

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on November 12, 2008

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman
Patricia L. Acampora
Maureen F. Harris
Robert E. Curry, Jr.

CASE 94-E-0952 - In the Matter of Competitive Opportunities
Regarding Electric Service, filed in
C. 93-M-0229.

ORDER APPROVING FURTHER CHANGE TO SETTLEMENT PERIOD IN THE
ENVIRONMENTAL DISCLOSURE PROGRAM

(Issued and Effective November 14, 2008)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission adopts a change to the settlement period in the Environmental Disclosure Program. The "settlement period" is the periodic cycle upon which environmental disclosure information is compiled by Staff of the Department of Public Service (Staff) and distributed to retail electricity suppliers.

BACKGROUND

New York State's Environmental Disclosure Program was established in 1998 and requires retail electricity suppliers to periodically provide environmental disclosure information to their customers.¹ The information is presented to the customer

¹ Case 94-E-0952, Competitive Opportunities Proceeding, Opinion No. 98-19 (issued December 15, 1998).

in the form of a label that discloses information based on the last calculated annual period. The labels disclose the mix of fuel sources used to produce the electricity that was purchased by the consumer and a graph that displays how the emission levels of sulfur dioxide (SO₂), nitrogen oxide (NO_x), and carbon dioxide (CO₂) for that fuel mix compare to the average for New York State.

The information needed for the labels is compiled by Staff using information obtained from the New York Independent System Operator, the New York State Department of Environmental Conservation, the U.S. Department of Energy (the Energy Information Agency, specifically), owners/operators of generating facilities, "green power" brokers, and the State's retail electricity suppliers. Staff currently performs these calculations for six-month settlement periods² corresponding to the first six months and last six months of a calendar year. The data is used on a rolling basis such that the latest available 12 months of data is used to generate updated labels for customers. Labels are provided to customers at least once every six months.

Setting the two six-month intervals at January to June and July to December preserved the seasonality attributes of the resources and matched the settlement period to the six month disclosure period. Having gained experience with the six-month settlement period, Staff now advises that seasonality has not proven to be an important factor and that an annual settlement period would allow for more efficient administration of the program by Staff and easier participation by the other affected parties. Staff believes this change will reduce confusion by new market entrants that frequently report out-of period data

² Case 94-E-0952, Competitive Opportunities Proceeding, Order Approving Change to Settlement Period in the Environmental Disclosure Program (issued May 12, 2004).

that requires additional time and effort to resolve, thus delaying the issuance of the labels. Staff further advises that extending the settlement period to a 12-month calendar year would put the process on the same periodic basis as is used by some of the primary sources of data needed for the process, the Energy Information Agency (EIA), and adjacent control areas (PJM & NEPOOL) upon which New York relies to properly reflect imports and exports. Accordingly, it requests that we authorize a calendar year settlement period, with the first such period being January 2007 through December 2007. No labels would be distributed for the period July 2006 through June 2007, which are otherwise currently due.

NOTICE OF PROPOSED RULEMAKING

A Notice of Proposed Rulemaking was published in the State Register on July 30, 2008. The minimum period for the receipt of public comments pursuant to the State Administrative Procedure Act (SAPA) regarding that notice expired on September 15, 2008. The comments received are summarized below.

COMMENTS OF THE PARTIES

Comments were received from Pace Energy and Climate Center (PACE) and The Alliance for Clean Energy New York (Alliance). PACE supports the move to a 12-month settlement period and believes that this change will reduce the cost of sustaining this valuable consumer information program without affecting the quality of the information to be provided. It observes that the historic information reported has not varied significantly from one six-month period to the next; hence an annual reporting period would be adequate for disclosure purposes. Alliance strongly supports programs to disclose to consumers the environmental impacts of their purchases, including electric power. It says that the Environmental

Disclosure Program helps bolster consumer confidence in the green power market. Consequently, it sees no reason to oppose the proposal and can see advantages to a 12-month cycle. However, Alliance further recommends that the current disclosure system be transitioned to a renewable energy credit (REC) tracking system which it believes would be more robust.

DISCUSSION AND CONCLUSION

It is desirable to make the settlement process for the Environmental Disclosure program as efficient as possible and no objections were made to Staff's proposal. Accordingly, we will adopt the change to a calendar year settlement period. However, we note that this change in the settlement period does not alter the obligation to provide disclosure labels to customers at least once every six months. That requirement will continue so that customers receive the same frequency of information as they do now. The next settlement period will cover January 1 2007 through December 31, 2007.

The Commission orders:

1. The settlement period to be used for the Environmental Disclosure Program is changed from a six month period to a calendar year period.
2. The next settlement period shall cover January 1, 2007 through December 31, 2007.
3. This proceeding is continued.

By the Commission,

(SIGNED)

JACLYN A. BRILLING
Secretary