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Kathleen H. Burgess
Secretary

April 19, 2016

Dear Community Leader/Elected Official:

In January 2016, the New York State Public Service Commission directed Staff to develop a process for Commission consideration of a **Clean Energy Standard (CES)** program. The CES mandates that by the year 2030, half of the electricity used in the State will come from renewable resources such as solar, wind and hydro. Staff prepared a White Paper on Clean Energy Standard, as well as a cost-benefit analysis (Cost Study) of the proposed CES and issued these reports for public comment.

To ensure full public participation in this proceeding, the Department will conduct a series of informational sessions and public statement hearings to seek input and comments from your community on Staff's White Paper and Cost Study. At the information session, Staff will provide an overview of the CES program and what it means for consumers and will be available to answer questions. The information sessions will be immediately followed by public statement hearings at which all those who wish to comment on CES and the Staff reports will have an opportunity to make a statement on the record, for the Commission to consider in its deliberations.

It is the Department's intention to facilitate and encourage active and meaningful public participation throughout the entire CES proceeding. If you cannot attend one of the hearings, I encourage you and your constituents to comment using one of the methods described in the attached factsheet. Additional information regarding the CES proceeding, including Staff's White Paper and Cost Study, is available on the Department's website at www.dps.ny.gov under Case Number 15-E-0302.

Sincerely,

Michael Corso

Michael Corso
Consumer Advocate and Director
Office of Consumer Services

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The dates, times and locations of the **information sessions and public statement hearings** are as follows:

Date	Location	Time
Tuesday, May 10, 2016	Binghamton City Hall 38 Hawley Street Binghamton, NY 13901	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Wednesday, May 11, 2016	Town of Amherst Harlem Road Community Center 4255 Harlem Road Amherst, NY 14226	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Thursday, May 12, 2016	Chili Town Hall 3333 Chili Avenue Rochester, NY 14624	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Tuesday, May 17, 2016	Colonie Town Hall 534 New Louden Road Latham, NY 12110	Information Session – 2 pm Public Statement Hearing – 3 pm
Tuesday, May 17, 2016	Albany Law School East Wing School Room E211 80 New Scotland Ave. Albany, NY 12208	Information Session – 6 pm Public Statement Hearing – 7 pm
Wednesday, May 18, 2016	Town of Plattsburgh Town Hall 151 Banker Road Plattsburgh, NY 12901	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Tuesday, May 24, 2016	Oswego City Hall 13 West Oneida St Oswego, NY 13126	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Wednesday, May 25, 2016	Liverpool Public Library Carman Community Room 310 Tulip Street Liverpool, NY 13088	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Thursday, May 26, 2016	Kingston City Hall Council Chambers, 2nd Floor 420 Broadway Kingston, NY 12401	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm
Tuesday, May 31, 2016	NYSDPS 4th Floor Boardroom 90 Church Street New York, NY	Information Session – 2 pm Public Statement Hearing – 3 pm Information Session – 6 pm Public Statement Hearing – 7 pm

Spotlight on: Clean Energy Standard

In December 2015, Governor Andrew Cuomo directed the New York State Department of Public Service (DPS) to develop a Clean Energy Standard (CES) to meet the State Energy Plan's 50% renewable energy by 2030 target through an enforceable mandate. The Governor also directed the DPS to explore ways to keep emission-free nuclear power facilities operational to continue New York's greenhouse gas emissions reductions. Proposed as a core component of Governor Cuomo's Reforming the Energy Vision (REV), the benefits of the CES are highlighted in a complementary factsheet found at the www.ny.gov website and searching for "Clean Energy Standard."

At its January 2016 session, the Public Service Commission (PSC) directed the DPS Staff to develop a White Paper and process for Commission consideration of a CES program. DPS Staff investigated best practices of renewable portfolio standards across the country, particularly in neighboring states. The "Staff White Paper on Clean Energy Standard" was released on January 25, 2016 for comment, and can be accessed at the Commission's www.dps.ny.gov website through the REV webpage or by typing the following url: http://tinyurl.com/zn837a8.

Summary of Staff White Paper on Clean Energy Standard

Proposed Policy Objectives for Public Comment

Currently, New York meets about 26% of its electricity needs from renewable sources and 30% from nuclear generation. The Staff White Paper on CES proposes the following principal policy objectives:

1. Increase renewable electricity supply to achieve the "50 by 30" goal,
2. Support construction of new renewable generation in New York State,
3. Prevent closure of emissions-free nuclear facilities, and
4. Promote the progress of REV market objectives.

Proposed CES Framework for Public Comment

New energy procurement requirements for utilities & other retail energy supply companies (ESCOs): Providers of electricity to New York homes and businesses would be required to comply with the CES, in proportion to their annual retail electricity sales. The New York State Power Authority and Long Island Power Authority are also expected to comply.

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Energy procurements from three tiers: Utilities and ESCOs would be required to procure a percentage of their electricity from three "tiers" (or categories of energy resources): 1. Existing Renewables; 2. New Renewable Generation; and 3. Existing Nuclear Power Resources. This would provide the utilities and ESCOs with flexibility in choosing renewable technologies to meet the mandate and support for existing eligible nuclear facilities thereby providing clear alignment between the CES program elements and the desired policy outcomes.

Eligible renewable energy resources: Eligible renewable energy resources include wind, solar, hydroelectric, biomass, biogas, liquid biofuel, fuel cells and tidal ocean. The White Paper also recommends including certain out-of-state resources that can deliver clean electricity into New York in order to expand supply options and increase market competition.

Continued operation of zero-emission power plants: The Staff White Paper proposes the establishment of a requirement that all utilities and ESCOs procure a pro rata share of Zero Emission Credits (ZECs) attributable to generation from qualified nuclear facilities to maintain the State's current largest source of zero-emission electricity which is nuclear power generation. Near-term closure of nuclear generating plants in response to current economic pressures would increase New York State's reliance on fossil fuel-generating plants, resulting in increases in carbon emissions of over 15.5 million metric tons each year.

Verifying CES compliance: Utilities and ESCOs would demonstrate compliance with the new CES mandate through the use of tradable renewable energy credits (RECs) for renewable energy purchases and ZECs for qualified nuclear generation purchases. RECs and ZECs would be tracked by a new State electronic tracking system currently under development. Annual requirements for RECs and ZECs would be established on a three-year basis.

Cost containment: An "alternative compliance payment mechanism" would be established for each CES tier allowing utilities and ESCOs to pay into a fund as an alternative to purchasing RECs or ZECs when they are in short supply and effectively capping REC and ZEC prices. Costs of meeting the CES will be further reduced by other state energy programs and initiatives to advance clean energy, including the Clean Energy Fund, utility energy efficiency programs, and utility investments in demand side resources.

Energy and environmental values of renewable development in New York: The White Paper proposed several options for providing renewable energy developers an opportunity to capture the monetary value of 1) the energy produced by renewable facilities, and 2) the environmental benefits associated with its electricity generation. Capturing these value streams is important to support project financing, reduce compliance costs and provide generators and customers with price stability.

Limits on utility ownership of renewable resources: The White Paper proposed that investor-owned utilities would continue to be prohibited from owning electricity-generating facilities, including renewable resources, except in exceptional circumstances where there are unambiguous benefits to consumers not being provided by third-party providers. Utilities, however, would be allowed to partner with third parties in investments in renewable generation if it lowers cost and is consistent with principles of the Commission's REV Orders.

Implementation and assessment: Upon Commission approval of a CES program, DPS Staff would develop an implementation plan in consultation with the New York State Energy Research and Development Authority. The Commission would conduct assessments of the CES every three years so the program can be adjusted as needed to achieve the "50 by 30" mandate.

Summary of Clean Energy Standard Cost Study

A benefit-cost analysis of the proposed CES is required to support the Commission's obligation to ensure that electric prices are just and reasonable. The study examines the impact that key cost drivers can have on overall consumer bills and will assist the Commission in the design and implementation of a cost-effective CES. The Clean Energy Standard White Paper – Cost Study (Cost Study) was issued on April 8, 2016 for comment, and can be accessed through the Commission website or by typing the following url: http://tinyurl.com/hmjkmfa. For stakeholders formally participating in the proceeding comments are due June 6, 2016.

The Cost Study estimates that, even in this period of lower electricity prices due to historically low natural gas prices, New York can meet its clean energy targets with a less than 1% impact on electricity bills (or less than $1 per month for the typical residential customer) in the near term and shows a net positive benefit of $1.8 billion by 2023 due in large part to the benefits associated with carbon emissions reductions. Importantly, the conclusions presented in the Cost Study are based on analyses covering the period from 2017 through 2023 due to a comparatively high degree of confidence in near-term forecasts and input assumptions. The detailed analysis through 2023 also coincides with the timing of the periodic three-year CES reviews as proposed in the White Paper. Forecasting the cost of achieving the entire 2030 target is deemed highly speculative at this point. However, the Cost Study does provide 2030 estimates that indicate modest bill impacts and a net positive benefit in reaching the full 50% mandate.

Public Involvement

The Commission strongly believes that obtaining public input regarding the CES program is critical to developing a rational and balanced approach to achieving the State's clean energy goals. Stakeholders such as consumers, government agencies and officials, public interest and environmental groups and industry representatives are invited to review and submit comments on the CES White Paper and the Cost Study. To ensure public involvement, the Commission will also provide opportunities, such as workshops and public statement hearings, to hear from stakeholders and the public on the design and development of the CES.

All documents related to this proceeding are posted on the Department's www.dps.ny.gov website. From the website's home page, click on the "Search" button and enter 15-E-0302 in the "Search by Case Number" field.

Comments on the Clean Energy Standard proceeding can be submitted to the Commission through the following methods:

- **Via Public Statement Hearing:** A series of hearings will be held across the state in the 2016. Hearing dates will be announced via public notices, press releases and the Commission's www.dps.state.gov website. Stay informed of proceeding activities such as case filings or Commission issuances by subscribing to the Department's on-line document management system. Registered users of the application can self-subscribe to the service or party list, submit comments and E-File. Visit www.dps.ny.gov for more information about this service. Interested persons who choose not to sign up to receive e-mail notifications can visit www.dps.ny.gov to check on the status of the proceeding.

- **Via Mail/E-Mail:** Submit comments electronically to Kathleen H. Burgess, Secretary, at secretary@dps.ny.gov or by mail or delivery to Secretary Burgess at the New York State Department of Public Service, Three Empire State Plaza, Albany, NY 12223-1350. Comments delivered in these manners should reference the associated case number (15-E-0302).

- **Via the Department Website:** Comments may be entered directly into Case 15-E-0302 on www.dps.ny.gov by using the homepage Search option to locate the case page. After opening the case, enter comments in the "Post Comments" section located at the top of the page.

- **Call the Toll-free Opinion Line:** Individuals may choose to submit comments by calling the Commission's toll-free Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24 hours a day. Callers should press "1" to leave comments about Case 15-E-0302 Clean Energy Standard. Comments received via the Opinion Line are not transcribed, but a summary is provided to the Commission for their consideration.

Comments from the public will be accepted at any point while this proceeding is pending, but are requested by June 6, 2016 to ensure full consideration. All public comments will become part of the record considered by the Commission.