

PROGRESS AND PAUSE FROM NY'S PUBLIC SERVICE COMMISSION: OFFSHORE WIND PROGRAM AUTHORIZED, BUT NY-SUN APPROVAL DELAYED

Hodgson Russ Renewable Energy Alert
April 23, 2020

In a move that came faster than expected and only three days after the proceeding's comment period closed, the New York State Public Service Commission (PSC) today voted to approve the New York State Energy Research and Development Authority (NYSERDA)'s Petition to authorize Phase II of the State's offshore wind program, up to 2,500 additional megawatts ("MWs").^[1] An Order has yet to be issued, but is expected to be posted soon. All eyes will now turn to the timing of NYSEDA's next solicitation.

The Commissioners who supported the Order highlighted the timeliness of this decision, echoing the reasons NYSEDA cited in its Petition – namely, that the State's ambitious nine gigawatts ("GWs") by 2035 offshore wind target requires that the State make progress now in order to secure the economic benefits of this new industry. These benefits come from the 18% federal Investment Tax Credit (ITC) for wind facilities that commence construction in 2020 and competition from neighboring states who are advancing their own offshore wind procurements. According to NYSEDA's Petition, timing of the Phase 2 solicitation is critical for realizing the potential cost-savings to ratepayers.

Commissioner Diane Burman voted 'no' based in part on concerns over the timing of the Commission's decision. Other Commissioners acknowledged the need to proceed with caution in light of the pandemic, but nonetheless supported advancing the item as a positive signal to the industry.

In another surprise at today's session, the Commission removed consideration of NYSEDA's NY-Sun Expansion Petition from the agenda, which sought \$573 million in addition funding to reach the State's distributed solar target of six GWs by 2025. We analyzed the substance of this proposal when it was filed – see [here](#). The final agenda posted the day before session included the NY-Sun item, but it was subsequently removed in a last-minute update to the agenda by the Secretary.^[2] At its March session, the Commission declined to evaluate additional funding requested in NYSEDA's Community Adder Petition, stating that it would instead take the issue up in the context of NYSEDA's six GW program expansion request at the

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April session. No explanation was provided for the item's removal from the agenda, and there is no indication as of yet when the Commission will authorize a path forward for the State's distributed solar program.

As New York State's renewable energy regulatory environment continues to unfold, Hodgson Russ's Renewable Energy Practice is ready and available to answer your questions. Please don't hesitate to reach out to Noah Shaw (518.736.2924) or Dan Spitzer (716.848.1420).

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^[1] Case 18-E-0071, NYSERDA Petition Regarding Offshore Wind Procurement, Authorization for 2020 Procurement (filed Jan. 28, 2020).

^[2] See [http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/ArticlesByCategory/F362ED9C2E2C6D2D852585520071C17F/\\$File/pr20040.pdf?OpenElement](http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/ArticlesByCategory/F362ED9C2E2C6D2D852585520071C17F/$File/pr20040.pdf?OpenElement).