STATE OF NEW YORK PUBLIC SERVICE COMMISSION

OPINION NO. 98-19

CASE 94-E-0952 - In the Matter of Competitive Opportunities Regarding Electric Service, filed in C 93-M-0229.

> OPINION AND ORDER ADOPTING ENVIRONMENTAL DISCLOSURE REQUIREMENTS AND ESTABLISHING A TRACKING MECHANISM

Issued and Effective: December 15, 1998

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APPEARANCES

FOR DEPARTMENT OF PUBLIC SERVICE STAFF:

Paul Agresta, Assistant Counsel, Three Empire State Plaza, Albany, New York 12223-1350

FOR NEW YORK STATE CONSUMER PROTECTION BOARD:

Timothy S. Carey, Chairman & Executive Director; Ann Kutter, Deputy Executive Director; Michael Sasso, Esq.; Richard W. Bossert, Esq., 5 Empire State Plaza, Suite 2101, Albany, New York 12223-1556

FOR NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION:

G.S. Peter Bergen, Assistant Commissioner for Hearings & Mediation Services, Room 423, 50 Wolf Road, Albany, New York 12233-1550

FOR NEW YORK STATE ATTORNEY GENERAL:

J. Jared Snyder, Assistant Attorney General, Division of Public Advocacy, Environmental Protection Bureau, The Capitol, Albany, New York 12224-0341

FOR NEW YORK POWER AUTHORITY:

Joseph J. Carline, Assistant General Counsel, 1633 Broadway, New York 10019

FOR LONG ISLAND POWER AUTHORITY:

Richard J. Bolbrock, P.E., Vice President-Power Markets, 333 Earle Ovington Boulevard, Suite 403, Uniondale, New York 11553

FOR MUNICIPAL ELECTRIC UTILITIES ASSOCIATES OF NEW YORK STATE:

Thomas L. Rudebusch, Esq., Duncan, Weinberg, Miller & Pembroke, P.C., Suite 800, 1615 M Street, N.W., Washington D.C. 20036

FOR CENTRAL HUDSON GAS & ELECTRIC CORPORATION:

Robert J. Glasser, P.C., Esq., Gould & Wilkie, One Chase Manhattan Plaza, New York, New York 10005-1401 FOR CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.:

Sara Schoenwetter, Associate Counsel and Joseph P. Oates, Senior Engineer, Energy Trading, 4 Irving Place, New York, New York 10003

FOR DECOTEX 2000:

John Schnebly, 100 N. Mohawk Street, Cohoes, New York 12047

FOR ENERGY MARKETERS COALITION OF THE NATIONAL ENERGY MARKETERS ASSOCIATION:

Craig G. Goodman, Esq., General Counsel, Suite 425, 3333 K Street, N.W., Washington D.C. 20007

FOR MULTIPLE INTERVENORS, INC.:

Couch, White, Brenner, Howard & Feigenbaum, L.L.P. (Barbara S. Brenner, Esq. and Doreen Unis Sais, Esq.) 540 Broadway, P.O. Box 22222, Albany, New York 12201-2222

FOR NEW YORK STATE ELECTRIC & GAS CORPORATION:

Huber Lawrence & Abell (Frank J. Miller, Esq. and Amy A. David, Esq.), 605 Third Avenue, New York, New York 10158

FOR NIAGARA MOHAWK POWER CORPORATION:

Joseph J. Hipius, Strategic Planning, A-4, 300 Erie Boulevard West, Syracuse, New York 13202-4250

FOR ROCHESTER GAS & ELECTRIC CORPORATION:

Mark Marini, Manger, Regulatory Affairs Dept., 89 East Avenue, Rochester, New York 14649-0001

FOR MEMBER SYSTEMS OF THE NEW YORK POWER POOL:

LeBoeuf, Lamb, Greene & MacRae, L.L.P. (Paul L. Gioia, Esq. and Andrea Chambers, Esq.), 1875 Connecticut Avenue, N.W., Suite 1200, Washington D.C. 20009-5728

FOR NATURAL RESOURCES DEFENSE COUNCIL, PACE ENERGY PROJECT, ENVIRONMENTAL ADVOCATES, SIERRA CLUB - ATLANTIC CHAPTER, GREEN MOUNTAIN ENERGY RESOURCES, ENRON CORPORATION, U.S. GENERATING COMPANY, AND INDEPENDENT POWER PRODUCERS OF NEW YORK, INC.:

> Dale Bryk, Natural Resources Defense Council; Val Washington, Environmental Advocates; Betty Quick, Sierra Club - Atlantic Chapter; Tom Rawls, Green Mountain Energy Resources; Jeff Brown, Director of Governmental Affairs, Enron Corporation; Jean Hopkins, U.S. Generating Company; Aaron Breidenbaugh, Deputy Director and Director of Regulatory Affairs, Independent Power Producers of New York, Inc.; Mollie Lampi, Pace Energy Project, Pace University of Law, Center for Environmental Legal Studies, 122 South Swan Street, Albany, New York 12210

FOR ENVIRONMENTAL ADVOCATES AND SIERRA CLUB - ATLANTIC CHAPTER:

Betty Quick, Energy Co-Chair, Sierra Club - Atlantic Chapter; Cori Fay Traub, Air & Energy Project Director, Environmental Advocates, 353 Hamilton Street, Albany, New York 12210

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

COMMISSIONERS:

Maureen O. Helmer, Chairman Thomas J. Dunleavy James D. Bennett

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BY THE COMMISSION:

INTRODUCTION

Recognizing the importance of informed customer choice and the need to give customers useful environmental information, we approved electric restructuring plans that included commitments to develop an environmental disclosure mechanism.¹ To effectuate such disclosure, the parties agreed to cooperate in

¹ Cases 96-E-0987, 96-E-0916, 97-E-0029 and 97-E-0032, Opinion and Order Adopting Terms of Settlement Subject to Conditions and Understandings, Opinion No. 97-16 (issued November 3, 1997) at Appendix C, p. 8; Case 96-E-0900, Opinion and Order Adopting Terms of Settlement, Opinion No. 97-20 (issued December 31, 1997) at Appendix, p. 6; Case 96-E-0898, Opinion and Order Adopting Terms of Settlement Subject to Conditions and Changes, Opinion No. 98-1 (issued January 14, 1998) at pp. 41-42; Cases 96-E-0891, 93-E-0960 and 94-M-0349, et al., Order Adopting Terms of Settlement Subject to Modifications and Conditions, (issued January 27, 1998) at p. 6; Cases 96-E-0891, 93-E-0960 and 94-M-0349, et al., Opinion and Order Adopting Terms of Settlement Subject to Modifications and Conditions, Opinion No. 98-6 (issued March 5, 1998) at p. 2; Cases 94-E-0098 and 94-E-0099, Opinion and Order Adopting Terms of Settlement Agreement Subject to Modifications and Conditions, Opinion No. 98-8 (issued March 20, 1998) at Appendix C, pp. 27-28; and Case 96-E-0909, <u>Opinion and Order Adopting Terms of Settlement</u> Subject to Modifications and Conditions, Opinion No. 98-14 (issued June 30, 1998) at p. 40.

the development and implementation (where feasible, meaningful and cost effective) of a system to provide consumers with the fuel mix and emissions characteristics of the generation sources relied on by their electricity suppliers. The goal of environmental disclosure is to facilitate informed customer choice, which could, in turn, lead to improved environmental quality and resource diversity.

BACKGROUND

Procedural History

A Staff team representing several divisions and offices was formed in November 1997. The team hosted an all-day educational kickoff conference, in January 1998, with national experts as speakers. In March, the Staff team issued a draft white paper, which was presented at an all-parties informational meeting. The draft white paper provided background information and concepts and described two possible mechanisms for obtaining reliable data on the fuel mix and emissions characteristics of generation sources. In April, numerous parties submitted initial and reply comments regarding the alternative mechanisms. The Staff team considered the comments, conducted extensive consultations with individual parties, and pursued further research (including meeting with the state agency staffs working on environmental disclosure in New England and New Jersey). In August 1998, the Staff team issued a final white paper endorsing a single "tracking" mechanism, which had been refined from the proposals in the draft white paper. The final white paper was entitled Environmental Disclosure: Empowering New York Consumers To Make Informed Electricity Choices (White Paper). In formulating the proposed tracking mechanism, Staff sought to make adjustments intended to satisfy most of the concerns raised by the parties. The White Paper was also presented to the parties at an informational forum and was the subject of a round of initial and reply comments submitted to us for our consideration. A notice pursuant to the State Administrative Procedure Act (SAPA) regarding the environmental disclosure proposal was

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published in the <u>State Register</u> on August 19, 1998. The minimum SAPA comment period expired on October 3, 1998. Comments received are described and analyzed below.

Summary of the Staff Proposal

A detailed description of the full Staff Proposal, as modified below, is attached hereto as an appendix.

(a) <u>Comprehensive Environmental Disclosure</u>

Every electric utility, energy service company (ESCO), jurisdictional municipal electric utility and jurisdictional cooperative electric utility, providing retail sales of electricity, would be required to provide periodic environmental disclosure statements to their existing retail customers and to enclose environmental disclosure statements with the other required disclosure materials for prospective retail customers. Voluntary participation would be sought from the New York Power Authority, the Long Island Power Authority, and nonjurisdictional municipal and cooperative electric utilities. The environmental disclosure statements would be in the form of a standardized "label" which would provide information on fuel resource mix and selected associated air emissions levels relative to a statewide average. The disclosure information would be recalculated every quarter, to update a rolling annual average.

(b) <u>Verification Mechanism</u>

A tracking system based on financial settlements data held by the Independent System Operator (ISO) and the transmission and distribution (T&D) utilities would be used to generate aggregated energy transactions information for each retail provider of electricity. The system would trace energy purchases through bilateral contracts back to the source of electric generation. Relying chiefly on the United States Environmental Protection Agency's (EPA) Emissions and Generation Resources Integrated Database (E-GRID) for emissions data, a

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system "Administrator" (see below) would match emissions rates to generation sources and energy amounts to calculate aggregated emissions rates for each retail provider of electricity. Undifferentiated purchases made through the ISO operated Locational Based Marginal Pricing (LBMP) spot markets would be assigned the average of the characteristics of the electricity sold into the spot markets. Specific spot market purchases could acquire the environmental characteristics of specific sales into the spot market through a retroactive conversion process. After final settlement of a period's spot market transactions, sellers and buyers would jointly inform the system administrator of such conversion transactions. Spot market buyers choosing not to purchase environmental attributes would receive a residual spot market average from which the conversion transactions had been netted out. The disclosure labels would reflect each retail supplier's actual purchases without any regional "default" with Imports would be assigned a regional fuel mix and one exception. average emissions rates unless the state of origin had a compatible tracking and environmental disclosure system.

(c) <u>Administration</u>

The Department of Public Service would be the environmental disclosure system Administrator, with the authority to arrange for outside contractual assistance, as needed. The ISO's only function would be to extract and supply needed financial settlements data from its data base. For bilateral contracts, this would mean aggregating detailed hourly transactions into settlement period totals of the power-plant specific sources of each Load Serving Entity (LSE). For LBMP transactions, it would mean a report of all sales into the spot markets by power plant and all purchases from the spot market by LSE. The local T&D utilities would supply data on wholesale energy transactions among LSEs occurring below the ISO's subzonal busbars. The Administrator would marry ISO and subzonal busbar settlements data and conversion transactions data to plantspecific annual average emissions factors to calculate and

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provide each retail supplier's overall fuel mix and emissions rates for use on the disclosure labels. The Administrator would also assign attributes to imports. Finally, the Administrator would periodically audit reconciliations by retailers of their differentiation of their company total generation resource fuel mix and attributable emissions into separate resource portfolios or "products," for sale to different groups of customers, for which retailers would calculate their own labels for each product from the overall company aggregated data supplied by the Administrator.

(d) <u>Costs</u>

The costs of the ISO and certain costs of the T&D utilities to generate the needed data, and the costs of any consultant services arranged by the Administrator, would be funded by up to \$3 million through July 2001 in system benefits charge (SBC) funds we previously reserved¹ for environmental disclosure purposes. Such funding would be supplemented by voluntary participants. The costs of printing and distributing the disclosure labels would be borne by each individual LSE.

(e) <u>Implementation</u>

Anticipating that ISO operations may begin in March 1999, the tracking of transactions could begin two or three months thereafter. To minimize seasonal distortions, it is necessary to collect at least six month's worth of data before the disclosure information would be sufficiently representative of energy sales. Once the system is fully phased in, each disclosure label would cover the most recent twelve month's data, updated quarterly. ISO final settlement after the end of the final month in the initial tracking period will take about 10 weeks and approximately two months would be needed for

¹ Case 94-E-0952, <u>Order Approving System Benefits Charge Plan</u> <u>With Modifications and Denying Petitions for Rehearing</u>, (issued July 2, 1998).

calculating the disclosure information and distributing the disclosure labels to customers. Therefore, customers would begin receiving disclosure labels around April 2000.

COMMENTS AND DISCUSSION

Individual comments were submitted by New York State Consumer Protection Board (CPB), New York State Department of Environmental Conservation (DEC), New York State Attorney General (AG), New York Power Authority (NYPA), Long Island Power Authority (LIPA), Municipal Electric Utilities Association of New York State (MEUA), Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), Decotex 2000 (Decotex), Energy Marketers Coalition of the National Energy Marketers Association (EMC), Multiple Intervenors (MI), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation (NMPC), and Rochester Gas and Electric Corporation (RG&E). Joint comments were submitted by the Member Systems of the New York Power Pool (NYPP); Natural Resources Defense Council, Pace Energy Project, Environmental Advocates, Sierra Club - Atlantic Chapter, Green Mountain Energy Resources, Enron Corp., US Generating Company, and Independent Power Producers of New York, Inc. (NRDC, et al.); and Environmental Advocates and Sierra Club - Atlantic Chapter (Env. Adv., <u>et ano.</u>).

(a) <u>Fundamental Concepts</u>

Of the seventeen sets of comments received, only Con Edison and MI, joined by MEUA in reply comments, took issue with the fundamental premises of Staff's proposed tracking mechanism. Con Edison agreed that Staff's proposal is feasible, but questions the meaningfulness of the disclosure information to many customers and the cost-effectiveness of Staff's proposal. MI strongly supported the funding provision of the proposal, but questioned whether the proposed tracking approach would impose unnecessary burdens on LSEs that do not intend to compete on the basis of environmental attributes. The remainder of the comments

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expressed general satisfaction and support for the core elements of Staff's proposal and suggested only minor changes, and many parties praised Staff's responsiveness to their concerns.

(1) <u>Consumer Interest</u>

Con Edison asserts that there is, as yet, no definitive information about the interest of electric consumers in air emissions and fuel mix information and whether such information will affect consumers' selection of an LSE for electric service. In preparation of the White Paper, Staff surveyed industry literature regarding consumer preferences and determined that, in fact, in every polling effort thus far consumers demonstrate a strong desire for environmental information and a stated willingness to pay extra for clean power. No party has put forth any information to the contrary. We are convinced that sufficient consumer interest has been demonstrated to warrant implementation of Staff's proposal. What is not clear is the degree to which consumer interest in environmental information will translate into consumer action in choosing suppliers. The known experience to date in California and New England, as evidenced by the successful proffer of "green" products by marketers in those retail markets, is that a significant number of customers will act on their expressed environmental preferences. Of course, a "definitive" answer in New York can only be obtained by putting a system in place that gives all customers the environmental information they desire to see how they react in the retail market place.

(2) <u>Claims-based Alternative</u>

Con Edison, MI and MEUA advocate a "claims-based" system. Under such a system, only LSEs who choose to offer products for which specific environmental attributes are claimed need to disclose their individual generation sources and attributable emissions. The others disclose either some type of regional average, or, to uninterested customers, nothing at all. Provision for verification of the claims is vague in their

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proposals -- none for MI, while in Con Edison's case truthfulness would rely on complaints and existing laws regarding false advertising to be enforced by the Federal Trade Commission (FTC) or the Attorney General.

Con Edison argues that the Staff plan would impose costs on LSEs which would be a significant burden for small LSEs, whereas a claims-based system would allow an LSE not desiring to make claims to save disclosure costs. It further argues that POLR (provider of last resort) customers do not need disclosure because they are not choosing. Finally, Con Edison suggests that a claim-based system would allow saving the costs of reporting to uninterested customers, although Con Edison concedes that its overall cost of printing and distributing labels "will not be significant." The company apparently envisions a version of claims-based environmental disclosure in which the information would be sent only to those expressing interest. This seems likely to be more labor intensive and expensive than simply enclosing the environmental disclosure statement periodically with all bills.

Con Edison's claims-based alternative is not adopted because it does not achieve the objective of informing all customers about the source of their electricity so that all can make informed choices. Customers of both LSEs and the POLR should be so informed so that they can compare offers and choose a supplier which offers the products that they desire. It should not be presumed that status as a POLR customer is a permanent condition.

MI states that "LSEs will be required to bear the costs of compiling information..." It advocates claims-based environmental disclosure so that non-claiming LSEs will not face the increased operating costs of amassing specific information. MEUA in its reply comments endorses claims-based as simpler for their long term contracts than tracking.

In fact, under Staff's proposal, the burden on LSEs not concerned with environmental appearances is usually limited to printing and distributing a company specific disclosure label

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based on data supplied by the Administrator. Such LSEs need not compile any new information. This is no more burdensome than printing and distributing a "regional average" label, as MI itself proposes. The two sets of numbers would be different, but both would be supplied by the Administrator, not the LSE. NMPC noted that Staff's approach keeps "burdens to a minimum" as would claims-based "and should also be acceptable." Only LSEs that choose to market their products based on specific environmental attributes, to engage in subzonal-postbar wholesale transactions, and/or to offer more than one product would incur additional bookkeeping and transaction costs under Staff's proposal.

(b) Frequency and Content of Disclosure Labels

(1) Label Distribution

Staff proposed that all prospective retail customers would have to be provided a copy of the most recent environmental disclosure information as part of the information to be provided to customers prior to a contract offer.¹ In addition, for existing customers, at a minimum, all customers who receive bills on a monthly basis would receive a copy of the most recent environmental disclosure information on a quarterly basis, and all customers who receive bills on a bimonthly basis would receive a copy of the most recent disclosure information with every other bill. All customers who receive bills less frequently than on a bimonthly basis would receive a copy of the most recent disclosure information with each bill.

NMPC proposed to require distribution of labels only twice a year. Although customers have expressed a preference for receiving environmental information, the research on how often they would want such information seems less well documented. It is important to get further input from customers regarding how often they need or want this information. If need be, the

¹ See: Case 94-E-0952, <u>Opinion and Order Establishing Regulatory</u> <u>Policies for the Provision of Retail Energy Services</u>, Opinion No. 97-5 (issued May 19, 1997) at Appendix B, p. 1.

Administrator should arrange for outside contractual assistance to determine customer preferences in this regard. Further, we want to minimize the burden on ESCOs and ensure that even the relatively small cost of printing and distribution does not become any more of a burden than is necessary, particularly for those ESCOs that do not plan to make environmental claims. The Administrator will continue to test customer reactions and preferences and shall have authority to make a determination regarding the frequency of disclosure when the appropriate research has been completed.

RG&E proposed to allow disclosure through a World Wide Web page instead of with bills. RG&E's proposal, however, would be inadequate to ensure that customers have the information they need to make an informed choice when approached by an LSE seeking their business. Less than half of the dwelling units in the United States contain personal computers, and even fewer have access to the World Wide Web. While Internet technologies are increasingly attractive and useful in many instances, reliance solely on such technologies would exclude large numbers of consumers from participation.

(2) Label Contents

Numerous parties offered changes to the uniform disclosure label proposed in the white paper, including the disclaimer notation appearing at the bottom of the label. Practically all suggested replacing the word "benchmark" with "average" on the emissions bar graph, as that is what was intended as opposed to a benchmark as a goal. This is certainly advisable. Con Edison and NMPC advocated adding to the disclaimer a clarification that a customer's choice of a lowemissions LSE might not affect the air quality in the customer's area. CPB advocated dropping the third sentence in the disclaimer. NMPC proposed a different wording of the first sentence, largely adopted below, which CPB supported in reply. CPB and NYSEG in reply supported DEC and Central Hudson on adding a statement that all power plants in New York comply with

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applicable state and federal regulations and permits. A proposal to add a comparative column providing the statewide fuel mix emerged in discussions. The AG proposed adding a line for fuel cells to the fuel mix table (opposed by NMPC in reply). NMPC has also pointed out that in the future the label may need to be changed to comply with any FTC rules which may be developed.

In addition to the replacement of the word "benchmark" noted above, the disclaimer shall be re-worded to read as follows:

Sulfur dioxide and nitrogen oxides are key pollutants that contribute to acid rain and smog, and carbon dioxide contributes to global climate change. Depending on fuel source, size, and location, the generation of electricity may also result in other public health, environmental and socio-economic impacts not disclosed above.

In all other respects, for now, the label is approved as originally proposed. A sample label, in the form adopted, is attached hereto as the last page of the appendix. In addition, we adopt NMPC's proposal to give the Administrator discretion on all such label details. Further customer input and testing is needed to help determine the best label design in order to provide information consumers want in a format they find useful. Also, the Administrator needs to consider uniformity with any future FTC rules and label requirements in other states.

The proposal of Env. Adv., <u>et ano.</u>, to have the label distinguish between types of hydropower, such as large/small, is not adopted. The proposal was supported by CPB in reply and opposed by NYPA, NYSEG and NMPC. Given that historically some large hydro projects have not been controversial, while some smaller projects have been blocked due to environmental concerns, the distinction sought by the proponents that assumes that large hydro projects are environmentally worse than small projects does not necessarily hold true. No practical, meaningful, brief and simple distinction that captures overall environmental quality of any particular generating unit or units has been identified. Similarly, we are not adopting the Env. Adv., <u>et ano.</u>, proposal

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to include on the label descriptions of possible environmental consequences of hydro and nuclear power (opposed by NYPA, NMPC, NYSEG and CPB in reply). We note that the label's disclaimer indicates that there may be "other public health, environmental and socio-economic impacts not disclosed above", that the fuel types "hydro" and "nuclear" are generally indicative of their environmental characteristics, and that inclusion of descriptions of every conceivable impact of all fuel types would be so voluminous as to make the disclosure label useless.

(c) <u>Technical Refinements</u>

(1) <u>Settlement Period</u>

Staff's final White Paper calls for a monthly settlement period -- the aggregation period of hourly transactions for reports to the Administrator on energy and conversion transactions. NRDC, et al., advocated an annual or quarterly settlement period instead of Staff's proposed monthly period. We are changing the settlement period to a quarterly cycle, which will cut the costs of the ISO, the Administrator, and the parties arranging conversion transactions. Only one third as many sets of data will have to be handled. The change also has the advantage of enabling greater flexibility for LSEs, especially those featuring intermittent renewables. LSEs would in effect be able to move purchases across hours, days, and months, but not seasons or quarters. In its reply comments, NMPC opposed adoption of annual settlement periods on the grounds that they would tend to undermine the credibility of the disclosure system because some LSEs might have labels claiming 100% from a renewable product not available during some seasons. An annual settlement period is not adopted for that reason, as well as to ensure that customers do not have to wait an entire year to compare the performance of their LSE with claims made to induce the customer to sign up.

(2) <u>NYPA Power</u>

In its Reply comments, NMPC raised a new concern regarding the disclosure treatment of the NYPA power it delivers to certain customers without itself having title to the energy at any point. NMPC is concerned that it might need to provide different labels to different customers depending upon how much and what types of NYPA power the customers receive. It also states that it is unable to confirm the sources of the NYPA power. In no case would NMPC be responsible for determining the sources of NYPA power. The Staff proposal commits the Administrator to supplying the overall company labels for NMPC and NYPA. A customer who buys two products, one from NMPC and the other from NYPA, would receive a separate label for each product. NMPC would not be required to provide "dozens of customized disclosure statements," as it feared.

(3) Unit Specific Imports

NRDC, et al., requested that imports from out-of-state be allowed to be counted with unit-specific characteristics, with certain safequards. "Until companies develop additional renewable generating resources in New York State, many LSEs who wish to sell clean electricity products to retail customers in New York will need to import [renewable] power ... " Given that New York has considerable in-state renewable resources, this concern seems minor balanced against the reasons for restricting the import of unit-specific environmental characteristics to states with comparable tracking and disclosure systems. Environmental characteristics are not an ordinary commodity, but rather one whose value is created by New York's environmental disclosure system. The system only facilitates environmental improvement when the generating state has a similar system. Staff's proposed rules for imports are adopted. They protect New York consumers from unfairly paying a premium for the cleaner portion of existing out-of-state generation supposedly allocated to New York. Such an allocation would only be meaningful if the other

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state disclosed that the rest of the power generated within its borders is, on average, dirtier as a result of the allocation. It appears that at least the New England states and New Jersey will be implementing tracking and environmental disclosure systems comparable to New York's. Therefore, if there is any surplus of renewable resources in those states they could be sold in New York with full unit-specific credit.

(4) <u>Update of Emissions Factors</u>

DEC suggests that the average emissions factors to be employed be updated quarterly, instead of annually as proposed, when possible. Staff's proposal envisions that the Administrator would rely chiefly on the EPA's Emissions and Generation Resources Integrated Database (E-GRID), which currently is updated annually. The EPA plans, we have learned, to move toward quarterly updates, and accordingly, the Administrator shall have the discretion to do so when feasible and beneficial.

(5) <u>Conversion Transactions</u>

NYSEG requested two clarifications, addressed herein, with regard to the conversion transactions. Such conversion transactions can be arranged prior to the settlement period in question, but they can only be submitted to the Administrator with regard to energy actually delivered into the LBMP markets. The conversion transaction can represent any form of contractual or other relationship, as long as the seller into the LBMP markets attests to the Administrator that the buying LSE is entitled to its environmental characteristics. Some parties have raised the concern that a multiplicity of contract arrangements among parties, such as one generator having contracts-fordifferences with several LSEs, could lead to double-counting. This, however, is not possible under Staff's proposed system. The Administrator will look only at the seller's attestation (not at any underlying contracts) and will of course accept only one attestation for each KWH sold into the spot market. In response to an NMPC concern, it can also be clarified that conversion

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transactions will cover both the fuel sources and emissions with no decoupling allowed - they will represent the characteristics of a specific power plant.

(d) <u>Costs</u>

(1) <u>T&D Monitoring</u>

Con Edison, MI and NMPC (in reply) advocated use of the \$3 million in reserved SBC funds to reimburse T&D utilities for the costs of the post-busbar monitoring of wholesale transactions requested of them. Such reimbursements shall be allowed to the degree that such monitoring is not otherwise already a necessary function of the T&D utilities, subject to the advance approval of the Administrator as to reasonableness, and subject to the availability of funds after payment of the Administrator's contractual costs and the ISO costs.

(2) <u>LSE Expenses</u>

Con Edison's proposal (supported by MI in reply) that the SBC monies fund all the environmental disclosure expenses of the T&D utilities, including those incurred in their role as LSEs, is not adopted. The Con Edison proposal would be anticompetitive as it would unfairly disadvantage ESCOs who would not be eligible for reimbursement for the identical functions. Proposals such as Central Hudson's that rate recovery be allowed for expenses of the T&D utilities not reimbursed from SBC funds shall only be considered in the context of individual rate plans.

(3) Jurisdiction

MEUA in reply claims that all its members are "exempt" from environmental disclosure participation because they offer no retail access to outside providers. However, our jurisdiction does not depend upon whether retail access is available. We have jurisdiction over the rates, services and practices of those municipal and cooperative utilities who are not solely NYPA customers. The environmental disclosure information will be of

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value even to such captive customers who do not yet have the ability to choose alternative providers, particularly as such municipal and cooperative utilities begin to make their own resource decisions and to procure more broadly in wholesale markets rather than continuing to rely on NYPA for their power. Central Hudson's proposal that implementation of environmental disclosure statewide should be conditioned on the voluntary participation of NYPA, LIPA, and the non-jurisdictional municipals (opposed by MI in reply) is not adopted, but we are hopeful that these entities will choose to participate and contribute.

(e) <u>Implementation</u>

(1) <u>Prospective Disclosure</u>

For the interim period before distribution of the first labels verifying the fuel mix and attributable emissions of an LSE, NRDC, et al. proposed allowing LSEs to provide their customers with Commission-sanctioned disclosure labels containing prospective information, to be substantiated with ownership or contract evidence. MI, NMPC and NYSEG objected to permitting prospective data on the label in their reply comments. Verification of such claims would be difficult and would overburden the Administrator at the very time when it's trying to implement the overall system. Such labels would likely confuse the public and undermine the credibility of the system by beginning with prospective claims on the certified label and then shortly switching to historic data. Such prospective labels during the transition are unnecessary. Instead, the Administrator shall make available by mid-1999, for LSE comparative advertising purposes, statewide recent historic fuel mix and average emissions data. This information should be sufficient to allow LSEs wishing to market products with specific environmental attributes to begin their marketing during the transition. Furthermore, LSEs would be able to assure prospective customers that the tracking system will ultimately

provide a basis for transition period claims verification when the first labels are sent, at least back as far as the commencement of tracking.

(2) <u>Timing</u>

NMPC, NYPP, Central Hudson, and NYSEG have pointed out that the start date of ISO operations is uncertain, as are the possible difficulties in software design. Furthermore, NMPC cautions that 90 days from the end of a tracking period to disclosure may prove inadequate. The Administrator shall have flexibility and discretion in timing the release of disclosure labels to account for such contingencies.

(f) <u>Miscellaneous</u>

(1) <u>Energy Efficiency</u>

Decotex recommended that the disclosure label net out emissions offset by energy efficiency achievements of the LSE for the end user. The environmental disclosure system Staff has proposed was not intended to capture the effect of individual actions by end users to reduce their energy use. We are not aware of a practical way to do so at this time, although nothing would preclude such a system in the future if we felt it was desirable and one could be devised to our satisfaction.

(2) <u>Performance Standards</u>

The environmental disclosure system Staff has proposed is designed solely to facilitate informed customer choice. LIPA proposed that the Commission consider setting a clean energy goal, which was opposed by CPB and NMPC in reply. LIPA's proposal goes beyond the concept of disclosure and is more properly a function of the State Energy Planning process. It is therefore not adopted.

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(3) <u>Protocols and Appeals</u>

EMC requested that we lay out protocols for various discretionary Administrator functions and an appeals process. In reply, NYSEG supported this point, especially with regard to the "judgment" called for regarding assigning default values for imports. It is not practical to develop such detailed protocols at this time. The Administrator, however, shall do so at an appropriate time, in consultation with the parties. We do not see the need for a customized appeals process. Parties will always have the right to petition us for relief from any adverse decision of the Administrator.

(4) <u>Enforcement</u>

The AG states: "The PSC should also explain in the proposal how it intends to enforce the disclosure requirements ... and describe the statutory authorities..." The environmental disclosure requirements we are adopting here shall apply on a mandatory basis to every retail provider of electricity in New York, except NYPA, LIPA, and distributing public agencies or companies (municipals) and rural electric cooperatives whose rates, services and practices are governed by the provisions and principles established in a contract with NYPA and not by regulations of the Commission or by general principles of the Public Service Law regulating rates, services and practices. We encourage NYPA, LIPA, and exempt municipal or cooperative power systems to participate in the tracking system and provide similar disclosures to their customers.

Traditional investor-owned utilities that own transmission and distribution (T&D) facilities, and provide retail services over those facilities, are today the major retail providers. There is no jurisdictional issue as to these traditional utilities whose rates, services and practices are subject to the full regulatory powers of the Commission under the Public Service Law. Similarly, there is no jurisdictional issue as to municipal and cooperative utilities whose rates, services

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and practices are governed by regulations of the Commission and by general principles of the Public Service Law. However, the move to competition has resulted in the creation of new entities that are not fully regulated in the traditional sense. ESCOs that do not own T&D facilities have been created to provide retail electricity over T&D facilities owned by others. We have determined that, although all the requirements of the Public Service Law need not be applied to ESCOs, they shall be subject to certain ESCO eligibility requirements as a condition of tariffed distribution service.¹ We are now exercising our jurisdiction in a similar manner by making environmental disclosure an ESCO eligibility requirement as a condition of tariffed distribution service. Equal treatment of utilities and ESCOs, in the manner proposed, is essential to maintain a system of fair competition among all non-governmental retail providers of electricity in New York.

Regarding enforcement, we can sanction a utility or revoke an ESCO's eligibility for tariffed distribution service for violation of the environmental disclosure requirements. In cases of fraudulent labels, blatantly false advertising and claims, persistent "gaming" of the system, and the like, the Administrator can recommend we consider such a sanction or revocation. These enforcement measures are in addition to enforcement remedies available to the FTC and/or the Attorney General.

¹ See: Case 94-E-0952, <u>Opinion and Order Establishing Regulatory</u> <u>Policies for the Provision of Retail Energy Services</u>, Opinion No. 97-5 (issued May 19, 1997) at pp. 22-24; Case 94-E-0952, <u>Opinion and Order Deciding Petitions for Clarification and</u> <u>Rehearing</u>, Opinion No. 97-17 (issued November 18, 1997) at pp. 29-34; and Cases 94-E-0952 and 96-E-0898, <u>Order Regarding</u> <u>Regulatory Regime for Single Retailer Model</u> (issued December 24, 1997).

(g) <u>Open Issues</u>

(1) <u>Treatment of New Products and New LSEs</u>

Various parties raised concerns that the White Paper did not sufficiently consider the implications for all possible situations regarding the introduction of new products or new LSEs to the marketplace. Staff's proposed rules were intended to prevent "gaming" by an LSE that might desire to mask poor performance in the past by periodically calling their product a new product and thus evading publishing historic data. While that principle remains sound, it is clear that further refinement is desirable, and fortunately this aspect of the rules does not need to be in place for at least a year. Therefore, Staff shall be permitted to pursue these issues with the parties in a followup phase and make a further proposal in 1999. In addition, in response to an RG&E concern, the parties shall fashion a requirement for initial disclosure that does not delay the initial hookup of any customer seeking immediate connection to the distribution system.

(2) <u>ISO Rules</u>

NRDC, et al., allege that "ISO rules discriminate against many renewable generation sources." They argue that the proposed ISO rules providing heavy penalties for failure to perform as scheduled and a minimum size for eligibility effectively preclude small and intermittent sources from participation in the ISO bilateral and LBMP markets. They urge a revision of the proposed ISO rules to help such renewables, or, in the alternative, a second-best interim measure regarding modification of the proposed disclosure rules to enable so-called load modifiers to sell their environmental characteristics into the statewide markets within the conversion transaction process. Under the ISO rules as currently proposed, small and intermittent renewables are likely to be able to do business only as "load modifiers" selling to an LSE within a subzone (as opposed to selling into the statewide ISO markets). NYPP, in reply, denies

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any discriminatory intent and insists that any "financial impacts" of the rules are "a natural consequence of the characteristics of such generation... Generation sources that deliver energy in patterns that impose costs on the system appropriately bear those costs ..." NYPP and NYSEG oppose discussing ISO rules changes in this proceeding and endorse the load modifier/conversion transaction proposal as an adequate solution.

ISO rules are well beyond the purview of this proceeding, and we have some concerns about the approach proposed as the second-best NRDC, <u>et al.</u>, solution. Such a modification would also raise concerns about public understanding and acceptance. Allowing the <u>characteristics</u> of energy never sold into the statewide market to be sold in that market could pose a credibility risk for some customers. We will not adopt the proposals of NRDC, <u>et al.</u>, now. Instead, we will leave our options open to consider the advantages and disadvantages of alternatives that may be available.

STATE ENVIRONMENTAL QUALITY REVIEW ACT EVALUATION AND FINDINGS

In conformance with the State Environmental Quality Review Act (SEQRA), we issued on May 20, 1996, a Final Generic Environmental Impact Statement (FGEIS), which evaluated the actions adopted in this case. We also required individual utilities to file an environmental assessment of their restructuring proposals.¹ Each restructuring proposal was thereafter approved by us with environmental disclosure as a component. In conjunction with our decision herein regarding environmental disclosure, and considering all factors, the potential environmental impacts of the environmental disclosure mechanisms adopted are found to be within the bounds and thresholds evaluated in the FGEIS and contemplated by our individual decisions on the restructuring proposals. Therefore, no further SEQRA action is necessary.

CONCLUSION

Staff's proposal regarding environmental disclosure requirements and a tracking mechanism, as modified above, developed in significant collaboration with the parties, is a feasible, meaningful and cost effective approach to providing consumers with the fuel mix and emissions characteristics of the generation sources relied on by their electricity suppliers. The proposal achieves our goal of facilitating informed customer choice, which could, in turn, lead to improved environmental quality and resource diversity. It is adopted as modified above. In addition, to ensure a successful implementation of the program, the Department of Public Service is designated to serve

¹ Cases 96-E-0987, 96-E-0916, 97-E-0029 and 97-E-0032, Opinion and Order Adopting Terms of Settlement Subject to Conditions and Understandings, Opinion No. 97-16 (issued November 3, 1997) at Appendix C, p. 8; Case 96-E-0900, Opinion and Order Adopting Terms of Settlement, Opinion No. 97-20 (issued December 31, 1997) at Appendix, p. 6; Case 96-E-0898, Opinion and Order Adopting Terms of Settlement Subject to Conditions and Changes, Opinion No. 98-1 (issued January 14, 1998) at Appendix C, p. 7; Cases 96-E-0891, 93-E-0960 and 94-M-0349, et al., Opinion and Order Adopting Terms of Settlement Subject to Modifications and Conditions, Opinion No. 98-6 (issued March 5, 1998) at Appendix C, p. 18; Cases 94-E-0098 and 94-E-0099, Opinion and Order Adopting Terms of Settlement Agreement Subject to Modifications and Conditions, Opinion No. 98-8 (issued March 20, 1998) at Appendix C, p. 27; and Case 96-E-0909, Opinion and Order Adopting Terms of Settlement Subject to Modifications and Conditions, Opinion No. 98-14 (issued June 30, 1998) at Appendix D, p. 19.

as the system Administrator. The Administrator shall be responsible for ensuring that the burdens of the system on ESCOs are minimized, and for conducting additional consumer research on label design and on how often customers need or want environmental information.

The Commission orders:

1. Every electric utility, energy service company (ESCO), jurisdictional municipal electric utility and jurisdictional cooperative electric utility, providing retail sales of electricity, is directed to provide periodic environmental disclosure statements to their existing retail customers, and to enclose environmental disclosure statements with the other required information for prospective retail customers, in accordance with the discussion above and the appendix attached hereto.

2. The ESCO eligibility requirements as a condition of tariffed distribution service are amended to include environmental disclosure requirements, and the transmission and distribution (T&D) utilities are directed to amend their tariffs, if necessary to conform to this Opinion and Order, within one year, in accordance with the discussion above and the appendix attached hereto.

3. The New York Power Authority, the Long Island Power Authority, and the non-jurisdictional municipal and cooperative electric utilities are encouraged to participate in the program and provide environmental disclosure to their retail customers, and to share in the costs.

4. Every electric utility, ESCO, jurisdictional municipal electric utility and jurisdictional cooperative electric utility, providing retail sales of electricity, is directed to cooperate in the development and operation of the tracking, conversion transaction, and product differentiation systems, and to provide such reports as may be deemed necessary for the operation of such systems, in accordance with the discussion above and the appendix attached hereto.

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5. Every T&D utility is directed to provide reports of wholesale transactions that occur downstream of points controlled or monitored by the ISO, in accordance with the discussion above and the appendix attached hereto.

6. The Department of Public Service is designated the environmental disclosure system Administrator, with the authority to arrange for outside contractual assistance, as needed, in accordance with the discussion above and the appendix attached hereto. The Administrator will also oversee the process for effectuating any contracts or agreements deemed necessary to implement any of the provisions of this Opinion and Order.

7. The costs of the ISO and the costs of any consultant services arranged by the Administrator will be funded by up to \$3 million through July 2001 in system benefits charge (SBC) funds we previously reserved for environmental disclosure purposes. Such funding will be supplemented by voluntary participants. In addition, said SBC funds can be used to reimburse T&D utilities for their reasonable expenses in reporting on post-busbar, subzonal wholesale transactions among LSEs to the degree that such monitoring is not otherwise already a necessary function of the T&D utilities, subject to the advance approval of the Administrator as to reasonableness, and subject to the availability of funds after payment of the Administrator's costs and the ISO costs.

8. The Administrator shall issue in mid-1999 historic statewide fuel mix and average emissions data in a form usable by marketers as an authoritative basis for comparison with their products.

9. Disclosure rules regarding the introduction of new products or new companies to the marketplace shall be pursued further with the parties in a follow-up phase. In the follow-up phase, the parties shall fashion a requirement for initial disclosure that does not delay the initial hookup of any customer seeking immediate connection to the distribution system.

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10. This proceeding is continued.

By the Commission,

(SIGNED)

ROBERT A. SIMPSON Assistant Secretary

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ENVIRONMENTAL DISCLOSURE REQUIREMENTS AND VERIFICATION MECHANISM

Every load serving entity (LSE) in New York is required to disclose to its customers the average fuel mix and average emissions rates for the generation sources that it has used to meet its energy supply requirements. NYPA, LIPA, and exempt municipal or cooperative power systems are encouraged to participate and provide similar disclosures to their customers.

An LSE can disaggregate its generation sources into separate products with different environmental characteristics, provide disclosure by product, and sell the products to different customers. However, disaggregation of the environmental characteristics of spot market purchases, except those that are otherwise subject to conversion transactions (further described below), is not permitted.

Disclosure will occur in the uniform manner established by the Commission for use by all LSEs. Disclosure information will be included with periodic customer bills and in any customer disclosure materials required by the Commission, and can also be used to verify marketing claims.

Actual data will be used to calculate a rolling annual average of aggregate quarterly fuel mix, to be updated quarterly. Emissions factors will be based on annual data by generation source. A lag period of perhaps 90 days will be allowed between data collection and disclosure to allow time for settlements and calculations to be made and for customer bills to be printed.

Average emissions factors of generating units obtained from data on file with EPA or DEC, or otherwise obtained, will be used to calculate air emissions; real-time monitoring of emissions is not necessary. In other words, standard emissions factors (weight/kwh) derived from the EPA data base and other sources as necessary will be used to calculate the aggregate emissions of the power plant sources.

Ancillary services that must be purchased from the Independent System Operator (ISO) are excluded from the calculations because they are minor in nature and the source of generation is chosen by the ISO, not the LSE.

Tracking Methodology

For transactions controlled or monitored by the ISO, all calculations will be based on quarterly aggregated transactions data of actual purchases and deliveries after final settlement, obtained from the ISO. The data will be the summation of detailed transactions to reflect supplies for the quarter as a whole from specific power plant sources. For any transactions that occur downstream of the last exit point controlled or monitored by the ISO, the local T&D company will monitor the amounts of energy transferred in such transactions and report such information. In such downstream transactions, the selling entity will have an obligation to pass along to the buying entity and report to the Administrator (defined below) the fuel mix and emissions factors for the energy being sold. This applies in the situation in which the LSE receiving delivery from the ISO at the subzone busbar resells it locally to other LSEs. A subzonal busbar is the entry to the distribution system of one of the T&D utilities within one of the state's 11 transmission zones.

Energy purchases from the ISO-sponsored Locational Based Marginal Pricing (LBMP) markets (hereinafter "spot market") will be appregated quarterly separate from other transactions. After final settlement for a quarter, the ISO will prepare a report to the Administrator stating the amount of power each participating entity sold into the spot market for that quarter, by source power plant, and the amount of power each participating entity purchased out of the spot market for that quarter. The spot market participants will then be informed individually by the Administrator of their own totals. The participant sellers and purchasers will be given a set period of time to jointly identify for the Administrator packets of energy previously sold and purchased by them for that quarter on the spot market for which they have arranged conversion transactions. No spot market participant has an obligation to negotiate conversion transactions or premiums. Spot market participants are free to devise their own private methods for locating partners for

conversion transactions and are free to set the terms of such transactions including those regarding timing, duration, price, payment arrangements, and other provisions. For disclosure purposes, the generation for which a conversion transaction was negotiated will receive the environmental attributes of the source that generated the power. The generation associated with conversion transactions will be deducted from the spot market total, and the fuel mix and emissions characteristics of the remainder will be calculated and assigned to the spot market participant purchasers who did not arrange conversion transactions.

In-state energy purchases will be handled using the fuel mix and emissions data for the specific generation units. For energy imports, the Administrator will assign an aggregated fuel mix and emissions rate that is representative of the generation sources able to provide energy to the applicable point of entry, except that energy imports from generation sources located within a jurisdiction having tracking and environmental disclosure requirements comparable to those in New York (to be demonstrated to the satisfaction of the Administrator) will be calculated using the fuel mix and emissions data for the specific generation sources. Any information available to the Administrator about the regional origins of the power will be used with computer programs or judgment to assign the power to a fuel type or a regional mix.

The Administrator will provide company level data to each LSE, adjusted for line losses. Company level data to be supplied to an LSE will not disclose plant-specific source information. Each LSE will be responsible for making and reporting its own final calculations by product, entering the data into labels in the prescribed format, and maintaining records sufficient to prove its figures in an audit. All calculations and labels of all LSEs will be subject to certification, reporting, reconciliation and verification procedures.

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Administration

The Department of Public Service is designated by the Commission to be the Administrator of the environmental disclosure program with authority to arrange for outside contractual assistance, as needed.

The Administrator will (a) assist the ISO in the development of tracking procedures, software, and unit designation protocols; (b) receive quarterly plant-specific aggregated transaction data from the ISO, conversion transactions data from sellers and purchasers, and downstream transactions data from T&D companies and LSEs; (c) obtain emissions data from EPA, DEC, and other sources and prescribe annual average emissions factors by plant; (d) calculate for each LSE, report, and make public, their annual aggregate fuel mix and emissions, updated quarterly; (e) receive, reconcile and verify product disaggregation calculations made by LSEs, including conducting audits, if deemed necessary; (f) monitor labeling and other disclosure practices; and (g) perform any other related functions designated from time to time by the Commission.

<u>Costs</u>

The costs of the ISO and any third-party contractor hired to assist the Administrator will be funded through the Systems Benefit Charge (SBC) mechanism already in place, supplemented by assessments to NYPA, LIPA, and exempt municipal or cooperative power systems should they choose to participate. The costs through June 30, 2001 will not exceed \$3 million, exclusive of any additional assessments made to NYPA, LIPA, or exempt municipal or cooperative power systems. In addition, T&D utilities may be reimbursed from such funds for the cost of postbusbar monitoring of wholesale transactions for environmental disclosure purposes to the degree that such monitoring is not otherwise already a necessary function of the T&D utilities, subject to the advance approval of the Administrator as to reasonableness, and subject to the availability of funds after payment of the Administrator's costs and the ISO costs.

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CONTENT OF ENVIRONMENTAL DISCLOSURE

Fuel Mix Categorization

	Fuel sources w	ill be organized into nine general fuel
types, as	follows:	
Biomass		Landfill Gas (Methane) Sewage Gas (Methane) Urban Wood Waste Pallet Waste Mill Residue Wood Primary Wood Products Industries Secondary Wood Products Industries Harvested Wood Site Conversion Waste Wood Sivicultural Waste Wood Agricultural Residue Sustainable Yield Wood
CoalGas		Coal - Steam Turbine Pumped Storage Hydro Powered by Coal
Gas		Natural Gas - Steam Turbine Natural Gas - Simple Combustion Turbine Natural Gas - Combined Cycle Combustion Turbine LPG Pumped Storage Hydro Powered by Gas
Hydro		Pondage Hydro Run-of-River Hydro Pumped Storage Hydro Powered by Hydro
Nuclear		Boiling & Pressurized Water Reactors Pumped Storage Hydro Powered by Nuclear
Oil		Oil - Steam Turbine Oil - Simple Combustion Turbine Oil - Combined Cycle Combustion Turbine Diesel No. 2 Heating Oil Jet Fuel Gasoline Kerosene Pumped Storage Hydro Powered by Oil
Solar		Photovoltaics

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Solid Waste Municipal Solid Waste Tire Waste Urban Wood Waste Construction and Demolition Municipal Solid Waste Wood

Wind

Wind Turbines

NOTE: Geothermal and other fuel source types not yet available as wholesale electricity sources in New York State may be added to this list in the future by the Administrator should it become desirable. Similarly, the use of end-use generation technologies such as fuel cells will not be tracked, but may be in the future if used to supply electricity on a wholesale basis.

Air Emissions

Disclosure of an LSE's fuel mix will be supplemented with air emissions information that will give consumers a more direct and precise understanding of the impacts of their particular electricity supplier. The following emissions will be disclosed:

- SO₂ Sulfur dioxide (SO₂) is a heavy, colorless, gas that once in the air may undergo a chemical transformation into sulfates and sulfuric acid, contributing to acid rain. Electric generation facilities are the largest source of SO₂ emissions. SO₂ emissions are controlled and monitored by federal and state environmental regulatory programs.
- NO_x Nitrogen oxides (NO_x) are compounds of nitrogen and oxygen that once in the air may undergo a chemical transformation into nitrates and nitric acid, contributing to acid rain and ground-level ozone (photo-chemical smog). Electric generation facilities are a major source of NO_x emissions. NO_x emissions are controlled and monitored by federal and state environmental regulatory programs.
- CO₂ Carbon dioxide (CO₂) is a colorless, odorless, non-poisonous gas that allows light from the Sun's rays to be transmitted to the Earth's surface, but blocks heat radiating from the Earth's surface from escaping the atmosphere, contributing to global climate change or warming due to the "greenhouse" effect. Electric generation facilities are a major source of CO₂ emissions. CO₂ emissions are monitored by federal and state environmental regulatory programs.

The emissions information to be disclosed will be based on average annual emissions rates for power plants obtained from state and Federal regulatory data. The Administrator has discretion to update the emissions rates quarterly when deemed feasible and beneficial. The US EPA is preparing a national Emissions and Generation Resources Integrated Database (E-GRID) including the average annual emissions in weight/kwh for the three emittants described above for most power plants. The Administrator will fill in gaps for some plants which are not required to report their generation and emissions data to US EPA or to the U.S. Department of Energy, Energy Information Administration. In many instances, a plant's permit or New York State Department of Environmental Conservation's emissions data combined with ISO generation data would enable estimation of emissions factors. In others, engineering estimates based on similar plants will be made. A generator will have to accept the estimates unless it is willing to disclose key data on a confidential basis. Disclosure will not require use of real-time Continuous Emissions Monitoring data nor tracing of emissions data through the ISO. Instead, the annual emissions factors will be multiplied by the weighted plant mix to calculate overall averages in a final phase. All market participants will use the prescribed values. The emissions factors for cogeneration plants will reflect the netting out of the emittants which the alternative boiler for the thermal load would have emitted. Power plants adding pollution controls or switching to a fuel with lower sulfur levels will be able to apply in mid-year for an adjustment to their annual standard emissions factors. Dual fuel plants (excluding plants with solely emergency back-up fuel capability) will be assumed to be using the higher emissions fuel unless they submit contrary documentation. The emissions factors for landfill or sewage gas plants that burn methane will reflect the netting out of either the CO_2 and NO_x which would have been emitted by flaring off the methane or the CO_2 equivalent of the "greenhouse effect" of letting the methane itself escape into the atmosphere.

DESIGN AND PRESENTATION OF THE LABEL

The label has two primary components: "Fuel Sources" and "Air Emissions Relative To The New York State Average." A title appears above the component charts stating "Fuel Sources and Air Emissions to Generate Your Electricity." A disclaimer appears below the component charts stating "Note: Sulfur dioxide and nitrogen oxides are key pollutants that contribute to acid rain and smoq, and carbon dioxide contributes to global climate change. Depending on fuel source, size, and location, the generation of electricity may also result in other public health, environmental and socio-economic impacts not disclosed above." A sample label setting forth the uniform format to be followed is provided below. The Administrator has discretion to modify the format and contents of the uniform label, as appropriate, given consumer preferences and a desire to achieve some uniformity with any future Federal Trade Commission (FTC) rules and label requirements in other states.

Fuel Sources

The fuel sources component of the label contains a table identifying each general type of fuel source and a figure stating the percentage of the whole for that fuel type rounded to the nearest whole number that contributed to the product that was sold. For fuel type components of one half of one percent and less, but greater than zero, the notation "Less Than 1%" will appear in lieu of the figure. Fuel types not present in the product will appear with the figure of "0%." The information may be presented in black and white or in color, at the discretion of the LSE, provided that the presentation is clear and readable.

<u>Emissions</u>

The emissions component of the label contains a horizontal bar graph with bars for the average SO_2 , NO_x , and CO_2 emissions of the entire product that was sold, the bars being sized in proportion to the percentage relative to the average. Each bar is labeled with a figure stating the percentage for the

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product relative to the average vertical line going across the bars. For example, if one of the emissions for the product was only one-half the statewide average weight/kWh, the bar would reach half of the way to the average line and would be labeled "50% of average." The figures given will be rounded to the nearest whole number. A product with zero emissions will be noted on the bar graph as having "0% of average." The average represents the overall statewide average of power plant emissions for all generation sources used to supply electricity to LSEs and other entities participating in the tracking system. The information may be presented in black and white or in color, at the discretion of the LSE, provided that the presentation is clear and readable.

Presentation

All prospective retail customers will be given a copy of the most recent disclosure information as part of the disclosure statement to be provided to customers prior to a contract offer.

See: Case 94-E-0952, Opinion and Order Establishing Regulatory Policies for the Provision of Retail Energy Services, Opinion No. 97-5 (issued May 19, 1997) at Appendix B, p. 1.

The Administrator has discretion to determine the frequency of distribution of disclosure information, and to change the design of the label, as appropriate, given customer preferences. The disclosure information may be printed on the bill, or may be included with the bill as a bill insert, but must accompany the bill.

The requirement to provide environmental disclosure information with bills will commence when the Administrator determines that six months worth of trackable data is available for use in calculating the necessary aggregate averages. Six months worth of data is determined to be the minimum necessary to avoid unrepresentative results due to seasonality. As nine months and later twelve months worth of data becomes available, the aggregate averages will be re-calculated. After twelve months worth of data becomes available, all future calculations will be based on the most recent twelve months worth of data. The Administrator has discretion to determine the interval between a reporting period and the actual distribution of disclosure labels.

Nothing herein will prevent LSEs from at any time making claims and promises regarding their fuel mix and emissions, or from advertising about their generation sources (either owned or under contract), or from making comparisons to their competitors.

SAMPLE LABEL

Fuel Sources and Air Emissions to Generate Your Electricity (Period shown: 1/1/98 through 12/31/98)

FUEL SOURCES

Biomass Less than 1%
Coal 35%
Gas 33%
Hydro 11%
Nuclear 16%
Oil 4%
Solar 0%
Solid Waste 1%
Wind Less than 1%

Total 100%

(Actual total may vary slightly from 100% due to rounding)



Sulfur dioxide and nitrogen oxides are key pollutants that contribute to acid rain and smog, and carbon dioxide contributes to global climate change. Depending on fuel source, size, and location, the generation of electricity may also result in other public health, environmental and socio-economic impacts not disclosed above.