



August 24, 2016

Hon. Kathleen H. Burgess
Secretary to the Commission
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223
(Via Email)

Re: Case 15-E-0302 Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard.

Dear Secretary Burgess:

Enclosed is a Rehearing Petition filed for Taylor Biomass Energy, LLC in the above referenced matter.

Thank you.

Respectfully submitted for Taylor Biomass Energy,

A handwritten signature in black ink, appearing to read "James W. Taylor Jr.", is written over a light blue horizontal line.

James W. Taylor Jr
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cc: Active Party List 15-E-0302 (Via Email)

**State of New York
Public Service Commission**

Petition for Rehearing and Clarification of the Order x
of August 1, 2016 Adopting a Clean Energy Standard x

Case 15-E-0302

Petition of Taylor Biomass Energy for Rehearing

Introduction

Pursuant to Section 22 of Public Service Law and 16 NYCRR Section 3.7, Taylor Biomass Energy, LLC respectfully seeks reconsideration of the Order Adopting a Clean Energy Standard. This Petition is based upon the comments of April 22, 2016 submitted by James W. Taylor Jr. of Taylor Biomass Energy, LLC (TBE) in the above referenced case. On August 1, 2016 the Commission issued an Order Adopting a Clean Energy Standard. In the Order the TBE comments were referenced in Appendix B.

Taylor is seeking rehearing to address an error in fact dealing only with the single issue of the comparative emissions testing process. As described within the NYSERDA Biomass Power Guide, once an eligible generating plant is in commercial operation the testing may be performed. Air emissions for both adulterated and unadulterated biomass feedstocks are measured and compared. To pass the test the air emissions from the adulterated biomass must be less than or equal to the emissions from the unadulterated biomass.

As related subsequently the Commission erred in stating that TBE was seeking “a competitive energy standard.” Taylor is not seeking a competitive energy standard. Taylor is seeking a clean energy standard for generation using adulterated biomass. Taylor believes the Commission erred in not including a clean energy emission standard for adulterated biomass generation as part of the initial implementation phase of the Clean Energy Standard. This Petition is only seeking rehearing by the Commission on modifying the very narrowly focused issue of replacing the comparative emissions testing process with an emissions standard for adulterated biomass feedstock generation eligible under the Renewable Portfolio Standard (RPS).

Specific Arguments Made in the TBE Comments of April 22, 2016

In the comments submitted by James Taylor, a clear rationale and justification were provided which led to the request for development of a standard to eliminate the comparative emissions

testing process contained within the RPS Biomass Power Guide. Since the establishment of an RPS in New York State over ten years ago, not one project where comparative emissions testing are required has moved forward. The comparative emissions process in TBE's experience causes project development uncertainty. Such uncertainty creates financing restrictions and generates questions as to renewable energy market place eligibility. TBE has invested thousands of man hours and hundreds of thousands of dollars in an attempt to modify the comparative emissions testing process, but to no avail. In reality the comparative emissions testing requirement in the Biomass Power Guide constitutes an R&D project. As is the case with R&D, the market application of the results of such research is uncertain. In addition, capital intensive R&D projects are not financeable in the current energy market place.

This proceeding and the development of a Clean Energy Standard provided the opportunity to reset the New York Renewable Portfolio Standard, making improvements to parts of the RPS. Improvements such as this one identified by TBE would accelerate greenhouse gas reductions as well as provide other significant societal benefits associated with waste disposal.

The RPS Biomass Power Guide for biomass fueled electric generation provides for the eligibility of power generation under the New York RPS. With the Order issued by the PSC on August 1, 2016 the RPS Biomass Power Guide remained without modification. In addition the Order in Appendix A on Page 6 references the Biomass Power Guide in a foot note and indicates, "Power generation facilities that choose to use these types of biomass must demonstrate that emissions from electric energy production from the use of the adulterated feedstocks is equal to or less than the emissions for the process using unadulterated biomass feedstocks." This statement on demonstration did not take the Taylor comments into account.

Factually the Commission designed the Clean Energy Standard to animate the electric energy market place in New York. Factually the Commission described the Taylor comments as seeking a "competitive energy standard". Factually Taylor is seeking a plain and simple emissions standard for use with adulterated biomass feedstock generation not a "competitive energy standard". Factually the Commission erred in assuming the current comparative emissions testing process will in fact continue to animate the market. Factually Taylor in comments submitted, justified that market animation takes place through replacement of the current comparative emission testing process with a clean energy emissions standard for adulterated feedstock generation. Taylor believes that the Commission inadvertently misread the Taylor arguments submitted on April 22 and as a result ordered the continued application of the comparative emissions testing process.

The comparative emissions testing process is an artifact of the development of the original RPS. At the time of the development of the original Biomass Power Guide staff of the Commission was uncertain about indirectly heated gasification technologies and the impact of such technologies on air quality. Thus staff developed the comparative emissions testing process as a

place holder until a better understanding of the emissions impact of such modern gasification technology could be ascertained.

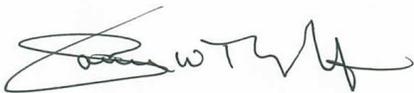
The New York State Department of Environmental Conservation (DEC) now has a good understanding of the air emissions that will be generated by the Taylor plant designed for construction in Montgomery, New York. Current DEC air permits for the Taylor biomass gasification plant proposed in Montgomery not only assure clean air but also provide an emissions performance standard with appropriate testing and continuous monitoring. The comparative emissions testing process only assures that an adulterated biomass feedstock generator can replicate emissions performance on various types of fuels. The Commission can currently assure itself that all emissions concerns are being addressed by applicable DEC permitting.

Taylor has drawn the conclusion, that even though Case 15-E-0302 is an appropriate venue for the development of a modern day standard, with the press of other issues in the case, the Taylor arguments were inadvertently misinterpreted. As a result Taylor files this petition for rehearing to rectify this oversight.

Request for Rehearing

As indicated above TBE is requesting rehearing and clarification to address the development of a clean energy emissions standard for eligible adulterated biomass generation under the RPS. Proposed is the same emissions standard utilized by other RPS eligible technologies using adulterated biomass feedstocks. This Petition for Rehearing is filed to address the omission of a clean energy standard for adulterated feedstock generation within the initial Implementation Phase as listed in Appendix F of the Clean Energy Standard Order. Taylor in this rehearing petition respectfully requests that the Clean Energy Standard Order be modified to include the creation of a clean energy emissions standard for adulterated feedstock generation within initial Implementation Phase listing in Appendix F.

Respectfully submitted by:
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