

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

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

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Case 15-E-0302

**BROOKFIELD RENEWABLE COMMENTS ON NYSERDA’S PETITION
REGARDING CLEAN ENERGY STANDARD COMPETITIVE TIER 2 PROGRAM
FOR BASELINE RENEWABLE GENERATION**

Brookfield Renewable respectfully submits the following comments in response to the New York State Energy and Research Development Authority (“NYSERDA”) Petition Regarding Clean Energy Standard Competitive Tier 2 Program for Baseline Renewable Generation (“NYSERDA Petition”).¹ Brookfield Renewable has been an active participant in the Clean Energy Standard (“CES”) proceeding since its inception following the Public Service Commission’s (“Commission”) June 1, 2015 Notice, and we are pleased to remain an active stakeholder as the program continues to evolve.

BROOKFIELD RENEWABLE PRESENCE IN NEW YORK

Brookfield Renewable’s presence in New York includes:

- 74 hydroelectric facilities on 15 river systems, 54 of which are LIHI certified²
- 711 MW of installed capacity
- Enough clean energy to power more than 428,000 New York homes

¹ Case 15-E-0302. January 24, 2020.

² “LIHI certified” refers to the certification of hydropower projects that have avoided or reduced their environmental impacts pursuant to the Low Impact Hydropower Institute’s criteria (<https://lowimpacthydro.org/>).

- 730,000 tons of avoided carbon emissions annually
- 190 employees and over 240 indirect jobs across the State
- More than \$25 million in annual property tax payments
- Over \$16 million of local investment in 2018 and planned investments of \$263 million over the next 20 years on capital projects
- Supporting more than 800 local vendors across the State
- Providing access to more than 50 recreational areas around our facilities
- US head office in New York City, and regional operations offices in Queensbury, Watertown, Fulton and Potsdam

Brookfield Renewable has played a key role in New York's clean energy past and hopes to significantly contribute to its future. Our fleet of hydropower facilities provides substantial value-added benefits to the State, including resource diversity, reliable performance during critical demand periods such as the polar vortex, critical system resiliency and flexibility, and VAR support to maintain grid voltage and power factors even with the increased deployment of intermittent resources.

Besides providing clean, renewable energy that avoids a substantial quantity of CO₂ emissions, hydropower facilities like those owned and operated by Brookfield Renewable also offer other environmental and societal benefits. Hydropower facilities play a critical role in dam maintenance and repair on certain New York waterways and canals systems, functions that would otherwise be the responsibility and financial burden of the State. Hydro facility owners also make significant investments to promote environmental stewardship, water quality and flood control, and recreational opportunities.

COMMENTS ON THE PETITION

Brookfield Renewable continues to be an adamant supporter of Governor Andrew Cuomo's initiatives to make New York State a pioneer in renewable energy production. The CES, as it stands today, has a goal to increase the State's production of renewable energy such that it provides for 50% of New York's power consumption by 2030. The recently enacted Climate Leadership and Community Protection Act ("CLCPA") takes an even more aggressive stance by mandating that electricity distributed by New York's load serving entities ("LSEs") is 70% renewable by 2030 ("70 by 30") and 100% renewable by 2040.

In the coming months, it will be incumbent upon the Commission to make changes to the CES in order to achieve these laudable goals. It makes perfect sense that the first step in that effort is to issue an order in response to the NYSERDA Petition seeking to establish a Competitive Tier 2 Program ("Program") that provides the support necessary to preserve the increasingly critical baseline of existing renewable energy resources, which serves as the foundation on which to add new resources in pursuit of the 70 by 30 mandate. In fact, Governor Cuomo recognized the importance of such an effort, stating "The CLCPA requires the PSC to establish a renewable energy program to achieve the State's ambitious clean energy goals and in doing so, it is imperative that the State take measures to ensure the continued viability of its legacy renewable energy resources in order to reach these goals."³ To that end, we respectfully submit the feedback below, as we believe it will lead to the most efficient and cost-effective achievement of the State's goals.

³ Veto #204. December 13, 2019.

- Expedited action by the Commission in support of the renewable baseline is warranted, and the issuance of the first “Competitive Tier 2 RFP”⁴ in 2020, as proposed by NYSERDA, will mitigate the risk of further erosion of the State’s renewable baseline.
- NYSERDA should target procuring 75-85% of the available MWh from eligible baseline renewable facilities⁵ in each annual solicitation, thereby avoiding unnecessary further delay in support for the majority of resources and allowing investment decisions to be made in a more timely manner. Leaving 15-25% of the available MWh in any given solicitation unprocured, combined with the recommended approach of a confidential price cap, allows the solicitations to remain competitive.
- Procuring the majority of the eligible baseline MWh in each solicitation would inevitably lead to less available supply for the voluntary market to secure on a bilateral basis from generators for uses such as “green power products, Community Choice Aggregations, etc.”⁶ The Commission should consider directing NYSERDA to implement a Tier 2 REC resale process, similar to the established quarterly Tier 1 REC solicitations, to allow LSEs and voluntary buyers access RECs at a discounted price and partially offset Program costs.
- The confidential bid cap for baseline resources should be informed by the Tier 1 REC price or the external opportunity cost, such as renewable energy programs in neighboring jurisdictions.

⁴ NYSERDA Petition. P 8.

⁵ NYSERDA outlines eligibility as existing non-state-owned run-of-river hydropower and existing wind generators located within the State that have entered into commercial operation prior to January 1, 2015. Only RECs associated with generation output that is not under contract with NYSERDA may be offered. Baseline renewable generators would need to apply to NYSERDA for a determination of eligibility to participate in the Program’s solicitations. P. 4,5.

⁶ NYSERDA Petition. P 5.

- To best send a signal supporting generator investment necessary to maintain continued operation, it is appropriate to continue Program solicitations through 2030 (the first target year of the CLCPA), with the option for the PSC to evaluate the Program design in 2025.
- The \$200 million Program budget cap is arbitrary and not supported by economic analysis. The confidential bid price cap construct as proposed and inherent MWh volume cap of the State's renewable baseline, combined with resources competing on price, serve as sufficient limits on procurement costs, which will have the additional benefit of being partially offset by revenues from the subsequent resale of RECs for LSEs and voluntary buyers.
- Solicitations should allow for generator owners to submit multiple mutually exclusive offers and execute contracts that allow for multiple facilities to be aggregated together to contribute to a total bid quantity, provided common ownership across the aggregated facilities.

A. NYSDERDA'S DESIRE TO ISSUE THE FIRST "COMPETITIVE TIER 2 RFP" IN 2020 IS APPROPRIATE AND NECESSARY.

The importance of this initiative is as critical, if not more so, now than at any other time in the State's pursuit of growing its renewable resources. The State's targets have become even more ambitious as the CLCPA built upon already aggressive targets. However, preservation of that essential renewable baseline is at risk as several factors are at play that will erode the baseline either through generator retirements or export of RECs to external markets that properly value them.

An existing and growing risk to the State in pursuit of its goals are RECs being sold out-of-state into external renewable energy programs. As shown in the table below,⁷ RECs have been

⁷ Clean Energy Standard Annual Progress Report: 2018 Compliance Year. December 2019. P 19.

flowing out of New York State at an increasing level, and this has taken place in the years immediately following the Commission’s 2016 Order Adopting a Clean Energy Standard.

Technology	2017 REC Exports	2018 REC Exports	MWh Change
Hydroelectric ^a	63,405	178,056	114,651
Renewable Biogas	572,505	542,573	- 29,932
Wind	1,001,874	949,885	-51,989
Total Baseline Renewable Energy Exports	1,637,784	1,670,514	32,730

^a Number excludes exports from NYPA hydroelectric facilities

Although NYSERDA has not yet issued a progress report for 2019, information gleaned from the New York Generation Attribute Tracking System as of April 28, 2020 indicates that the volume of non-NYPA hydroelectric REC exports for the year was 433,611 MWh, representing a 144% increase over 2018 hydroelectric REC exports. Similarly, wind exports increased from 949,885 MWh in 2018 to 1,480,592 MWh in 2019, an increase of 56%. If the State does not make efforts to stem this flow, it will find itself in a position where these RECs will need to be replaced by production from higher cost new Tier 1 resources that also require longer-term contract tenors.

Concurrently, the economic downturn associated with the tragic coronavirus pandemic has unavoidably manifested in a decrease in energy consumption. The New York Independent System Operator (“NYISO”) has presented its stakeholders with some preliminary information concerning the economic impacts of the pandemic and the mitigation efforts utilized to curb its infection rate. A snapshot of weekly energy use versus expected energy use during the period of March 1 through April 4 shows a weather-normalized difference of approximately 8% below forecast.⁸ There is no reason to anticipate this pattern changing course in the near future.

⁸ NYISO “Estimated Impacts of COVID-19 on NYISO Demand.” Presented to the NYISO Management on April 15, 2020.

Additionally, the NYISO annually releases a Load & Capacity Data Report (often referred to as the “Gold Book”), which includes a broad spectrum of data concerning New York’s energy supply, demand, and infrastructure, in present and projected terms. Although it is in draft form at the time of the submittal of these comments, the table below summarizes projected total energy demand as well as anticipated peak demand levels.⁹ Each category has “Low,” “Baseline,” and “High” columns to reflect different assumptions utilized to derive the forecasts, including varying economic assumptions relating to the impact of COVID-19. “The baseline energy forecast reflects a moderate recession due to COVID-19 impacts and assumes typical economic growth over the long-term horizon. The high load scenario energy forecast reflects a slight recession and assumes somewhat higher than typical economic growth over the remainder of the forecast horizon. The low load scenario energy forecast reflects a severe recession due to COVID-19 impacts, and assumes somewhat lower than typical economic growth in the long run.”¹⁰

Table I-1a: NYCA Baseline Energy and Demand Forecasts
Reflects Impacts of Energy Saving Programs & Behind-the-Meter Generation

2020 Long Term Forecast ¹ - 2020 to 2050												
Energy - GWh				Summer Peak Demand - MW				Winter Peak Demand - MW				
Year	Low ³	Baseline ⁴	High ³	Year	Low ³	Baseline ^{4, 5}	High ³	Year	Low ³	Baseline ⁴	High ³	
2019		155,848		2019		32,357		2019-20		24,123		
2020	143,145	149,020	152,393	2020	30,910	32,296	32,452	2020-21	23,574	24,130	24,214	
2021	142,930	150,627	152,913	2021	30,790	32,129	32,502	2021-22	23,549	24,203	24,582	
2022	142,179	152,114	155,360	2022	30,611	32,128	32,743	2022-23	23,490	24,474	25,250	
2023	140,911	150,544	154,380	2023	30,388	31,918	32,611	2023-24	23,443	24,650	25,661	
2024	139,547	149,904	154,424	2024	30,060	31,838	32,623	2024-25	23,313	24,944	26,230	
2025	136,806	149,167	154,785	2025	29,648	31,711	32,641	2025-26	23,152	25,251	26,881	
2026	134,365	148,727	156,208	2026	29,278	31,670	32,863	2026-27	23,013	25,635	27,758	
2027	132,343	148,548	158,091	2027	28,968	31,673	33,163	2027-28	22,909	25,988	28,638	
2028	130,816	148,783	160,411	2028	28,736	31,756	33,562	2028-29	22,860	26,404	29,602	
2029	129,768	149,183	162,808	2029	28,581	31,865	33,976	2029-30	22,862	26,888	30,683	
2030	129,172	149,774	165,269	2030	28,499	31,992	34,380	2030-31	22,912	27,388	31,788	

⁹ 2020 Draft Gold Book. New York Independent System Operator. April 2020. P 13.

¹⁰ Id. P 3.

Without opining on which scenario is the most likely to occur, both the low and baseline scenarios are projecting a downturn in the total energy consumption leading up to the CLCPA initial target year of 2030, with a dramatic dip in demand taking place as early as next year. The forecasts are not entirely beholden to the economic impacts of COVID-19 (they also assume inputs such as the timing and success of hitting other policy targets such as energy efficiency, behind-the-meter generation, electric vehicle penetration, etc.), but they are illustrative of the circumstances facing existing renewable generators in New York – decreasing supply corresponding with lower wholesale market prices. It is a recipe for vital contributors to the State’s baseline to either cease operating due to economic pressure or seek markets that put a better value on their attributes.

If such generators make the difficult decision to cease operations, it would be a devastating economic impact to many of the local communities within which they reside. As noted above, Brookfield Renewable alone paid \$25 million in New York property taxes in 2019, and it is not unusual for Brookfield Renewable to be the largest taxpayer in a given school or municipal taxing jurisdiction where our facilities are located. The stabilization to the tax base provided by such companies is essential, especially during these turbulent economic times.

The confluence of the circumstances described above, combined with the Governor’s recent acknowledgment and directive that the State’s renewable baseline be preserved, means the time to act is now. Therefore, in the interest of achieving the State’s laudable renewable goals, with the additional benefit of supporting vital contributors to local economies, we ask the Commission to adopt a Competitive Tier 2 Program on an expediated basis – doing so ahead of any other potential modifications to the CES regarding the CLCPA.

B. NYSERDA SHOULD TARGET PROCURING 75-85% OF THE AVAILABLE MWH FROM ELIGIBLE BASELINE RENEWABLE FACILITIES IN EACH ANNUAL SOLICITATION. 15-25% OF THE MWH SHOULD REMAIN UNPROCURED, ALLOWING THE SOLICITATIONS TO REMAIN COMPETITIVE.

NYSERDA has proposed three annual solicitations, with each procuring approximately one-third of the total MWh from eligible baseline renewable generators, to be contracted for a period of three years. Instead, NYSERDA should frontload the procurement structure such that most – Brookfield Renewable recommends 75-85% – of the available baseline as defined by NYSERDA in its Petition¹¹ is contracted for three years through the first solicitation. Each subsequent annual solicitation should procure three-quarters of the available baseline for that auction’s contract period, which would consist of any eligible generation that was not selected in the previous procurement or comes off a NYSERDA contract subsequent to the previous Tier 2 solicitation. This design would reduce the economic uncertainty for these resources in a more expedient manner, thereby facilitating repairs or other major investments to prolong their contribution to the baseline.

Otherwise, under NYSERDA’s current proposal the second tranche of the baseline would not receive any support until 2022, and the third tranche would be unsupported until 2023. This is a long delay considering the impacts of the current health crisis on the economy at large and resulting downturn in energy demand and pricing as noted above.

By procuring 75-85% of the available baseline in any given year, this design would address the concerns that the Governor’s veto message conveyed about the lack of competition contained in the S.23 (Parker) / A.4294 (Cusick) proposed legislation.¹² However, it would provide most of

¹¹ P 4.

¹² The legislation proposed NYSERDA procure 100% of the renewable baseline annually at a price of 75% of the Tier 1 compliance price.

the existing baseline generators the opportunity to sell their Tier 2 RECs on an expedited basis.¹³ Any entity with RECs not sold to NYSERDA, presumably 15-25% of the available baseline in any given year, would still have the opportunity to monetize RECs via bilateral transactions or pursue a Maintenance Tier contract.

C. TO HELP THE STATE FACILITATE, AND NOT COMPETE WITH, THE GROWTH OF THE VOLUNTARY MARKET, NYSERDA MAY WISH TO CONSIDER MAKING ITS COMPETITIVELY PROCURED TIER 2 RECS AVAILABLE FOR RESALE AT A DISCOUNTED PRICE TO LSES AND VOLUNTARY BUYERS FOR USES SUCH AS “GREEN POWER PRODUCTS, COMMUNITY CHOICE AGGREGATIONS, ETC.”

NYSERDA has rightly expressed a desire to “ensure that some RECs would remain available for voluntary markets.”¹⁴ Brookfield Renewable supports this desire. However, the proposal put forward by NYSERDA goes about this in an inefficient and potentially counter-productive manner, as it would result in NYSERDA relying on the nascent and largely undeveloped voluntary market to support the majority of baseline resources in the first year of the Competitive Tier 2 Program while competing with the voluntary market and driving up REC prices in the second and third year.

In a scenario reflecting the outcomes of the first procurement (where one-third of the available RECs from qualified baseline facilities are acquired), it is a near certainty that the remaining two-thirds of unprocured RECs from the baseline would drastically exceed total voluntary market demand for RECs. In such a scenario, those baseline resources would remain unsupported until at least the next procurement, where they would hope for greater success in the

¹³ Alternatively, NYSERDA could hold solicitations more frequently, such as every 6 months. Either option would provide support to more of the baseline on a more accelerated basis than that outlined in the Petition.

¹⁴ NYSERDA Petition. P 5.

NYSERDA solicitation. Additionally, and perhaps more to the detriment of the State, those unprocured resources would seek to sell their RECs into an external market, and perhaps on a multi-year contract basis, thereby preventing the supply from participating in subsequent auctions and precluding them from contributing to the State's baseline.

However, another scenario is likely to play out such that NYSERDA will be in direct competition with the voluntary market for RECs. This circumstance is likely to manifest most dramatically during the third NYSERDA auction, following which most of the RECs associated with the baseline resources will be under contract with NYSERDA, at least for the one-year period following the third auction, thereby depriving the voluntary market access to them.

This approach could be described as haphazard, as the availability of Tier 2 RECs in any given year is likely to either dramatically exceed or fall short of demand from the voluntary market. However, the approach recommended by Brookfield Renewable would instead facilitate a cooperation between NYSERDA and voluntary REC purchasers, not competition.

Under Brookfield Renewable's proposed modifications, 75-85% of all available baseline RECs may be procured by NYSERDA in the first annual solicitation. To facilitate voluntary market access to RECs for uses cited by NYSERDA such as "green power products, Community Choice Aggregations etc.," Brookfield Renewable proposes that the Commission direct NYSERDA to establish a Tier 2 REC resale process to make procured RECs available at a discounted price to the voluntary market and Energy Service Companies ("ESCOs") seeking to comply with the ESCO Retail Market Reset Order.¹⁵ This is not unlike the mechanism in which NYSERDA makes Tier 1 RECS available to LSEs via quarterly sales in the Main Tier of the

¹⁵ ORDER ADOPTING CHANGES TO THE RETAIL ACCESS ENERGY MARKET AND ESTABLISHING FURTHER PROCESS. December 12, 2019.

CES, and NYSERDA may consider relying on the existing framework and infrastructure to accomplish such a task.

There are multiple benefits of running a resale process allowing the demand side to purchase procured RECs at a discounted price:

- Harmonization of NYSERDA's objective to support baseline resources with its secondary objective to animate the voluntary market and make accomplishing both objectives more likely.
- Access to a larger and consistent volume of RECs for LSEs and voluntary buyers seeking to make renewable energy claims.
- Access to RECs for multi-year terms since NYSERDA would be procuring Tier 2 RECs under three-year contracts.
- Discounted pricing that reflects the premium that voluntary buyers are willing to pay for RECs as opposed to the prices necessary to support baseline resources.
- Giving NYSERDA discretion to achieve other policy outcomes such as promotion of Community Choice Aggregations and facilitating ESCO compliance with the Commission's ESCO Retail Market Reset Order by allowing it to structure a resale process that accommodates the characteristics and limitations of each voluntary market segment.
- Reducing the inherent advantage of scale and sophistication that larger generators have in accessing demand-side opportunities.
- Protecting generators and LSEs from taking on additional risks associated with bilateral transactions, particularly in the current market environment, by having NYSERDA play the role of intermediary.

Any procurement costs not recovered through a resale process would then form the cost basis of the residual Tier 2 obligation on all LSEs. NYSERDA's Petition outlines the process that would be utilized to determine this obligation:¹⁶

$$\text{LSE Tier 2 Rate} = \frac{\text{NYSERDA's maximum expected total cost to procure Tier 2 RECs}}{\text{Forecasted statewide electric load}}$$

The proposal contained herein would not modify that process. This subsequent resale process available to the voluntary market would reduce the numerator in that formula by offsetting NYSERDA's cost through REC resale revenues paid by the voluntary customers. The remaining lowered cost to NYSERDA would be allocated as contemplated. Therefore, the formula could be envisioned to work like this:

$$\text{LSE Tier 2 Rate} = \frac{\text{NYSERDA's maximum expected total cost to procure Tier 2 RECs} - \text{revenues from resale process}}{\text{Forecasted statewide electric load}}$$

In order to ensure the success of the Program, NYSERDA will have to balance the price sensitivity of the voluntary market with their ability to partially offset Program costs to be socialized across ratepayers. All RECs not purchased in the resale process (and therefore committed to NYSERDA) would be retired by NYSERDA against the total Tier 2 obligation.

D. THE CONFIDENTIAL BID CAP SHOULD BE INFORMED BY THE TIER 1 REC PRICE OR THE EXTERNAL OPPORTUNITY COST FOR BASELINE RESOURCES, SUCH AS RENEWABLE ENERGY PROGRAMS IN NEIGHBORING JURISDICTIONS.

NYSERDA proposes a confidential maximum bid cap, which would serve as the stopping point in the solicitation should the offers reach that level before one-third of the MWh have been selected through the price evaluation. Having a cap is a reasonable feature of the solicitation as it mitigates NYSERDA's (and ultimately ratepayers') cost exposure and introduces an additional

¹⁶

level of discipline in the offers submitted by generators. Brookfield Renewable recommends that the cap, while remaining confidential, be either based on the replacement cost to add new resources in the place of lost existing resources (i.e. tethered to the Tier 1 resale price) or developed in consideration of external opportunity costs, such as the ability for baseline renewable resources to certify and sell RECs into renewable programs in other states and regions. Both facility closure and REC exportation are risks to the goals and should be considered. If set properly, the bid cap should reflect avoided costs of losing and replacing baseline MWh.

E. EXTENDING THE PROGRAM'S DURATION THROUGH 2030 PROVIDES VISIBILITY TO SUPPORT CAPITAL PROJECTS, EXTENDS FACILITY LIFE AND INCREASES THE ABILITY TO ACHIEVE THE 70 BY 30 TARGET.

The NYSERDA Petition contemplates a Program design with three annual solicitations resulting in three-year contract periods, with the first solicitation taking place in 2020. Under this design, resources awarded contracts in the first solicitation will see them expire at the end of 2023, whereas the third (and proposed final) auction's contracts expire at the end of 2025. That timeline would leave a gap of four to six years from the end of the baseline resources' contracts to the first year of the CLCPA's renewable mandates in 2030. Should baseline resources cease contributing to the baseline during that gap – either through retirements or exporting – it will be more expensive and/or too late to develop Tier 1 resources to make up the shortfall by 2030. It is unreasonable to assume that when the Governor stated in his veto message “it is imperative that the State take measures to ensure the continued viability of its legacy renewable energy resources in order to meet these [CLCPA] goals” that he was envisioning measures that would cease to exist in any fashion a full four years before the achievement of those goals is mandated.

Furthermore, restricting generators to just one contract for a period not-to-exceed three years falls short of what is necessary to motivate such resources to make investments in the continued operation of their facilities. Creating some assurance of a longer duration of support can help justify a continued presence, give owners/operators faith in their ability to spread costs, and/or hang on for opportunities in an evolving marketplace. Additionally, capital projects, major repairs, and investments to keep projects operating may require more than 3 years to justify.

The Program should be extended through 2030, with the caveat that the Commission conduct a Program review after 2025. Alternatively, the Commission could use this docket as a vehicle to express support for the NYISO's proposal to introduce carbon pricing into the wholesale energy markets. In any event, a Competitive Tier 2 Program should be adopted in an accelerated fashion and for a duration that logically takes it through the target year 2030.

F. THE \$200 MILLION PROGRAM CAP IS ARBITRARY AND NOT SUPPORTED BY ECONOMIC ANALYSIS.

The \$200 million cap on the total Program cost is arbitrary. Instead, the total Program cost should be based upon how many MWh are offered below the aforementioned confidential bid cap, up to the target volume being sought by NYSERDA. If set properly, the bid cap should reflect avoided costs of losing and replacing baseline MWh. Therefore, it makes economic sense for the State to procure all resources that clear under that cap rather than paying more to replace those resources.

This principle was expounded upon in great detail by Synapse Energy Economics Inc. in a filing¹⁷ submitted within this docket in response to recommendations made by DPS Staff concerning the treatment of existing renewable resources. In short, that report demonstrated

¹⁷ *Policies to Cost-Effectively Retain Existing Renewables in New York*. December 22, 2017.

several scenarios that threatened to erode the baseline of existing renewable resources in the State and the expense of replacing that volume of lost MWh with more expensive new Tier 1 resources. It is also important to note that the Synapse report examined a program that targeted 50% renewables by 2030. That target has since grown through the CLCPA, making the existing baseline all that more important.

Simply put, retention is more cost-effective than replacement. Even if that cost exceeds \$200 million total it is still an overall savings to the State. If the State remains concerned about total Program costs, it is appropriate for the Commission to order a periodic examination of the Competitive Tier 2 Program, similar to as what has already been ordered in regard to the Clean Energy Standard's triennial review.

G. SOLICITATIONS SHOULD ALLOW FOR GENERATOR OWNERS TO EXECUTE CONTRACTS THAT ALLOW FOR MULTIPLE FACILITIES TO BE AGGREGATED TOGETHER TO CONTRIBUTE TO A TOTAL BID QUANTITY, PROVIDED COMMON OWNERSHIP ACROSS THE AGGREGATED FACILITIES.

NYSERDA has proposed that contracts will be awarded based on as-bid price and bid quantity for each eligible facility, with a separate contract for each successful facility. Instead, while eligibility should still be based on individual facility characteristics, solicitations should allow for generator owners to execute contracts that allow for multiple facilities to be aggregated together to contribute to a total bid quantity, provided common ownership across the aggregated facilities. Doing so would substantially reduce the administrative burden on NYSERDA since generator owners typically own multiple facilities. Such a modification would also allow generators greater flexibility in managing their portfolio and commitments. Generators should be able to submit multiple mutually-exclusive offers that make available a combined volume of

RECs capped at the total bid quantity determined to be eligible by NYSERDA across that generator's qualified facilities.

CONCLUSION

Brookfield Renewable reiterates our continued support for the State's laudable and aggressive renewable energy goals. New York serves as a model in that regard, and therefore it is imperative that the CES program is designed such that it most efficiently and effectively achieves those goals. For the aforementioned reasons, Brookfield Renewable respectfully encourages the Commission to adopt in an expedited manner a Competitive Tier 2 Program within the CES with consideration to the recommendations contained in these comments.

Respectfully submitted,

4/29/2020
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