NEW YORK STATE PUBLIC SERVICE COMMISSION

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

CASE 22-E-0633 - In the Matter of New York Independent System Operator, Inc. Proposed Public Policy Transmission Needs for Consideration for 2022.

COMMENTS OF BORALEX

On July 30, 2025, the New York State Public Service Commission ("Commission") issued a Notice Soliciting Comments requesting feedback in three areas pertaining to the Clean Energy Standard. Through the Commission's January 27, 2026 Notice, the Commission seeks additional feedback to more fully comprehend issues regarding utility ownership of renewable generation including, but not limited to: (1) potential ratepayer impacts of utility ownership of renewable generation; (2) utility impacts/advantages or disadvantages of renewable generation siting; (3) Standardized Interconnection Requirements queue placement/management; (4) solicitation competitiveness; and (5) potential regulatory impacts of utility ownership of renewable generation.

Pursuant to Commission's January 27, 2026 Notice Soliciting Comments by February 27, 2026 and the subsequent extension of the filing deadline until April 24, 2026, in the above-mentioned cases, Boralex submits the following comments.

Introduction & Company Background

Boralex is a leading independent power producer that develops, builds, and operates renewable energy facilities across North America and Europe. With over 3 GW of installed capacity worldwide and a 6 GW development pipeline, Boralex is committed to expanding renewable deployment at scale.

In New York, Boralex has operated hydroelectric facilities for more than two decades and has built a growing solar development pipeline since the passage of the CLCPA. We operate six hydro facilities totaling 78 MW and employ nearly 30 New Yorkers across the state. Boralex also has nearly two hundred solar lease agreements with New York families who will directly benefit when our projects come online.

Executive Summary

Boralex supports the Commission's effort to evaluate both utility ownership of renewable generation and potential reforms to New York's clean energy procurement framework. While utility ownership is frequently presented as a solution to our current renewable energy challenges, the reality is that simply shifting ownership does not address the underlying issues in the procurement process. A properly structured utility model could offer specific benefits, but it remains highly uncertain that any such approach preserves the original intent of limiting ratepayer costs.

More importantly, New York's focus must remain on near-term actionable items that can enable more renewables to be built now, before the Section 48E Investment Tax Credit (ITC) cliff date(s).

Boralex recommends three complementary reforms. First, the Commission should follow up on the last biannual review which contemplated changes to the REC and OREC settlement structure by directing NYSERDA to transition to a Proxy Revenue Structure (PRS), which would align project revenues with actual grid conditions through nodal pricing and resource-based modeling. This approach would improve price accuracy, reduce financing risk, and better align incentives between developers and the State. At the same time, NYSERDA should act on the permission granted to NYSERDA by the

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most recent biannual review order to extend contract terms to at least 25 years (this was done in April 24, 2026 RESRFP26-1 release). These reforms should be paired with procurement structures that reward project maturity, support prompt conversion from award to final investment decision, and recognize the structural cost realities unique to New York.

Second, the Commission should authorize NYSERDA to adopt a hybrid procurement model incorporating targeted open-book bidding elements. By maintaining competitive solicitations while allowing open-book review for defined high-volatility cost components, New York can reduce contingency pricing, improve bid transparency, and mitigate project failure risk. Together, these reforms will lower costs, improve procurement outcomes, and better position the State to meet its clean energy goals.

Third, the Commission should recognize the critical need to capture as much ITC-eligible generation as possible and work with NYSERDA on structuring the upcoming procurements to achieve that shared goal. This includes rebidding, which must be done in a manner that limits ratepayer impacts and allows developers to submit bids that meet the moment, both in terms of affordability and the need to get additional generation online.

The Case for a Proxy Revenue Structure

Flaws in the Current Index REC

Under the Index REC, developers must predict decades of nodal congestion and basis risk, a task no one can do with precision. Those risks are therefore priced into developers' bids, raising costs. The result is strike prices that are consistently higher than in peer jurisdictions.

Boralex believes that NYSERDA must immediately abandon the economically flawed and unpredictable Index or Fixed REC methodology and mandate the adoption of a "Proxy Revenue Structure" (PRS). This proposal is grounded in fundamental economic logic and superior regulatory efficiency.

The Imperative of Economic Accuracy: PRS as a True Value Mechanism

The current Indexed and Fixed REC system fails to accurately reflect the actual value of electricity delivered to the grid, leading to inflated bids and unnecessary costs for ratepayers. The PRS solves this inherent inefficiency by mandating a mechanism that ties revenue directly to genuine grid conditions.

NYSERDA should consider transitioning from the current Index or Fixed REC approach toward a Proxy Revenue Structure that reflects nodal pricing and resource curves for wind and solar projects. This modernized structure would more accurately capture the real market value of renewable generation by linking project revenues to the price of electricity at specific grid locations and to the actual production characteristics of each resource.

By using real-time nodal pricing, developers would gain a clearer understanding of local market dynamics—such as congestion and losses—allowing them to better assess and manage revenue risk. This transparency would translate into more competitive bids and lower overall costs for ratepayers, as developers would no longer need to price in large contingencies for uncertain future conditions. Similarly, incorporating historically validated resource curves would improve the accuracy of revenue forecasts, further reducing financial uncertainty and the cost of capital.

A Proxy Revenue Structure would also align incentives between the State and developers. Developers would receive payments that mirror actual grid conditions, while the State could use the resulting data to more effectively manage congestion and plan future transmission investments through Public Policy Transmission Needs (PPTNs). This alignment would create a more efficient and predictable market environment, fostering long-term investment in renewables.

Importantly, this approach would also mitigate legal risks associated with cases such as *Hughes v. Talen*, which questioned state involvement in energy markets. Because payments under a proxy revenue structure are based on modeled market outcomes rather than direct subsidies, the system would remain firmly grounded in competitive market principles.

By centralizing the modeling and management of nodal price risk with NYSERDA or the State, entities better equipped to understand and respond to grid trends, New York can ensure that risk is efficiently managed at scale. This will prevent unnecessary risk premiums from being embedded in project bids, delivering better value for consumers while supporting smoother, more predictable project delivery.

Benefits of a PRS

A Proxy Revenue Structure would base compensation on:

- Real-time nodal prices,
- Historically accurate resource curves, and
- Transparent modeling performed by the State and/or the NYISO.

This would:

- Reduce risk premiums,
- Improve financing certainty, and
- Align developer incentives with system needs.

Comparison to Other Jurisdictions

The data and facts back this up. When comparing New York to Illinois and Ontario (IESO), two jurisdictions with similar procurement processes and renewable goals, the differences are striking. While factors like geography and transmission capacity certainly play a role, it is Boralex's contention that a significant portion of this discrepancy is attributable to REC design.

Table 1: Comparative Procurement Outcomes (Utility-Scale Renewables)

Program / Round	Period	Avg. Winning Price	Notes
NYSERDA Tier-1 (RESRFP23-1)	2023	**$94.73/MWh (weighted avg strike)**	2022 awards at $80.96/MWh; 2024 awards announced but no prices yet.
Illinois IPA Indexed REC RFP	2023–24	**$70–74/MWh** (June 2023 $72.59; Dec 2023 $74.10; Summer 2024 $73.06)	Indexed REC design exposes bids to volatility; payments rise when hub forward curves fall.
Ontario IESO MT2(e)	2025	**C$79.55/MWh (≈US$58/MWh)**	Despite higher EPC/labor costs, prices lower than NY due to structural certainty.

New York is paying nearly $20–30/MWh more than Illinois or Ontario, not because of solar panels or labor rates, which are largely the same across jurisdictions, but because of contract design. It is Boralex's belief that the current structure forces developers to price in solar expansion which may or may not occur. Ratepayers are better suited under a PRS which leads to lower up-front costs without fear of future potential cannibalization. If that buildout ends up occurring, it can be managed then. Under the current structure, the price is baked in whether the predicted buildout materializes. It also bears emphasizing that contract design is not the sole driver of New York's cost profile. New York has significant structural costs embedded into project development, including: interconnection standards, utility-imposed overhead, permitting complexity, and labor constraints. All of these materially increase project costs in ways not fully reflected in comparisons to peer jurisdictions. These are structural features of the New York market that procurement design should recognize and accommodate.

If New York State is going to move toward a PRS, NYSERDA and the Commission should consider how that structural change could/would be applied to existing contracts. Perhaps a tightly controlled rebidding process with strict maturity guidelines and upper and lower bounds.

The Case for an Open-Book Bidding Approach

One item under consideration is a modification of the current RES procurements managed by NYSERDA to include a partial open-book bidding approach. Boralex believes New York should preserve the competitive nature of its solicitations, as it is

the best way to maintain stakeholder confidence in the process, while introducing specific open book modifications. Boralex believes a narrowly tailored open-book bidding process can lower bid premiums, improve price fidelity, and reduce contract failure risk.

Benefits and Risks of an Open-Book Procurement Approach

Benefits

An open-book approach can:

- reduce the need for bidders to build large contingency margins into bids when major inputs are unstable;
- improve cost realism and lower the risk that projects later terminate or seek relief because bid assumptions proved stale;
- better align risk allocation with market reality in concentrated supplier and labor markets;
- obviate the need to use NYSERDA's current index-related cost adjustment tool, which developers have largely found to be unworkable and therefore have largely declined and;
- preserve competition if paired with prequalification, dialogue, and best and final offer rather than used as a sole-source negotiation tool.

Risks

An open-book feature can also:

- reduce comparability across bids if cost categories and audit rules are not standardized;
- lengthen procurement timelines;
- increase administrative burden on NYSERDA;
- create confidentiality disputes around supplier quotes, EPC terms, vessel rates, financing assumptions, and tax positions and;
- weaken competitive pressure if bidders believe costs will simply be "passed through."

Boralex's. Proposal

In considering those benefits and risks, Boralex believes New York should adopt a hybrid procurement model that keeps the current competitive framework but permits open-book review for defined cost buckets where volatility is high and competition is naturally limited.

That model would work best if it included:

- prequalification;
- a first bid or indicative pricing round;
- confidential dialogue with shortlisted bidders;
- a final best-and-final-offer round;
- open-book submission only for specified categories, such as major equipment, installation logistics, interconnection equipment, financing assumptions, labor, tariff-driven supply chain impacts, and utility-driven interconnection cost changes, or other objectively volatile inputs; benchmark caps and guardrails;
- audit function and;

- clawbacks or sharing mechanisms if realized costs materially outperform assumptions.

The Commission should authorize NYSERDA to move toward a hybrid procurement model that preserves competitive bidding while incorporating targeted open-book review for specified high-volatility cost components. Global practice shows that standard sealed-bid renewable auctions remain the norm, but also that more iterative and transparent approaches are appropriate where projects are complex, supplier markets are thin, and costs are volatile.

Massachusetts' Section 83C framework, Rhode Island's Block Island Wind record, Denmark's multi-stage offshore wind tenders, and World Bank procurement guidance each support the proposition that open-book or dialogue-based mechanisms can improve price fidelity and reduce contingency premiums without eliminating competition. New York should therefore consider a bounded model featuring prequalification, competitive dialogue, a best-and-final-offer round and strict audit guardrails for defined cost categories. At minimum, the Commission should consider allowing narrowly defined cost-sharing treatment for objectively verifiable risks that arise outside developer control, particularly federal trade-related equipment cost movements and material interconnection requirement changes after awarded studies.

Rebidding

As an alternative, or in conjunction with an open-bid process, NYSERDA and the Commission should consider how to treat existing letters of credit (LCs) in any formal rebidding process. In past RFPs, developers have been afforded the option to roll over existing letters of credit, with draws occurring only if projects are not re-awarded or are abandoned. Some have felt this structure isn't punitive enough and could encourage speculative bidding and reckless action by developers. Boralex does not believe that will be the outcome. Due to changes in the interconnection process at the NYISO, including increased deposits and withdrawal penalties, coupled with increasing project maturity requirements for NYSERDA RFPs, developers already have millions of dollars at risk when they present their bids and have a strong financial incentive to extract any return on that investment.

The Commission should also consider whether rebidding eligibility should prioritize project maturity, not merely price. Facilities with substantially complete permitting, advanced interconnection status, secured major equipment, and credible pathways to prompt final investment decisions should be advantaged in any rebid structure. The central execution problem today is not developer willingness to build, but the gap between award and final investment decisions. Coupled with the procurement reforms highlighted in this document, the state can design a procurement structure that addresses affordability concerns and improves delivery certainty.

Boralex further believes there is merit in exploring more disciplined post-award milestone requirements, including prompt FID expectations supported by meaningful security requirements, provided such reforms preserve a competitive bidder pool. Properly designed, this would reward ready-to-build projects, improve execution, and bring more cost-competitive projects back into the market.

Boralex also reminds the Commission that New York State has expressed its intention to capture as much ITC-eligible generation as possible. To do that, in the most efficient way, and to limit ratepayer impacts, future solicitations should be structured in a manner that keeps additional developer costs as low as possible, and bids clearly demonstrate how facilities will be able to capture the ITC.

Conclusion

New York's current clean energy procurement process can be better aligned with the needs and expectations of the public and the Legislature. This shift will increase transparency, directly addressing valid concerns raised by the public and lawmakers. It is imperative that all parties work together to design a procurement structure that minimizes ratepayer impacts, while enabling the generation buildout needed to meet exploding load growth and the mandates of the state's Climate Law.

New York's clean energy procurement framework must evolve to reflect current market realities. The existing structure places excessive and inefficient risk on developers, leading to inflated bid prices, reduced competition, and increased likelihood of project delays or attrition.

By adopting a Proxy Revenue Structure and a hybrid procurement model with targeted open-book features, the Commission can significantly improve price fidelity, reduce unnecessary risk premiums, and enhance overall market efficiency. These reforms would preserve the benefits of competition while introducing the transparency and flexibility needed to deliver projects at scale and at the least cost to ratepayers.

Boralex urges the Commission to prioritize procurement reform as a central component of its Clean Energy Standard implementation. Doing so will ensure that New York can attract sustained private investment, deliver critical generation resources, and meet its statutory climate goals in a cost-effective and reliable manner.