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By Electronic Delivery

April 8, 2013

Honorable Jeffrey Cohen
Acting Secretary to the Commission
New York State Public Service Commission
Agency Building 3, Empire State Plaza
Albany, New York 12223-1350

RE: Case 03-E-0188: Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard

Dear Acting Secretary Cohen,

Enclosed for filing are the comments of Alliance for Clean Energy New York (ACE NY) on the petition for reallocation of unencumbered 2012 Customer-Sited Tier program funds submitted by the New York State Energy Research and Development Authority (NYSERDA).

Sincerely,

Valerie Strauss, Interim Executive Director
Alliance for Clean Energy New York, Inc.

Encl.

**COMMENTS OF ALLIANCE FOR CLEAN ENERGY NEW YORK
ON THE NYSERDA PETITION REGARDING
UNENCUMBERED CST FUNDS**

I. Introduction

The Alliance for Clean Energy New York (ACE NY) respectfully submits the following comments in the Renewable Portfolio Standard (RPS) program proceeding. ACE NY is a nonprofit organization whose mission is to promote the use of clean electricity technologies and energy efficiency in New York State in order to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. Members of ACE NY include nonprofit environmental, public health and consumer advocacy organizations, educational institutions, and private companies that develop, produce and sell clean energy and clean energy technologies, as well as energy efficiency services, in New York.

These comments are provided to offer support for the petition submitted by NYSERDA to the Commission on January 30, 2013, with regard to the reallocation of unencumbered 2012 funds in the Customer-Sited Tier (CST) of the RPS. ACE NY has traditionally opposed the transfer of funds from one technology to another and supported keeping unused funds dedicated to the technology to which they were originally allocated given that demand can fluctuate from year to year, and some technologies have needed more time than others to achieve competitiveness and fully engage potential program participants. However, given multi-year experience with these programs and changes in market conditions, we will offer conditional support for transferring funds among technologies at this time.

II. Comments

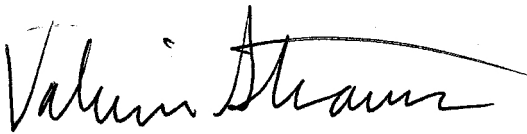
A. NYSERDA Should Monitor Demand and Readjust if Necessary: NYSERDA has proposed reallocating funds among technologies based on its assessment of likely demand within each technology. The request is to roll over unencumbered digester funds but to reallocate part of the unencumbered fuel cell and on-site wind funds to solar PV, and to reallocate all of the unencumbered solar thermal funds to solar PV. We can support NYSERDA's request if it is accompanied by monitoring demand within each program (which we know NYSERDA routinely does) and by considering adjustments if warranted and feasible.

B. Proposal to Reallocate Unused 2013 Funds to Other Technologies in 2014 Should be Postponed Pending Further Evaluation: Although we support the requests as described in the petition and our comments above, we do take exception with NYSERDA's intention to propose additional reallocations of any fuel cell and on-site wind funds not committed by the end of 2013 to another technology category for 2014, and we strongly encourage NYSERDA and the Commission to reserve judgment on transferring unallocated 2013 funds until market conditions for 2014 can be better evaluated. NYSERDA notes that it expects to see an increase in fuel cell market participation in 2013 due to an interest in improving grid resiliency following Superstorm Sandy, and that market participation for on-site wind could also increase based on industry projections and recent policy decisions. Given this potential for growth in market robustness, the proposal to transfer unused 2013 funds to another technology category for 2014 should be made when more information is available regarding the actual encumbrances incurred in 2013 and market projections for 2014.

III. Conclusion

Program stability is crucial to building our state's clean energy economy and facilitating consumer and installer confidence in the RPS programs. As such we offer support for NYSERDA's petition and urge the Commission to rapidly approve the request to roll over and reallocate CST program funds. However, we believe NYSERDA should monitor demand within each technology and seek to ensure there is not unmet demand in 2013 in those technologies where funds are being reallocated. NYSERDA also should be instructed to reserve any decision-making on transferring unused 2013 funds to other technologies until market conditions for 2014 can be more accurately evaluated.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Valerie Strauss". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Valerie Strauss, Interim Executive Director
Alliance for Clean Energy New York, Inc.
Albany, NY
April 8, 2013