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To
New York
Department of Public Service

From
Chirag Lala and Mitchell Smith, CPE
Kasparas Spokas and John Carlson, CATF

A Comprehensive Energy Resource Planning Process for New York

New York Department of Public Service Case 15-E-0302 is requesting comments on “existing wholesale capacity and energy market designs that may need to be modified to better align with the existing or proposed clean energy procurement mechanisms.” The Center for Public Enterprise and Clean Air Task Force offers the following comments in answer to Solicitation Nos. 1468, 1482, and 1496 on the implementation of a Comprehensive Energy Resource Planning Process (CERPP):

Repeated analyses confirm that New York’s current energy resource development system is structurally unable to meet present and future needs.

- The Q3 2025 STAR Report projects the statewide system margin turning negative by 2027 under the Higher Demand scenario (–581 MW), deteriorating to –6,148 MW by 2035;
- NYISO’s 2025–2034 Comprehensive Reliability Plan warns that most plausible futures point to significant reliability shortfalls within the next ten years.¹
- The 2024–2025 CES Biennial Review identifies a gap of approximately 100,000 GWh to the 2040 Clean Energy Standard target, with state analyses confirming New York will miss its CLCPA target of 70 percent renewable electricity by 2030.²
- The cancellation of 88 contracted projects following the Commission’s October 2023 Order, driven by inflexible fixed-price contracting terms that provide no mid-term relief mechanism when cost conditions change, confirms that attrition is a structural feature of the current procurement model.
- The Biennial Review now embeds a 30 percent attrition assumption as a planning baseline.³

New York’s capacity markets, designed for fully dispatchable resources, are not structurally aligned with the state’s clean energy requirements, nor do their revenues provide sufficient incentive for the investment necessary to meet those requirements.⁴ NYISO’s interconnection queue subjects most new generation projects to a median process duration of three to four years, with many projects experiencing significantly longer timelines; backlogs that compound attrition and delay deployment at the pace CLCPA compliance requires.⁵ Pricing zones implemented in 1999 have failed to

¹ New York Independent System Operator, *Short-Term Assessment of Reliability: 2025 Quarter 3* (October 2025), 87–88; New York Independent System Operator, *2025–2034 Comprehensive Reliability Plan* (October 2025), 5.

² New York State Energy Research and Development Authority and New York Department of Public Service Staff, *2024–2025 Clean Energy Standard Biennial Review* (2025), 56–62.

³ *Ibid.*, 47–48.

⁴ See, e.g., comments of multiple stakeholders filed in Case 15-E-0302 addressing the structural misalignment between the NY installed capacity market (ICAP) and New York’s clean energy procurement requirements under the Climate Leadership and Community Protection Act, N.Y. Evtl. Conserv. Law § 75-0107.

⁵ New York State Energy Research and Development Authority and New York Department of Public Service Staff, *2024–2025 Clean Energy Standard Biennial Review* (2025), 23.

debottleneck downstate load from upstate generation, while energy costs for New York ratepayers have risen nearly 60 percent since 2019, with the burden falling disproportionately on downstate customers.⁶ In short, **to meet current and future needs, New York’s energy resource planning and procurement structures must be streamlined and reformed to efficiently align financial incentives, resource planning and evaluation, and legal requirements, while ensuring competitive outcomes.**

We recommend a state-led Comprehensive Energy Resource Planning Process (CERPP) that assesses current and future wholesale generation and transmission needs in anticipation of future load, economic, and demand growth and uses such assessments as the basis for approved competitive procurement. The New York State Energy Research and Development Authority (NYSERDA) should undertake the CERPP’s assessment of resources and issue competitive solicitations to meet identified needs. Projects identified by NYSERDA through this planning and assessment process will be approved for coordinated procurement by the New York Department of Public Service (DPS), which retains regulatory oversight over the CERPP.

The state already knows, with reasonable specificity, what resources it needs and where they should go. What the current market structure cannot do is deliver them. Current market designs systematically disfavor capital-intensive projects and are structurally unable to resolve particular retirement problems (i.e., retiring peakers, stranded downstate transmission needs, offshore wind integration) in the manner and at the locations the state requires. The NYISO capacity market in particular cannot generate sufficient revenue to make clean energy and transmission investment financially viable in downstate markets, where energy burdens are highest. Given that NYSERDA will continue to be the entity that determines what resources to develop and where, it is faster, and likely cheaper to have the state plan and directly contract for the resources that need to be built, reserving competitive mechanisms for choosing among developers and bids rather than the resource mix. This approach is not novel: many states operate both competitive procurement and integrated resource planning simultaneously, finding that the combination produces more orderly resource entry and exit and more efficient co-planning of generation and transmission.

The CERPP would incorporate local utility assessments to ensure wholesale asset development is aligned with local realities, while leaving utilities to implement distribution-level upgrades. The CERPP would open wholesale asset ownership and development to utilities, NYPA, and independent developers on equal footing. Public finance instruments—subordinated debt treated by ratings agencies as equity, and long-duration debt or bonds matched to asset useful life will be incorporated into the capital stack for CERPP-approved resources to lower costs for electricity consumers. The result would be a framework that instills ownership of long-term state priorities, integrates local and wholesale needs, and sustains regulator-approved investment at scale without re-monopolizing system planning in utility hands.

Core challenges in New York

- New York’s long-term electricity planning is balkanized and siloed, with separate processes that lead to a lack of coordination, efficiency, and ultimately ownership on long-term planning priorities.
- There is an insufficient long-term procurement signal for the range, scale, and development timeline of resources New York needs to meet projected load growth, decarbonization, and resiliency requirements.

⁶ Empire Center for Public Policy, *New York Energy Data*, <https://www.empirecenter.org/energydata/> (last visited March 25, 2026).

- Current tools, such as the Renewable Energy Credit (REC) model leave too much risk on developer balance sheets with no mid-term relief mechanism.
- The institutional separation of generation planning and procurement from transmission planning and implementation results in NYSERDA solicitations proceeding without reference to local infrastructure needs, costs, or capacity constraints. Projects are selected and contracted separately from the transmission upgrades needed to deliver their output or approved, producing misaligned timelines and generation that cannot interconnect efficiently. Coordinating generation procurement with transmission planning would allow the state to select the right resources in the right locations at the right time, reducing both generation and transmission costs for ratepayers.
- The lack of anticipatory planning limits New York’s ability to benefit from long-term economic growth, undertake electrification, decarbonize industry, and produce more stable pricing of electricity.
- The Comprehensive Grid Planning Process (CGPP) lacks a standardized methodology for local and wholesale needs assessments across utility service territories, producing inconsistent inputs that prevent NYISO from identifying coordinated, right-sized bulk system upgrades. Without methodological consistency across local and regional assessments, transmission planning at both the local and interregional level—including project identification under FERC Order 1920—remains fragmented and unable to capture the full range of cost-effective infrastructure investments available to the state.
- There is a lack of clear processes and mechanisms to enable public financing to be utilized for infrastructure investment.

The purpose of Comprehensive Energy Resource Planning Process (CERPP) in this concept is not to re-regulate the New York electricity market or displace competitive procurement, but to harness the advantages of long-term state-wide resource planning, local system upgrade planning, and competitive procurement.

Implementation steps:

The following implementation framework describes the proposed SRP:

1. On a periodic basis (e.g. every three years), NYSERDA conducts a proactive long-term New York CERPP that forms the basis for procurement instructions.
 - a. The CERPP would perform state system power modeling, incorporate network local utility assessments across service territory boundaries, and identify special or strategic resource or infrastructure procurements that meet specified public objectives. The CERPP will inform generation, storage, and transmission investment needs for state priority large-loads (e.g. manufacturing and industrial hubs), technology targets (e.g. distributed and long-duration storage), nuclear, offshore wind), and other potential state-priorities. The CERPP would incorporate load forecasts, reliability and climate targets, and other potential growth targets as designated by the state.
 - b. NYSERDA shall evaluate and identify options for CERPP-identified priority infrastructure projects to be undertaken outside the FERC-designated process, including Section 201(f) of the Federal Power Act, which exempts governmental entities from FERC

- jurisdiction where a qualifying public entity such as NYPA holds ownership of the resulting infrastructure.
- c. The CERPP subsumes the local assessment function currently reported to NYISO through the CGPP.
 - d. Utilities serve as data providers to the NYSERDA-run CERPP, not as authors of independent local assessments as done for CGPP. Example inputs can include: headroom analyses for every district, detailing: existing renewable hosting capacity; the cost to add successive tranches of megawatts above that headroom; and associated local and bulk upgrade costs.
 - e. The CERPP jointly accounts for infrastructure (transmission and distribution), generation, storage (long and short-duration), and distributed capacity across all utility service territories.
 - f. The CERPP replaces generic NYSERDA procurements, which lack locational specificity and create gaming risk where projects bid into multiple processes and consume system headroom ahead of IRP planning.
 - g. NYPA's contracted pipeline projects are incorporated as firm resources in CERPP modeling from the outset, before residual need is identified for competitive solicitation.
 - h. NYSERDA shall investigate and implement public finance tools to facilitate development: subordinated debt for utilities, construction debt, bonding capacity provided by NYSERDA or other public entities, access to co-development with NYPA, or other means. It shall incorporate the results of public financing in its cost-benefit analyses of potential projects. **The purpose of this derisking is to take advantage of potential cost savings by reducing the cost of capital for CERPP projects.**
2. Following CERPP approval by DPS, NYSERDA administers a competitive solicitation for CERPP-identified resource needs, open to IPPs, NYPA, and utilities depending on resource type and location.
 - a. All procurements are subject to performance criteria, Community Benefit Agreement requirements, supply chain standards, workforce mandates, and clear cost-overflow responsibilities consistent with existing NYSERDA procurement standards. Utility-administered solicitations must not be permitted to circumvent these requirements.
 3. The CERPP shall serve as the primary mechanism for identifying and designating Clean Energy Zones (CEZs); defined as geographic areas where the CERPP's cross-territory modeling reveals concentrated, co-located generation, transmission, and load needs.
 - a. CEZs may provide a structure to preserve competitive principles while meeting the coordination needs of large-scale projects or development clusters while minimizing competitive bid risk.
 - b. CEZs may be allotted special public finance provisions.

- c. CEZs may offer one potential pathway to publicly-designated strategic projects, such as the impending acquisition of nuclear capacity.
4. For projects that do not survive competitive bidding and are not subsumed under a CEZ, NYPA may serve as a developer of last resort. Any joint development structure between utilities and NYPA must account for NYPA's requirement to maintain at least 51 percent ownership in public-private partnerships under the Build Public Renewables Act.
5. DPS reviews NYSERDA analyses of solicited projects and cost-allocates all projects. Projects approved through the CERPP may be eligible for public financing to support their development, as noted in 1h. The CERPP, having subsumed the local assessment function, is submitted to NYISO in lieu of fragmented individual utility assessments to inform bulk system upgrade planning.
 - a. The CERPP provides NYISO with coordinated, cross-territory input incorporating localized headroom data, upgrade cost tranches, and generation siting decisions. This enables more cost-effective identification and approval of bulk system infrastructure.
 - b. Projects approved and cost-allocated by DPS are treated as used and useful immediately upon entry into service, reducing the congestion and curtailment risk that currently inflates renewable contract costs.

Active questions under consideration

- Should the Commission authorize performance-based or Totex ratemaking for CERPP resources?
- What is the implication for the existing REC structure? What modifications would be necessary?
- How do NYSERDA's resource assessments under the CERPP account for different public finance instruments? How are different instruments selected and approved for use in varying projects?
- What legislative clarifications or augmentations would complement the proposed CERPP?