

TIMELINE OF ADOPTION OF TIER 3

June 2015. State Energy Plan is adopted with goal of 50% renewable energy by 2030.

The plan does not mention the preservation of nuclear power plants or the need to subsidize them.

2015 PSC initiates the Clean Energy Standard proceeding as part of its broad “Reforming the Energy Vision” process to overhaul the state’s electric grid, promote distributed energy and address greenhouse gas emissions, primarily from the electric energy sector.

The CEF importantly implements the State Energy Plan’s goals of generating 50% of the state’s electric through renewable energy (not including nuclear power) by 2030; a 23% reduction in projected energy use through efficiency measures; and reducing greenhouse gas emissions in the state by 40% of 1990 levels. It makes these energy goals mandatory and enforceable as part of the state’s regulation of delivery of energy to electric consumers.

December 2, 2015. Governor Cuomo writes to the PSC directing it to establish a financial support mechanism to ensure that “emissions free” upstate nuclear plants remain profitable and do not close.

The governor provides no factual basis or policy rationale for directing the PSC to take this step. No environmental assessment or review was completed by the governor’s office prior to this direction. The public neither received notice nor had an opportunity to comment on the governor’s directive before it was sent to the PSC.

January 21, 2016. PSC Order expands Clean Energy Standard proceeding to define upstate nuclear facilities as “zero emissions resources.” Tier 3 of the Clean Energy Standard is created to include mandatory purchase of “Zero Emissions Credits” by all utilities at the expense of all ratepayers (tenants, homeowners, charities, businesses, schools, local governments) to ensure upstate nuclear plant profitability.

No additional environmental review is done to consider alternatives to keeping the nuclear plants running (such as would be required under the State Environmental Quality Review Act). There was no public document of the financial impacts on consumers, businesses, nonprofits, schools or local governments.

January 25, 2016. PSC issues “Staff White Paper on Clean Energy Standard” proposing nuclear subsidies based on the “cost of operation,” the traditional PSC rate setting criteria.

February 24, 2016. PSC issues “Notice of Completion of Draft Supplemental Environmental Impact Statement.”

May 10, 2016. First public hearing on the Clean Energy Standard is held in Binghamton, New York.

June 16, 2016. The Public Service Commission holds its final public hearing on the Clean Energy Standard in Cortlandt Manor, New York.

July 8, 2016. PSC Staff issues the *Responsive Proposal for Preserving Zero-Emissions Attributes* radically changes ZEC in two critical ways. 1. The method for calculating the subsidies to keep the three upstate nuclear plants profitable went from the traditional “cost of operation” to “the social cost of carbon,” the first time the PSC ever used that for utility rates. The social cost of carbon metric was developed by USEPA for the purpose of valuing the overall benefits of renewable energy, not for electric generation ratemaking. 2. The overall cost of the subsidies went from a previous PSC staff estimate of \$59-\$657 million to almost \$1 billion in the first two years and an estimated \$7.6 billion over the 12 year course of the subsidies. 3. The two Indian Point nuclear reactor were named beneficiaries.

Despite this radical revision of the CES proposal coming three weeks before the August 1st Commission meeting, no additional public hearings are set, no additional time to comment is provided. The PSC does not post notice in the State Register, provide an additional 30 days to comment or wait 30 days before adopting the proposal as is required under the State Administrative Procedure Act. In fact, in its July 8, 2016 release of the “Staff Responsiveness Proposal” containing the radically changed CES, the PSC directed that any comments be filed by July 16, 2016.

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The PSC also ignored the Public Service Law’s requirements that rates be “just and reasonable.” Moreover, it adopts a subsidy that is not part of the State Energy Plan, in violation of the law mandating regular updating of the plan.

July 8, 2016. PSC issues “Notice Soliciting Additional Comments,” in ten days on the Staff Responsive Proposal for Preserving Zero-Emissions Attributes which radically changes prior proposal.

July 11-14, 2016. Many Petitioners and scores of groups, including the City of New York and major utilities, request more time to respond to the changed CES proposal.

July 15, 2016. The PSC issues extend by four days the deadline for submitting comments.

July 22, 2016. Comments on the revised proposal are due.

August 1, 2016 PSC approves Tier 3 nuclear subsidies based on the social cost of carbon and claimed need.

April 1, 2017. The first tranche of surcharges will be on ratepayer bills through December 2029.