



NYSERDA

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April 25, 2017

SENT VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. AD17-11-000 - State Policies and Wholesale Markets Operated by ISO New England Inc., New York Independent System Operator, Inc., and PJM Interconnection, L.L.C.

Dear Secretary Bose:

For filing, please find the Pre-Technical Conference Statement of Janet Joseph, on behalf of the New York State Energy Research and Development Authority in the above-entitled proceeding. The parties have also been provided a copy of this filing, as indicated in the attached Certificate of Service. Should you have any questions, please feel free to contact me at (518) 862-1090.

Very truly yours,

Noah C. Shaw
General Counsel

Attachment
cc: Service List

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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

State Policies and Wholesale)
Markets Operated by ISO New)
England Inc., New York) Docket No. AD17-11-000
Independent System Operator,)
Inc., and PJM)
Interconnection, L.L.C.)

PRE-TECHNICAL CONFERENCE STATEMENT by Janet Joseph,
New York State Energy Research and Development Authority

INTRODUCTION

My name is Janet Joseph, and I appreciate the opportunity to appear as a panelist in this Technical Conference on behalf of the New York State Energy Research and Development Authority (NYSERDA). I will focus my remarks on existing New York energy and environmental policy, and efforts underway in New York to realize the objectives of those policies.

I have worked for NYSERDA since 1991 and currently serve as Vice President for Innovation and Strategy. My direct responsibilities include the implementation of NYSERDA's Clean Energy Standard activities, advancing the State's policy to achieve 50% renewable electricity by 2030; the \$1 billion NY-Sun Initiative, supporting the development of a self-sustaining solar photovoltaic industry in New York; and NYSERDA's Research and Development and Distributed Energy Resource programs. Prior to joining NYSERDA, I served as a Research Scientist at Battelle Pacific Northwest National Laboratory and as an environmental consultant at Booz Allen Hamilton.

DISCUSSION

New York State energy and environmental policies are focused on building a clean, resilient and affordable energy system for all New Yorkers. This framework is embodied in our "Reforming the Energy Vision" (REV) initiative. REV was designed in recognition that a 'business as usual' approach will result in increasing peak demand, challenges to utility capital formation for system investment, and increased costs to consumers. New York's REV policies will drive capital investment toward a more flexible grid, improve capital efficiency, augment system resiliency, and use technology and grid operation strategy to improve the grid's environmental footprint.

Much of this strategy is memorialized in the 2015 New York State Energy Plan, issued by the New York State Energy Planning Board. The Planning Board, per the Energy Planning Law,¹ is interdisciplinary in its construction, and includes the New York Independent System Operator as a non-voting member.

Among other outcomes, the 2015 Plan advances a central tenet for New York energy policy - working through markets to ensure clean, resilient and affordable energy systems, with a strong focus on customer preferences. In the Public Service Commission's REV proceedings, the Commission is fostering competitive retail markets through both rate design that more accurately and timely reveals the

¹ New York Energy Law Article 6.

value of distributed energy resources (DERs) to consumers, as well as support for the technology and services markets that will emerge to meet that informed consumer market. Central to REV is the recognition that environmental and economic value of all resources can be embedded within the prices seen by customers. As an example, while demand response now serves utilities and consumers as a "regulatory" mechanism focused on reliability protocols, REV's goals include for customers to pursue demand response and other DERs to realize economic advantage, and for utilities to more freely and efficiently invest capital. As stated in the 2015 Plan:

REV will increase opportunities for existing and new market participants to develop both central and distributed generation resources, which will create value for New York's consumers, more energy sector jobs, and a cleaner energy generation mix.²

Similar to other industries that have redesigned business models from a "production push" model to a "customer pull" model, we see an emerging electric industry where retail markets will inform market actors, based upon technology and changing customer preferences.

The State's 2015 Energy Plan also establishes three Clean Energy Goals for achievement in 2030. Chief among these is a 40% reduction in greenhouse gas emissions from the energy sector.³ Supporting this emissions reduction goal are objectives of achieving 50% renewable

² The Energy to Lead, 2015 New York State Energy Plan at 57.

³ For purposes of the 2015 Plan, the energy sector emissions comprises fuel combustion for electricity production, space and water heating and transportation, as well as other emissions from utility systems.

electricity to meet New York requirements, and a 23% all-fuels energy efficiency gain over 2012 levels. New York's Energy Planning Law also requires that state agency actions be consistent with the state energy plan; only upon a finding of changed material circumstances can agencies act contrary to the direction established in the energy plan.⁴

State actions implementing these goals include the Clean Energy Standard and the Clean Energy Fund. The Clean Energy Standard targets supply-side resources in advancing the "50 by 30" renewable goal; the 10-year Clean Energy Fund targets DERs, and advances market development and R&D efforts for technologies and new business models that foster at-scale markets. Each initiative is required to demonstrate appropriate contribution to the emissions reduction goal of the 2015 Plan.

The NY-Sun Initiative is one example of state policy success. NY-Sun targets all market activities that result in an installed system, employing policy and market approaches that reduce overall customer costs. As more projects benefit from this comprehensive approach, a glide-path to market self-sufficiency is created. The approach is making success, with 800% growth in the New York State solar market since 2011, and the elimination of support incentives in the Long Island market, without a drop in market activity. NY-

⁴ Energy Law Sec. 6-104(5)(b).

Sun shows that uninterrupted state energy and environmental policies can and do provide sufficient opportunity for market participants, and result in measurable environmental benefit.

While NY-Sun represents a policy success, the uncertainty in technology evolution and emergence of retail markets reveals the prudence in ensuring that states have the ability to develop policies, in collaboration with local market actors and stakeholders, that meet policy and system requirements. Integration of transportation and buildings energy requirements with the power grid provides an example of next generation policy that advances emissions reduction objectives. Through REV, the State is also beginning to re-envision local utilities as intermediaries between the wholesale and retail markets. Collaboration with the FERC, the NYISO and others on the nexus between policy and markets will be necessary for successful realization of New York's energy and environmental policies.

CONCLUSION

I appreciate FERC's initiative in convening this technical conference and look forward to future collaboration through both the NYISO processes as well as through direct engagement with FERC in forums such as this. Thank you.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated: Albany, New York
April 25, 2017



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