

Reliability in focus

By: Marie J. French

| 04/01/2025 05:45 AM EDT

RELIABILITY IN FOCUS: The New York Post zeroed in on reliability issues highlighted in a recent analysis that backers intended to underscore their opposition to letting utilities build new renewables. “A bombshell report from a clean energy group admitted that shifting to solar and wind may mean chaos for New York’s power grid as the state’s green energy law creates hurdles for cost and reliability,” [the Post’s Carl Campanile wrote](#) about the FTI Consulting report on utility-owned generation.

The FTI report includes a disclaimer that it does not necessarily represent the views of backers including the Alliance for Clean Energy, Independent Power Producers of New York, Inc., solar trade groups and others. The report cites the state’s independent grid operator and the North American Electric Reliability Corporation, which sets reliability standards, raising [concerns about the slow progress of renewables and retirement of fossil fuel plants](#) as demand for power expands. “New York faces hurdles in maintaining reliability due to ambitious renewables targets, the projected retirement of much of its flexible fossil generation fleet, growing load, and extreme weather,” the report states.

“**The point of the Report and its findings were to** demonstrate the increased costs associated with utility projects versus [independent power generators], amongst other issues,” said Gavin Donohue, the head of IPPNY. The [findings were presented at IPPNY’s conference](#) in Albany last week. They mainly focused on the cost declines for electricity supply in New York since utilities were largely barred from owning generation assets. The report concluded that utilities would face all the same issues slowing renewable development in New York that private developers have. The industry was concerned because utility ownership was floated in the state’s draft report on progress toward the 70 percent renewable by 2030 target, which [New York will not meet](#). That report includes several actions to continue investing in new renewables and speed up progress despite the delay — a final version is expected this month.

The New York Post “mischaracterized” the report, said Marguerite Wells, head of ACE New York. “To completely change how our grid works and all the generation on it brings a lot of challenges,” she said. “What we were really calling out was that utility ownership of renewables would make it more expensive for ratepayers. The challenges, which we’ve acknowledged, are not new news.. and we’re working on solutions.”

The report also highlights delays by the state’s Public Service Commission in defining “zero emission” resources that would support the achieving of the 2040 zero emissions electric grid target in the climate law. The state’s own analysis, independent researchers and the New York Independent System Operator has [concluded there will need to be thousands of megawatts](#) of new, dispatchable, zero-emissions resources to meet that target and maintain reliability. Wind, existing nuclear and hydropower, solar and current battery

technology won't be sufficient, according to those reports. But it's not clear what that technology will be or how the state will promote development.

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Gov. Kathy Hochul has in the past year focused on the [potential of new nuclear](#) to support a decarbonized grid. She [rejected a proposal to build new gas plants](#) in New York City in 2021 that developers argued would support grid reliability and reduce overall emissions. The state issued regulations to retire some of the oldest, most polluting fossil fuel power plants, in 2019. But those rules included provisions to keep the plants available if needed – and some are [staying online](#) after the [NYISO identified problems meeting peak summer demand](#) this year if they retire.

There are offramps elsewhere. The climate law allows the PSC to modify the state's electricity targets if they threaten reliability or are linked to more unpaid utility bills. The New York Power Authority is required to [retire its small downstate fossil fuel power plants by 2030](#), but can delay if retirements risk reliability or would raise emissions from other power plants near vulnerable communities.

“The governor has led by example in New York's ongoing transition to a clean energy economy: we have one of the cleanest grids in the nation—with 50% zero-emission electricity—and are a gold standard in reliability,” Hochul spokesperson Paul DeMichele [told the New York Post](#). “The governor recognizes that we can only continue to serve as that good example if the lights stay on and costs are low—and she will use every tool at her disposal to ensure that happens.” — *Marie J. French*