

STATE OF NEW YORK

Public Service Commission

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PSC LEVELS RENEWABLE ENERGY PLAYING FIELD

— **New Requirements Strengthen Renewable Projects, Helps Eliminate Bottlenecks** —

Albany, NY—10/15/09—The New York State Public Service Commission (Commission) today decided to adopt a uniform methodology for conducting generator energy deliverability studies by renewable developers and to require each new applicant for a certificate of public convenience and necessity to provide such study or seek an exemption from such requirement.

“Regulatory conditions in New York are favorable to renewable energy,” said Commission Chairman Garry Brown. “Processes have been streamlined to site renewable projects, new incentives exist for wind project development, and processes have been developed to mainstream renewable project participation in energy markets and system operations. The methodology we are adopting helps ensure that transmission resources are available to accommodate renewable energy delivery and that renewable energy, where cost effective, is not subject to unreasonable bottling in remote areas of the electric system.”

The Commission’s decision explains that applicants for a certificate of public convenience and necessity (CPCN), which is needed before a renewable energy project proposed by an electric corporation can be built, may rely on any recent New York Independent System Operator or transmission owner study that would indicate that the project's output would be deliverable and would not displace existing renewable energy, where such study exists.

The Commission will use this information in balancing environmental impacts of the proposed project compared to the energy the project can produce and deliver, as part of its CPCN

application evaluation. To help estimate where congestion will likely develop on the system, it is desirable to have the information on energy deliverability calculated based on consistent assumptions and presented in the same format. Should there be deliverability problems identified in the study, the Commission could subsequently require the utilities to study the cost effectiveness, from a ratepayer perspective, of alleviating the bottleneck. For those projects that do not require a CPCN, the order does not impose any new study requirements.

Generator energy deliverability for a renewable resource is the degree to which transmission capability will be sufficient such that a new generator's available energy output will not be unduly curtailed due to insufficient load given the prerequisite that existing renewable and "must run" generators receive first preference in serving load.

A renewable resource energy deliverability study would provide an indication to the new generator on how much of its available energy output might be curtailed due to transmission constraints. In the process, the generator could also receive a reading on how extensive a transmission upgrade (if any) would be needed to help assure that its anticipated energy output will generally be deliverable.

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 09-E-0497 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).