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Via Electronic Filing

January 6, 2023

New York State Energy Research
and Development Authority
17 Columbia Circle
Albany, NY 12203

RE: Regional Greenhouse Gas Initiative Operating Plan Amendment

To Whom It May Concern:

The New York Municipal Electric Utilities Association (“MEUA”) hereby submits the following comments on the Draft 2023 Operating Plan Amendment (“Draft Amendment”) issued by the New York State Energy Research and Development Authority (“NYSERDA”). The MEUA generally supports NYSERDA’s efforts to extend program offerings to municipal utility customers. However, proposed funding levels are inadequate to meaningfully reduce the State’s greenhouse gas emissions from this important sector.

Introduction.

The MEUA is an association of 40 municipal corporations that operate municipal electric utilities in New York State. The MEUA was formed in 1930 to represent its members’ interest with respect to the efficient and cost-effective provision of electric services to its members’ ratepayers. These municipal systems are customer-owned, not-for-profit enterprises. Most members are small, rural villages. Many are located in disadvantaged communities. The majority of the power requirements for MEUA members are supplied with zero-emission, fully renewable power from the Niagara Power Project. Most members’ power supply is entirely carbon free.

Energy efficiency is a top priority for the MEUA. Hydropower represents the overwhelming majority of the State’s renewable energy production. Conserving and responsibly utilizing this priceless resource is vital. The MEUA has a long history of proactively adopting energy efficiency programs to achieve this goal. Because MEUA members do not pay a System Benefit Charge, they are ineligible for Clean Energy Fund programs or the vast majority of NYSERDA programs. The MEUA self-funds its energy efficiency efforts through the Independent Energy Efficiency Program (“IEEP”).

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The IEEP was created in 2001 as a replacement and expansion of the MEUA Energy Efficiency Program, which had been operating since 1995. The IEEP is a not-for-profit corporation, and the mechanism used by the Municipal Utilities to advance the State's energy efficiency goals. The IEEP is a cooperative entity of its member municipal systems designed to implement energy efficiency and system benefit projects, as well as renewable resource demonstration and education programs, in the participating municipal systems' service territories.

Comments

The Pilot Projects with Municipal Utilities program ("Municipal Pilot Program" or "Program") should be extended and expanded. MEUA members (like all other load in the State) have been contributing to Regional Greenhouse Gas Initiative ("RGGI") program revenues since the program's inception. Collectively, the MEUA represents more than 2% of the State's total load. Nevertheless, until recently, MEUA members have not had access to nearly that number of RGGI funded programs.

In apparent recognition of this disparity, NYSERDA first established the Municipal Pilot Program in the 2021 Operating Plan. That proposal included an allocation of \$1 million annually over the three-year plan to develop partnerships with municipal utilities and/or rural cooperatives for innovative approaches to energy efficiency or clean energy investments that would both advance the realization of the CLCPA renewable and zero-emission electricity system goals for these systems, as well as provide insights for technology applications or clean energy market approaches that could be applied in service territories across the State. Under the Municipal Pilot Program, NYSERDA would work with Municipal Utilities (as well as other State energy agencies and authorities) on valuable projects, which may include activities for low- and moderate-income energy efficiency; renewable energy integration into existing systems; battery storage applications; and other demonstrations that may help leverage funding from third-party sources and that will generally advance deep decarbonization for the utility systems and the State.

The Municipal Pilot Program has been a tremendous success. NYSERDA's RFP 4942 issued to implement the Program was oversubscribed, and nearly the entire Program budget was awarded to worthy applicants. Nevertheless, the Draft 2023 Operating Plan proposes neither additional funding nor extending the Program beyond the 2023 – 2024 fiscal year. Instead, the programs receiving new funding available for municipal utility customers appear to focus exclusively on direct consumer assistance. This oversight misses an opportunity to work with the Municipal Utilities directly to further the State's goals. NYSERDA should expand and extend the Municipal Pilot Program so that MEUA members' unique knowledge of, and access to, their customers can be effectively leveraged. Three million dollars is too small to produce meaningful results, especially when measured against the number of utilities and customers covered.

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Please contact the undersigned should you have any questions. Thank you.

Respectfully submitted,
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