By email to: PowerGenPanel@dps.ny.gov

Re: Comments of the City of New York to the Power Generation Advisory Panel
February 22, 2021

Dear Members of the Power Generation Advisory Panel:

The City of New York (“the City” or “NYC”) appreciates the opportunity to provide comments to this Power Generation Advisory Panel today. The City is a strong supporter of the CAC’s efforts to implement the CLCPA and the State’s efforts to rapidly decarbonize the electric industry. The State’s goals harmonize well with the City’s own aggressive actions to reduce greenhouse gas emissions and promote climate equity. We are thankful for the efforts of this Panel, the Working Groups, the other Advisory Panels, and the Climate Action Council (“CAC”) itself to deliver a plan to meet the Climate Leadership and Community Protect Act (“CLCPA”).

Introduction

The City has a long-established history of addressing climate change and building a clean and just energy future, as outlined in Mayor de Blasio’s One New York: The Plan for a Strong and Just City (“OneNYC”; available at: http://www1.nyc.gov/html/onenyc/index.html.) OneNYC serves as a blueprint for the City to meet its sustainability goals in an integrated way. A key component of OneNYC focuses on achieving 100 percent clean electricity by 2040 and carbon neutrality by 2050. The downstate region is responsible for approximately 40 percent of the State’s greenhouse gas (“GHG”) emissions, the majority of which come from buildings. Therefore, a clean NYC grid, paired with aggressive energy efficiency and electrification efforts for buildings and vehicles, is integral to meeting the CLCPA’s goals.

1. Reducing New York City’s reliance on dirty power plants within the five boroughs is a priority for the State’s just transition.

Combating climate change and achieving the CLCPA carbon emissions reduction targets requires an ambitious and comprehensive approach. The reality of this need is magnified in New York City, where power generated by burning fossil fuels within the five boroughs currently provides 50-60 percent of the city’s annual electricity. Once the Indian Point nuclear plant—which currently supplies nearly a quarter of the city’s electricity demand—closes in April 2021, approximately 90 percent of the city’s electricity is expected to be generated by fossil fuels. Additionally, the average age of power plants within the city is almost 50 years old. Due to their age, condition, and design, many of these plants have high heat rates, which means that they burn fuel inefficiently, leading to higher GHG emissions. Existing power plants within the city not only produce significant GHG emissions, but also emit other pollutants such as nitrous oxides and particulate matter. Compounding the problem, these facilities are disproportionately located in communities of color whose residents experience high rates of respiratory ailments and
cardiovascular disease due to poor local air quality and harmful emissions.\textsuperscript{1} Increased reliance on these old, dirty power plants after Indian Point closes will only exacerbate these health problems.

2. Closing power plants within NYC requires a build-out of transmission and energy storage.

The City strongly supports efforts to site renewable power throughout the five boroughs, and small-scale rooftop solar and community solar projects are particularly promising. However, because of limited space and high construction costs, decarbonizing the city’s power generation sector will not be achieved through the construction of renewables within NYC alone. The reliability rules promulgated by the New York State Reliability Council (“NYSRC”) and implemented by the New York Independent System Operator (“NYISO”) require that existing power plants in NYC, which burn fossil fuels and are heavily-polluting, cannot be retired until there is sufficient electric generating capacity within the five boroughs to replace them. Under certain circumstances, offshore wind and upstate renewables can qualify as in-City capacity, and the City is very supportive of the State’s efforts to make this happen in the Offshore Wind and Clean Energy Standard dockets.\textsuperscript{2} Accordingly, expeditiously building transmission lines that can deliver clean power from offshore and upstate sources directly into NYC (NYISO Zone J) is critical to reduce emissions in the State and eliminate harmful pollution in NYC communities that already face disproportionate health risks.

Rapid development of energy storage resources is another critical component to reducing reliance on older, dirty power plants in the city. The City supports Governor Andrew Cuomo’s goal of installing 1,500 MW of energy storage in New York State by 2025, and this effort should prioritize NYC. Renewable energy, whether generated within the city or imported from offshore or upstate, will need to be stored in large quantities in order to retire the existing highly polluting power plants located in the city. Likewise, locating energy storage resources strategically throughout the city could help to address public policy priorities such as making energy more affordable for all consumers, improving local air quality, strengthening the resiliency of the electric system, and reducing peak load. In this regard, the City is encouraged that two of the four Enabling Initiatives discussed by this Panel at its February 12, 2021 meeting were directed at expanding existing storage technologies and focusing significant resources on developing large-scale, longer-duration storage technologies.

Finally, in order to properly incentivize investments in energy storage, it is vital that existing barriers to the accelerated development of such projects be removed. Accordingly, the

\textsuperscript{1} E.g., New York City Department of Health and Mental Hygiene, \textit{Air Pollution and the Health of New Yorkers: The Impact of Fine Particles and Ozone 25}, available at: https://www1.nyc.gov/assets/doh/downloads/pdf/eode/eode-air-quality-impact.pdf

\textsuperscript{2} Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Order Adopting Modifications to the Clean Energy Standard (issued October 15, 2020) at 77-103 (adopting Tier 4 of the Clean Energy Standard, which would procure resources deliverable into NYISO Load Zone J, either directly or over a new transmission interconnection); see generally Case 18-E-0071, In the Matter of Offshore Wind Energy, Order Establishing Offshore Wind Standard and Framework for Phase 1 Procurement (issued July 12, 2018).
NYISO and the Public Service Commission should adopt market signals, rate structures, and utility programs that are designed to provide developers with confidence in the regulatory framework in which they will operate and the value streams they can expect to receive.

3. The costs of the clean energy transition must be distributed equitably and not exacerbate energy cost burdens.

Although fully supportive of the CLCPA goals, the City is concerned about the cost impacts of CLCPA compliance on its residents. New York State has some of the highest electricity prices in the country. Notably, approximately half a million families in New York City already are classified as “energy cost burdened.” Energy affordability is especially important considering the economic hardship caused by the COVID-19 pandemic. Thus, the City’s and State’s climate change objectives must be achieved in a manner such that costs are reasonably mitigated, while ensuring that the climate justice principles of the CLCPA, including directing economic benefits to disadvantaged communities and providing family-sustaining wages in the green economy, are respected.

The cost of CLCPA compliance also must be recovered equitably. The inability of customers to pay utility bills has been shown to have serious health and economic impacts. For example, energy unaffordability has been linked to chronic stress and depression, exacerbated chronic health issues such as asthma, and negative financial repercussions such as damage to credit, which can lead to housing insecurity. New York State’s low income residents are already facing limited resources, and as a result, many individuals and families are forced to make trade-offs when paying for basic necessities, such as rent, utilities or food. Therefore, compliance with the CLCPA should be done in a way that prioritizes passing cost savings on to energy cost burdened customers.

4. Our clean energy system must be reliable and resilient to the impacts of climate change.

Decarbonization must integrate climate change risk to ensure the reliability and resiliency of our utility systems that serve millions of New York City residents. The achievement of CLCPA goals must enhance the reliability of the utility supply systems serving millions of New York City residents and supporting critical services and economic activity. Reliable and resilient utility services are critical to protecting both public health and safety. Therefore, as the CAC moves forward with recommendations to achieve CLCPA goals, reliability and resiliency must be a paramount consideration. In this regard, the CAC must coordinate closely with the NYISO and NYSRC and other independent guardians of the electric system.


Resiliency to climate change risks should be a major consideration as the Panel moves forward in developing its final recommendations. Scientific studies have clearly demonstrated that there are many future challenges due to climate change.\textsuperscript{6} The Fourth National Climate Assessment underscores the seriousness of this issue noting, “The Nation’s energy system is already affected by extreme weather events, and due to climate change, it is projected to be increasingly threatened by more frequent and longer-lasting power outages affecting critical energy infrastructure and creating fuel availability and demand imbalances.”\textsuperscript{7} Specifically in our region, increased heat with prolonged heat waves, heavy precipitation and flooding, more severe storms, and tidal inundations will require increased focus on where assets are sited, and how they are designed so that they are more capable of withstanding extreme weather events. Moreover, the risks associated with not making resilient investment decisions are likely to fall disproportionately on the residents least able to bear them. The current energy supply crisis in Texas, driven by severe weather, underscores the need for robust resiliency planning for all sources of energy, and we are confident that the CAC will ensure that investments to meet CLCPA goals will be designed to withstand the changing climate.

Conclusion

Thank you for this opportunity to comment, and the City looks forward to providing positive, meaningful input as this Advisory Panel develops its recommendations.

Respectfully submitted,

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