

STATE OF NEW YORK

Public Service Commission

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13029/03-E-0188

IMPROVEMENTS MADE TO RENEWABLE ENERGY PROGRAM

— More Funding to Popular Renewable Technologies —

Albany, NY—05/16/13— In an effort to further spur renewable energy growth in New York, the New York State Public Service Commission (Commission) today authorized the New York State Energy Research and Development Authority (NYSERDA) to reallocate more than \$29 million toward certain renewable energy technologies that have experienced an increase in demand.

With its action today, the Commission authorized NYSEDA to increase funding levels of four customer-sited tier programs: \$11.6 million to the solar photovoltaic (PV) program; \$12.9 million to the anaerobic digester gas (ADG) to electricity program; \$3 million to the fuel cell program; and, \$1.5 million to the on-site wind program. In total, the funding reallocation will result in the addition of approximately 244MW and 488,000 MWh of energy capacity and delivery, respectively, through 2015.

“These four popular customer-sited tier programs allow, customers to generate electricity while they participate directly in the promotion of certain technologies using self-generation, ‘behind-the-meter’ facilities located in New York,” said Commission Chairman Garry Brown. “The increased funding for these programs will help encourage development of even greater amounts of renewable energy.”

The increased funding to the popular solar PV program will continue to provide market stability while supporting Governor Cuomo’s NY-Sun objectives. The NY-Sun initiative was announced

by the Governor in his 2012 State-of-the-State address, and established a goal of doubling the 2011 customer-sited PV capacity additions in 2012, and quadrupling them by 2013.

With reallocation of funds, the solar PV program budget for 2013 is \$49.1million; however, it is not the only initiative in demand. In the aftermath of Super Storm Sandy, the fuel cell market demonstrated an increased interest in large-size fuel cells for daily use, with the provision that the systems can run during a grid outage as a resiliency feature. The current fuel cell program budget of \$6.6 million will see an increase. Meanwhile, demand also continues for NYSERDA's ADG program, with reallocation of funds, currently funded at \$24.5 million, and on-site wind program, funded at \$4.6 million annually.

The customer-sited tier is one of two components of New York's Renewable Portfolio Standard (RPS) program. The larger component is the main tier section, which funds utility-sized renewable energy projects. As part of the changes to the RPS program, the Commission in a separate action today granted NYSERDA's request to limit RPS main tier eligibility to projects located in New York State. NYSERDA sought authority on a going-forward basis to keep participation to renewable energy projects located within the state.

The RPS program promotes environmental improvement, energy security and economic benefits to New York. Given the significant and sustained drop in the price paid for electricity, and the inability of developers to rely on any consistency in federal support, there is increased pressure on the program. Because of these pressures, the Commission found that it is appropriate and necessary to maximize the value of the potential offsetting economic benefits. The Commission agreed with NYSERDA that the economic benefits provided by in-state projects are substantial in relation to the cost of the RPS premiums needed to induce the projects.

The Commission's decisions today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 03-E-0188 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty

understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

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