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May 25, 2022

MEMORANDUM

Re: Assembly and Senate bills which seek to allow utilities to own renewable energy assets

The NYECC and its predecessor organizations¹ have represented the energy interests of commercial property owners and managers in New York City before State agencies for more than 70 years. NYECC also continues to represent institutions such as hospitals, colleges, governmental agencies, financial institutions, and real estate organizations. NYECC's membership includes landmark member properties such as 7 World Trade Center and Rockefeller Center.

NYECC writes to express its opposition to the Assembly and Senate bills which seek to allow utilities, such as the New York Power Authority, to own renewable energy assets. The proposed bills will unleash a Pandora's box of predictable consequences, not the least of which will be higher rates for ratepayers, while they will not lead to more renewables. In fact, these laws would only exacerbate problems that limit renewables now, instead of solving those problems.

There are sound public policy reasons why New York State utilities are barred from owning renewable energy assets, as enforced by the New York State Public Service Commission ("PSC"). Most importantly, allowing utility ownership of renewables will limit competition, slow the development of distributed renewable networks, and lead to higher rates for ratepayers. In reality, there has been consistent renewables progress as more and more renewables have been installed over the years. Many New York customers now have, and significantly more customers will soon have, smart meters as they continue to further engage with their energy usage and their utility bills and consider renewables. Utilities are focused on incentivizing customer behavior, including adding renewables, which is their appropriate role in this issue. More can be done to streamline the process of interconnection and build additional renewables, especially in the context of utility rate cases overseen by the PSC.

Deregulation of electricity in the 1990s proved beneficial to electricity customers by removing the utilities from the competitive generation landscape. Utilities should likewise stay removed now from the ownership of renewables and let the competitive marketplace with its lower prices for customers assist New York in meeting its ambitious targets over the next couple of decades.

¹ The Owners' Committee on Electric Rates (OCER) and The New York Energy Buyers Forum (NYEBF).

