



6652 Hammersmith Drive East Syracuse, NY 13057

Phone: (315) 453-7851 Fax: (315) 453-7849 Email: info@meua.org Website: www.meua.org

Executive Committee 2023-2024 President–Bryan White Pres-Elect–Robert Schneider VP Treasurer–Thomas Posella VP Secretary–Kimball Daby Trustee– Andrew Thompson

To foster and advance the efficient operation of publicly owned and operated electric systems, including the production, distribution, conservation and prudent use of electric power and energy for public service for the mutual benefit of all members.

### Municipal Electric Utilities Association of NYS

# **News and Views**



#### **Newsletter Contents**

Executive Director Report Chris Wentlent - NYISO Update Mike Lyons - IEEP Update Ken Podolny, Esq. - Legal Update

#### **Municipal Members**

Akron-Andover-Angelica-Arcade-Bath-Bergen-Boonville-Brocton-Castile-Churchville-Endicott-Fairport-Frankfort-Greene-Groton-Hamilton-Holley-Ilion-Lake Placid-Little Valley-Marathon-Massena-Mayville-Mohawk-Penn Yan-Philadelphia-Plattsburgh-Richmondville-Rouses Point-Salamanca-Silver Springs-Skaneateles-Solvay-Spencerport-Springville-Theresa-Tupper Lake-Watkins Glen-Wellsville-Westfield



# Executive Director's Report

Greetings Everyone,

It's been a Summer of contrasts so far in upstate New York. Lots of warm sunny weather punctuated by localized violent storms that have resulted in downed trees, flooding

and significant property damage. Boonville and Fairport are just a couple of our member communities that dealt with storm-related issues recently, but fortunately, the damage was not as serious as what resulted from the tornadoes in Rome and other locations.

And speaking of storm damage, an EF-0 tornado struck Canandaigua on July 15<sup>th</sup> and, in addition to

downing numerous power poles and wires, did significant damage to the trees and facilities at Kershaw Park, which adjoins the Canandaigua Hilton Hotel property where we will be holding MEUA's 94<sup>th</sup> Annual



The Canandaigua Hilton Hotel viewed from the lake shore.

Conference October 1<sup>st</sup> through 3<sup>rd</sup>. While there will be fewer trees, there will be engaging and informative speakers, and an array of new products and services offered by our corporate members. Combine this with excellent hotel facilities and adjacent Canandaigua Lake and park facilities, and it should be another worthwhile and successful conference.

One of the conference features we have adopted recently to increase interaction with our corporate vendors has been for the vendors to hand out free raffle tickets to those that stop and talk at their tables. Winning raffle tickets entitile the vendors who gave out the ticket to a free vendor table at the next conference or workshop. While you will see the folks who one raffle prizes at the semi-annual maintain the economic advantage that our preference power has historically been for our member communities relative to general market sources. We will keep you updated as the ratesetting process continues.

We have also been extensively discussing the Technical Assistance Funding to Develop Grid Modernization Projects (PON 5737), a federally and state funded program being administered by NYSERDA to provide assistance to New York's municipal electric and rural co-op utilities. Mike Lyons and Chris Wentlent of the IEEP will be hosting a webinar on the application process for this program on July 23<sup>rd</sup> at 9:00 a.m. If you didn't receive the email invitation, please email or call the MEUA office for the link.

later in this newsletter, the corporate members who won a free table are: DLC Electric, E.L. Flowers & Associates, GoTToGo Electric, HSI Hanes Supply, Luzco Technologies, Power Sales Group, SmartKable Powerline Solutions, TCI of NY, LLC and USA Software (Utility Software Acquisitions).

The proposed MEUA budget for 2025 is being finalized and will be presented to the members for a vote at the Annual Conference. Ashleigh and I are also working with the Executive Committee on updating both the MEUA logo and website in order to present a better 21<sup>st</sup> Century image to our members and their customers. Our objective is to reveal the results of these efforts at the Annual Conference, so stay tuned.

Last month I mentioned the New York Power Authority's planned increase in the price of our hydro power. We have had a couple more meetings with NYPA, but at this point it looks like it will take

some time to work

through the entire

inevitable, MEUA and its talented team

consultants is working

increases are

of professional

hard to try and

process. While price

Finally, on a philosophic note, the recent events surrounding former President Trump and current President Biden are a continuing reminder of the political and social turmoil that has become almost



A Summer sunset in the hills of Madison overlooking the Fenner Wind Power Project

commonplace in today's world. In this day and age, I believe continuing regular personal interaction and communication between our members is more important than ever. It's easy to just rely on electronic communication that we can send and read at our convenience, but there is no substitute for face-to-face in person interaction. Most of us have too much on our plates these days, and it's always easy to find a reason not to take time from your schedule to attend a conference or workshop, or join a board or committee, but please try and make time for these important events and commitments. There is always much to learn, but more importantly, new friends to make.

Peace, Jim



#### NYISO Update Chris Wentlent

New York Independent System Operator (NYISO) Releases Its Annual Power Trends Report On June 6, 2024, the NYISO released <u>*Power Trends*</u> <u>2024</u>, a publication that discusses the key issues and challenges shaping the electric grid of the future.

#### Several important <u>highlights</u> of the report include:

- Electrification programs (buildings & transportation) and economic development initiatives are driving projected energy demand higher while generator deactivations are outpacing new generation supply additions. Together, these forces are narrowing reliability margins across New York.
- Construction delays of new generation supply and transmission, higher than forecasted energy demand, and extreme weather events are threatening reliability and resilience to the grid.
- The New York statewide grid is projected to become a winter peaking system in the 2030s, primarily driven by electrification efforts. Upstate energy zones may become winter peaking even sooner.
- During extreme cold weather events, the availability of natural gas for power generation may be limited and significant interruptions to natural gas supply can disrupt reliable operations.
- > Statewide deficiencies could arise as soon as winter 2029-2030 under normal weather conditions. Under extreme winter weather conditions this scenario may happen as early as 2027-2028. On the coldest days, natural gas distribution companies prioritize residential heating and other critical loads and limit the fuel available to generators. With increasing winter peak loads and consideration of limitations on gas availability, there may be insufficient generation to serve forecasted demand for expected weather while maintaining required operating reserves (i.e., excess supply to meet unexpected changes in realtime system conditions).

- > In New York, more than half of the current generating fleet possess dual-fuel capability, meaning they can utilize either oil or natural gas. Currently, dual-fuel generation represents nearly 75% of the capacity of the downstate generation fleet. In New York City, and Long Island, most generators are required to maintain dual-fuel capability and supply. This capability supports reliability during extreme cold weather events like Winter Storm Elliott and the deep freeze event in January 2024. While the New York grid transitions to zero emissions by 2040, reliability will continue to rely heavily on dual-fuel resources to support winter reliability into the next decade. The recent Federal Regulatory Energy Commission (FERC) and North American Electric Reliability Corporation (NERC) reinforce this fact. The Report is available at Winter Storm Elliott Report.
- ➤ A significant share of new renewable generation slated to come online in the future will be comprised of "inverter-based resources," whose technological performance characteristics and reliability features are dissimilar from traditional fossil-based generation, or "synchronous" generation. Both inverter-based resources and synchronous generation can provide essential reliability services to the electric system. However, the industry is facing challenges integrating significant levels of inverter-based resources because of the unique differences between technologies. Planning, design, protection, and operations practices will all need to evolve to ensure reliability and resilience under this rapid pace of change.
- To achieve the mandates of the CLCPA, new emission-free supply resources capable of providing the necessary reliability services are needed to replace the capabilities of today's generation. This new supply is not yet available on a commercial scale.
- Our ability to depend on our neighboring power systems is decreasing as fuel diversity

in the generation sector resources is reduced, and increasing electric demand impacts their systems simultaneously.

I encourage you to read the reports provided in detail. As you can see; managing the clean energy transition has many complexities and engineering details that must be respected to maintain grid reliability and public safety.

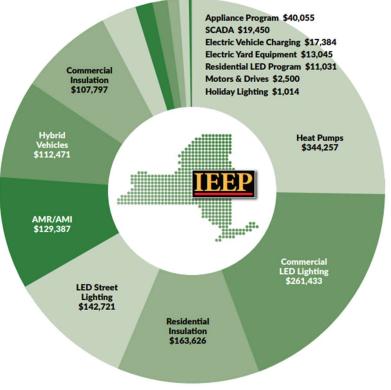


#### IEEP Update Mike Lyons

The Independent Energy Efficiency Program (IEEP) is off to a good start for the first half of 2024, with a strong performance of paying out nearly \$600,000 of

incentives in July alone for energy efficiency work completed. Heat pumps, LED lighting and insulation projects make up over \$1 million of





combined spending in those categories.

The chart below provides an overview of our year-to-date spending for 2024.

These efforts demonstrate MEUA's commitment to programs and initiatives that are supporting the achievement of New York's electrification goals and will continue to do so as we expand these efforts in the future. All systems are encouraged to maintain this focus for the remainder of 2024.

Please contact the IEEP for assistance in promoting our programs to your customers such as:

- Insulation and Air Sealing Programs
- Commercial LED Lighting Incentives
- Appliance, Yard Care, and Heat Pump Rebates
- Electric Vehicles and Electric Vehicle Charging Equipment
- Power Factor Correction for Industrial Customers
- Custom Projects for C&I Customers
- LED lightbulb distribution Offerings
- AMI / AMR Smart Meter Programs
- Program Marketing Support

#### **IEEP Financial Audit – Update**

The IEEP received a satisfactory financial audit by Evans and Bennett for years 2022 and 2023. Thanks to the IEEP Management Team and to BST for your efforts in achieving this positive result, and thank you to all of our IEEP Members who continue to make this program technically and financially successful.



#### Legal Update Ken Podolny

On July 1, the New York State Energy Research and Development Authority (NYSERDA) and the New York State

Department of Public Service (DPS) released their biennial review report, detailing New York's progress towards meeting its goal of obtaining 70% of its electricity from renewable sources by 2030. The report, part of the review process mandated by the Climate Leadership and Community Protection Act (CLCPA), the 2019 state law that established the 70% goal, holds that the State is not on track to meet this goal.

The report cites many factors that have hindered New York's ability to meet its renewable energy targets or are expected to pose challenges in the coming years including conditions in the larger global markets, workforce shortages, inadequacies in the existing transmission system, the scarcity of feasible sites for renewable energy facilities, and higher than originally anticipated energy demand.

In 2022, renewable energy resources supplied just 25.1% of the State's electric load. (Incidentally, 80% of that amount comes from existing hydro facilities.) NYSERDA and DPS forecast that the renewable energy resources that are either currently operational or under development will only be able to cover 44.44% of New York's electricity demand in 2030. It is clear that the State will not be able to develop the amount of renewable energy projects needed to meet the 70% goal by 2030. NYSERDA and DPS believe this milestone could be achieved by 2033, and in the report, they lay out their recommendations for changes to New York's "Clean Energy Standard" program (CES) that could make this new goal possible. However, these recommendations would come at a steep cost to the State's electric customers.

As part of CES, NYSERDA conducts regularly scheduled solicitations for the long-term procurement of large-scale renewable projects. Each NYSERDA procurement is directly financed by New York's electric customers.

The biennial review report recommends increasing the average annual "solicitation amount" of largescale renewable generation capacity from 4,500 gigawatt-hours (GWh) to 5,600 GWh. It also recommends extending NYSERDA's authority to procure large-scale renewable projects, set to expire in 2026, by at least three more years. Additionally, NYSERDA and DPS propose authorizing NYSERDA to procure more offshore wind capacity if it deems it necessary to achieve another one of the state's goals set out in the CLCPA—developing 9 GW of offshore wind energy by 2035. It is worth noting that offshore wind is significantly more expensive compared to other energy sources. Ultimately, if these recommendations are adopted, customers will see substantial increases in the amounts of renewable energy subsidies they are required to pay.

Beyond these recommendations, the report also puts forward several options for reforms to the CES that it deems worthy of further consideration. These options include extending the maximum contract length that NYSERDA can offer for large-scale wind and solar facilities from 20 years to 25 years and for offshore wind projects from 25 years to 30 years. If adopted, these proposals would extend the period for which New York's electric customers are obligated to bear the financial burden of these projects.

Another option outlined in the report is to allow for the adjustment of the "strike price" of renewable energy projects after the developers have been awarded contracts by NYSERDA. The strike price is the developer's revenue requirement for the project, which, combined with market prices for energy and capacity sets the price the developer is paid throughout the length of the contract. The report proposes that the State consider allowing adjustments to be made to the strike price of awarded but not yet constructed projects should unforeseen events outside of the developer's control take place. It also suggests allowing NYSERDA and DPS staff to offer adjustments to awarded strike prices throughout the contract period "to account for unpredictable changes in operations and maintenance costs." These ideas, if implemented, would directly increase the financial burden placed on New York's electricity customers.

The PSC will offer an opportunity for public comment before deciding whether to enact any of the changes discussed in the report. The public comment period should commence in the coming weeks.

#### 2024 MEUA EVENT CALENDAR

**MEUA ANNUAL CONFERENCE** October 1-3, 2024 Hotel Canandaigua, Canandaigua

## FALL ACCOUNTING & FINANCE WORKSHOP

November 6-7, 2024 Embassy Suites by Hilton Destiny USA, Syracuse

#### FALL ENGINEERING WORKSHOP

November 6-7, 2024 Embassy Suites by Hilton Destiny USA, Syracuse

#### Help Keep Us Current

Please email or fax over name or address changes. Fax 315.453.7849 Email: <u>info@meua.org</u> *Thank You* 



## **Congratulations to the**



### 2024 Semi-Annual Conference

## Vendor Show Raffle Winners!





McKenzie Bolan (Hamilton) - \$200 Francesa's Cucina gift card from The Okonite Company



*Keith Bezon (Spencerport) – RTIC mug from Irby Utilities* 



Tom Posella (Skaneateles) – Johnnie Walker Blue Label from SmartKable Powerline Solutions



Nancy Niswender (Groton) – 32″ smart TV from Utility Software Acquisitions (USA)



Angela Conger (Groton) – Cooler bag from Altec Industries



Bill McVicker (Solvay) – Yeti mug from Schweitzer Engineering Laboratories







Mayor RuthAnn Loveless (Hamilton) – Gift basket from GoTToGo Electric





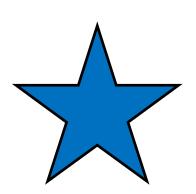
McKenzie Bolan (Hamilton) - \$50 Lowe's gift card from E.L. Flowers & Associates and UUS



Holly Evans (Fairport) – Yeti lunch box from Schweitzer Engineering Laboratories



Angela Conger (Groton) – RTIC mug from Irby Utilities





Rob Schneider (Boonville) – RTIC mug from Irby Utilities







