



Empire State Forest Products Association

The people behind New York's healthy forests and quality wood products

www.esfpa.org

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Memorandum of Support

A 51

Honorable Carrie Woerner
Member of Assembly
502 LOB
Albany, NY 12248

January 30, 2023

Dear Assembly Member Woerner:

The Empire State Forest Products Association supports **A. 51**, legislation that directs the Public Service Commission to establish a self-direct program for its industrial, commercial, and large users. This will stimulate the growth and adoption of more energy-efficient practices, greater use of advanced energy management products, deeper penetration of renewable resources (such as wind, solar, geothermal, and anaerobic digestion), and wider deployment of "distributed" energy resources, (such as micro grids, roof-top solar, fuel cells and other on-site power supplies). While the proposed legislation does not explicitly include biomass (including biofuel and biogas) renewable energy resources, we read the legislation to not preclude it. We would prefer that the legislation amended to explicitly include all biomass renewable projects.

The Empire State Forest Products Association (ESFPA) represents more than 350 member businesses, industries and landowners engaged in forest resource production and stewardship of New York's 19 million acres of forest. In total, \$22.9 billion dollars in annual industry production and nearly 100,000 jobs are attributable to operations of various industries within the forest related sectors. There are more than 200,000 private forest landowners who also depend on sound forest and timber management and production to help them keep their forests as forests.

This legislation would establish a self-directed approach for large energy users to "bank" their payments of state-imposed energy charges. This self-directed approach would incentive customers to make investments in renewable energy knowing that their state charges are within their control for investments in energy conservation and renewable energy projects. The legislation would allow business customers, as well as other large energy customers, to utilize current energy assessments to meet the State energy goals on their own facilities without having to wait and apply to the NYS Energy Research & Development Authority on a competitive basis.

Under the current State energy programs, assessments are collected from all ratepayers and pooled into energy assessment funds. These funds are then reallocated to ratepayers under competitive projects. Often large energy rate payers contribute substantially to these pooled funds and some may never even apply for their use. This proposal would allow large energy consumers to “bank” their assessments to be applied to energy projects at their facilities. Knowing that they can recoup these fees from their own projects would be a tremendous incentive for them to invest in energy projects that advance the State Renewable Energy Vision (REV). Also, knowing that they can only recoup the money paid into the “Energy Savings Accounts” after a project is completed at their own facility would motivate customers to commit to and implement these projects.

All fifty states implement rate-payer-funded energy programs. Sixteen states currently offer a self-direct provision for large customers. Twelve other states allow some or all large customers to completely opt out of paying for the energy efficiency resource. If New York were to adopt a self-directed program, New York manufacturing facilities would be able to competitively compete with other states.

For the above reasons, ESFPA supports this legislation.

cc: Assembly Energy Committee Members

For Further Information Contact:

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