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INDEPENDENT
POWER PRODUCERS
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ADVANCING NEW YORK STATE'S

CLEAN ENERGY GOALS

IPPNY supports the transition to a cleaner energy future for New York, including significant emissions reductions from all sectors of our economy. These six principles ensure that there is alignment between critical objectives like reliability, economic efficiency and affordability while pursuing cleaner energy goals.

Our principles are:

1. Reliability is critical and must be maintained
2. Leverage the power of markets to achieve decarbonization
3. Transportation and heating sectors' emissions must be addressed
4. Promote needed transmission development
5. Fuel and technology diversity is essential
6. Economic impacts must be examined

1. RELIABILITY IS CRITICAL AND MUST BE MAINTAINED

Electricity is the lifeblood of our economy; it powers our communities and is only noticed in its absence. The reliability of the electric grid is paramount, and, as New York state transitions its electric generation resources to more intermittent renewable sources and energy storage, the need for more flexible resources will increase. Foundational fuels, like natural gas, will be necessary to ensure near-term reliability, and large baseload generators will continue to provide the vast majority of New York's electricity until new technologies, like storage, mature and intermittent renewables are developed to meet the State's goals.

Competitive markets should facilitate the continued operation of these "traditional" resources, which are the backbone of our power supply, until, at a minimum, reliability can be maintained or enhanced without them.

2. LEVERAGE THE POWER OF MARKETS TO ACHIEVE DECARBONIZATION

The New York Independent System Operator has administered competitive wholesale energy markets successfully fulfilling public policy objectives for two decades.

In the last 20 years: electric reliability has improved materially; emissions have declined substantially; consumers' electric supply costs have decreased significantly; and ratepayers have been insulated from stranded costs associated with failed projects.

Competitive markets have proven to be the most effective tool to attract new technology investments and reduce emissions at the lowest cost when unencumbered by technology-specific mandates. Harmonizing public policy objectives, such as valuing renewable and zero-emitting generation, with the wholesale electricity markets will: diminish New York's reliance on out-of-market subsidies; accelerate the decarbonization of New York's generation fleet; accelerate entry of new renewable projects; create stronger economic incentives for cost-effective transmission investment; and reduce the cost and time to achieve the state's clean energy goals embodied by the Climate Leadership and Community Protection Act.

The sooner New York State adopts a market-based mechanism for achieving its public policies, such as the NYISO's carbon pricing proposal the sooner New York's public policies will be achieved.

WHO WE ARE:

The Independent Power Producers of New York (IPPNY) is a trade association representing companies in the competitive power industry in New York State. IPPNY Members generate the majority of New York's electricity using a wide variety of generating technologies and fuels including hydro, nuclear, wind, oil, natural gas, solar, energy storage, waste-to-energy and biomass.

3. TRANSPORTATION AND HEATING SECTORS' EMISSIONS MUST BE ADDRESSED

The Empire State's transportation and building stock together represent more than 60 percent of the State's carbon emissions. The electric generation sector accounts for approximately 17 percent of the State's emissions.

As part of an economy-wide approach, electrification of the transportation and building sectors, combined with NYISO's carbon pricing proposal, is needed to meet New York's nation-leading decarbonization goals.

4. PROMOTE NEEDED TRANSMISSION DEVELOPMENT

Approximately 80% of New York's transmission lines entered service before 1980. Market signals will create stronger economic incentives for cost-effective transmission investment, providing the downstate market access to cleaner and more efficient resources located upstate and offshore, growing the market for renewables, and stimulating New York's economy.

5. FUEL AND TECHNOLOGY DIVERSITY IS ESSENTIAL

A diversified electric system is essential to cost-effectively maintain and strengthen reliability, and it minimizes price volatility by avoiding an over-reliance on any single fuel source with uncertain availability.

Resource diversity provides this stability as the state pursues an emissions-free electric system along with increased electricity demand resulting from the electrification of the transportation and building sectors.

Private sector investment in non-emitting resources - such as wind, solar, and zero-emissions fuels - will be essential to meet the state's emission reduction goals. However, to maintain a reliable system, the state should avoid an over-dependence on intermittent resources. Accordingly, as the amount of intermittent resources grows, maintaining baseload and quick-start resources to address this intermittency is essential for a robust and reliable grid.

6. ECONOMIC IMPACTS MUST BE EXAMINED

New York's economy has been impacted significantly as result of the coronavirus pandemic, and we need solutions to reboot New York's economy in the aftermath of COVID-19. As the state will undoubtedly have to do more with less, it must pursue economy-wide emissions reductions at the lowest possible cost to consumers to avoid additional harm to the economy.

Technical feasibility and consumer cost benefits should be evaluated to allow informed decision-making on how to increase the use of renewable energy resources and to reduce greenhouse gas emissions by all sectors of the economy in the most efficient and cost-effective manner.