

STATE OF NEW YORK

Public Service Commission

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PROCEEDING TO CREATE CLEAN ENERGY FUND GETS UNDERWAY — Targeted Fund Will Help Create Economic Growth and Clean Energy Jobs —

Albany, NY—05/08/14—The New York State Public Service Commission (Commission) today commenced a proceeding to consider the development of the Clean Energy Fund, reinforcing New York’s commitment to accelerate the growth of the clean energy economy. The Clean Energy Fund will provide long term funding certainty to local businesses and significant flexibility to the administrators of the State’s clean energy programs. The Clean Energy Fund is just one component of the Commission’s strategy to bridge the transition from the current portfolio of clean energy programs to the new Reforming the Energy Vision (REV) market and required regulatory framework.

The comprehensive Clean Energy Fund will provide continuity of funding for a full suite of ratepayer-funded clean energy initiatives, flexibility to allocate funds among initiatives in response to market conditions, and a transparent upper limit on contributions from ratepayers. In this new model, the utilities will proactively incorporate the deployment of clean, energy efficient distributed energy resources as a core component of their businesses. The Fund is part of an overall effort by the Commission to improve system efficiency, empower customer choice, and encourage greater penetration of clean generation and energy efficiency technologies and practices in New York.

“The potential for clean energy programs to address the fundamental and pressing environmental and energy challenges that we face is growing rapidly,” said Commission Chair Audrey Zibelman. “To tap the full potential clean energy offers to the economy and the environment, we

must ensure New York's clean energy programs are made more efficient and its resources can be deployed or redeployed to stimulate innovation and increase economic investment in clean energy.”

To combat the harmful impact climate change will have on the State's economy and environment, New York must fully tap into clean energy's potential to reduce carbon emissions, while at the same time strengthening the affordability of electricity, as well as the reliability and resiliency of the electric grid in communities. The Fund will grow clean energy benefits by leveraging ratepayer funds through market-based solutions, and it will reduce future ratepayer surcharges. Currently, annual collections for existing clean energy programs, including the State's energy efficiency and renewable energy programs, total \$855 million in 2014 and \$925 million in 2015.

As part of its decision, the Commission will require NYSERDA to develop, in consultation with Staff, a plan and schedule for obtaining broad stakeholder input and conducting market and economic research analysis during the development of its Clean Energy Fund proposal. This plan and schedule are due within 30 days of the date of the order. NYSERDA's proposal is due August 13, 2014. The collection cap for the Clean Energy Fund will be determined as part of the stakeholder outreach and planning process.

With this latest initiative, New York's role as a leader and first mover in shaping the future of energy remains firmly in place. This year, New York launched the \$1 billion NY Green Bank to make strategic investments in clean energy, created the NY-SUN solar energy program, a \$1 billion commitment to make the solar industry self-sustaining over the next decade, and launched REV. REV's goals are to align electric utility practices and regulations with technological advances in information management and power generation and distribution to improve electric system efficiency, greater customer choice, and greater penetration of clean generation and energy efficiency technologies.

By developing innovative market solutions, the State is delivering on Governor Andrew M. Cuomo's commitment to transform the energy industry into a more resilient, clean, cost-effective

and dynamic system. Working with State, citizen and industry-stakeholders, the way of doing business in New York is moving to a more market-based, decentralized approach. This means preserving the environment, decreasing energy costs, and creating opportunities for economic growth for current and future generations of New Yorkers. In advancing these new energy systems and solutions, New Yorkers will have improved energy affordability and efficiency without sacrificing their right to live in a cleaner, resilient and more sustainable environment.

The Commission's decision, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 14-M-0094 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). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.