



# Independent Power Producers of New York, Inc.

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Via email at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov)

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

**Re: PSC Case 13-M-0412 - Petition of New York State Energy Research and  
Development Authority to Provide Initial Capitalization for the New York Green  
Bank**

Dear Secretary Burgess:

The Independent Power Producers of New York, Inc. (IPPNY) is a not-for-profit trade association representing the independent power industry in New York. IPPNY's Members<sup>1</sup> are companies involved in the development of electric generating facilities, the generation, sale, and marketing of electric power, and the development of natural gas facilities in the State of New York. IPPNY has been an active participant in the New York State Public Service Commission's (PSC) Renewable Portfolio Standard (RPS) proceeding, and we represent a number of companies that generate electricity using renewable energy resources.

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<sup>1</sup> All of the views expressed in IPPNY's comments do not necessarily represent the positions of each of our Members. Since IPPNY represents a broad spectrum of companies, we anticipate some of our Members also may submit comments on their own.

Through its November 6, 2014 Notice Soliciting Comments,<sup>2</sup> the PSC is seeking public input on the New York State Energy Research and Development Authority's (NYSERDA) October 30, 2014 petition,<sup>3</sup> which requests that the PSC allocate a total of \$781.5 million, via four equal annual installments of \$195.375 million through 2018, to the New York Green Bank to provide the balance of its intended \$1 billion capitalization. For June of 2015, the amount to be provided would come from "available cash balances in dedicated clean energy accounts;"<sup>4</sup> however, the petition does not specify in which accounts these available cash balances exist, the dollar amount of these balances, and how much of these individual balances would be transferred to the Green Bank. For the allocations in June of 2016, 2017 and 2018, funds will be from incremental collections under the Clean Energy Fund Proposal.

By way of background, \$50 million in RPS monies already have been provided to the Green Bank,<sup>5</sup> and the PSC and NYSEDA have yet to provide information on how the future of the RPS Main Tier will be funded. The November 6, 2014 Notice states that NYSEDA will submit, by February 20, 2015, a Supplement to its Clean Energy Fund Proposal, which will "discuss the options for extending the current NYSEDA administered Main Tier program through 2016 to allow a thorough consideration of alternate approaches and a period of transition in support of increasing grid-tied renewable capacity in New York."<sup>6</sup> As a result, parties in the Green Bank proceeding are being asked to provide comments on NYSEDA's Green Bank

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<sup>2</sup> <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={712A1B9A-B9CB-44AD-A531-AE01229BBF2A}>

<sup>3</sup> <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={6AA6635A-D978-4F3B-AC63-AD56A92DC9E2}>

<sup>4</sup> Pages 1, 23, and 27 of NYSEDA's petition at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={6AA6635A-D978-4F3B-AC63-AD56A92DC9E2}>

<sup>5</sup> The PSC's order dated December 19, 2013, provided \$218.5 million of initial monies to the Green Bank, including \$50 million in RPS funds.

<sup>6</sup> Page 4 of the Notice Soliciting Comments issued November 6, 2014, at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={1579BC99-0F90-4E6B-97AC-C2D43539CA9C}>

petition without knowing whether monies originally slated for the RPS Main Tier would be diverted to the Green Bank and how much money remains for the RPS Main Tier.

As discussed in IPPNY's July 18, 2014 comments,<sup>7</sup> the RPS Main Tier 2013 Program Review Report found that investments in renewable energy resources through the RPS Main Tier are the most cost-effective manner by which to obtain these resources and that "public investment through the RPS Main Tier has a positive impact on the State economy and the environment ... [since] every \$1 of State RPS funding invested captures on average almost \$3 in direct investments in New York."<sup>8</sup> RPS Main Tier monies should continue to be available and allocated to Main Tier projects through more solicitations.

Notably, NYSERDA's Green Bank petition states that the Green Bank's "initial transactions alone will mobilize and leverage private sector capital at the ratio of 3:1."<sup>9</sup> The PSC should require explicitly that any RPS Main Tier monies that may be diverted to the Green Bank should continue to be used for projects that have a 3:1 ratio of benefits to costs. This ratio of private investment to public support from the RPS Main Tier funding would be the benefit.

NYSERDA's petition also indicates that the Green Bank has received proposals for utility-scale projects<sup>10</sup> in response to its Request for Proposals issued in February of 2014.<sup>11</sup> To

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<sup>7</sup> Page 1–2 of IPPNY's Comments submitted on July 18, 2014, in PSC Case 14-M-0094 - Proceeding on Motion of the Commission to Consider a Clean Energy Fund available at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={64E9ED59-988D-4EF3-AE4B-A769FB11B596}>

<sup>8</sup> Page S-5 of the NYSERDA Renewable Portfolio Standard Main Tier 2013 Program Review, Final Report, September 5, 2013, available at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={43EC2521-2D12-4B7E-8653-93208479892A}>

<sup>9</sup> Page 2 of NYSERDA's petition at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={6AA6635A-D978-4F3B-AC63-AD56A92DC9E2}>

<sup>10</sup> Figure 4 on page 9 of NYSERDA's petition at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={6AA6635A-D978-4F3B-AC63-AD56A92DC9E2}>

the extent that the PSC may decide to authorize NYSERDA to use RPS Main Tier monies for the capitalization of the Green Bank, the PSC must earmark sufficient funds for large-scale renewable energy projects.

Thank you for the opportunity to provide these comments, and IPPNY urges you to incorporate them into your decision making. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

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Gavin J. Donohue  
President & CEO

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<sup>11</sup> New York Green Bank RFP 1: Clean Energy Financing Arrangements available at <http://greenbank.ny.gov/rfp1.aspx>