For Immediate Release: 4/14/2022

GOVERNOR KATHY HOCHUL

GOVERNOR HOCHUL ANNOUNCES APPROVAL OF CONTRACTS TO DELIVER CLEAN, RENEWABLE ELECTRICITY TO NEW YORK CITY

Largest Renewable Energy and Transmission Projects in New York State in 50 Years

Projects Will Deliver Up to $5.8 Billion in Benefits Statewide Including Greenhouse Gas Reductions and Air Quality Improvements and Reduce the City’s Fossil Fuel Electricity Generation by More Than 50 Percent in 2030

 Will Create 10,000 High-Quality Jobs and $8.2 Billion in Economic Development Across the State Including Investments in Disadvantaged Communities

Accelerates Progress to Achieve New York’s Goal to Obtain 70 Percent of Electricity Statewide from Renewable Sources by 2030 on Path to a Zero-Emission Grid

Governor Kathy Hochul, in advance of Earth Week, announced today that the State Public Service Commission has approved contracts with Clean Path New York LLC for its Clean Path NY project and H.Q. Energy Services Inc. for its Champlain Hudson Power Express project to deliver clean, renewable solar, wind and hydroelectric power from upstate New York and Canada to New York City. Earth Week, which this year runs from April 18-22, is celebrated with events worldwide in support of the environment and to raise awareness for the environmental protection and care of our planet.

"New York continues to lead the nation with innovative green energy initiatives and has been an example to the rest of the world how to confront the perils of climate change, the existential threat of our time," Governor Hochul said. "Today's decision is a major step forward in achieving New York State's goal of 70 percentage of our energy from renewable resources, while paving the way for thousands of high-quality jobs, spurring billions in economic activity, reducing our dependence on fossil fuels, and ushering in a cleaner, greener New York for all."

The state's first-of-its-kind renewable energy and transmission projects are expected to deliver up to $5.8 billion in overall societal benefits statewide, including greenhouse gas reductions and air quality improvements, and $8.2 billion in economic development across the state, including investments in disadvantaged communities. Further, when
built these projects will help protect against volatile fossil fuel price fluctuations and stabilize long-term energy costs.

As the largest transmission projects contracted for New York State in the last 50 years, these projects will reduce the city's reliance on fossil fuel-fired generation by more than 50 percent in 2030. Today's announcement accelerates progress to exceed New York State's goal for 70 percent of the state's electricity to come from renewable sources by 2030 on the path to a zero-emission grid by 2040 as outlined in the Climate Leadership and Community Protection Act.

Today's decision was bolstered by the City of New York's confirmation that it will join in these landmark awards by agreeing to purchase a portion of the renewable attributes generated by the two projects, thus helping to make the scale of these projects possible while creating the opportunity to reduce the cost impact of these projects by up to $1.7 billion to all other ratepayers. The NYS Office of General Services has also committed to entering into a contract with the New York State Energy Research and Development Authority (NYSERDA) for Tier 4 RECs associated with the energy used by State agencies and departments located in the City. NYSERDA will also offer renewable attributes from these projects for voluntary purchase, finally enabling the many New York City organizations with interest in switching to clean energy, but who have been unable to do so on-site due to practical constraints, to go one hundred percent renewable with confidence. The government commitments and likely potential for additional private sector purchases are expected to significantly reduce the statewide utility ratepayer impact of implementing the CLCPA and Tier 4 program.

The PSC's October 2020 order adopted a Tier 4 program as part of the PSC's Clean Energy Standard with the purpose of increasing the penetration of renewables into New York City, and directed NYSERDA to conduct a Tier 4 solicitation. In January 2021, NYSERDA issued a Tier 4 renewable energy solicitation seeking projects that can cost effectively and responsibly deliver renewable energy to New York City, an area of the state that relies on aging fossil fuel-fired generation. The selected projects are expected to deliver 18 million megawatt-hours of clean energy per year, or more than a third of New York City's annual electric consumption, from a diverse and resilient clean generation portfolio including onshore wind, solar, and hydroelectric power, backed by energy storage, from upstate New York and Quebec. Combining these projects with the existing contracted portfolio of offshore wind projects connecting directly into New York City, turns the page on the City's energy history, increasing resilience and reliability while significantly improving air quality.

With approval of the contracts, NYSERDA payments will commence for each respective project once the project has obtained all required permits and approvals, has completed construction, and is delivering power to New York City, which is expected to begin in 2025 for the fully permitted CHPE project and 2027 for the CPNY project.

New York City Mayor Eric Adams said, "This is a historic milestone in our mobilization against climate change and fight for environmental justice. Today, we begin dismantling the disparate access to renewable energy that has plagued our city for far too long, especially those communities that reside in the shadow of some of the oldest, most polluting power plants in the state. Not one but two new transmission lines will be built to bring clean renewable energy from the north into New York City — a feat that has not
occurred at this scale in decades. I'm proud of the city's commitment to purchase 100% of its electrical need from these lines, catalyzing others to do the same. I want to applaud the commission, NYSERDA, and Governor Hochul for taking this bold action and I look forward to continued partnership with the governor to tackle climate change."

Rory M. Christian, Chair of the PSC, said, "Governor Hochul's climate and energy leadership is providing the right vision New York needs to create a just, clean, resilient, and affordable energy system. This comprehensive and ambitious plan delivers on those goals and will enable all needed kinds of renewable energy to reach all New Yorkers. Today's action puts the 2030 climate and energy goals well within reach, while firmly establishing a foundation to achieve our 2040 and 2050 goals, which includes zero emissions from the electricity sector by 2040."

Doreen M. Harris, President and CEO, NYSERDA said, "Today's historic decision by the Public Service Commission is a game-changer for New York's transition away from fossil fuels and helps to ensure New York City, the nation's most populated city, will be powered with clean and reliable renewable energy. These transformational projects pave the way for cleaner air and a healthier future for all New Yorkers, especially in communities disproportionately burdened by air pollution, and will stimulate our statewide economy with an investment of $8.2 billion in economic development and create thousands of high-quality jobs. We look forward to working with our partners at Clean Path NY and Hydro Quebec to deliver these critical benefits for families and businesses across the state."

As a component of these landmark deals, Hydro-Quebec will purchase electricity from the planned Apuiat wind farm, developed by the Innu communities in Quebec, as well as enter into a partnership with the Mohawk Council of Kahnawà:ke for joint ownership of the line in Québec that will connect to the Champlain Hudson Power Express.

NYSERDA's successful procurement resulted in the award of projects that bring the highest and best value to New York, including promoting the interests of disadvantaged communities, ensuring economic benefits accrue to the State, and promoting workforce development. Key benefits of these projects include:

**Protecting New York Families:** The projects will deliver up to $2.8 billion in public health benefits resulting from reduced exposure to harmful pollutants - including avoided premature deaths, reduced asthma-related hospital visits, and lost workdays due to illness.

**Massive Economic Driver and Job Creator:** The projects will create approximately 10,000 family-sustaining jobs statewide with $8.2 billion in economic development investments, helping accelerate the state's economic recovery from COVID-19. The project developers have also committed to prevailing wage and project labor agreements to ensure quality, good-paying jobs for New Yorkers.

**Developer-Committed Investments in Disadvantaged Communities:** The two projects committed to investing a combined $460 million in community benefit funds to create pathways to green energy jobs, support public health, advance capital improvement projects, realize habitat restoration and improve the environmental footprint of buildings in disadvantaged communities.
Environmental Protection: Combined, the projects are expected to reduce greenhouse gas emissions by 77 million metric tons over the next 15 years, the equivalent of taking one million cars off the road over this time period.

Cost Effective: The two Tier 4 approved contracts combined will result in significant societal benefits up to $5.8 billion. The contracts include an index REC structure to help cushion customers against spikes in energy prices so when electricity prices rise the Tier 4 program costs go down. The average statewide bill impact for the typical residential customer will be approximately 3 percent, or $3 per month beginning once the projects are in operation.

In addition, these new underground transmission lines will avoid, minimize, and mitigate environmental damages including impacts on sensitive species and habitats and be resilient in the face of extreme weather. Both projects are required to go through the PSC's Article VII permitting process, which includes a full review of the need for the project and any environmental impacts of the siting, design, construction, and operation of major transmission facilities in New York State. CHPE has received its Article VII permit, and CPNY will begin the process.

The CPNY and CHPE projects will add to New York's existing robust pipeline of large-scale renewable energy, comprised of nearly 100 solar, land-based wind, and offshore wind projects totaling 11,000 megawatts of clean power—enough to power over five million New York homes when completed.

The State's commitment to building out new green energy transmission, led by 250 miles of new major upgrades already underway throughout the State and reinforced by this award, will allow the current pipeline of renewables to power more than 60 percent of New York's electricity from renewable energy once operational.

Nation-Leading Climate Plan

New York State's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the CLCPA, New York is on a path to achieve its mandate of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy-wide carbon neutrality. It builds on New York's unprecedented investments to ramp-up clean energy including over $33 billion in 102 large-scale renewable and transmission projects across the state, $6.8 billion to reduce buildings emissions, $1.8 billion to scale up solar, more than $1 billion for clean transportation initiatives, and over $1.6 billion in NY Green Bank commitments. Combined, these investments are supporting nearly 158,000 jobs in New York's clean energy sector in 2020, a 2,100 percent growth in the distributed solar sector since 2011 and a commitment to develop 9,000 megawatts of offshore wind by 2035. Under the Climate Act, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments are directed to disadvantaged communities, and advance progress towards the State's
2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

###