transfer and pays the renewable generator.

SUMMARY OF PROPOSAL

The Staff Proposal for a Host Community Benefit Program proposed a statewide bill credit program (Program).<sup>11</sup> The Program would complement, not replace, the benefits that are separately provided to Host Communities, primarily municipal governments, by Renewable Owners through existing pathways, such as Payment-in-lieu-of Taxes (PILOTs), Host Community Agreements (HCAs), as well as other compensatory agreements.

The Program would provide an annual benefit to residential electric utility customers<sup>12</sup> within a Host Community for applicable solar and wind projects. A Host Community would be the town(s) or city(ies) within which the Facility is located. Residential electric utility customers residing in a Host Community would receive an annual bill credit for each of the first ten years that the Facility operates in that community. Should more than one Facility be located in a given Host Community, residential electric utility customers would receive an annual bill credit for each Facility. The bill credit would be provided on a residential utility customer's first electric bill of the calendar year. The bill credit would be applied after all other adjustments to the bill have been

---

<sup>11</sup> There are other incentives provided through NYSERDA programming related to benefits to solar projects, such as the NY-SUN Incentive Program, however this program is separate and independent of any other rebates or incentives that homeowners may be eligible for and receive under another program type.

<sup>12</sup> The Program would apply to residential customers of the investor-owned and municipal electric utilities listed in Appendix A.

made to ensure that the Program does not interfere with any other programs, such as the Energy Affordability Program, Community Choice Aggregation, Budget Billing, or Community Distributed Generation programs. Should the bill credit exceed the remaining balance on the customer's bill for the month, the remaining credit would be applied to subsequent months' bills, again after all other adjustments, until exhausted.

Renewable Owners will fund the bill credits by paying an annual fee of \$500 per MW and \$1,000 per MW of nameplate capacity for solar and wind Facilities, respectively, to the electric utility or utilities operating in a Host Community.<sup>13</sup> As with the bill credit, the fee would be paid for the first ten years the Facility operates in the Host Community. The fee would only apply to the generating capacity of the Facility, therefore storage system facilities attached to renewable projects would not impact the calculation of the fee. The electric utility would then distribute the fees paid by a Renewable Owner equally among the residential utility customers within the Host Community.

The Proposal recognized that, to administer the collection of the fee and disbursement of the bill credit to applicable customers, electric utilities would likely rely on manual processes. The Proposal allowed utilities to retain 0.05% of the fees transferred to them by the Renewable Owner. After subtracting this 0.05% retainer, the utilities would calculate the per customer bill credit amount from the remaining funds.

---

<sup>13</sup> References to capacity should be understood to mean alternating current.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on October 7, 2020 [SAPA No. 20-E-0249SP1]. The time for submission of comments pursuant to the Notice expired on December 7, 2020. In addition, the Secretary issued a Notice of Stakeholder Forum and Soliciting Comments. Initial comments were due December 7, 2020, with reply comments due December 21, 2020. In response to a request from the Joint Utilities,<sup>14</sup> the Secretary extended the deadline for reply comments until January 5, 2021.<sup>15</sup>

Initial comments were received from: Assembly Chairs Steve Englebright and Dan Quart; the Joint Utilities; EDF Renewables New York (EDF Renewables); the Independent Power Producers of New York (IPPNY); and Invenergy Renewables LLC (Invenergy). Reply comments were received from: the Joint Utilities; NY Renews; the New York Municipal Power Agency (NYMPA); and the Towns of Avoca, Howard, and Wheeler.

The comments are addressed in the relevant portions of the Discussion section, below. Generally, the comments addressed the following issues: (1) what form the Program benefit should take; (2) consideration of environmental justice communities; (3) definition of a Host Community; (4) allocation of Program Fee when a Facility is located in multiple municipalities; (5) applicability of the Program to certain

---

<sup>14</sup> The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

<sup>15</sup> Case 20-E-0249, supra, Notice Extending Reply Comment Period (issued December 18, 2020).

renewable projects; (6) presentation of the bill credit on utility bills; (7) utility costs of administering the program; and, (8) an increased administrative role for NYSERDA.

#### LEGAL AUTHORITY

Section eight of the Act provides the Commission with authority to establish a Host Community Benefit Program for electric utility customers located in a Host Community for a Major Renewable Energy Facility.

#### DISCUSSION

Section eight of the Act requires the Commission to establish a program that benefits utility customers in Facility Host Communities. The Act specifies that Renewable Owners fund the Program benefits. The Act provides that the Commission must establish a Program to provide a discount or credit on the utility bills of the electric utility's customers in a renewable host community, or a compensatory or environmental benefit to such customers.

The Act provides that, in developing the Program, the Commission consider all factors deemed appropriate by the Commission, including the amount of such discount, credit, compensatory or environmental benefit based on all factors deemed appropriate by the commission; the expected average electrical output of a facility; the average number of customers within a renewable host community; the expected aggregate annual electric consumption within such renewable host community; the potential impact on environmental justice communities; and the role of utilities, if any, in implementing any aspect of the Program.

In this Order the Commission establishes the Host Community Benefit Program to provide residential electric

utility customers within a Host Community an annual bill credit. The credit will be provided on electric utilities' bills for accounts of residential customers within the town(s) or city(ies) that host a Facility. The Renewable Owner will pay an annual Program Fee, in the amount of \$500 per MW of nameplate capacity and \$1,000 MW of nameplate capacity for solar and wind Facilities, respectively.

It is important to note that the program effectuated in this Order will be additive to existing pathways that Host Communities use to obtain compensatory benefits from Renewable Owners. The Program established in this Order will not negate existing agreements between Renewable Owners and their host communities. Similarly, the Program established in this Order does not preclude Host Communities from negotiating with Renewable Owners for PILOTs, HCAs, or other community benefits.

Both NYSERDA and the electric utility that services the Host Community will play a role in administering the Program. The specifics of the Program's benefits and a consideration of the comments received on the Proposal are provided below.

#### Program Benefit

The Proposal recommended a Program Benefit in the form of a bill credit for residential electric utility customers in the Host Community. The bill credit would be allocated evenly among all residential electric utility customers in the Host Community. Should more than one Facility be located in the same Host Community, impacted residential electric utility customers would receive a bill credit for each Facility. The Proposal defined the Host Community as the town(s) or city(ies) within which the Facility is located. If the Facility is located in more than one town or city, an equal benefit would be provided

to all residential electric utility customers in the affected municipalities. The bill credit would be provided annually, on the first bill of the calendar year, for the first ten years a Facility is in operation.

1. Type of Benefit

Comments responding to the proposed bill credit program provided varying levels of support. Renewable developers expressed support for Staff's proposal, while Assembly Chairs Englebright and Quart, the Towns of Avoca, Howard, and Wheeler, and the Joint Utilities advocated for providing at least the option of an environmental benefit.

IPPNY, Invenergy, and EDF Renewables support the Proposal for the program to be limited to residential electric utility customers. EDF Renewables notes that the Proposal provides significant benefits to community members while providing certainty for developers.

Assembly Chairs Englebright and Quart comment that the Act provides Host Communities with the option to choose a bill credit or an environmental or other benefit and urge the Commission not to limit the Program Benefit to only a bill credit. They echo commenters in the earlier phase of this proceeding who opined that a compensatory or environmental benefit program could be more beneficial than a bill credit in some communities.

The Towns of Avoca, Howard, and Wheeler agreed with Assembly Chair Englebright and Quart's comments. Further, the towns express that the Commission should allow the Host Communities the option of determining the compensatory benefits, whether a bill credit or other separate compensatory benefit to the Host Community's residents, which are the intended beneficiary utility customers. The towns contend that the

amount projected to be paid to individual utility customers can be a small amount that would be unlikely to produce as great an overall impact as if the amounts were paid to the communities directly. Further, the towns assert that requiring all Renewable Owners to adhere to this program eliminates the towns' ability to negotiate directly with the Renewable Owners on a program that is best suited for Host Communities.

The Joint Utilities submitted comments contending that a bill credit program would be more administratively burdensome and potentially more costly to ratepayers than an alternative compensatory or environmental benefit program. The Joint Utilities proposed that the Commission allow Renewable Owners to work directly with Host Communities to direct funds toward appropriate community-wide environmental programs.

a. Determination

The Act specifically provides that the Program is to benefit electric utility customers. If such benefit was to be provided in the form of an environmental benefit, each individual utility customer would likely receive an insubstantial environmental benefit, depending on the total amount to be paid by the Renewable Owner. Alternatively, to ensure that the resulting benefit was substantial, the benefits would need to be allocated on some basis, such as a first come first serve basis, and thus may not reach all utility customers in the Host Community. Establishing a Program that requires the Renewable Owner to fund a bill credit for residential electric utility customers in the Host Community reasonably and appropriately effectuates §8 of the Act.

Another option to implement an environmental benefit would be to have the Renewable Owner provide the funding to the Host Community at large, e.g., to the town government. The

Towns of Avoca, Howard, and Wheeler, and the Joint Utilities advocate for this option. However, this option would not result in a benefit for individual electric utility customers. Section eight of the Act focuses on a benefit for the electric utility customers in the Host Community, not for the Host Community at large. Thus, this option does not align with the requirements of the Act. While the Program is focused on providing a benefit to electric utility customers, Host Communities at large - the town(s) or city(ies) in which Facilities are located - can continue their current practice of negotiating with the Renewable Owner for other benefits, including PILOTs and HCAs that provide environmental benefits impacting the Host Community at large.

Moreover, the language of §8 of the Act indicates the Commission may select the program benefit type. It directs the Commission to "establish a program under which renewable owners would fund a program to provide a discount or credit on the utility bills of the utility's customers in a renewable host community, or a compensatory or environmental benefit to such customers." Further, §8 of the Act provides that the Commission's proceeding "shall determine the amount of such discount, credit, compensatory or environmental benefit based on all factors deemed appropriate by the commission..." Thus, the Act provides the Commission with flexibility in establishing the Program. While the text of the Act does allow the Commission to provide options for the Program, it does not require such an outcome. The text of the Act also allows the Commission to prescribe the benefit under the Program.

Having considered each of the program options identified in the Act, and the comments received, the Commission finds that the bill credit option is the most direct way to apply a tangible benefit to the intended electric utility

customers, while also enabling the necessary oversight of the Program.

2. Consideration of Environmental Justice Communities

Section eight of the Act provides that "the potential impact on environmental justice communities" should be considered, among other factors, in determining what form the Program should take.

In their comments, Assembly Chairs Englebright and Quart observed that the Proposal did not include a reference to environmental justice communities and that no environmental justice communities, or advocates for such communities, are parties to the proceeding. They urged the Commission to consult with appropriate interested entities and to consider the potential impacts of the proposed Host Community Benefit Program on environmental justice communities, as required by the Act. NY Renews submitted reply comments concurring with Assembly Chairs Englebright and Quart. NY Renews adds that consideration of environmental justice communities should include the consideration of compensatory and environmental benefits.

a. Determination

In general, an environmental justice community is one where residents are predominantly minorities or low-income; where residents have been excluded from the environmental policy setting or decision-making process; where they are subject to a disproportionate impact from one or more environmental hazards; and where residents experience disparate implementation of

environmental regulations, requirements, practices and activities in their communities.<sup>16</sup>

Although the Proposal did not specifically discuss the impact of the Program on environmental justice communities, the Proposal provides a direct benefit to electric customers directly impacted by the siting of the Facilities. The Proposal provides for Program Fees that increase with the size of the Facility. Thus, all other factors held constant, a larger Facility, which would likely have a greater impact on the Host Community, will provide a larger bill credit for the affected electric utility customers. Additionally, the Proposal identifies that, for each Facility added within a Host Community, the Facility would provide an incremental bill credit to affected residential electric utility customers' bills. These additive bill credits will appropriately compensate residents within communities bearing additional burdens of multiple Facilities. Further, in establishing the Program, the Commission must be mindful of ensuring that the Program can operate effectively, without creating a large amount of costs that dwarf the benefits being provided. As discussed in greater detail below, Renewable Owners can be expected to include the costs of the Program in their bids for RECs. If those bids are accepted, the costs of the RECs are ultimately paid by all electric customers in New York State.

Additionally, by applying the bill credit after all other adjustments to customers' bills, the Program will ensure that it provides an incremental benefit to customers, without impacting any other programs that impact the customers' bills. For example, this will ensure that a customer who participates

---

<sup>16</sup> Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund., NYSERDA Clean Energy Fund: Communities Chapter (filed June 15, 2020).

in a utility's energy affordability program will receive the full benefit of that program before the bill credit for the Host Community Benefit Program is applied to the customer's bill. Moreover, benefits related to this Program would not count towards the State's low- and moderate-income (LMI) energy efficiency spending targets. Therefore, LMI electric utility customers' receipt of benefits under this Program would not impact the pursuit of other LMI energy efficiency or clean energy programs.<sup>17</sup>

In sum, providing a bill credit that will increase with the size of the Facility and the number of Facilities in a Host Community will appropriately compensate electric utility customers located in the Host Community for the impacts of the Facilities. Further, it will do so in a practical and effective manner.

### 3. Eligible Recipients

Section eight of the Act provides that the Program benefits should go to electric utility customers in the Host Community. The Proposal recommended providing an equal bill credit to every residential electric utility customer in the Host Community. In their comments, IPPNY and Invenergy supported this limitation. Other than comments, addressed above, that recommended providing the benefits to the Host Community at large, no comments opposed the recommendation to limit the recipients to residential electric utility customers.

---

<sup>17</sup> Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative, Statewide Low- and Moderate-Income Portfolio Implementation Plan (filed July 27, 2020).

a. Determination

It is reasonable to provide the bill credit only to residential electric utility customers. It is those who live in the Host Community who are most impacted by the siting of a Facility in that community. Further, limiting the benefit to the electric utility's residential customers, and providing an equal credit to each customer, provides unambiguous and straightforward instructions for utilities to apply when administering the bill credits. It is possible that some residents in Host Communities live in multi-unit residential dwellings that may have master meters. However, the prevalence of such situations should be limited in the predominantly rural areas where Facilities are likely to be located. Accordingly, this aspect of the Proposal is adopted without modification.

4. Definition of a Host Community

Section eight of the Act provides that a Host Community means "any municipality within which a major renewable energy facility..., or any portion thereof, has been proposed for development." The Proposal recommends identifying Host Communities as the town(s) or city(ies) in which a Facility is located.<sup>18</sup> In comments, IPPNY suggests eligible residential customers be limited to those within one mile for applicable solar Facilities and within five miles for applicable wind Facilities. IPPNY notes this is consistent with aspects of the Office of Renewable Energy Siting's (ORES) draft Siting Rule and

---

<sup>18</sup> Every location in New York State is part of a town or city, thus, while it may facially seem unlikely that a Facility will be located within a city, including cities as well as towns accounts for all locations within New York State.

draft Uniform Standards and Conditions Rule.<sup>19</sup>

In its comments, Invenergy supported limiting the benefit to residential electric utility customers within one and five miles of a solar or wind Facility, respectively. Invenergy states that a more geographically targeted area would make the bill credit a more meaningful amount to those eligible to receive it. Invenergy adds that it understands that eligibility must be readily administered by the local electric service providers and for that reason would not object to the use of municipal boundaries to define eligibility.

In comments replying to IPPNY's, the Joint Utilities state that a one- and five-mile radius boundary for the bill credit is infeasible. The Joint Utilities assert that the use of a radius to set the boundary introduces significant complexity and administrative burdens. For example, the Joint Utilities note that such methodology would add to the additional responsibility of identifying the applicable geographic bounds for each applicable project. The Joint Utilities further note that the radius methodology would lead to confusion and lack of clarity. Finally, the Joint Utilities expressed concern that the utilities will be required to address and resolve questions or disputes from their customers concerning the boundary for benefit eligibility. Accordingly, the Joint Utilities state that the only practical means of providing utility bill credits to customers within a certain geographic area would be to identify the area by ZIP code or "tax ID."

---

<sup>19</sup> IPPNY refers to proposed Section 900-6.2, paragraph (a), which requires an applicant to notify landowners with one mile and five miles of a proposed solar or wind Facility, respectively. IPPNY also refers to proposed Section 900-6.2, paragraph (bg), which proposes using the same limitation to qualify a person as a "potential community intervenor."

a. Determination

IPPNY's suggestion to set the boundary as a specific radius from the Facility does align with certain provisions of the draft ORES regulations and has some theoretical merit. However, the complexities of implementing such boundaries would create unnecessary administrative burdens for the utilities. Further it can introduce uncertainty and confusion for all stakeholders. Therefore, the Commission adopts the Proposal's recommendation to limit the bill credit benefit to those within the town(s) or city(ies) where a Facility is sited. ZIP codes do not necessarily correlate to specific towns or cities; in some instances a single ZIP code may cover locations in multiple towns or cities. Recognizing that this limit will not benefit residents in a neighboring town, the Commission will review this limitation in the future to determine if modifications to this or other aspects of the program are necessary. Such review will be informed by a Staff report on the implementation and effectiveness of the Host Community Benefit Program which shall be due on or before June 1, 2023. In administering the Program, electric utilities shall provide the benefit to all residential customers within the affected town(s) or city(ies), identified through an appropriate manner, such as tax ID.

5. Allocation of Benefit Among Multiple Municipalities

The Proposal anticipated that there will be instances where a Facility may be sited in multiple towns or cities. In such instances, the Proposal recommended providing an equal benefit to residential electric utility customers in each of the towns or cities within which the Facility is sited.

In its comments, EDF Renewables states that it is rare for aspects or portions of projects to be located equally in multiple municipalities. EDF Renewables asserts that the

benefit should reflect this unequal impact of the Facilities on residents in multiple municipalities. Therefore, EDF Renewables recommends allocating the fee paid by the Renewable Owner be based on a formula allocating 80% of the benefits allocated based on the number of MW of nameplate generating capacity located in each municipality, and 20% of the benefits allocated based on the location of appurtenant facilities, such as substation, interconnection, and transmission facilities, evenly distributed amongst the utility residential customers in their respective towns. In reply comments, IPPNY states its support for this alternative approach of allocating the bill credit when a Facility is located in multiple towns or cities.

a. Determination

In regard to the modified methodology to prorate program funds to multiple host communities based on the portion of the generation housed in each municipality, the Commission finds the proposal administratively burdensome to implement. Moreover, the use of arbitrary percentages related to land use overlooks other factors residents may consider to be important, such as impacts on viewshed or traffic. An equal distribution methodology is consistent with the Commission's determination in favor of whole town or city rather than radius eligibility. As such, the Commission adopts the Proposal's recommendation to apply the benefit equally to residential electric utility customers in each of the towns or cities within which the Facility is sited.

6. Frequency and Duration of Bill Credit

The Proposal recommends that bill credits be provided as an annual credit, appearing on a residential utility customer's first electric bill of the calendar year.

Additionally, the Proposal recommends the bill credits be applied annually for the first ten years that the Facility operates, beginning in the first calendar year immediately following when the major renewable energy facility becomes operational. Only the Joint Utilities commented on this specific aspect of the Proposal. The Joint Utilities suggest decreasing the number of years a bill credit is provided for a given Facility.

a. Determination

Providing an annual credit for ten years ensures that customers realize a substantial benefit, while moderating the impact on the Renewable Owner as well as New York State ratepayers in general. For example, if the bill credit were to be provided only one time, rather than ten times over ten years, the single bill credit would need to be significantly larger to be meaningful. Requiring Renewable Owners to finance a one-time credit could materially and negatively impact the economics of the proposed Facility. Further, providing a credit for ten years, even though a Facility will likely have a longer service life, balances the interests of affected residential customers in Host Communities and the costs to be borne by Renewable Owners, and thus, ratepayers across the State. Furthermore, providing a bill credit once annually will help customers to identify the impact of this benefit as distinct from the impact of their usage on their monthly electric bill.

Accordingly, the Commission adopts the Proposal's recommendation that the Program provide ten annual bill credits beginning in the first calendar year following when the Facility becomes operational. The bill credits will be applied to applicable customers' first bill of the calendar year beginning in the year after the Facility becomes operational. For

example, if the Facility becomes operational in July 2021, the Renewable Owner will transfer the first annual Program Fee to the appropriate electric utility(ies) by December 1, 2021, and customers will receive the bill credit in their first bill of 2022. As this Order requires that the Renewable Owner transfer annual Program Fee by December 1 of each year, if a Facility becomes operational in December of a given year, it will pay the first annual Program Fee during the next calendar year. To facilitate administration of the bill credits, no portion of the credit will be prorated. Should a facility be operational on or before December 1, the facility will transfer the applicable Program funds to the affected utility(ies). Therefore, the bill credit will be evenly applied for each of the ten years for each facility.

Finally, the Proposal recognized that there could be instances where a customer receives bill credits under the Program that the customer does not fully utilize during the month the credit is given, or even the year. This could occur due to a combination of factors, such as multiple Facilities sited in the customer's Host Community, and/or the customer's participation in other utility programs that reduce the customer's bill. It is important that such customers see the full benefit of this Program. Accordingly, bill credits will be allowed to roll over from year to year. Given the estimated benefit related to individual Facilities, as well as the likelihood that bill credits related to multiple Facilities will not begin or sunset at the same time, there is little risk of customers accumulating excessive bill credits.

Program Fees and Applicability

1. Magnitude of Fees and Estimate of Resulting Bill Credits

Section eight of the Act requires that Renewable Owners fund the Program. The Proposal discusses the necessary balancing of the impact of additional fees required of Renewable Owners and Facility economics, the importance of a meaningful benefit to Host Community residents, and the overall cost that ultimately will be borne by ratepayers across New York State. Further, the Proposal emphasized the benefits of a fixed fee structure so that Renewable Owners and program beneficiaries would benefit from reasonable certainty about the cost of the Program and size of the benefit for individual residential electric utility customers in a Host Community. Ultimately, the Proposal recommends that Renewable Owners pay an annual fee of \$500/MW nameplate capacity for solar generation facilities and \$1,000/MW nameplate capacity for wind generation facilities. The fee would only apply to the generating capacity of the Major Renewable Energy Facility, therefore storage system facilities attached to renewable projects would not impact the calculation of the fee.

The Proposal explains the considerations that support the recommended \$500/MW and \$1,000/MW annual fees for solar and wind Facilities, respectively. These include the technology type and capacity factor related to each generation technology; the number of potential customers that would be impacted by a Major Renewable Energy Facility; the potential impact to the project economics for developers and future REC prices; the size of the annual bill credit for individual recipients; and how those costs may compare to out-of-state generators.

Staff also examined the existing mechanisms used to compensate Host Communities, which include PILOTs and HCAs. These additional benefit programs may be active for various

lengths of time but typically align with the operational life of the Facility. Staff considered how the proposed Program fees may impact future PILOTs, HCAs and other Host Community benefit agreements and determined the Program would complement the existing forms of community benefits.

Invenergy submitted comments in which it agreed with the Proposal's recommended fee structure. Invenergy states the proposed annual fees of \$500/MW and \$1,000/MW for applicable solar and wind Facilities, respectively, are appropriate dollar amounts to be significant enough for residential electric customers to realize a discount on their monthly bills, without unreasonably increasing the cost of renewable energy.

a. Determination

The Commission adopts the recommended per MW nameplate capacity fees for the Program. While both solar and wind projects may make up the same acreage of landscape in a Host Community, solar projects are lower to the ground and not as visually impactful. Wind projects are more visible to a greater degree and have a larger impact on Host Communities. For those reasons, it is appropriate to establish a fee structure based on the Facility's generation source. By setting the cost of the Program based on the MW nameplate capacity of the Facility, rather than a fixed benefit per customer, the structure will avoid incenting Renewable Owners to cluster facilities in Host Communities with low populations to minimize the cost of the Program. Furthermore, as noted in the Proposal, a fixed annual \$/MW fee allows developers to determine the amount of the fee with certainty, as they evaluate potential projects and develop REC bids. Additionally, developers can assess the number of residential electric utility customers in the potential Host Communities for a potential Facility. Developers can then

provide Host Communities with an estimate of the bill credit for each residential electric utility customer.<sup>20</sup> The knowledge of the estimated bill credit may increase social acceptance of the proposed Facility's location and may increase support of the Facility during permitting, construction, and operation.

## 2. Applicability of the Program Fee

Section eight of the Act states that the Program will be funded by Renewable Owners. The Act, in turn, defines Renewable Owners as the owners of "major renewable energy facilities," or those with nameplate generating capacity of at least 25 MW, for which NYSERDA has "executed an agreement for the acquisition of environmental attributes related to a solicitation issued by such authority after the effective date of this section." The effective date of §8 of the Act was April 3, 2020. NYSERDA issued the first request for proposals (RFP) soliciting applications for Tier 1 RECs following the effective date of §8 of the Act on July 21, 2020, and revised it on September 29, 2020.<sup>21</sup>

IPPNY and Invenergy submitted comments advocating that the Commission's implemented Program not be applicable to NYSERDA's TIER 1 REC RFP awardees approved prior to the issuance of a Commission order establishing the Program. IPPNY states that developers with contracts approved by NYSERDA prior to the date of a Commission order establishing the program's details, could have their project economics materially harmed if required

---

<sup>20</sup> Renewable developers are encouraged to use the Utility Energy Registry available at <https://utilityregistry.org/app/index.html#/> to assess the number of residential utility customers in their prospective Host Community(ies).

<sup>21</sup> Solicitation No. No. RESRFP20-1, accessible at: <https://portal.nyserdera.ny.gov/servlet/servlet.FileDownload?file=00Pt000000P00roEAB> (accessed February 1, 2021).

to contribute to the program. Invenergy adds that the mandatory requirement for a bill credit imposes an additional cost to projects that have finite revenues available, additionally noting that renewable projects take years to develop and some projects already have negotiated HCAs with municipalities. IPPNY also suggests projects with previously negotiated PILOTs or HCAs should be exempt from the Program.

a. Determination

Section eight of the Act makes the Program applicable to Facilities based on REC contracts resulting from NYSERDA solicitations issued after April 3, 2020. It implicitly acknowledges that such a solicitation may occur prior to the establishment of a Program, as it provided the Commission with 60 days to begin a proceeding to consider such a Program. Accordingly, the Commission does not have discretion to waive applicability of the Program to Facilities that enter into contracts with NYSERDA for RECs resulting from the RFP issued in 2020. For clarity, the Program does not apply to generation facilities with capacity of 25 MW or greater based on contracts with NYSERDA for RECs arising from NYSERDA solicitations issued prior to April 3, 2020.

Moreover, NYSERDA's RFP issued on July 21, 2020, and revised on September 29, 2020, includes a discussion of the Proposal and directs applicants to reflect the costs of the Program as set forth in the Proposal in their bids. This Order adopts Program Fees consistent with those identified in the Proposal. The RFP also notes that the final Host Community Benefit Program Fee will not be confirmed until a Commission order is issued and acknowledges that an order is not expected until after the proposal deadline. NYSERDA stressed that applicants should understand that proposals awarded under the

RFP will be subject to whatever the Commission Order requires, including any changes in the requirements and/or fees proposed in the Staff Proposal. NYSERDA also identified in the RFP that it will not adjust any award to accommodate changes to the proposed Host Community Benefit Program Fee.

#### Program Administration

The Proposal recognized that operating the Program will require both NYSERDA and the electric utilities serving Host Communities to perform administrative tasks. The Proposal assigned tasks related to the REC contracts and payments to NYSERDA. The Proposal recognized that Renewable Owners are required to enter into interconnection agreements with the utilities; therefore, there is already a direct relationship between those entities. Further, the Proposal identified the most intensive part of the Program will likely lie with the utilities in identifying the applicable residential accounts and distributing the credits on their bills. Accordingly, the Proposal assigned tasks related to the collection of the Program Fees and disbursement of bill credits to the electric utilities. The proposal acknowledged that the utilities will incur costs to complete administrative tasks. Further, the Proposal required the electric utilities to file annual reports regarding the operation of the Program within their service territories. Each of these issues is discussed below.

#### 1. NYSERDA's Obligations

The Proposal recommended that NYSERDA include a requirement in its REC contracts that Renewable Owners provide proof that they have transferred the Program Fee to the utilities, by December 1 of each year, beginning the year the project is operational. With the provision, NYSERDA would not

release any pending or future REC payments to the Renewable Owner unless and until the proof of transfer is provided. This will ensure that Renewable Owners provide the funds for the bill credits to the utilities.

In its comments, EDF Renewables advocates that NYSERDA should have greater visibility and oversight of the Program than that outlined in the Proposal. EDF Renewables states that, given NYSERDA's role as the central procurement administrator to offer long-term contracts to Renewable Owners for Tier 1 RECs, NYSERDA should play a key advisory role in the Program effectuated by the Commission. Further, EDF Renewables notes that the REC solicitations that NYSERDA oversees may impact the analogous solicitations offered by the New York Power Authority and LIPA, as well as similarly situated commercial and industrial contracts. IPPNY submitted comments supporting the comments by EDF Renewables.

i. Determination

It is appropriate that NYSERDA be required to update its REC contract language to include necessary provisions that would only allow disbursement of REC payments upon verification that the appropriate Program Fee was transferred to the affected utility(ies). Additionally, NYSERDA should assist Renewable Owners and the electric utilities administering the Program where possible. Specifically, each year by November 1, NYSERDA shall provide a list to the affected electric utilities identifying the Facilities that are required to pay the Program Fee that year, and the amount of each Facility's Program Fee, with the utility or utilities to be paid. This will provide a check to ensure that the utilities are aware of all Renewable Owners required to pay the Program Fee in a given year. Further, should an electric utility not receive the required

Program Fees from a Renewable Owner by December 1 of a given year, the electric utility shall notify NYSERDA. NYSERDA shall then make all reasonable efforts to get the Renewable Owner to pay the Program Fee in a timely fashion. Further, this will ensure that NYSERDA does not erroneously disburse REC payments that should be withheld due to non-payment of Program Fees. Finally, when NYSERDA enters into a REC contract with a Renewable Owner, NYSERDA shall inform the affected utility(ies) that serve the Host Community for the associated Facility. A copy of this notice should be filed with the Secretary of the Commission in this proceeding.

2. Electric Utilities' Obligations

a. Program Fee Collection

The Proposal details that the Renewable Owners would pay the Program Fee to the applicable electric utility(ies) by December 1 of each year for ten years, beginning with the year in which the Facility begins operations. The Renewable Owners would identify the Major Renewable Energy Facility associated with the Program Fee, and the town(s) and/or city(ies) in which the facility is located. The electric utilities would identify the residential accounts in those town(s) and/or city(ies) and disburse the bill credit on the applicable residential utility customers' first electric bill of the following calendar year. Given the short lag between payment of the Program Fees and disbursement of the bill credits, the Proposal stated that there would be no need to accrue interest on the funds.

The Proposal identified the possibility that a Facility is sited in one or more towns or cities served by multiple utilities. In such instances, the Renewable Owner and the affected utilities would need to coordinate in advance of December 1 to identify the total number of residential customers

owed a bill credit for the particular Facility, and the proportion of those customers served by each utility. The Renewable Owner would then transfer the proportional amount of the Program Fee to each utility. All recipient customers should receive a bill credit in the same amount, regardless of the customers' utility or city or town.

No comments were received regarding these aspects of the Proposal. These provisions should ensure appropriate operation of the Program. Additionally, as Renewable Owners are required to pay the Program Fee by December 1 of each year, the electric utilities shall notify NYSERDA of any unpaid Program Fees no later than five business days after December 1.

b. Bill Credit Disbursement

The Proposal recommends that the electric utilities be allowed to retain 0.05% of the fees transferred to them by the Renewable Owner to recoup administrative costs. The utility would be required to identify its residential customers that are eligible to receive the bill credit. After subtracting the 0.05% retainer and identifying the recipients, the utility would calculate the per customer bill credit amount from the remaining funds.

The Joint Utilities state that identifying customers within the residential class in each town will, in and of itself, require careful queries and auditing, since the municipal boundaries are not always clear. The comments explain that this is similar to the process currently followed in working with Community Choice Aggregation (CCA) and requires time and resources to work with aggregators on identifying the appropriate boundary, whether by ZIP code or tax ID or district, and then identify customers within that boundary.

i. Determination

As previously explained, the bill credit shall be applied to customers' first bill of the calendar year, applied after all other adjustments. Further, any amount of the credit in excess of a customer's balance on that first bill shall roll over month-to-month until depleted. In each month, the remaining bill credit for the Program shall be applied to the customers' bill after all other adjustments. Should any bill credit remain when a customer discontinues service, the utility shall provide that amount to the customer as it would any remaining credit balance on an account of a customer discontinuing utility service.

In the instance of new or changing occupants of an eligible residence, the customer on record as of the first billing period of the calendar year will be entitled to the full bill credit for that year. The bill credit would stay with the customer in the case of an account transfer or would be disbursed to the customer in the event the customer leaves the utility's service territory. For the applicable residence, the new customer would begin receiving the bill credit in the next bill credit implementation cycle and would not receive a proration of the bill credit for that Program year.

It is understood that the legal boundaries of a town or city may not precisely align with the identifiers available on utility customers' accounts. The intent of the Program is to ensure that all eligible customers receive the benefit, and eligibility is determined by their location within the legal boundaries of a Host Community town or city. As discussed above, utilities shall use the information available to them in a manner that most precisely effectuates this intent. The Joint Utilities have identified the tax ID or tax district as a potential identifier. As it will take several years for

applicable Facilities to begin operations following the effectuation of applicable REC Tier 1 contracts, there is sufficient time to understand how utilities can best ensure accurate distribution of the bill credit to residential customers in towns or cities that are Host Communities. Accordingly, utilities shall explain how they will identify the customers who are eligible to receive bill credits under this Program in the Implementation Plans described below.

c. Presentation on Bills

The Proposal recommended that the utilities provide the bill credits to customers in a separate line item on the bill, identifying the amount of the bill credit and the Facility with which it is associated. In instances where multiple Facilities are located in the same Host Community, the Proposal recommended that the bill credit for each Facility be identified separately. Further, the Proposal recommended that, if a portion of the credit rolls over to subsequent months' bills, the credits should be presented in the same manner on each bill. The Proposal did acknowledge that there could be barriers impeding utilities' ability to comply with this recommendation. Accordingly, the Proposal stated that utilities should identify any barriers and provide alternatives, such as the use of bill messages, in comments.

In comments, the Joint Utilities state that requiring a separate line item for each individual project may be infeasible for some utilities. In general, the comments explain that each utility has its own billing system and bill generation processes, and that some utilities are in varying stages of replacing current billing systems. Accordingly, the Joint Utilities state that it may not be possible for all the utilities to include the bill credit as a separate line item in

the near term. Therefore, the Program's bill credits would likely need to be combined with other credits in a single line item on the bill for some utilities. Further, the Joint Utilities suggest that, to provide a bill message, there may need to be a prioritization dictated given the limited space available within billing documents.

In its comments, NYMPA states that each municipal utility has an independent billing system, many have limited staff capacities, and many outsource their billing to third parties. NYMPA states that making the necessary system changes to enable a separate line item for the Program's bill credits would require significant financial investments and may take considerable time to implement and would vary between municipal utilities.

i. Determination

The Joint Utilities and NYMPA persuasively argue that at least some utilities may have barriers that prevent presenting the bill credits on customers' bills as specified in the Proposal. However, it will take several years for applicable Facilities to begin operations following the effectuation of applicable REC Tier 1 contracts. There is sufficient time to understand how utilities can most effectively present the bill credits on customers' bills. Accordingly, utilities shall address this issue in the Implementation Plans discussed below.

The Commission identifies the ideal presentation as including a separate line item identifying the bill credit and the individual Facility to which it applies. However, the use of bill messages or other methods may be necessary. While the Proposal required similar presentation when the bill credit appears on a bill for a subsequent month, such explicit

presentation shall not be required in cases where it has been determined such presentation would be administratively burdensome.

d. Costs

The Proposal recommends that the electric utilities administering the Program be allowed to retain 0.05% of the fees transferred to them by the Renewable Owner to recoup administrative costs. Further, the Proposal recommended that the utilities should track the costs associated with administering the Program.

In initial comments, the Joint Utilities express concerns with the Proposal's cap on administrative fees. The Joint Utilities state that each of the utilities' basic administrative tasks as outlined in the Proposal will require considerable resources, including but not limited to: (1) working with Renewable Owners; (2) identifying all residential customers eligible to receive the bill credits; (3) manually applying an annual credit on all such customers' utility bills; and, (4) working with neighboring utilities to the extent Facilities span multiple utilities' service territories. The Joint Utilities contend that given all of the activities required, many of which are manual, the proposed 0.05% retainer in most cases would not compensate the utilities for actual costs incurred. NYMPA submitted comments in support of the Joint Utilities' initial comments.

In reply comments, the Joint Utilities estimate that upfront program implementation costs could reach as high as \$45,000 for some utilities. Further, the Joint Utilities assert that the annual costs to administer the credits could fall in a range of approximately \$5,000-\$12,000 per Facility, with costs likely higher for utilities relying on manual processes. These

costs represent a significant proportion of the total Program Fee to be paid by Renewable Owners each year. The Joint Utilities point specifically to a 25 MW solar Facility, for which the annual Program Fee would be \$12,500. The Joint Utilities recommend that the Commission allow the utilities to identify total actual costs incurred and establish a deferral mechanism in order to compensate the utilities fully.

i. Determination

It is apparent that the Proposal's recommended 0.05% retainer may very well be inadequate to cover the costs incurred by the utilities to administer the Program. Additionally, the identified administrative activities and applicable costs are more directly related to the technical systems each utility has in place, as well as the number of beneficiaries of each project, versus the nameplate capacity of the applicable generation facilities. Thus, tying cost recovery to a percentage of the Program Fee appears unreasonable and is rejected.

However, the Joint Utilities have not articulated the system upgrades necessary to implement the Program more autonomously or costs for such upgrades. Moreover, they have not identified which actions are manual versus which actions may be automated with already planned upgrades to some utilities' billing systems. Further, they have not provided concrete estimates that allow for a final determination regarding costs at this time. Accordingly, the Joint Utilities' proposal for a deferral mechanism is also rejected.

It will take several years for applicable Facilities to begin operations following the effectuation of applicable REC Tier 1 contracts. There is sufficient time to investigate necessary upgrades to utility systems to reduce the

administrative burden of the Program. System upgrade costs incurred to implement this Program may be useful for numerous other utility processes. Accordingly, it is not practical to require Program beneficiaries to bear the implementation costs, through reductions to the Program's bill credits, for system upgrades that can be used for other purposes as well. Moreover, the Program is intended to increase renewable energy resources located in New York State, which provides benefits to all utility customers. Costs that benefit all utility customers are better suited to be recovered from all utility customers.

However, as noted above, at present there is insufficient information for the Commission to approve particular costs for recovery or a particular cost recovery mechanism. It would be more appropriate to understand what additional costs are necessary and appropriate to implement the Program, particularly in comparison to utilities' existing plans for system upgrades. Accordingly, utilities shall address this issue in the Implementation Plans discussed below.

e. Implementation Plans

As noted above, several implementation issues require further consideration. Accordingly, the Major electric utilities identified in Appendix A to this Order shall file with the Secretary to the Commission in this proceeding individual proposed Program implementation plans (Implementation Plans) no later than July 31, 2021. The Small and Municipal electric utilities identified in Appendix A to this Order shall file individual Implementation Plans within thirty days following notice by NYSERDA that NYSERDA has entered into a REC contract for a Facility located within the affected utility's territory. In order to assist the utilities in developing consistent

methodologies to the extent practicable, Staff will work with the utilities as the utilities draft their Implementation Plans.

The Implementation Plans shall describe the administrative tasks the utilities will undertake to implement the Program, dividing such tasks into the following categories: automatable with at most minimal modification to the utility's current systems; automatable with at most minimal adjustments to existing planned system upgrades; automatable separate from existing planned upgrades, with estimated costs; and manual, with estimated costs. The utilities shall provide appropriate supporting documentation for any estimated costs. For automatable tasks, the utilities shall identify the timeline for implementing any existing planned upgrades and shall provide a timeline for implementing any separate upgrades deemed necessary. For existing planned upgrades, each utility shall identify where the authorization for funding of such upgrades has been approved by the Commission.

The Implementation Plans must also address the following with regard to processes and plans for disbursing the bill credits: existing feasibility and limitations; expected processes administering the bill credits, including processes for identification and verification of applicable beneficiaries; how the utility will manage and correct errors in customer identification; and a mechanism for how customers who believe they are eligible for the bill discount, but who do not receive it, can demonstrate eligibility. The plans must also identify how the utility proposes to identify the bill credits on customers' bills, examples of how the project(s) will be identified, and the utility's barriers, if any, to providing individualized line items or bill messages in the instance there are multiple projects within the territory. Additionally, the

Implementation Plans shall include proposed bill message language and any other proposed customer outreach methods.

f. Reporting Requirements

The Proposal recommended requiring each utility to maintain a record of: Facilities actively providing benefits under the Program in its service territory; monies received from each such facility; the amount of the individual bill credit provided related to each such Facility and the number of residential customers who receive the bill credit associated with each Facility; and the costs incurred to administer the Program. This information would be reported in a filing in this proceeding on or about April 1 of each year.

i. Determination

In order to ensure appropriate oversight of the operation of the Program, it will be necessary for each utility to file an annual report detailing the ongoing projects within its territory. The Proposal's reporting schedule and contents will allow reasonable and timely oversight. In order to establish clear and consistent reporting of Program attributes across utilities, Staff will file in this proceeding a Host Community Benefit Program Reporting Guidance document. Staff is expected to file this Guidance document by December 31, 2021, which shall be informed by its review of the Implementation Plans filed by the Major electric utilities on July 31, 2021. This Guidance document will include a template for reporting structure of the metrics identified above. For each calendar year during which at least one Renewable Owner owes a utility a Program Fee or during which the utility has paid a Program bill credit, the utility shall file an annual report by April 1 of the following calendar year.

CONCLUSION

The Commission's adoption of the Host Community Benefit Program providing residential electric utility customers within a Host Community an annual bill credit, will appropriately compensate those electric utility customers for the impacts of the Facilities, and it will do so in a practical and effective manner. In addition, the funding mechanism provides for Program Fees that increase with the size of the Facility, meaning that a larger Facility, which would likely have a greater impact on the Host Community, will provide a larger bill credit for the affected electric utility customers. Finally, the Program will be additive to existing pathways that Host Communities use to obtain compensatory benefits from Renewable Owners such as HCAs, PILOTs, or other community benefits, therefore increasing the overall benefits to the renewable host communities across New York State.

The Commission Orders:

1. The Host Community Benefit Program is established, consistent with the discussion in the body of this Order.
2. The New York State Energy Research and Development Authority shall ensure that all TIER 1 Renewable Energy Credit contracts entered into after April 3, 2020, with a Major Renewable Energy Facility appropriately reflects the obligations of the Host Community Benefit Program established in this Order, including the payment, annually for a period of ten years, of Program Fees in the amount of \$500 per MW nameplate capacity for applicable solar projects and \$1,000 per MW nameplate capacity for applicable wind projects to fund the Host Community Benefit Program.
3. The New York State Energy Research and Development Authority shall require each Major Renewable Energy Facility to

provide documentation that appropriate and sufficient Program Fees have been transferred to the administrating utility(ies) prior to disbursing Renewable Energy Credits to the Major Renewable Energy Facility.

4. The Electric Distribution Utilities identified in Appendix A to this Order are directed to administer the Host Community Benefit Program, consistent with the discussion in the body of this Order.

5. The Major Electric Distribution Utilities identified in Appendix A to this Order are directed to file Implementation Plans by July 31, 2021, for Commission consideration and approval, consistent with the discussion in the body of this Order.

6. The Small and Municipal Electric Distribution Utilities identified in Appendix A to this Order are directed to file Implementation Plans, for Commission consideration and approval, within thirty days following notice by NYSERDA that NYSERDA has entered into a Renewable Energy Credit contract for a Facility located within the affected utility's territory, consistent with the discussion in the body of this Order.

7. The Electric Distribution Utilities identified in Appendix A to this Order are required to file annual reports by each April 1 for the prior calendar year, for each calendar year in which the utility administered the Program for at least one Major Renewable Energy Facility. Such annual reports shall be consistent with the discussion in the body of this Order and shall adhere to the guidance issued by Department Staff.

8. Staff of the Department of Public Service shall develop and file a report on the implementation and effectiveness of the Host Community Benefit Program which shall be due on or before June 1, 2023.

9. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

10. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS  
Secretary

## Appendix A - List of Electric Distribution Utilities

List of Electric Distribution Utilities regulated pursuant to Public Service Law §66, who would be required to distribute bill credits under the Host Community Benefit Program, if a Major Renewable Energy Facility is sited in a Host Community the utility serves. Each of the Utilities listed below may require tariff revisions to provide for applying the proposed bill credit on customers' bills.

### **Major Electric Distribution Utilities:**

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 & Rockland Utilities, Inc.  
Rochester Gas & Electric Corporation

### **Small Electric Distribution Utilities:**

Fishers Island Electric Corporation  
Pennsylvania Electric Company

### **Municipal Electric Distribution Utilities:**

Bath Electric, Gas & Water Systems  
City of Jamestown Board of Public Utilities  
Penn Yan Municipal Utilities Board Village of Penn Yan  
City of Plattsburgh, Plattsburgh Municipal Lighting Department  
City of Salamanca, Salamanca Board of Public Utilities  
Village of Akron  
Village of Andover  
Village of Angelica  
Village of Arcade  
Village of Bergen  
Village of Boonville, Municipal Commission of Boonville  
Village of Brocton  
Village of Castile

**Municipal Electric Distribution Utilities (continued):**

Village of Churchville  
Village of Endicott  
Village of Fairport  
Village of Frankfort, Frankfort Power & Light  
Incorporated Village of Freeport, Freeport Electric  
Village of Green Island  
Village of Greene  
Village of Groton  
Village of Hamilton  
Village of Holley  
Village of Ilion, Ilion Board of Light Commissioners  
Village of Little Valley Municipal Electric Department  
Village of Mohawk, Mohawk Municipal Commission  
Incorporated Village of Philadelphia  
Village of Richmondville  
Village of Rockville Centre  
Village of Rouse Point  
Village of Sherburne  
Village of Silver Springs  
Village of Skaneateles, Skaneateles Electric Light Department  
Village of Spencerport  
Village of Springville Electric Systems  
Village of Solvay  
Village of Theresa  
Village of Wellsville  
Village of Westfield