STATE OF NEW YORK PUBLIC SERVICE COMMISSION

CASE 15-E-0302 – In the Matter of the Implementation of a Large-Scale Renewable Program

COMMENTS IN RESPONSE TO THE COMMISSION'S FEBRUARY 24 ORDER FURTHER EXPANDING THE SCOPE OF PROCEEDING, AND THE COMMENTS OF OTHER PARTIES IN RESPONSE TO THE COMMISSION'S REQUEST

Acadia Center, Alliance for Clean Energy New York, Association for Energy Affordability, Citizens Campaign for the Environment, Citizens for Local Power, Environmental Advocates of New York, Natural Resources Defense Council, The Nature Conservancy, New York Public Interest Research Group, Pace Energy and Climate Center, and Sierra Club

May 9, 2016

<u>Under no circumstances should any existing or future clean energy funds be</u> diverted to support potential nuclear subsidies

Nuclear energy, while low-carbon, is neither clean nor renewable and should be kept completely separate from the State's renewable energy portfolio. The Clean Energy Organizations Collaborative ("CEOC")¹ appreciates that the Commission's proposed order to potentially provide subsidies to existing nuclear power plants is *not* part of the State's plan to achieve 50% renewable energy by 2030, and that no MWh of non-renewable electricity will "count" towards the achievement of that target. However, we are extremely concerned with the proposal's suggestion that "existing funds previously collected for other system benefits programs" might be "made available by the Commission" for the purpose of supporting nuclear plants.²

As we explained in our comments in response to Staff's Clean Energy Standard White Paper, under no circumstances should potential subsidies for the State's ailing upstate nuclear fleet cannibalize funds intended to support renewable energy and energy efficiency. In accordance with this principle, no funds should be diverted from existing funding pools such as the current systems benefit charge or renewable portfolio standard, the clean energy fund, and/or the regional greenhouse gas initiative auction proceeds. In addition, the Commission must not divert any funds collected for energy efficiency or clean energy in the future. For example, we explained in our comments on Staff's White Paper that any Alternative Compliance Payment funds associated with Tiers 1 or 2 that may materialize in the future should be used to ensure that the integrity of the 50 by 30 renewables goal is not compromised. As such, no funds from Alternative Compliance Payments associated with Tiers 1 and 2 should be used to support nuclear.

Ensuring that any potential nuclear subsidies do not weaken programs designed to spur energy efficiency and renewable energy is critical to achieving the State's energy efficiency and clean energy goals. In addition to ensuring the integrity of existing energy efficiency and clean

¹ The Pace Energy and Climate Center and the Alliance for Clean Energy New York co convene an independent group called the Clean Energy Organizations Collaborative on REV-related matters. This collaborative is made up of national and state-based environmental organizations, clean energy companies and organizations, renewable energy industry trade associations, consumer groups, energy efficiency providers, and academic centers. The CEOC seeks to ensure environmental outcomes that are consistent with New York's overall pollution reduction goals; break down existing barriers to clean energy services; and inform its members on market and rate design issues.

² Case 15-E-0302, *Order Further Expanding Scope of Proceeding and Seeking Further Comments* (Feb. 24, 2016), at Appendix 2.

³ Case 15-E-0302, Comments of the Clean Energy Organizations Collaborative (Apr. 22, 2016).

energy funding streams, the Commission must take steps to ensure that any potential nuclear support payments do not threaten the long-term growth of renewables in the State beyond the 2030 time horizon, and to ensure that cost control features of the nuclear support program do not impede renewable energy deployment. The Commission must take measures to ensure that any potential zero emissions credits do not become a permanent, entrenched subsidy. It should do so now, *prior* to potentially establishing any such subsidy, thereby sending a clear signal to the relevant nuclear facilities, market actors, and stakeholders more broadly. The Commission should also structure any cost control features of the CES such that nuclear costs are not evaluated in conjunction with the costs of incentivizing energy sources that are actually clean and renewable (e.g. on and offshore wind and utility scale and distributed solar PV).

Respectfully submitted,

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