ACE NY
ALLIANCE FOR CLEAN ENERGY NEW YORK, INC.

2025 Senate Hearing

on Public Service Commission's Proceedings

September 30, 2025

TESTIMONY of

Marguerite Wells, Executive Director, Alliance for Clean Energy New York

[mwells@aceny.org; 607-342-6805]

Thank you for the opportunity to provide testimony on the Public Service Commission processes related to rate cases and the Department of Public Service efforts to implement New York's Climate Law on behalf of the Alliance for Clean Energy New York. The Alliance for Clean Energy New York (ACE NY) is a broad coalition dedicated to promoting clean energy, energy efficiency, a healthy environment, and a strong economy for the Empire State. ACE NY is New York's premier advocate for the rapid adoption of renewable energy, energy efficiency, and transportation electrification technologies. Our members include renewable energy and energy efficiency companies, including companies that are currently operating renewable energy facilities in New York, such as hydropower and wind facilities, and those pursuing opportunities to invest in New York to build land-based wind and offshore wind, community solar and grid-connected solar, energy storage, fuel cells, and transmission. We also have member companies that manufacture electric vehicles or electric vehicle charging infrastructure or otherwise support the electrification of transportation. You can learn more about ACE NY at www.aceny.org.

New York has laid the groundwork for robust programs to address our climate emissions. Now, we are at the point where we need to take the hard steps necessary to fully implement these programs. ACE NY would like to thank the NYS Senate for taking bold action to address climate change. The Climate Leadership and Community Protection Act (CLCPA) contains the word leadership in its very title. That choice is deliberate: to set precedent in climate action, New York must lead. Leadership requires calculated risk-taking and a willingness to show the way forward. Addressing climate change does not weaken our state; it makes it stronger by generating lower cost electricity, weatherizing our buildings so heating and cooling is more affordable, creating good paying jobs across the State, and improving our health with reduced air pollution. New Yorkers spend $28 billion importing energy from out of State[1] – Imagine how strong our state would be if those billions of dollars were invested in the New York State economy by generating our own energy.

New Yorkers continue to experience the increasing effects of climate change. Last August, floods led to the declaration of states of emergency on Long Island, causing evacuations and destruction of infrastructure, with damage in Suffolk County estimated at $25 million. A historically dry fall in 2024 led to wildfires in New Jersey sending smoke to cover much of the Hudson Valley and Capital Region. And we are again facing drought conditions this fall. New York set a new record for tornadoes reported, with four hitting Western New York in two hours in July 2024.

New York State's Climate Impact Assessment paints a stark picture of how climate change will affect the state. It predicts that by 2050, there will be 5-9 multiday heat waves affecting the state, and all parts of the state will see days with a heat index over 103^{o}F. The Assessment estimates a 1-8% increase in rain and snow across the state by 2030, with an increase up to 12% by 2050. The eastern part of the state is predicted to experience at least one 4-inch rainstorm per decade by 2050. The Assessment concludes that, "*there is **high** confidence that flood intensity and damages will increase during the 21st century. Such a conclusion is arguably intuitive when coupled with this assessment's projection of more frequent and intense heavy precipitation events.*"[2]

[1] https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Energy-Analysis/EEAPT2024-3NYS-Energy-Profileacc.pdf
[2] New York State Climate Impacts Assessment: Chapter 2: New York State's Changing Climate (nysclimateimpacts.org)

To quote the United Nations Environment Program Executive Director, Inger Andersen, "*We must instead lift the needle out of the same old groove of insufficient ambition and not enough action, and start setting other records: on cutting emissions, on green and just transitions*"[3]

Among New York's energy regulators, the Public Service Commission (PSC) and Department of Public Service (DPS) occupy the lead role. To their credit, they have enacted policies and approved projects that advance CLCPA goals. ACE NY also wants to acknowledge the Office of Renewable Energy Siting and Electric Transmission (ORES) within DPS, which has made remarkable improvements in the past year. Following a critical Comptroller's audit[4], ORES has turned its processes around and is now reviewing projects far more efficiently.

PUBLIC SERVICE COMMISSION ACTIONS

Three recent PSC decisions illustrate a troubling lack of fairness and direction in our state climate policy. Collectively, these actions risk backing New York into a corner—one that delays our transition away from carbon emitting energy sources instead of enabling the orderly clean energy transition envisioned by the CLCPA.

First is the rejection of the New York City Public Policy Transmission Needs (PPTN) project. This PPTN was intended to study the transmission landing needs of offshore wind projects but was dismissed due to anticipated delays in federal permitting for offshore wind in general. Rather than modify the order to allow time to consider new construction/development schedules, while design and permitting advanced at a lower cost, the PSC cancelled it outright. Transmission planning (for any resource) takes as long as offshore wind development itself; both must begin well in advance. By cancelling rather

[3] https://news.un.org/en/story/2023/11/1143777
[4] https://www.osc.ny.gov/state-agencies/audits/2024/04/24/application-review-and-site-permitting-major-renewable-energy-projects

than carefully tailoring the order, the PSC sent a chilling signal to investors: New York is not open for business for long term investment in infrastructure.

Second, the rejection of the Clean Path New York transmission project as a priority project for NYPA. After evaluation of 15 alternatives, this project had advanced significantly in design, permitting, and procurement. Its dismissal—based on perceived imperfections—further delays solutions to the long-standing need for upstate generation to be transmitted to downstate, exacerbates congestion costs borne by New York City ratepayers, and slows renewable deployment upstate. Imperfect though it may have been, it was a viable step forward. Delay only creates uncertainty and raises eventual costs, undermining the Commission's stated goal of ensuring minimal ratepayer impact while providing clean, reliable energy.

Texas provides an instructive contrast. Despite a far less supportive political climate, Texas demonstrated leadership when it approved the Competitive Renewable Energy Zone (CREZ) transmission build-out into areas with expected new renewable generation, which became the foundation of the state's renewable boom. New York has yet to show similar foresight. Transmission is never wasted in today's world of rising demand; it is the enabler of clean generation.

Third, while these renewable transmission projects have languished, the PSC recently expressed support for a natural gas pipeline inconsistent with CLCPA goals. This energy transmission project will also increase ratepayer costs for decades for energy that the CLCPA states we should be phasing out. In this decision, the perceived need for reliability trumps ratepayer costs and climate emissions. The PSC should consider all energy transmission projects with the same degree of scrutiny. We need to invest in electric transmission now to ensure reliability in the future. The developers of offshore wind and upstate renewable projects need the certainty that the electricity they generate will have the transmission in place for it to be delivered to New Yorkers. The PSC needs to invest in electric transmission projects to stop the chicken and the egg conundrum that slows down investments in renewable projects.

The path forward requires leadership. The PSC should:

- Issue a new New York City PPTN order that addresses prior challenges while signaling renewed momentum for offshore wind.
- Direct the NY Power Authority (NYPA) and/or private developers to build critical upstate–downstate transmission, finally relieving congestion and enabling renewable delivery and contributing to affordability.
- Recognize that delay is itself a decision—one that raises costs and reduces options for ratepayers.

ACE NY proposes the following additional recommendations for the Public Service Commission to address climate change and accelerate the clean energy transition:

Direct Utilities to Make Interconnecting Completed Renewable Projects a Priority. The NY Independent System Operator (NYISO) has revised its interconnection process which should reduce the delays for renewable projects to receive interconnection approvals, but there remain risks of significant delays by utilities in completing the grid upgrades necessary to interconnect a project. Renewable projects that have completed construction and are ready to start generating electricity are waiting months for the utilities to finish their grid construction. The Public Service Commission (PSC) should review these delays and establish protocols for utilities to initiate grid upgrades when they become aware that a renewable project has received its final permit approvals.

Direct the PSC to Select one or more upstate PPTNs to Assist in Solving Transmission Constraints. Currently, one of the largest barriers to the decarbonization of the New York grid is insufficient transmission capacity in certain locations. This restricts the interconnection of renewable energy projects and results in the congestion or curtailment of renewable power. The loss of this lower cost electricity increases New Yorkers' energy costs. The PSC, in consultation with New York Power Authority (NYPA), NYISO, and the NYS Energy Research and Development Authority (NYSERDA) should identify three or more areas on the grid where there is renewables development potential in terms of resource or land availability but where this development is limited by a lack of transmission capacity. This is materially different than the Clean Energy Zones approved in the 2025 budget. An alternative approach would be to utilize NYISO's identified Areas W1 and Y1 from its *2023-2042 System and Resource Outlook*[5]. NYISO should subsequently be directed by the PSC to study and propose bulk transmission solutions for these "Constrained Grid Zones" by December 31, 2026. This effort would complement and contribute to the Comprehensive Grid Planning Process (CGPP) that the PSC is currently pursuing but with a focus on local transmission solutions (as opposed to bulk transmission needs).

Establish a Flexible Interconnection Program. ACE NY urges the passage of S.6570 (Harckham) / A.8758 (Barrett). The bill requires the PSC to establish a flexible interconnection program, which will reduce interconnection costs and lead to ratepayers' savings. The State recently announced it had met the Climate Law goal of deploying 6 GW of distributed solar by 2025 and is well on its way to meet the Governor's expanded goal of 10 GW by 2030, with over 3.4 GW under development. With this rapid installation of distributed solar, it is time to increase the goal to 20 GW by 2035. This expansion of rooftop and community solar will result in $50 billion in savings to ratepayers with reduced electricity costs and 15,000 jobs.

Reduce Residential Heat Pump Electricity Costs. The success of the Clean Heat Program has led to a growing adoption of heat pumps, and the reauthorization of the program will see a continued transition to residential heat pumps. At the same time, we are seeing electricity rates rise. The State should direct the PSC to initiate a proceeding to require the utilities to develop an electricity rate for heat pump users, so they do not see their energy bills skyrocket. This proceeding should also require the utilities to make enrollment in the

[5] New York Independent System Operator. 2023-2042 System & Resource Outlook (The Outlook). July 23, 2024. https://www.nyiso.com/documents/20142/46037414/2023-2042-System-Resource-Outlook.pdf/8fb9d37a-dfac-a1a8-8b3f-63fbf4ef6167

new rate easy, and an enrollment opt-in as part of their Clean Heat program. Currently, ConEd has a heat pump rate, but less than 500 households are enrolled. Thousands of customers could see reduced energy bills if ConEd increased public outreach and simplified enrollment.

Remove Renewables from Outdated Requirements. "Alternative energy production facilities" should be excluded from regulation under sections 68, 69 and 70 of the Public Service Law. These sections were enacted when utilities owned power generation plants and are not relevant to privately owned wind and solar projects. For example, Part 68 requires the submission of a corporation's financial data to protect ratepayers from cost overruns, these protections are not applicable to renewable energy projects that are not funded by utilities. Part 69 requires approval by the Public Service Commission before any stocks or bonds can be issued by an electric or gas corporation. Again, as privately constructed and owned renewable energy projects are not paid for by utilities, and therefore these ratepayer protections do not need to be applied to renewable energy projects. Part 70 requires the PSC to approve any transfer or lease of any gas or electric corporation system or works, which is also no longer relevant as these are privately owned renewable projects. These requirements slow down renewable development with no benefit to ratepayers or the general public.

Last year, the Renewable Action through Project Interconnection and Deployment (RAPID) Act moved the Office of Renewable Energy Siting and Electric Transmission (ORES) from the Department of State to the Department of Public Service. All renewable projects greater than 25 MW are now permitted through ORES allowing DPS lifetime oversight of these renewable projects. Sections 68, 69, and 70 are outdated requirements on top of what is needed for an ORES permit and a NYSERDA contract and add to legal fees and delays without offering value. Even after (Department of Public Service (DPS) staff approval of this added paperwork, PSC approval is needed, and it needs to be placed on a PSC agenda, resulting in months-long delays. These unnecessary steps should be eliminated and renewable projects that have received an ORES permit should be exempt from the paperwork of Sections 68, 69 and 70.

DEPARTMENT OF PUBLIC SERVICE ACTIONS

Reduce the Permitting Review Time at ORES. The Office of Renewable Energy Siting and Electric Transmission (ORES) has taken significant steps to reduce review timeframes. The Big Beautiful Bill has revised the dates for a project to start construction or be operational to be eligible for the Federal Investment Tax Credit (ITC). The ITC saves ratepayers money by lowering renewable construction costs. The new dates are July 4th, 2026 to start construction or have a Commercial Operation Date by December 31st, 2027. Given this tightened time frame, ACE NY has a few suggestions for ORES to reduce permitting times. ORES should coordinate with the Department of Environmental Conservation on comment review, so ORES Staff's Notice of Deficiency is provided to the developer at the same time as the regional stormwater permit comments. ORES should coordinate with the DPS Staff on Section 68 Certificate of Public Convenience and Necessity (CPCN) review to allow for tree-clearing prior to full section 68 review/approval to ensure projects can meet the start of construction deadline in time for the ITC. ORES should allow significant modifications to the compliance filing process to allow projects to progress construction in stages, and during construction, empower DPS field staff to approve minor changes without the days-to-weeks delay encountered by central staff approvals.

OFFSHORE WIND ACTIONS

Transmission Upgrades and Coordination. New York's outdated downstate grid is congested and lacks access points which is a major barrier to connecting offshore wind energy generation. ACE NY supports coordinated transmission planning which will reduce costs by allowing multiple developers to plug in efficiently rather than piecemeal. Unfortunately, past underinvestment has created massive upgrade needs but starting these upgrades now is the cheaper option and avoids compounding ratepayer costs. This will require strong coordination among state agencies, NYISO, utilities, and municipalities. These transmission upgrades could save New Yorkers $40–70 billion in production costs, in addition to public health and environmental benefits from offshore wind generation.

Energy costs are likely to continue to rise for all energy resources, but renewables remain the most affordable path long-term. The longer we wait, the fewer choices we have and the more expensive those choices become. True to the CLCPA's mandate, New York must lead—through decisive action, consistent policy, and the infrastructure that will make a clean energy future possible.

Thank you for the opportunity to provide input. ACE NY looks forward to continuing to work with the New York State Senate to create a clean and equitable future for all New Yorkers.