Opening Remarks for the New Energy Symposium Panel on Clean Energy Policy

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Organized under Governor Paterson’s goal to meet 45 percent of our state’s electricity needs through energy efficiency and renewable energy by 2015, New York has significantly expanded its suite of clean energy policies and programs.

We’ve taken a number of concrete steps to meet this goal, and by way of introduction for this panel, I’d like to summarize them.

Recognizing that utilities needed to be a part of the energy efficiency solution, the Public Service Commission in 2007 ordered that all utilities develop “revenue decoupling mechanisms” for all new rate plans. In the past, a utility would make more money if they sold more electricity. Through revenue decoupling we have removed the link between energy sales and profits, and thus removed a significant disincentive to energy efficiency.

This opened the door to utility-sponsored efficiency programs in addition to those administered by the New York State Energy Research and Development Authority.

Since 2008, New York’s Public Service Commission has approved over $900 million in new efficiency programs with some programs being delivered by utilities and others continued by NYSERDA.

Similarly, our state-run utilities -- the Long Island Power Authority and the New York Power Authority -- have expanded their efficiency programs. This year LIPA increased its funding for energy efficiency by 65% to $50 million, and plans to spend nearly $1 billion on efficiency over the next ten years.

With Assemblyman Cahill’s help, we enacted legislation to allow NYPA to finance energy efficiency improvements in any public building in the State as well as private entities that receive benefits under NYPA’s economic development programs, and NYPA is now financing approximately $135 million per year in clean energy retrofits.

New York is also overseeing a tremendous influx of federal clean energy funds thanks to the American Recovery and Reinvestment Act. State agencies are administering more than a half billion dollars in Recovery Act funds for clean energy retrofits in homes, schools, hospitals and public buildings.

Most recently, we secured $40 million in Recovery Act funds to develop alternative financing programs like Property Assessed Clean Energy or PACE financing, which would not have been possible without first enacting legislation to allow municipalities to provide such loans for clean energy retrofits. More work is needed to make PACE a reality.
We also enacted the Green Jobs Green New York legislation, which will provide clean energy loans for residents and businesses using proceeds from the Regional Greenhouse Gas Initiative and provide funding for clean energy job training.

This session, the Legislature passed a Governor’s program bill to expand the number of consumer products for which the State can set minimum efficiency standards.

We are also working to:

- improve the State’s building energy code; and
- pass “on bill recovery” legislation that would allow customers to pay back clean energy loans through their utility bills.

We’ve also moved aggressively to expand policies to accelerate renewable energy deployment:

In 2009, the Public Service Commission increased the State’s Renewable Portfolio Standard to 30 percent to meet the Governor’s call for 45 by 15. We estimate that this program will commit $2 billion in public incentives for renewable projects over the next five years.

NYPA is currently reviewing 5 bids for offshore wind projects in the Great Lakes. And NYPA and LIPA are working with New York City and Con Edison on an offshore wind initiative off the coast of the Rockaways.

This year, construction will begin on a 37 megawatts (MW) solar array at the Brookhaven National Lab which will be the largest solar plant in the Northeast. The project was one of two selected by LIPA as part of its effort to build 50 MW of solar on Long Island.

The New York Power Authority will soon select the winning bids in its RFP for 100 MW of solar statewide. With these two initiatives we will increase the installed solar capacity in New York State by 700%.

Lastly, working with Assemblyman Cahill, we have jumpstarted solar installations in the commercial market by expanding net metering for commercial systems up to 2 megawatts.

In closing:

In just the past three years, we’ve set a goal to reduce energy use 15% by 2015. To get there, we’ve removed utility rate structures that discouraged utilities from embracing efficiency programs; we’ve dramatically increased funding for programs that incentivize consumers to invest in efficiency; we’ve expanded financing opportunities to get more
public and private buildings retrofitted using private dollars, and we’ve started to improve our appliance standards and codes.

On the renewable front, we’ve increased the State’s Renewable target to 30% by 2015. We’ve set us on a path to commit $2 billion in renewable energy incentives through 2015; we’ve engaged NYPA and LIPA to use their purchasing power to drive solar and offshore wind investment, and we’ve improved our net metering laws to encourage more distributed generation.