

STATE OF NEW YORK

Public Service Commission

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RENEWABLE ENERGY PROGRAM EXPANDED, STRENGTHENED — More Money Available to Homeowners, Businesses for Renewable Energy Projects —

New York, NY—03/25/10—The New York State Public Service Commission (Commission) today took a major step toward meeting its goal to increase the proportion of renewable generation to 30 percent of projected electricity consumption by 2015, and to ensure New York remains a leader in the development of renewable energy resources.

“The development of renewable energy projects strengthens New York’s emerging clean energy economy, and provides opportunities for job creation at all levels of the renewable resources supply chain,” said Chairman Garry Brown. “In these difficult economic times, we are keeping our focus on the long-term need to support the investment in renewable energy. The development and expansion of our critically important renewable energy resources will allow us to take greater control of our energy future.”

The Commission today approved more than \$279 million over a five-year period for customer-sited renewable energy projects as part of the state’s Renewable Portfolio Standard (RPS) program. This funding will enable thousands of homeowners and businesses to install solar panels, fuel cells, wind turbines and other renewable energy devices. In addition, the Commission approved \$150 million for large-scale solar photovoltaic, anaerobic digester and fuel cell projects in and around the lower Hudson Valley and the New York City metropolitan area.

The ratepayer-funded RPS initiative employs two programs to encourage the development of renewable energy. Both programs are administered by the New York State Energy Research and

Development Authority (NYSERDA). The bulk of the electricity is obtained through competitive procurements for large-scale renewable resources, known as the main tier. The customer-sited tier promotes smaller, self-generation facilities located at residences and businesses.

The customer-sited tier is designed to encourage emerging technologies to play a role in diversifying the state's energy mix, improve the environment, reduce demand during peak load times, and stimulate economic development opportunities. The major benefits of the customer-sited tier include customer participation, technological innovation and commercialization, economic development, fuel diversity, environmental mitigation and strategic load reduction. It helps create market demand and new jobs and has enabled New York to attract new investments.

Technologies eligible for participation in the customer-sited tier include solar photovoltaic, anaerobic digesters, fuel cells and small wind. Today's decision added solar thermal hot water to the list of eligible technologies. Funding amounts are as follows: solar photovoltaic (\$144 million); anaerobic digesters (\$70.5 million); fuel cells (\$21.6 million); small wind (\$18.1 million); and solar thermal (\$24.7 million).

Last year, the Commission expanded the RPS goal to increase the proportion of renewable generation in New York to 30 percent of projected electricity consumption by 2015. As part of that 2009 decision, the Commission authorized \$200 million in main tier spending. Today's action further strengthens and secures the landmark RPS program, which has been New York's primary policy initiative to promote the development of new renewable energy resources since 2004.

The Commission's decision to increase funding for renewable energy projects will spur significant private sector renewable energy investments, including an estimated \$626 million spent on customer-sited solar photovoltaic projects alone. In total, these new customer-sited projects will produce an estimated 466,000 MWhs of electricity over the five-year period, or enough electricity to supply 72,000 average-sized homes.

In addition to customer-sited tier, the funds for large-scale downstate projects will be directed at projects greater than 50 kW. These projects will be more cost-effective and located where distributed generation can do the most good. The size complements the solar photovoltaic installations that are already supported under the customer-sited tier, which must be 50 kW or less, and provides economies of scale.

To ensure the investments are being made wisely, the Commission's decision includes an evaluation component of the customer-sited tier to assess the contribution of the applicable technologies toward the overall RPS goal. This will include a market evaluation for each technology as well as an impact evaluation to assess the accuracy of estimated energy generation based on actual production. These evaluations will help to inform the Commission on the overall success and cost-effectiveness of the program relative to other clean energy options as part of its 2013 review.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 03-E-0188 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).