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PSC Further Strengthens and Encourages Development of Renewable Energy Projects

Decreased Capital Costs for Developers Will Advance More Clean Energy Projects and Will Save Consumers \$4.6 Billion

ALBANY — The New York State Public Service Commission (Commission) today authorized the New York State Energy Research and Development Authority (NYSERDA) to create a new, innovative pricing structure to decrease capital costs and further spur the development of much needed clean energy resources in New York State. Today's action builds on Governor Andrew M. Cuomo's 2020 State of the State announcement that NYSEERDA will make competitive awards to 21 large-scale solar, wind, and energy storage projects across upstate New York, totaling over 1,000 megawatts of renewable capacity and 40 megawatts of energy storage capacity. These awards are part of a NYSEERDA 2019 procurement for large scale clean energy projects.

"As a result of Governor Cuomo's determined drive to create a vibrant clean-energy industry, New York has been able to attract billions of dollars in private investment for renewable power supplies, while developing new jobs and clean energy choices for consumers," **said Commission Chair John B. Rhodes**. "Our decision today will benefit renewable energy developers by reducing their risks while also lowering customer costs. In 2020, the Commission will work tirelessly to implement the Governor's ambitious clean energy goals."

Specifically, the Commission today directed NYSEERDA to offer the option of providing additional financial options and support to developers when NYSEERDA seeks bids to build renewable energy projects. Instead of the traditional fixed-price that NYSEERDA had been offering developers, the clean energy authority will now be able to compensate developers for the environmental attributes of the solar or wind farm associated with its generation output, based on a reference market index that will change monthly over the life of the contract. Providing an indexed renewable energy credit, or REC, in addition to continuing to allow for a fixed-price bid, will provide clean energy developers with more flexibility to adapt their bidding behavior to their respective financing and operational needs and more in line with markets.

In contrast, fixed-price RECs provide a fixed as-bid REC price throughout the contract lifetime. The indexed pricing structure will reduce market risk overall for renewable energy generators and lead to reduced bid prices and corresponding decreased contractual costs to the benefit of all customers. Under an indexed bid structure, ratepayers benefit both from projects' reduced finance costs and fewer changes to their energy bills.

Governor Cuomo has already created a swiftly expanding renewable energy industry in New York State with over 2,700 megawatts of solar, wind and storage capacity installed since 2011 and another 7,000 megawatts in development. In his 2020 State of the State address, the Governor also announced that the New York Power Authority (NYPA) will work with state agencies and authorities and its customers to competitively contract for large scale clean energy resources. In total, the Governor's State of the State initiatives, including today's Commission action, will spur over \$2.5 billion in private sector investments toward the development, construction, and operation of clean energy projects, create over 2,000 short-term and long-term jobs, and generate enough renewable electricity annually to power over 350,000 homes.

The Commission's 2016 the Clean Energy Standard Order established, in part, a Renewable Energy Standard (RES) that requires retail customers to be served with increasing amounts of renewable generation. NYSERDA conducts annual competitive solicitations for the purchase of RECs from eligible generators, which have been highly successful thus far. The first two fixed-price REC RES solicitations resulted in awards for 26 new projects in 2017 totaling 1,383 MW, and awards for 19 new projects in 2018 with 1,364 MW. For 2019, 21 large-scale solar, wind, and energy storage projects across upstate New York will receive awards, totaling over 1,000 MW and 40 MW of energy storage. Today's action further enhances NYSERDA's successful renewable energy procurement model.

Today's decisions may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers [15-E-0302](#) (Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard) in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

New York State's Green New Deal

Governor Andrew M. Cuomo's Green New Deal is the most ambitious climate change program in the nation and puts the State on a path to being entirely carbon-neutral across all sectors of the economy, including power generation, transportation, buildings, industry and agriculture. The Governor's program also establishes a goal to achieve a zero-carbon emissions electricity sector by 2040, faster than any state in the nation. The 2019 Climate Leadership and Community Protection Act mandates several of the Governor's ambitious Green New Deal clean energy targets: installing six gigawatts of distributed solar by 2025, three gigawatts of energy storage by 2030, and at least nine gigawatts of offshore wind by 2035. The CLCPA also calls for an orderly and just transition to clean energy, creating jobs while spurring a green economy. It builds on New York's unprecedented ramp-up of clean energy including a \$2.9 billion investment in 46 large-scale renewable projects across the state, the creation of more than 150,000 jobs in New York's clean energy sector and 1,700 percent growth in the distributed solar sector since 2012. The CLCPA also directs New York State's agencies and authorities to work collaboratively with stakeholders to develop a plan to reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, and to work toward a goal for disadvantage communities to receive 40 percent of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments.

Reforming the Energy Vision

The CLCPA builds on Governor Cuomo's landmark Reforming the Energy Vision strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency. Already, REV has driven growth of nearly 1,700 percent in the

statewide solar market, leveraged nearly \$3.4 billion in private investments, improved energy affordability for 1.65 million low-income customers, and led to more than 150,000 jobs in manufacturing, engineering, and other clean tech sectors across New York State.

To learn more about REV, visit rev.ny.gov, follow us on Twitter, Facebook, and LinkedIn.