

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission to  
Implement a Large Scale Renewable Program  
and a Clean Energy Standard

Case 15-E-0302

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**FILING REGARDING RENEWABLE ENERGY STANDARD  
2017 COMPLIANCE PERIOD**

Introduction

The Commission's August 1, 2016 "Order Adopting a Clean Energy Standard" in the above-referenced proceeding (CES Order) directed the New York State Energy Research and Development Authority (NYSERDA) to publish on its website, by December 1, 2016, the following details pertaining to the Renewable Energy Standard (RES) program 2017 compliance period: "a Renewable Energy Credit (REC) price and the estimated quantity of the RECs NYSEERDA will offer for sale in the 2017 compliance period," a "per MWh ACP price for the 2017 compliance period;" and "a firm schedule of fixed dates for the annual and potential supplemental solicitations" for the 2017 procurement period. NYSEERDA has posted the required information on its website at [nyserdera.ny.gov/clean-energy-standard](http://nyserdera.ny.gov/clean-energy-standard), and submits this filing for the benefit of broad dissemination.

Background

In establishing the RES Program, a component of the CES, the Commission adopted the State Energy Plan goal that 50% of New York's electricity is to be generated by renewable sources by 2030 as part of a strategy to reduce statewide greenhouse gas (GHG) emissions by 40% by 2030. The CES Order created the principal structure through which the State will channel its supply-side efforts to achieve the GHG goal.<sup>1</sup> In furtherance of that strategy, the Commission directed a two-part initiative that, on one hand, increases the State's renewable energy supply and, on the other hand, supports the preservation of existing at-risk nuclear zero-emissions generation.

Under Tier 1 of the RES, the Order requires each LSE to serve their retail customers by procuring qualifying RECs in a defined and increasing percentage of the total load served by the LSE.

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<sup>1</sup> Case 15-E-0302; Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, "Order Adopting a Clean Energy Standard," issued and effective August 1, 2016, at p. 2.

LSEs will be able to meet their RES obligations by purchasing RECs from not only NYSERDA but also from other sources or by making Alternative Compliance Payments (ACPs) to NYSERDA. The Order establishes the RES REC compliance period as January 1 to December 31 of each year, beginning in 2017, and requires each LSE to inform NYSERDA, by December 1, whether it intends to purchase RECs from NYSERDA during the compliance period.

Year 2017 NYSERDA Tier 1 REC Price, Estimated Quantity of NYSERDA Tier 1 RECs,  
and 2017 ACP Price

In determining the quantity of Tier 1 RECs that NYSERDA anticipates offering for sale for the 2017 compliance period, NYSERDA summed the expected contractual annual MWh generation from eligible<sup>2</sup> resources that have existing agreements with NYSERDA. This total includes annual MWh generation from eligible resources that commenced operation on or after January 1, 2015 as well as the prorated portion of MWh generation from resources that are scheduled to enter into commercial operation in 2017.<sup>3</sup>

With regard to the eligibility of resources under the CES Order, on August 25, 2016, NYSERDA filed a request for clarification<sup>4</sup> regarding the treatment of behind-the-meter generation funded by NYSERDA. On September 12, 2016, the Commission filed a notice soliciting comments<sup>5</sup> on NYSERDA's request for clarification. In the absence of Commission action on this request, for the purpose of fulfilling the near-term filing requirements regarding 2017 REC sales, NYSERDA has excluded all behind-the-meter or net energy metered resources funded under NYSERDA's Customer-Sited Tier and NY Sun programs from its calculations of estimated 2017 RECs for sale to LSEs.

As defined in the CES Order the 2017 REC price offered by NYSERDA to the LSEs is to equal the weighted average cost per MWh NYSERDA paid to acquire the RECs plus the Commission-approved administrative adder. On August 25, 2016, NYSERDA filed a Petition requesting approval to utilize uncommitted Systems Benefit Charge (SBC), Energy Efficiency Portfolio Standard (EEPS), and Renewable Portfolio Standard (RPS) funds, rather than an administrative adder to the REC price, to cover NYSERDA costs of administering the RES Program. In the absence of Commission action on NYSERDA's August 25, 2016 Petition regarding the

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<sup>2</sup> CES Order at Appendix A.

<sup>3</sup> The total was also adjusted to reflect the ordinary historic attrition and early-year underperformance that has occurred for NYSERDA-contracted facilities.

<sup>4</sup> Petition requesting clarification filed August 25, 2016 in the above-referenced proceeding.

<sup>5</sup> Notice Soliciting Comments on Request for Clarification, issued September 12, 2016 in the above-referenced proceeding.

administrative adder, NYSERDA has not included an administrative adder in the 2017 REC price included in this filing.

As per the CES Order, “the ACP price will equal an amount calculated as the published REC price plus 10%.” The estimated quantity of Tier 1 RECs available from NYSERDA for compliance with 2017 RES obligations and the weighted average price of the estimated quantity of RECs available from NYSERDA for compliance with 2017 RES obligations are shown in Table 1. Using the NYSERDA 2017 REC price,<sup>6</sup> as derived from the process described above, the 2017 per MWh ACP is also shown in Table 1.

Table 1 – RES 2017 NYSERDA RECs

2017 Tier 1 RECs to be offered for sale by NYSERDA	2017 Tier 1 REC Price	2017 ACP Price
56,142	\$21.16	\$23.28

In addition to the quantity of Tier 1 RECs identified in Table 1, NYSERDA anticipates that 705,654 MWh will be generated from NYSERDA-funded Customer-Sited Tier and NY Sun behind-the-meter and net energy metered facilities in 2017. As the proper treatment of this generation is subject to future Commission decision-making, generation associated with these facilities is not included in Table 1 at this time.

Should additional eligible vintage 2017 Tier 1 RECs become available to NYSERDA, they may be sold to LSE’s through a separate process during 2017 or during the settlement period following the 2017 compliance period. At the conclusion of the settlement period, NYSERDA will report to DPS Staff on the aggregate collections and payments, the number of RECs actually made available for sale and the number sold, and the funding balance or deficit.

#### RES Program REC Procurement Schedule

NYSERDA will issue the first RES REC Request for Proposals (RFP) in April 2017. If, through the April 2017 RFP, NYSERDA-awarded projects constitute less than 90 percent of the minimum REC target identified in the CES Order<sup>7</sup> on an annual generation basis, NYSERDA

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<sup>6</sup> The REC Price included in Table 1 includes no administrative adder, and reflects NYSERDA’s request for approval to use uncommitted Systems Benefit Charge (SBC), Energy Efficiency Portfolio Standard (EEPS), and Renewable Portfolio Standard (RPS) to fund such costs rather than collecting these through a REC adder mechanism. Petition filed August 25, 2016 in the above-referenced proceeding.

<sup>7</sup> CES Order at p. 114. As directed by the CES Order, DPS Staff and NYSERDA filed an Implementation Plan on October 31, 2016 including further details about the procurement method and process.

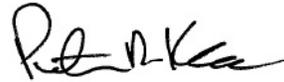
will release the second RES RFP in October 2017. Table 2, below, provides additional details regarding the 2017 schedule.

Table 2 – RES 2017 Anticipated Procurement Timeline

2017 Renewable Energy Credit RFP 1 Release	April 2017
RFP 1 Awards	August 2017
NYSERDA/DPS announcement on need for 2017 RFP 2 Procurement	September 2017
2017 Renewable Energy Credit RFP 2 Release (if needed)	October 2017
RFP 2 Awards	February 2018

Dated: November 1, 2016

Respectfully submitted,



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