



February 19, 2013

VIA ELECTRONIC MAIL

Hon. Jeffrey C. Cohen, Acting Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350
secretary@dps.ny.gov

RE: Case No. 03-E-0188: Comments of the Sierra Club Regarding NYSERDA's Request for Modifications to the Renewable Portfolio Standard

Dear Secretary Cohen:

The Sierra Club,¹ on behalf of its 35,000 members in New York State, respectfully submits these comments to the New York State Public Service Commission (“Commission”) regarding the New York State Energy Research and Development Authority’s (“NYSERDA’s”) December 14, 2012 request for modifications to the renewable portfolio standard (“RPS”). Sierra Club broadly endorses all of the benefits to the State that NYSERDA identifies and describes in requesting that Main Tier eligibility be limited to projects located in New York State, including any offshore wind projects directly interconnected to the New York grid. Limiting Main Tier eligibility to in-state projects will ensure that New York spends its clean energy dollars in a way that maximizes benefits to the State’s residents and its environment. So long as the Commission is careful that any order it issues controls only the State, acting as a market participant through NYSERDA in the context of Main Tier solicitations, the Sierra Club urges the Commission to adopt NYSERDA’s recommendation.

I. Background

In December 2012, NYSERDA submitted a petition to the Commission seeking to revise the rules of the State’s RPS Main Tier eligibility to projects located in New York State. NYSERDA’s proposal extended to offshore projects directly interconnected to the New York grid. In its petition, NYSERDA laid out the economic benefits of limiting Main Tier eligibility

¹ Founded in 1892, the Sierra Club is the nation’s oldest grassroots environmental organization with approximately 600,000 members in all 50 states, including more than 35,000 members in the State of New York. The Sierra Club’s mission involves promoting the responsible use of the earth’s resources and protecting and restoring the quality of the natural and human environments. In view of this mission, the Sierra Club seeks to ensure the availability of safe and reliable energy in a manner that protects human health and promotes a healthy environment.

to in-state projects, as well as the environmental and energy security benefits. On January 4, 2013, the Commission established a comment and reply schedule on NYSERDA's proposal. Pursuant to the schedule, comments on the proposal are due no later than February 19, 2013 and reply comments are due no later than March 6, 2013.

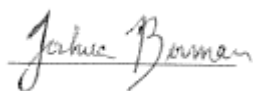
II. Comments

The Sierra Club agrees with NYSERDA that limiting Main Tier eligibility to projects in New York will provide important economic, environmental and energy security benefits to the State. In-state projects create in-state construction and operation jobs, increase New York's property tax base and payments in lieu of taxes, and produce significant multiplier effects throughout the New York economy. At the same time, in-state projects ensure that clean renewable energy is being consumed in New York and may also limit transmission needs, which saves money and benefits the environment. By contrast, supporting out-of-state projects through NYSERDA's Main Tier solicitations produces little economic benefit for New York and fails to ensure long-term availability of renewable energy credits ("RECs"), as Main Tier REC contracts cover only a 10-year period, and facilities are free upon termination of the REC contract to sell their RECs elsewhere. The Sierra Club urges the Commission to approve NYSERDA's proposal, but in doing so, to be careful to ensure that its order affects only to the State, acting as a market participant through NYSERDA in the context of Main Tier solicitations so as to ensure it does not run afoul of the dormant Commerce Clause.

III. Conclusion

For the foregoing reasons, the Sierra Club recommends that the Commission approve NYSERDA's petition.

Respectfully submitted,



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