



Municipal Electric Utilities Association of New York State

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The Municipal Electric Utilities Association of New York (“MEUA”), and the New York Municipal Power Agency (“NYMPA”) (collectively, the “Municipal Utilities”) hereby submit the following comments on the Transportation & Climate Initiative’s (“TCI”) public webinar, held September 29, 2020. The Northeast and Mid-Atlantic states and the District of Columbia, collaborating as part of the TCI, provided updates on the public input they have received this year and shared a slate of proposed commitments intended to advance equity and environmental justice goals through a regional low-carbon transportation program. The Municipal Utilities have been active participants in this process and previously submitted comments on February 28, 2020.

Introduction

The Municipal Utilities are a consortium of not-for-profit, customer-owned electric systems, whose primary goal and statutory obligation is to provide safe and reliable service at just and reasonable rates. The MEUA is an association of forty New York municipal electric utilities. All MEUA members purchase a portion of the power produced by the Niagara Power Project pursuant to federal¹ and New York State² statutes and contract (“preference power”). However, some MEUA members require more energy than they have preference power. These members acquire their supplemental energy in the New York Independent System Operator (“NYISO”) markets through NYMPA, a joint action agency of thirty-five New York municipal utility members. NYMPA has been supplying its members’ supplemental energy through the wholesale markets for over 20 years.

The Municipal Utilities use the Independent Energy Efficiency Program (“IEEP”) to advance New York State’s energy efficiency, conservation, and climate goals. The IEEP is a municipal, not-for-profit cooperative entity designed to implement energy efficiency and system

¹ 16 U.S.C. § 836 (2018).

² N.Y. Pub. Auth. Law § 1005(5) (McKinney 2019).

benefit projects and renewable resource demonstration and education programs in the participating municipal systems' service territories. While the Municipal Utilities' programs are administered centrally for economies of scale and consistency of contracting, each municipality determines which of the approved programs it will offer. As such, the Municipal Utilities' programs are designed to deliver benefits to a members' system and electric customers based on specific local input. The Municipal Utilities' programs are funded through an adder to its member systems' purchased power costs.

The Municipal Utilities' members are spread across upstate New York and vary widely in their relative size, operating characteristics, customer makeup, and location. They range from small systems, with under 450 total customers and a peak load of 2.1 MW, to larger ones, with over 17,000 total customers and a system peak of 116 MW. In total, the Municipal Utilities' member systems compose over 100,000 customers. The vast majority of these customers are rural and residential. The combined load of the Municipal Utilities' members accounts for just over 2% of the New York Control Area, with that load dispersed between NYISO Zones A through F.

The Municipal Utilities support well-reasoned and cost-effective environmental and climate programs and will continue to work in a cooperative manner with all other stakeholders on the TCI. The Municipal Utilities are especially familiar with the interests of rural electric customers.

Discussion

The transportation sector in New York State accounts for the highest level of greenhouse gas emissions of any sector in the state, and action in this sector is needed to address New York State's climate goals. The Municipal Utilities are ideally situated to undertake such action. The Municipal Utilities already supply their customers with 100 percent carbon-free electricity. At the same time, members' size and nimble work force allows them to try unique and innovative programs through the IEEP and directly observe those impacts on the members' electric costs. For example, various members have installed Level 2 electric charging infrastructure and assisted with electrification of municipal fleet vehicles. In addition, several of our systems are planning installation of DCFC infrastructure as they are located near major transportation infrastructure or high traffic tourist destinations. The Municipal Utilities' unique intersection of electric supply, local control and accountability, and individually-tailored program offerings afford the opportunity to effectively influence the electrification of the transportation sector in their largely rural, residential communities.

The Municipal Utilities encourage the recognition of the unique needs and circumstances of rural communities. Specifically, the Memorandum Of Understanding provides that while each "Participating Jurisdiction shall invest the proceeds from the auction of allowances as determined appropriate by each Participating Jurisdiction to achieve TCI Program goals," the signatory parties "agree[] that it is a shared priority to expand low-carbon and clean mobility options in . . . rural communities, particularly for populations and communities that are disproportionately adversely affected by climate change and transportation pollution and currently underserved by the transportation system."³

³ MOU at 8.

Should TCI proceed, it is critical that the remote, rural areas receive the support required to ensure their full participation. Accordingly, the New York State TCI program should distribute the necessary financial resources to these communities to expand their local electric vehicle infrastructure with DCFC and Level 2 charging, assist commercial and industrial businesses with EV conversion, and offer community-related rebates for the conversion of municipal fleets, public transportation such as school buses, and other mass transit public transportation options. Unless this necessary commitment is made, rural communities will be left behind—resulting in slower penetration of EV throughout the region, higher greenhouse gas emissions, and, ultimately, an economic disadvantage to rural communities.

To that end, the TCI webinar presented four equity-focused commitments to address topics raised in previously-submitted public input. These commitments include:

1. **Dedicated Investments** – whereby a minimum investment requirement of 35% would be established to ensure that underserved and overburdened communities benefit equitably from clean transportation projects. Based on initial modeling of cap levels and investments, this translates into between \$490 million to nearly \$2 billion in investments from program proceeds for underserved and overburdened communities in just the first year of the program.

The Municipal Utilities support the approach of establishing minimum investment levels for underserved and overburdened communities. However, as described above, it is imperative that rural municipal communities be included, and appropriate minimum investment levels be set for them.

2. **Equitable Processes** – where each participating jurisdiction would establish an Equity Advisory Body composed of diverse stakeholder groups, including residents of underserved and overburdened communities – or designate an existing body that meets this description – to advise on decision-making and equitable outcomes for the TCI program. Potential roles of an Equity Advisory Body could include:
 - a. Developing criteria for defining underserved and overburdened communities – building on existing criteria and definitions, where applicable;
 - b. Providing recommendations for equitable investments of TCI proceeds and complementary policies that would achieve the requisite benefits for underserved and overburdened communities; and
 - c. Developing metrics for evaluating how TCI investments demonstrably provide direct and meaningful benefits for underserved and overburdened communities.

The Municipal Utilities also support this approach. However, it is imperative that our members be given a voice on any advisory board established so that they may advocate for the needs and unique circumstances of rural municipal utility customers.

3. **Transparency.** The Participating Jurisdictions will annually review and report the impacts of each Participating Jurisdiction’s individual program, including with respect to equity. Annual reports will specify how TCI program proceeds are spent by each Participating Jurisdiction and include lists of projects and programs supported by TCI proceeds and the levels of investment received by each.

Transparency is crucial in ensuring that the TCI is effective in reaching its goals. To that end, an annual review is imperative so that stakeholders can maintain confidence that the program is proceeding as designed and make any necessary adjustments.

4. Complementary Policies – each jurisdiction will serve an important role in achieving the regional program’s goals. Many TCI jurisdictions are enacting complementary policies that advance goals of equity and environmental justice, including policies where states are working together either as a region or through multi-state commitments. Several states presented examples of such policies during the webinar.

Here, it is again important to ensure that all intrastate and interstate policies and programs are working effectively in concert to contribute to achievement of the goals set. The vast spectrum of programs in place has the potential to work at cross-purposes without significant attention to coordination and harmonization.

Conclusion

The Municipal Utilities urge that the needs of and effects on rural electric ratepayers be considered and that the distribution of proceeds from TCI be based on those considerations and the needs outlined above.

Respectfully submitted,

New York Municipal Power Agency, and
Municipal Electric Utilities Association of
New York

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