

PREPARED TESTIMONY OF JUSTIN E. DRISCOLL
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Submitted To

Assembly Ways and Means Committee and Senate Finance Committee

In Relation to the Governor's Executive Budget Proposal

February 7, 2024

Chairs Krueger, Glick, and Weinstein and other distinguished members of the Committees, my name is Justin Driscoll, and I am the President and Chief Executive Officer of the New York Power Authority.

Thank you for the opportunity to appear here today to discuss the Governor's Executive Budget proposal. I will also take this opportunity to discuss our progress on implementing the new authority and responsibilities provided to NYPA in last year's Enacted State Budget to advance the state's clean energy, environmental and social priorities in the Climate Leadership and Community Protection Act ("Climate Act").

The Power Authority continues to be guided by the strong leadership of Governor Kathy Hochul and the Legislature, as we all seek to create a greener, more prosperous, and more equitable New York. In 2021, NYPA updated our organization strategy to ensure that every decision we make supports New York's transition to a clean economy. Whether at our administrative offices in White Plains, or inside our St. Lawrence-Franklin D. Roosevelt Power Project in Massena, we proudly display our vision statement: "a thriving, resilient New York State powered by clean energy."

CRITICAL POWER AUTHORITY ROLES

I would like to begin by summarizing the broad reach of NYPA's work and how it contributes to the state's transition to a clean energy economy. I will focus on three broad components of the Power Authority's work: as a developer, owner and operator of energy infrastructure, as a supplier of energy and energy services, and as a leader in the just and equitable transition to a green economy.

NYPA is an experienced developer, owner and operator of energy infrastructure.

The Power Authority owns and operates 16 generating facilities, generating nearly 25 percent of all power produced in the state. More than 80 percent of the electricity we produce is clean, renewable hydropower. We also operate natural gas-powered plants in the New York City and Long Island areas. Most of those units are often referred to as peaker plants, and in accordance with last year's enactment, NYPA will develop a plan by May 26, 2025 to take those peaking units offline by 2030, subject to specified reliability and environmental considerations. Additionally, under our expanded authority, the Power Authority is working to develop new renewable generation throughout the state. I look forward to providing more details on our work later in my testimony.

The Power Authority owns, operates and maintains approximately one-third (1,400 circuit miles) of the high-voltage transmission lines in New York State. Those assets are essential components and form the backbone of the statewide energy grid for electric power transmission, and are critical to integrating existing and new renewable energy throughout New York State.

In addition to maintaining our assets, NYPA is supporting the grid of the future. No organization in the state, public or private, is doing more to support the development of New York's transmission system than the Power Authority. I would like to highlight four of our major projects, as well as their status:

- Central East Energy Connect, a 93-mile upgrade across Central New York, in collaboration with LS Power, was completed and energized on December 11, 2023. This project will save ratepayers money by relieving congestion on the power grid and allow more renewables to flow downstate.
- Smart Path, consisting of 86 miles of upgraded line capable of transmitting renewable energy at higher 345 kilovolt (kV) voltages in Northern New York, was completed and energized on May 24, 2023.
- Smart Path Connect, an upgrade of 110 miles of transmission from the top of New York State to our Smart Path line in central New York, done in partnership with National Grid, received a key regulatory milestone by obtaining Article VII certification in August 2022; and

- Clean Path NY, a project being co-developed by NYPA, Invenergy and EnergyRE, is in the Article VII process. Clean Path stands to deliver more than 7.5 million megawatt-hours of emissions-free energy directly into New York City every year.

Additionally, last May, NYPA reenergized its Long Island Sound Cable—which carries up to 600 megawatts (MW) of electricity to Long Island—after executing a significant capital project to improve its reliability for the grid of the future. And finally in June, NYPA’s Propel New York project in partnership with New York Transco, was selected by the New York Independent System Operator (NYISO) to integrate at least 3,000 MW of offshore wind energy onto Long Island and into New York City, while rebuilding the Long Island backbone with high-voltage 345-kV transmission.

NYPA is also pursuing additional opportunities to build or rebuild transmission assets, leveraging our unparalleled knowledge of the grid to bring innovative and cost-effective solutions to New Yorkers. This year, NYPA will answer the call for the largest transmission project ever announced in New York by proposing to integrate at least 4,770 MW of offshore wind energy directly into New York City.

NYPA is a reliable supplier of energy and energy services.

In addition to our work to build out the generation and transmission grid of the future, the Power Authority serves more than 1,000 customers in accordance with federal and state law. Our customers include local and state government entities, municipal and rural cooperative electric systems, and large, small and not-for-profit businesses across the state.

NYPA’s economic development power programs leverage our low-cost hydropower to encourage businesses to locate and hire in New York. Through the programs, NYPA has supported the creation and retention of more than 450,000 jobs and nearly \$54 billion in capital investment commitments by businesses throughout New York State.

In addition to receiving the benefits of NYPA power, all customers are eligible for our energy services programs. NYPA maintains a workforce of engineers and project managers to help customers every step of the way, from technology evaluation through implementation. To date, NYPA has invested more than \$3.9 billion in energy-efficiency projects at publicly owned facilities

throughout New York State. Our energy services programs have resulted in more than \$302 million in annual taxpayer savings. Those programs have reduced energy consumption in the state by 291 MW and prevented the emission of approximately one million metric tons of greenhouse gases.

I would like to take a moment to highlight a few of these programs. NYPA's clean energy advisory services have enabled more than 62.4 MW of solar and 2.4 MW of storage at our customer facilities, 40 MW of which has come online since I took on my current role in 2021.

To this end, NYPA is partnering with Albany County to build a 2.1 MW solar array near Albany International Airport and is partnering with New York City government to grow its solar capacity from 22 MW to more than 50 MW. Those are just a few examples.

Additionally, through NYPA's EVolve NY electric vehicle program and our EV charger installations at customer sites, we have facilitated the development of 725 EV charging stations at government and NYPA customer facilities throughout the state. We are continuing to work with customers to expand EV charging at their locations.

This past November, NYPA added four high-speed charges in downtown Albany in the Quackenbush garage on Orange Street. The Power Authority advances electric bus charging at the Grand Avenue Bus Depot in Queens with 17 overhead chargers and 60 more planned for 60 new electric buses in 2024, to help facilitate the zero-emission fleet by 2040.

NYPA is also partnering with the state Department of Transportation to help leverage federal funding under the National Electric Vehicle Infrastructure (NEVI) Formula Program, which provides funding to states to deploy EV charging stations and establish an interconnected national EV charging network within designated corridors. With the launch of the program in late 2023, NYPA constructed two NEVI eligible sites for a total of eight ports that are in operation, making New York one of the first states with NEVI-funded chargers in the nation. Through our partnership with the DOT, we are hoping to place 12 sites in operation in 2024 (46 ports), five sites in 2025 (24 ports) and additional sites in operation in 2026.

NYPA is helping to lead the transition to a just and equitable green economy

NYPA continues to support communities around the state and is advancing initiatives to invest in disadvantaged communities. I will mention just a few of NYPA's many environmental justice (EJ) initiatives.

One initiative is our recent \$1 million energy efficiency project at the Tuscarora Elementary School in Western New York that supports the Tuscarora First Nations people who live adjacent to the NYPA's Niagara Power Project. Our Environmental Justice Department also continues to assist the Tuscarora Nation through support of its annual Community Days and energy education workshops.

Since 2021, NYPA has also supported The Pathways in Technology Early College High School Program (P-TECH) with the goal of increasing the number of diverse students who pursue studies and careers in the utility industry. As an industry partner, NYPA provides energy expertise to align technical skills and workplace competencies with curriculum and course offerings. We also provide paid internships, mentorship opportunities, college and career readiness workshops, and dedicated staff to participate on the Grades 9-14 Steering Committees and Working Groups.

I am proud to report that the program has grown from supporting three programs in 2019 to eight programs across New York State this year. NYPA has supported 82 paid summer internships to date. The interns are trained and obtain industry-recognized certifications in a variety of utility-related technologies.

NYPA has also committed funding to support the New York City Housing Authority's Clean Energy Academy, a two-year scalable program that will train 100 public housing residents in clean energy careers. This funding will support curriculum development and bridge training for residents who do not have the minimum qualifications to access the Clean Energy Academy. The first cohort of 24 NYCHA residents graduated in August 2023 after completing 280 hours of building electrification, clean energy technologies and energy efficiency courses.

Last year, we launched initiatives with the New York City Housing Authority and the New York State Energy Research and Development Authority (NYSERDA) to install modern induction electric stoves and window heat pumps in New York City public housing. We awarded funding to

Bronx Community College to develop a cleaner, greener college sustainability program, and an expanded rooftop garden for Variety Boys and Girls Club in Queens. And NYPA supports urban farming by funding an indoor hydroponic farm on Buffalo's East Side and a hydroponic lab at The Bilingual School in the Bronx.

Finally, the Power Authority has completed its work under the state's ConnectALL program to make high speed internet available to residents in rural communities, using excess fiberoptic capacity. Under ConnectALL, more than 3,000 homes and businesses in rural communities will have access to high-speed internet. This month, Governor Hochul announced federal funding to connect tens of thousands of homes to high-speed broadband internet based on the ConnectALL model.

PROGRESS ON EXPANDED AUTHORITY

Since the enactment of NYPA's expanded authority last year, the Power Authority has made our new authority to develop new renewable generation assets our primary focus.

Stakeholder Conferral Process

In 2023, NYPA completed its first annual conferral process and reported on the results of that process in December 2023. We had the privilege of conferring with more than 50 stakeholders from diverse backgrounds and received insightful feedback on stakeholder views of the state's progress toward achieving Climate Act goals, the timing of the power grid operator's interconnection process, and NYPA's proposed role in developing new renewable generation.

It was clear from this first engagement that there is broad consensus around the need for a NYPA to play a in building renewables. The Power Authority will continue to solicit stakeholder engagement through our annual process and through our NYPARenewablesConferral@nypa.gov email account. All feedback will be compiled and published on our website. Through our biannual NYPA Renewables Strategic Plan, we will highlight how specific insights from stakeholder engagement have informed the plan.

NYPA Renewables

NYPA is actively pursuing renewable energy projects. Each project will be identified in the NYPA Renewables Strategic Plan, the first of which will be published no later than January 2025, preceded by written comments and public hearings on a draft of the report.

To move quickly, I hired a Vice President of Renewables to develop and lead our operating model for developing renewable generation projects, and we are actively recruiting additional staff.

We are grateful to the members of the Assembly and Senate who have reached out to our team to suggest projects or locations that may be a good fit. We invite those suggestions from members. We are also partnering with our sister agencies, such as the Office of General Services, to expedite project development on suitable state land under NYPA's authority, ensuring mutual benefit and alignment with agency goals. This is just one part of the whole-of-government approach to advancing clean energy in New York State.

Key to the success of NYPA Renewables will be leveraging NYPA's resources, time, people and money to maximize the amount of renewable energy we can enable. In January, we issued a Request for Information to private industry to understand potential interest and opportunities for NYPA to collaborate with renewable developers to build, own and operate renewable generating projects and storage systems. Submissions are due February 7 and we have already received a robust response.

Small Natural Gas Power Plant Decarbonization

NYPA is examining the issues involved with ceasing electricity production at our small natural gas power plants in New York City and Long Island. In accordance with the 2023-24 Budget, NYPA's plan and recommendations will be set forth in a report published in May 2025. NYPA is also considering options for building energy storage or renewable generation development at these sites. We anticipate a robust engagement with residents of affected communities and other affected stakeholders as part of the decision process.

Decarbonization Leaders 15

NYPA is also leading the Decarbonization Leadership Program, a decarbonization and electrification initiative announced by Governor Hochul in October, that includes developing energy and emissions profiles for some of the state's largest carbon-emitting facilities, and decarbonization action plans, that will guide state agencies on facility improvements to reduce carbon emissions in support of Climate Act goals. NYPA has started work at nearly every facility. We are drafting data collection and reporting requirements, and are finalizing efforts to onboard contractors to begin the analyses in earnest this spring.

REACH Program

On January 31, nearly three months before the May 3 deadline set by the enactment, NYPA filed a petition with the state Public Service Commission (PSC) to establish the Renewable Energy Access and Community Help program, or REACH. NYPA conferred with the PSC and NYSERDA on designing the program to provide bill credits starting with low-income electricity consumers.

We have proposed building on the existing Energy Assistance Program and on the Statewide Solar for All Program that Governor Hochul announced in her 2024 State of the State address to deliver REACH bill credits to low-income New Yorkers. Working with our sister agencies, other utilities and stakeholders, our plan is to have the REACH bill credit structure ready when renewable generation projects are developed, and revenues become available to help fund bill credits.

Workforce Training

The clean energy transition means clean energy jobs. NYPA will invest up to \$25 million annually into workforce training to support transitioning current workers in fossil fuel-based plants into clean energy jobs, as well as training for the next generation of clean energy workers. In addition to evaluating and expanding NYPA's workforce training efforts, some of which I have described earlier in my testimony, we are also exploring opportunities for retraining those of our employees who may be impacted by the transition from fossil fuels. Additionally, we are poised to enter into a cooperative agreement with the state Department of Labor regarding collaboration on workforce training programs focusing on renewable energy.

Conclusion

Lastly, I would like to highlight NYPA's stewardship of the New York State Canal System. Since we took over management of the New York Canal System in 2017, we have brought our industry-leading project management and engineering expertise to the Canals. During those years, NYPA has supported the development of a Dam Safety program and an inventory of the vast majority of assets along the 524-mile system. We have also funded significant infrastructure and recreational efforts.

While we have greatly increased the investment in the Canal System to approximately \$140 million per year, there is still significant work to be done to protect these critical, water-impounding structures and the communities beside them. It is for that reason that we are grateful for the \$50 million appropriated to Canals in the Governor's 2024 Budget proposal. This funding will allow NYPA and Canals to invest in critical safety work, such as dam and lock repair, as well as flood mitigation, while also ensuring that NYPA can continue to invest significantly in NYPA Renewables and other priority areas.

Thank you for your time today. NYPA will continue working hard to implement our expanded role to advance the Climate Act goals and other State priorities.

I'm happy to respond to any questions.