

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**Proceeding on Motion of the Commission in Regard To Reforming the Energy Vision  
Case 14-M-0101**

**Comments submitted by Alliance for a Green Economy (AGREE)**

September 22, 2014

**Introduction**

Alliance for a Green Economy (AGREE) has been a party to the REV proceeding since May 8, and we attended the May 12 Collaborative Meeting in Albany. Since joining the proceeding, we have devoted a significant portion of our organizational resources to understanding and commenting on the proceeding as well as alerting other potentially interested parties in the public interest community to the REV process.

AGREE's vision for the transformation of New York's energy system does align with many of the objectives described in the REV proceeding. We support efforts to move the state toward mass deployment of sustainable energy, decentralize New York's energy system, to ramp up energy efficiency, to reduce waste, to reduce peak demand, to promote distributed renewable generation, to deploy demand response and storage, and to develop a modern grid. We also support the intention expressed in the REV documents to incorporate social costs and benefits into our energy prices. For these reasons, we are excited and engaged with the REV proceeding, and we think it has potential to move New York significantly down the path toward a sustainable energy system.

AGREE is also an advocate for a renewable energy transition planned around the principles of social justice. We believe this transition should be pursued with proper planning and resources allocated to ensure democratic participation, fairness and equity.

We are concerned that the complexity of the REV proceeding and the rapid pace of the comment deadlines prohibit participation by all but the most well-resourced stakeholders. We believe this does a disservice to the goals of the proceeding and will result in outcomes that do not reflect the will of the people. Without this will, the laudable goals of REV may prove difficult to implement, since the realization of the REV vision requires that New Yorkers engage with the energy system as informed and active participants.

In the end, the design and implementation of the regulations, the policies, and the institutions that come out of this proceeding need to make sense to New Yorkers. We need to feel that it is in our interest to participate in the new system and that the goals of REV reflect our common goals. This requires a participatory process and the input of organizations and movements

already connected to the public around energy vision – many of which are not fully participating or participating at all.

The Staff Straw Proposal, issued just one month ago, makes many recommendations for policy and process that will have a profound impact on New York's energy system. Giving parties only a month to comment substantively on these proposals is woefully inadequate.

Below are AGREE's initial responses to the Staff Straw Proposal as well as to the process as a whole. We will be submitting further details to elaborate on these general principles and recommendations as we take the time needed for research and collective envisioning and education around REV.

### **REV Goals:**

New York energy policy must revolve around New Yorkers as whole people, not as "customers." We encourage the PSC to reshape REV's language and goals to engage individuals, households, and communities as energy savers, producers, educators, innovators, owners/investors and, most importantly, decision-makers. This shift in concept is necessary to generate broad participation in the utility reform process and in the distributed energy system itself.

New Yorkers do not *just* want "enhanced customer knowledge and tools that will support effective management of their total energy bill," as the PSC goal is stated. We want enhanced access to knowledge and tools that will support our ability to democratically influence the total energy system so that our climate, our environment, our communities, our health, and our livelihoods are not threatened by the choices of for-profit investor owned utilities and energy companies that have no accountability to us or the public interest.

The goals of energy democracy, affordability, holistic environmental protection, and strong consumer protection must be front and center in REV, as should the goals of reversing the social, racial and economic inequity exacerbated by our current energy system. Inclusion of these goals from the outset will create a process that can light the way to a just, inclusive, and swift transition to the affordable, efficient, renewable, and resilient energy system envisioned by the REV proceeding.

The REV proceeding should conform electricity markets to public policy goals. Markets and competition have their place, but strong regulation, democratic control over policy, and clear, measurable benchmarks are paramount. After our experience with energy deregulation, we have no reason to believe our interests will automatically be served by the whims of markets or the motives of for-profit corporations vying for our business. We simply seek outcomes that meet our needs, and we expect policy, institution, and market design that puts those needs first.

## **REV Process Recommendations:**

The outcomes of this proceeding will be determined by who is at the table, who is listened to, and who has power to influence the process.

The current REV “stakeholder” process is not accessible to most New Yorkers. The PSC has made no discernable attempt to simplify the language of the REV proceeding for public understanding or to engage the public at large. Instead, the REV process caters to corporate players in the energy market, and to organizations with paid energy and legal experts. While the PSC has managed to engage those kinds of stakeholders by the hundreds, no public information sessions or hearings have been held or seem to be planned to provide a chance for ordinary New Yorkers to learn about REV or to weigh in. No mass media strategy has been pursued to inform the public and ask them to get involved. The public is left in the dark, with no way to know this proceeding is even happening and no easy avenue to participation.

As a result, the REV proceeding has been dominated by energy industry insiders: corporations that have a financial stake in the outcome of the proceeding. The few public interest organizations participating in the proceeding are straining to keep up with the rapid-fire comment deadlines and have few resources and little time to help their members or the public at large engage. Entire segments of the public interest community are missing from the conversation, including most organizations and elected officials that are already working to bring about the kind of transition envisioned by REV and have critical experience and perspectives to share.

We hope this will be remedied immediately. The REV process should provide a genuine forum for New Yorkers to develop their vision for an energy system that supports human needs, protects our ecosystems, and builds strong, resilient communities. We want and deserve the opportunity to collaborate on forming the institutions that will serve that vision. The REV process should be slowed down and opened up.

REV is a rare opportunity to reform the retail electricity system in New York, and a ground-breaking proceeding. This process should not be rushed, or pursued in a way that puts expediency over careful consideration and public participation. While we all feel there is urgency around addressing the state’s various energy crises – from climate change to aging infrastructure to unaffordable prices – this urgency should not lead to recklessness. We need solutions that work.

This is not meant to downplay the efforts of PSC staff, who have also been working tirelessly to incorporate the input from the parties and to meet rapid deadlines. But if we are to truly “reform the energy vision” the usual ways of proceeding at the PSC must also be re-envisioned so that we come out of this process with solutions that will work for everyone.

We ask that the PSC engage in an aggressive public education campaign to demystify the REV proceeding and to clearly explain the energy system choices at stake. At the same time, the PSC should seek out perspectives from communities and constituencies underrepresented in

the REV process to gain a multi-dimensional understanding of the energy goals, policies and outcomes that should be pursued through REV.

Generous and easy-to-access intervenor funds should be made immediately available for the public to engage in the research necessary to participate fully in the REV proceeding. Data cannot remain the domain of the well-resourced. This is of particular concern as the PSC proceeds with a stakeholder process to incorporate social costs and benefits into market prices. It is too often the case that the people most affected by systemic externalities do not have the resources to participate in stakeholder processes or hire analysts to translate their real-world experiences into monetary figures. Benefits and costs cannot possibly be properly understood without comprehensive analysis inclusive of the diverse communities impacted.

### **REV Policy Recommendations:**

The new institutions created through REV should be designed and overseen by the public, not by for-profit entities.

A new statewide entity that is democratically controlled by New York's ratepayers and managed by an expert staff should design, oversee and manage the new distributed energy resource market envisioned by REV. There should be a statewide independent Distributed System Platform Provider. This role should not be given to the incumbent utility companies, as is currently suggested by the PSC staff straw proposal. It is inappropriate for for-profit, investor owned companies that have a stake in the energy market to be given the primary responsibility of designing, overseeing or managing the market. Institutional control must be given to New Yorkers, not to investors in utility companies.

A policy of holistic environmental protection should be included in REV's framework, which currently focuses almost entirely on carbon emissions. All pollutants and health risks associated with energy must be accounted for, and health, social and economic impacts must be reflected in market prices. Carbon emissions are not the only greenhouse gases pushing us to catastrophic climate change. And climate change is not the only environmental disaster faced by New Yorkers. Other air and water pollutants, radiation, indoor emissions, and toxins plague our lives and destroy our ecosystems, and the burdens are disproportionately born by the poor and communities of color. These burdens must be catalogued and mapped, and their remedy must become a central focus of our vision for a sustainable energy system.

The state's hard-won Renewable Portfolio Standard and Energy Efficiency Portfolio Standard goals must be clearly reflected in REV. New York must keep and improve aggressive benchmarks in efficiency and renewable development, and market actors and institutions that receive ratepayer and public funds must be held accountable to meeting those goals.

The importance of the role of community organizations, labor organizations, and municipalities in implementing the transition to a sustainable energy system cannot be understated. REV outcomes must amplify and support the efforts already underway in these arenas, not usurp them.

The investments and siting of distributed energy resources (like energy efficiency, renewables, storage, etc), should be targeted to achieve maximum results, not just in terms energy system savings, but also in terms of social benefits. It should be built into REV's framework that resources and investments flow in ways that pull New Yorkers out of poverty and reverse the inequality exacerbated by high electricity rates and high environmental burdens. It's possible this could be accomplished by properly including the social costs of poverty and environmental racism in the cost benefit framework envisioned through REV. Until that is proven, it is necessary to carve out resources for low income communities and communities of color. There should also be funds carved out for communities that are particularly impacted by the closure of fossil fuel and nuclear generators. These carve-outs are needed to ensure equitable access to the benefits envisioned in REV, equitable outcomes, and a just transition.

Strong consumer protection policies must be put into place to prevent deceptive marketing practices and hold market actors accountable to the public good.

It is not enough for to use the rhetoric of "customer-oriented regulatory reform" or "just and reasonable rates." Affordability must be defined and measurable goals set for reducing the energy bills of people who pay an untenable portion of their income toward their basic energy needs. No one should pay more than 6% of household income for the basic amount of energy needed to provide for a comfortable, healthy, and socially connected living space.

## **Conclusion**

We applaud the Public Service Commission for understanding that the business as usual scenario for New York's Energy future is not sustainable, and that major and bold transformations are needed.

The principles and recommendations above are made out of our desire to see this process succeed in its core goal of pushing the rapid implementation of renewable and efficient distributed energy resources in New York. We urge the Commission to work to expand participation in this proceeding and to keep strong focus on the public policy goals that should drive this process.

We look forward to supplementing these general principles and recommendations and to reading and responding to the comments submitted by other parties.

Respectfully submitted,

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