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VIA ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 15-E-0302 – Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard – **Comments of the City of New York**

Dear Secretary Burgess:

In response to the Notice¹ issued by the Public Service Commission (“Commission”) in the above-captioned proceeding, the City of New York (“City”) hereby submits these comments on the *Staff Report Regarding Retention of Existing Baseline Resources Under Tier 2 of the Renewable Energy Standard Program*.² As discussed in further detail below, the City supports

¹ Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Notice Soliciting Comments on Staff Report Regarding Retention of Existing Baseline Resources Under Tier 2 of the Renewable Energy Standard (issued October 20, 2017) (“Notice”).

² Case 15-E-0302, supra, Staff Report Regarding Retention of Existing Baseline Resources Under Tier 2 of the Renewable Energy Standard Program (issued October 19, 2017) (“Staff Report”).

the Staff Report's recommendation to increase the threshold size for run-of-river hydroelectric facilities from 5 megawatts ("MW") to 10 MW. The City submits, however, that this recommendation does not go far enough to support and protect important low-carbon resources in the State. Without an option to access maintenance support in New York, renewable energy facilities other than run-of-river hydropower may be forced to export their generation to more profitable markets or face closure.

Throughout this proceeding, the City has supported the State's Clean Energy Standard ("CES") goals, namely that 50% of all electricity used in New York be generated from renewable resources by 2030 ("50 x 30") to reduce the State's greenhouse gas emissions.³ This goal is complementary to the City's objectives of creating a resilient and low-carbon energy supply, improving air quality, and reducing greenhouse gas emissions 80 percent below a 2005 baseline by 2050 ("80 x 50"), as detailed in *OneNYC*.⁴

The Staff Report states that because the Commission will consider the impacts of resource attrition as part of its triennial CES reviews, Staff did not have a compelling reason to revise the list of eligible technologies under Tier 2.⁵ The City respectfully submits that the Commission should not wait three years to determine if important sources of renewable energy in the state are being negatively impacted and therefore require maintenance support.

The City does not find cause to distinguish between types of in-state hydropower facilities (i.e., run-of-river versus, for instance, reservoir generation facilities). Hydropower

³ Case 15-E-0302, *supra*, Order Adopting a Clean Energy Standard, at p. 2 (issued August 1, 2016).

⁴ *One New York: The Plan for a Strong and Just City* (issued April 2015) at 166, available at <http://nyc.gov/html/onenyc/downloads/pdf/publications/OneNYC.pdf> ("OneNYC").

⁵ Staff Report, *supra*, at 11.

produced 19% of New York's electric energy in 2016, with an average facility age of 55 years.⁶ Although some of these facilities have been kept viable through modernization projects, without Tier 2 support, they may need to sell their generation in more lucrative jurisdictions or shut down for financial reasons. To avoid reliability issues, this power will need to be generated by either more expensive renewable projects, driving up the costs of power statewide, or by less expensive fossil fuel facilities, which will increase GHG emissions. In either case, residents will be negatively impacted, undercutting both State and City goals. Therefore, insofar as Staff has recommended expanding Tier 2 eligibility to include run-of-river hydropower facilities up to 10 MW, the City suggests that the Commission expand Tier 2 eligibility to include all forms of hydropower up to 10 MW, including reservoir hydropower.

Hydropower plays an important role in the State's renewable mix, and thus the Commission should not create artificial barriers that will only serve to hurt ratepayers and ultimately hinder the progress toward the State and City's GHG emissions goals. For the foregoing reasons, the City of New York respectfully requests that the Commission expand Tier 2 eligibility to all hydropower facilities up to 10 MW.

Respectfully submitted,



Susanne DesRoches

Dated: January 8, 2018
New York, New York

⁶ NYISO, *Power Trends 2017: New York's Evolving Electric Grid*, at pp. 16 and 27, available at http://nyiso.com/public/webdocs/media_room/publications_presentation/Power_Trends/Power_Trends/2017_Power_trends.pdf.