STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

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

NOTICE SOLICITING COMMENTS

(Issued January 27, 2026)

On July 30, 2025, the Public Service Commission (Commission) issued a Notice Soliciting Comments requesting feedback in three areas pertaining to the Clean Energy Standard (July Notice). Through this Notice, the Commission seeks additional feedback to more fully comprehend issues regarding utility ownership of renewable generation including, but not limited to: (1) potential ratepayer impacts of utility ownership of renewable generation; (2) utility impacts/advantages or disadvantages of renewable generation siting; (3) Standardized Interconnection Requirements queue placement/management; (4) solicitation competitiveness; and (5) potential regulatory impacts of utility ownership of renewable generation.

Interested persons are invited to submit comments responding to the attached questions, prepared by Department of Public Service (Department) staff related to the potential impacts of utility ownership of renewable generation and whether a change of policy might serve the interests of ratepayers. Comments are also sought on how existing wholesale capacity and energy market designs may need to be modified to better align with the existing or proposed clean energy procurement mechanisms.

PLEASE TAKE NOTICE that comments are requested and

should be **filed in Case 15-E-0302 by February 27, 2026.** Comments should be e-filed using the Department's Document and Matter Management system (DMM).[1] Those unable to file electronically may mail their comments to the Hon. Michelle L. Phillips, Secretary to the New York State Public Service Commission, Three Empire State Plaza, Albany, New York, 12223-1350; however, electronic filing is strongly encouraged. All comments submitted to the Secretary will be posted on the Department's website, but please be advised that untimely comments may not be considered by the Commission.

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

(SIGNED) MICHELLE L. PHILLIPS
Secretary

[1] For DMM Login, please go to https://dps.ny.gov/dmm-login-document-and-matter-management-system. For DMM Help: Electronic Filing Registration Instruction, please go to https://dps.ny.gov/dmm-help-electronic-filing-registration-instructions.

ATTACHMENT, prepared by Department staff.

Utility Owned Generation:

- Identify the financial impacts and risks to ratepayers of the various options proposed by BMR Energy (build transfer, develop transfer, or milestone-based transfer), Indicated Utilities (build transfer agreement), and New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (self-build model) as described in response to the July Notice. To the extent possible, include potential ways in which the risks and or impacts could be avoided, mitigated, or managed.
- What advantages and disadvantages would utilities face overall in terms of siting renewable projects that may not have been considered previously? Identify any potential shortcomings of the advantages described and any remedial action the utilities could take to address any disadvantages described.
- Identify the potential of a utility to exercise vertical or horizontal market power related, but not limited to: (a) property ownership adjacent or in close proximity to beneficial interconnection assets; (b) decisions to build or upgrade facilities that increase hosting capacity or otherwise grow its rate base; (c) impacts on the function or structure of earning adjustment mechanisms; or (d) other traditional utility functions maintained by a utility after the unbundling of generation.
- How would the utilities provide certainty and transparency to ensure that their renewable energy project(s) are not unduly favored over other non-utility projects that are further along in the Standardized Interconnection Requirements queue and/or in a better position to be built more quickly?

- Under the build transfer agreement scenarios presented in comments (Indicated Utilities), the utilities would conduct statewide joint competitive solicitations and then purchase projects after they are successfully completed by developers. How would the utilities ensure that such solicitations would be competitive, and what criteria would be applied to determine if the winning bids were competitive regarding price and other factors?
- In response to the questions posed in the July Notice, commenters suggested a Milestone-Based Transfer in which the purchase of the project would occur through a series of milestone-based payments where the developer would be responsible for obtaining the land, interconnection, permits, and developing the energy performance contract prior to the utility transfer, while the utility would be required to make payments at each development milestone. What safeguards could the utility put in place to ensure completion of the project or limit/eliminate risk to ratepayers while making the milestone payments under this model?
- In its response to the questions posed in the July Notice, the Indicated Utilities (on page 20) stated that "the intermittency of large-scale renewables severely limits any market manipulation risk" and that if the utilities were to own co-sited energy storage in the future, "utilities would develop transparent operating rules in consultation with the Department of Public Service (DPS) that mitigate market power and that it would include rules that optimize providing value to the bulk power and transmission system rather than maximizing market revenues." Specifically, prior to any DPS consultation, what criteria would be utilized to ensure that the operating rules would result in strategically optimizing the bulk power and transmission system rather than utility revenues.

- If Utility Owned generation were to be allowed, what approaches should be considered in order to optimally ensure projects are completed cost-effectively and timely. Identify the role competition should play, and how proposed approaches should be structured to leverage competition to arrive at least cost resources.

Energy and Capacity Market Design:

- In order to better align and improve existing clean energy procurement activities, including a potential utility owned generation approach, with the wholesale energy and capacity market mechanisms, what changes would be necessary with respect to: (1) Market Power Mitigation rules; (2) Bidding Requirements; (3) Capacity Auctions and Capacity Requirements; and (4) Other areas not included above?
- Is an installed capacity product an effective price signal for resource adequacy given the required future generating resource mix? If not, what are potential approaches to ensuring resource adequacy and what would be the attending price signal?
- Should alternative approaches be considered to ensure the procurement of generation resources is aligned with State policy goals. If so, which ones? Are there existing or proposed models which might be instructive, such as the State overseeing LSEs' resource adequacy portfolios (e.g., an approach similar to the one used by California) or restructuring New York Independent System Operator, Inc. rules to accommodate State policies?
- What is the State role with respect to resource adequacy matters that best serve New York's electricity customers with safe, adequate, and reliable service at just and reasonable rates in the context of State policies?
- What, if any, next steps should the Commission take with respect to potential wholesale or energy market reforms?