



October 24, 2014

VIA ELECTRONIC MAIL

Hon. Kathleen Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350
Email: secretary@dps.ny.gov

Re: Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision

Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund

The Sierra Club,¹ on behalf of its 40,000 members in New York State, respectfully submits the following reply comments on the REV Staff Proposal (“REV Proposal”) and NYSERDA’s Clean Energy Fund Proposal (“CEF Proposal”). The Sierra Club also wishes to indicate its support for the reply comments filed by Pace Energy and Climate Center in this docket and supplements those comments with the following points.

Specifically, consistent with DPS staff and NYSERDA’s recommendation, the Sierra Club urges the Commission to immediately commence a separate proceeding to determine the future of New York’s RPS program beyond 2015. As the REV Proposal stated, “[a] new mechanism for procuring these resources must be in place by early 2016 to avoid a gap in the Commission’s long-term support for these valuable resources.”

¹ Founded in 1892, the Sierra Club is the nation’s oldest grassroots environmental organization with approximately 600,000 members in all 50 states, including more than 40,000 members in the State of New York. The Sierra Club’s mission involves promoting the responsible use of the earth’s resources and protecting and restoring the quality of the natural and human environments. In view of this mission, the Sierra Club seeks to ensure the availability of safe and reliable energy in a manner that protects human health and promotes a healthy environment.

I. New York Must Develop a Post-2015 RPS Program to Meet its Carbon Reduction and REV Goals

As NYSERDA concluded in the CEF Proposal, if New York “is to reach its goal of 50% reduction in GHG emission intensity by 2030, then 60% of the energy mix at that point in time will need to be resources other than traditional utility-scale fossil fuel central generation assets.”² To this end, NYSERDA recommended that “further investments in grid-tied renewable capacity will be necessary if New York is to achieve the objective of the 2014 draft State Energy Plan to reduce the intensity of its carbon emissions from the energy sector by 50 percent by 2030, and to address U.S. EPA’s Clean Power Plan which is likely to require greater reliance on renewable energy generation capacity.”³

Similarly, the REV Proposal argued that “it is more important than ever to continue to support the development of large-scale renewables in New York due to the fuel diversity, low carbon emission, and economic benefits that these resources provide to the energy system and society.”⁴ Along with reducing carbon emissions, large-scale renewables contribute to fuel diversity, which “helps protect consumers from price volatility and to preserve the reliability of the electric grid.”⁵ Additionally, NYSERDA concluded in its September 2013 RPS Review that current RPS projects generated a 1:3 cost-benefit ratio, meaning that every \$1 spent on the RPS generated \$3 of direct investment in New York.⁶ Factoring in carbon emissions savings from the 50 million tons of CO₂ eliminated by current Main Tier projects, a lower bound (\$15/ton) increases direct investment to \$4.6 for every RPS dollar, while the upper bound (\$85/ton) shows that for every \$1 spent on the RPS produces \$9 in direct investment to New York.⁷ Total direct investment over the lifetime of these projects is estimated at \$2.7 billion.⁸

II. The Commission Should Immediately Commence a Separate Proceeding to Determine the Future of New York’s RPS Program Beyond 2015

Despite these enormous economic and environmental benefits and the clear need for future large-scale renewable development, neither the REV Proposal nor the CEF Proposal included any large-scale renewables program beyond the expiration of the RPS in 2015. The REV Track One Proposal confusingly included five questions on Main Tier renewables, yet also argued that “[b]ecause the issue of Main Tier renewables has not previously appeared in this case, it should be considered separately from other Track One issues and not necessarily decided by the Commission within a Track One policy order.”⁹

Similarly, though the RPS program certainly was encompassed by the Commission’s vision for the Clean Energy Fund as “a ‘bridge’ for the transition from the current portfolio of

² CEF Proposal, 82.

³ *Id.*, 30.

⁴ REV Proposal, 52.

⁵ CEF Proposal, 30.

⁶ Case No. 03-E-0188, NYSERDA- “Renewable Portfolio Standard Main Tier 2013 Program Review, Volume 2- Main Tier Current Portfolio Analysis”, at 6 (Sept. 5, 2013).

⁷ *Id.*, 27.

⁸ *Id.*, 6.

⁹ REV Proposal, 53.

clean energy programs to the new regulatory and market framework being developed through the REV proceeding,”¹⁰ the CEF Proposal did not address a post-2015 RPS program and instead NYSERDA recommends that “a separate forum is the most appropriate place for further deliberations on the matter and suggests that an independent proceeding be launched.”¹¹

Because neither the REV proceeding nor the Clean Energy Fund proceeding address the future of the RPS program, the Commission should immediately commence a separate proceeding to determine the future of the RPS beyond 2015. This proceeding should be expedited to ensure that a new RPS program is in place by January 2016 when the current RPS program expires.

Similar to the Clean Energy Fund, the Commission should make a 10-year funding commitment to the post-2015 RPS program, which will provide critical certainty and predictability for renewable developers, keeping cost-effective renewable projects in New York, and allowing New Yorkers to profit from the billions of dollars in economic, public health, and environmental benefits which flow from those projects. Furthermore, new short-term (40% by 2020) and long-term (50% by 2025) benchmarks should be set to ensure sufficient progress is being made toward New York’s renewable energy and carbon reduction goals.

Ensuring the future of large-scale renewable programs will help move New York to the forefront nationally in offshore and onshore wind and other utility-scale renewables, creating thousands of jobs and dramatically improving the health of New Yorkers. We look forward to continuing discussions with you on this matter and please contact us with additional questions.

Respectfully submitted,

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¹⁰ Case No. 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, “Order Instituting Proceeding”, at 7 (May 8, 2014).

¹¹ CEF Proposal, 31.