

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn (518) 474-7080

<http://www.dps.state.ny.us>

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## UPDATE ON LANDMARK RENEWABLE ENERGY PROGRAM

— Stage Set for Possible Next Phase of Renewable Energy Investment in NY —

Albany, NY—3/12/09—The New York State Public Service Commission (Commission) today received an overview and update from Department of Public Service Staff on the progress to date of the Commission’s landmark Renewable Energy Portfolio (RPS) initiative program.

“We are pleased with the progress that our renewable energy program has made during the past five years, and we are confident that it will have an even greater impact in the future,” said Commission Chairman Garry Brown. “The time has come for renewable sources of energy to play an even more significant role in meeting the needs of our energy-intensive economy. The development of renewable, clean energy is critically important for the economic and environmental future of New York State.”

On September 24, 2004, after a year and a half of public hearings and participation by more than 150 parties, the Commission issued its Order creating the Renewable Energy Portfolio Standard, one of the first of its kind in the nation. That Order identified the Commission’s renewable energy policy and provided definitions and targets for carrying out the policy.

The objectives of the RPS are to help meet growing demand for electricity, increase fuel diversity, stimulate economic development opportunities, and improve the environment. The program is divided into two tiers: a main tier that provides funding for larger facilities that feed electricity into the electric grid, and a customer-sited tier that provides funding for behind-the-meter installations.

The existing policy calls for an increase in renewable energy used in the State to 25 percent by 2013. The Commission is considering raising the target to 30 percent by 2015.

Since inception, the RPS program has resulted in the creation of approximately 3 million megawatt hours of electricity — or enough energy to supply more than 385,000 average-sized homes annually. In addition the initiative is expected to generate direct economic benefits approaching \$2 billion over the next 20 years. RPS is also credited with certain environmental benefits, such as an annual reduction of 2,200 tons of nitrogen oxides, 4,400 tons of sulfur dioxides, and 1.6 million tons of carbon dioxide, gases that contribute to global warming.

The initiative is currently budgeted for approximately \$741 million; of that total approximately \$678 million, or 81 percent, has been allocated to projects under the commercial and customer-sited tiers.

Renewable energy is growing in New York. According to the New York Independent System Operator, the electric grid operator, New York has a total wind energy capacity of 1,274 megawatts, with another 8,000 MW of wind power proposals on the drawing board.

Staff expects to receive a draft evaluation report on the RPS program from its administrator, the New York State Energy Research and Development Authority (NYSERDA), in the near future. Among issues to be covered, the report is expected to help the Commission analyze the complementary role of future demand-side management and energy efficiency initiatives to reduce statewide electric load; the estimated impact of reduced load on the amount of new renewable generation necessary to meet RPS program goals; costs and benefits of the program; impacts of renewable resources developed through the RPS Program on the environment, energy security, economic development, and electric system reliability; possible modifications to the list of eligible resources; possible modifications to the delivery requirement; and additional recommendations for improving the RPS program.

The draft report will be made available for public comment. A final report with specific recommendations is expected to be submitted by Staff to the Commission for its review and action during the summer of 2009.

Information on the RPS proceeding can be obtained from the Commission's [www.dps.state.ny.us](http://www.dps.state.ny.us) Web site by accessing the Commission's File Room section of the homepage and referencing Case 03-E-0188. 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).