

STATE OF NEW YORK

Public Service Commission

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PSC KICKSTARTS RENEWABLE ENERGY INVESTMENTS

— **\$95M Earmarked for Renewable Energy Projects, Federal Matching Funds Possible** —

Albany, NY—08/20/09—The New York State Public Service Commission (Commission) today authorized that approximately \$95 million will be made available under its Renewable Portfolio Standard (RPS) program to develop large-scale renewable energy projects, including wind, biomass, and run-of-river hydroelectric projects.

As an added incentive, the RPS funding being made available will enable renewable energy developers in New York to leverage federal grants available under the American Recovery and Reinvestment Act of 2009 (ARRA). This leverage could result in a significant increase in the amount of federal funding coming to New York, providing an even greater building boost of renewable energy projects.

“Our decision to make money available for renewable energy projects reaffirms the important value we place on the development of the clean energy sector of New York’s economy,” said Commission Chairman Garry Brown. “Renewable energy, along with our energy efficiency efforts, provides our best hope toward ending dependency on fossil fuels, improving regional economies, and reducing global warming gases. Backed by the potential for significant public and private financial investments, we look forward to a brighter, cleaner energy future in New York.”

The RPS program, administered for the Commission by the New York State Energy Research and Development Authority (NYSERDA), is currently designed to increase the amount of

electricity used by retail consumers in New York State derived from renewable resources to 25 percent by 2013.

Three main tier solicitations have been held to date. NYSERDA is currently administering 30 contracts for procured main tier RPS resources including wind, hydroelectric and biomass facilities associated with more than 2.8 million MWhs of generation in 2013. Other renewable energy projects that could be eligible to bid into the solicitation include biogas, solar, liquid biofuels, fuel cells, ocean thermal, and wave or tidal energy, among others.

To date, New York's RPS program has resulted in the construction and operation of approximately 1,200 MW of new wind capacity, with another 2,000 MW proposed. The RPS program, through Main Tier procurements, has also increased the penetration of hydroelectric, biomass and biogas resources. In the Customer-Sited Tier, the RPS program has notably resulted in more than 1,500 applications for photovoltaic installations, resulting in an expected installed capacity of more than 15 MW.

Based upon the Commission's decision today, NYSERDA is authorized to conduct a new solicitation for RPS Main Tier resources. The new solicitation shall be conducted in the manner of past solicitations, with the following changes:

- Proposals will be requested using a sealed, "pay-as-bid" auction procedure. A price will be determined above which bids will not be considered, but such price will not be revealed to bidders.
- Contract awards will be for a 10-year term. The 10-year contracts with fuel-based renewable energy generators shall have an escape clause actionable every two and one-half years so that the generator may drop out of the program if it is unable to secure a continuous fuel supply at a price that supports its contract with NYSERDA.
- The selection of winning bids will primarily be based on a weighted combined score with price comprising 70 percent and projected incremental economic development benefits at

30 percent. Only renewable generation facilities that commence commercial operation on or subsequent to the effective date of this order will be eligible to bid. Facilities that began operation before the effective date of this order will not be eligible to bid. The required in-service dates for this solicitation shall be on or before July 1, 2011 for all facilities, except biomass and biogas facilities which will be required to be in-service on or before July 1, 2012.

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).