



100 Brickstone Square, Suite 300
Andover, MA 01810 – USA
T +1 978 447 3404
Kate.mckeever@enel.com

Honorable Kathleen H. Burgess
New York State Public Service Commission
Three Empire Plaza
Albany, NY 12223-1350

January 8, 2018

Re: Docket No. 15-E-0302

Dear Secretary Burgess:

Enel Green Power North America (“EGP-NA”) submits the following comments on the *Staff Report Regarding Retention of Existing Baseline Resources Under Tier 2 of the Renewable Energy Standard Program* (“Staff Report”), filed by Department of Public Service (DPS) Staff on October 19, 2017.

EGP-NA operates more than 100 renewable energy power plants for a total managed capacity of more than 4,000 megawatts (“MW”) across four different renewable energy technologies. EGP-NA is the owner and operator of the second largest small hydropower portfolio in the United States with 50 projects nationwide totaling 299 MW of installed capacity. In New York, EGP-NA owns and operates more than 90 MW of total installed capacity across 19 hydropower plants and two wind projects. EGP-NA is invested in growing the state’s renewable energy economy and being a part of creating and producing sustainable energy solutions to help diversify and reduce the carbon footprint across the entire state.

In order for New York to achieve its ambitious goal that 50% of all electricity consumed in the State be sourced from renewable energy by 2030 (“50 by 30 goal”), it is imperative to retain existing Tier 2 eligible renewable resources. The Staff Report acknowledges the importance of the contribution made by small hydro facilities toward achieving the 50 by 30 goal. EGP-NA supports some of the recommendations in the Staff Report, such as the increase from 5 MW to 10 MW for hydro and the ability of a facility to seek a renewal of a Tier 2 contract. While EGP-NA supports the addition of rate of return on future capital expenditures as part of the to-go-cost analysis, we do not support the 5% risk contingency of forecasted O&M expense. The 5% does not sufficiently cover a generator’s risks because it does not account for fluctuating real time energy prices, unseasonably dry years, or the likelihood of equipment failure due its age. EGP-NA respectfully requests that the Commission: (1) establish a fair and adequate rate of return to allow generators to make necessary capital investments, especially as many of these facilities approach relicensing; and (2) increase the risk contingency percentage to allow a generator to have the revenue certainty needed to



continue operating a plant and apply for relicensing. Addendum A lists EGP-NA's plants totaling 28.9 MW that will need to apply for relicensing by 2032.

While EGP-NA appreciates Staff's attempt to streamline the review process, we also do not support the recommendation that the REC prices be capped. It is more cost effective and timely to support existing renewable baseline resources rather than replace with Tier 1 facilities or risk export to other markets. Hydro also provides numerous benefits without any compensation or revenue stream. In addition to providing hydroelectric power, dams provide a range of economic, environmental, recreational, and safety benefits, many supported by federal and state policies, including property taxes, jobs, flood control, water supply, waste management, river navigation, wildlife habitat, and fish passage.

Thank you for the opportunity to provide input on this issue and we look forward to engaging with the Commission on this matter and other REV initiatives.

Kate McKeever
Director of Regulatory Affairs



Addendum A

- Colliersville (aka “Goodyear Lake”), FERC No. 2788, 1.45 MW; currently undergoing relicensing, license expires 2/28/2019
- Walden, FERC No. 4428, 2.82 MW; currently undergoing relicensing, license expires 5/31/2022
- Groveville, FERC No. 3511, 0.93 MW; currently undergoing relicensing, license expires 5/31/2022
- Pyrites, FERC No. 6115, 8.20 MW; relicensing to be initiated by 8/31/2018, license expires 8/31/2023
- Victory Mills, FERC No. 7153, 1.66 MW; relicensing to be initiated by 4/30/2019, license expires 4/30/2024
- Chateaugay High Falls, FERC No. 5698, 1.71 MW; relicensing to be initiated by 12/31/2020, license expires 12/31/2025
- Lower Saranac, FERC No. 4114, 9.30 MW; relicensing to be initiated by 5/31/2022, license expires 12/31/2027
- Fowler No. 7, FERC No. 6059, 0.90 MW; relicensing to be initiated by 10/31/2027, license expires 10/31/2032
- Hailesboro No. 4, FERC No. 6059, 1.90 MW; relicensing to be initiated by 12/31/2027, license expires 12/31/2032