



Renewable Portfolio Standard in New York State



Renewable Portfolio Standard (RPS) Objectives

In 2004 the NY PSC adopted a renewable portfolio standard to increase the amount of RE used by consumers in NYS.

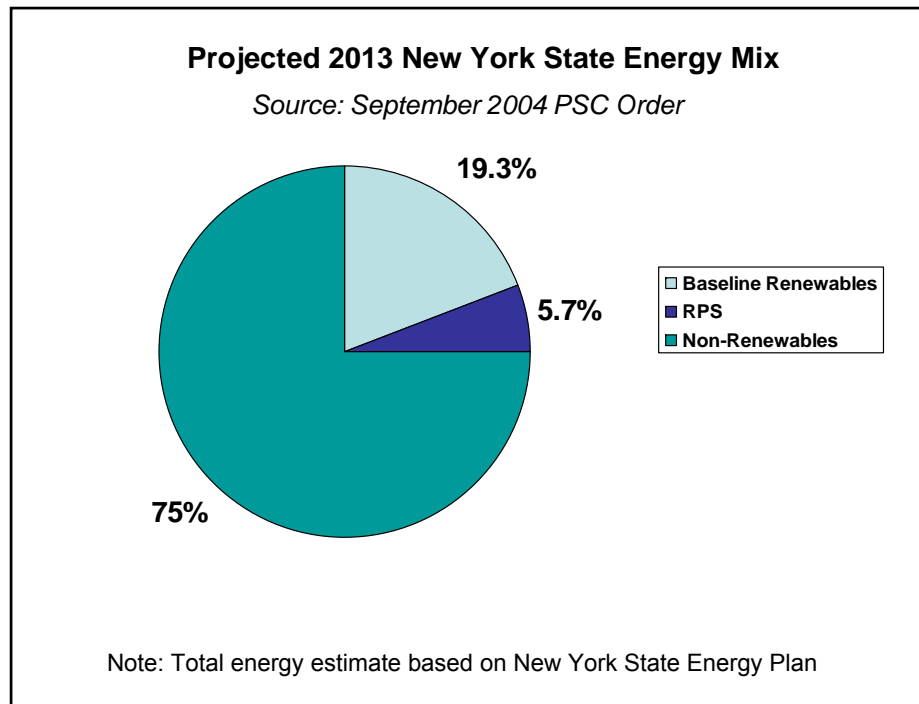
Objectives

- Help meet growing demand for electricity
- Increase fuel diversity
- Stimulate economic development opportunities
- Improve the environment

Renewable Portfolio Standard (RPS) Goal

Goal

- By 2013, increase to 25% the proportion of renewable energy used by retail customers
 - 19.3% at program's inception
 - Expect at least 1% derived from voluntary/green market programs



Renewable Portfolio Standard (RPS) Eligible Resources

RPS Eligible Resources

- Main Tier:
 - Larger facilities that feed electricity into the grid
 - General requirement: commercially operational on or after 1/1/03
 - biogas
 - biomass
 - liquid bio-fuel
 - fuel cells
 - hydro
 - solar photovoltaic
 - tidal/ocean
 - wind
- Customer Sited Tier:
 - Small behind the meter installations
 - General requirements:
 - 1) Commercially operational on or after 1/1/03
 - 2) Must be located in NYS
 - fuel cells
 - solar photovoltaic
 - small wind
 - methane digesters
- Maintenance Resources:
 - General requirements:
 - 1) In commercial operation any time prior to 1/1/03
 - 2) Must demonstrate need to receive RPS financial support

How Does the RPS Solicitation Process Work?

- Central Procurement Model (unique to NYS)
 - NYSERDA buys renewable attributes on behalf of investor-owned utilities
 - Utilities collect revenues from distribution customers via a wires charge (some exceptions apply)
- NYSERDA conducts competitive bids for larger generation facilities
 - Fixed contracts for up to 10 years for production of renewable attributes only
 - One renewable attribute or “credit” per one MWh of energy production
 - Developers sell energy into ISO market or to others via bi-lateral sales
- 3 Requests for Proposals (RFPs) issued to date
- NYSERDA purchases renewable attributes from smaller, behind-the-meter installation (customer-sited tier) on a first come, first serve basis

Renewable Portfolio Standard (RPS) Results

Program Results

- First three solicitations
 - total capacity of wind 1,100 MW.
 - almost 4 million MWh/year
- NYSERDA estimates the first two procurements will generate \$720M in economic development benefits over the next 20 years
 - Developers spending \$1.9 billion to construct new renewables
- Environmental Benefits: Reductions
 - 2,200 tons of nitrogen oxides
 - 4,900 tons of sulfur dioxides
 - 1.5 million tons of carbon dioxide

Project development status

	(MW) <u>Operating</u>	(MW) <u>in const.</u>	Number <u>Operating</u>	Number <u>in const.</u>
Wind	1,084	21	10	1
Hydro	9	19	13	2
Biomass	26	4	1	1
Total	1,119	44	24	4

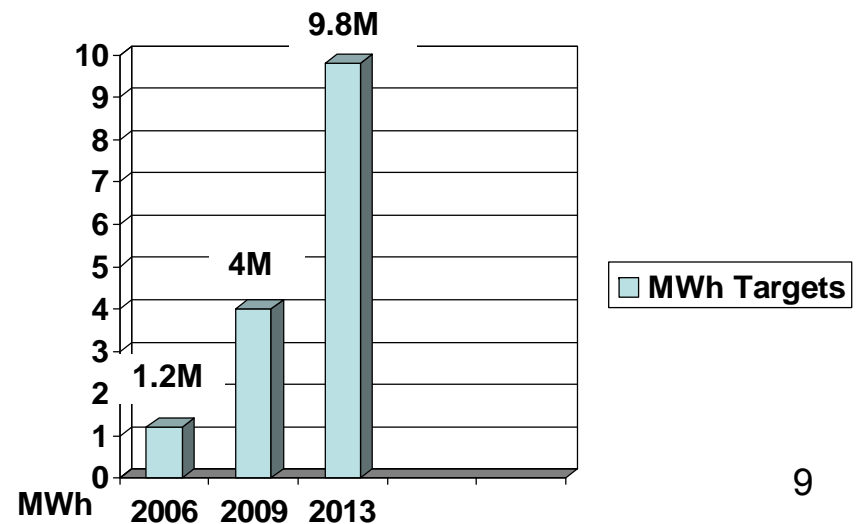
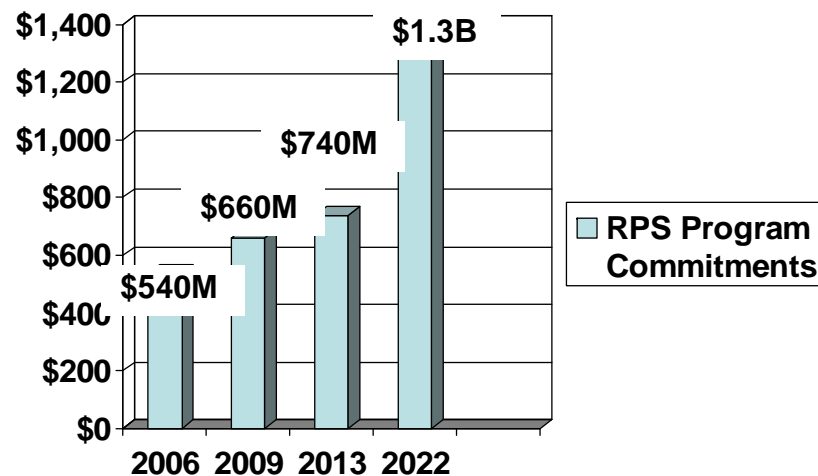
Maple Ridge Wind Farm



RPS Costs

Utility Revenue Collections:

- Commission authorized \$741 million through 2013
- 2007-2008 surcharge: \$0.0006/kWh
- Customer bill impacts, if any, are expected to be modest (2% at most by 2013)
- 2008 average annual residential customer surcharge for National Grid (\$4.77); Con Edison (\$3.15)



NEXT STEPS

- Staff preparing a Mid-course Report on status of program and recommendations for going forward
- Report will go out for public comment
- Commission will then make decisions on how to best move the program forward.