July 24, 2020

VIA ELECTRONIC FILING

Hon. Michelle L. Phillips
Acting Secretary to the Commission
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 15-E-0302 – Proceeding on Motion of the Commission to Implement a Large-Scale Renewable program and a Clean Energy Standard – **Preliminary Comments of Multiple Intervenors**

Dear Secretary Phillips:

Pursuant to the Public Service Commission's ("Commission") June 30, 2020 *Notice Scheduling Technical Conference and Soliciting Comments* ("Notice"), Multiple Intervenors respectfully offers the following preliminary assessment of the *White Paper on Clean Energy Standard Procurements to Implement New York's Climate Leadership and Community Protection Act* ("Whitepaper") jointly issued by Department of Public Service Staff ("Staff") and the New York State Energy Research and Development Authority ("NYSERDA") on June 18, 2020 in the above-referenced proceeding.

Recognizing that many of NYSERDA and Staff's proposals still may require additional development, as evidenced by the dozens of questions asked by stakeholders during the July 14, 2020 Technical Conference, these preliminary comments do not address every aspect of the Whitepaper. Instead, Multiple Intervenors' preliminary comments focus on one specific area of concern – the proposed creation of a Clean Energy Standard ("CES") Tier 4 to foster renewable generation in New York City, and the cost implications thereof. Importantly, Multiple Intervenors is not opposed to efforts to increase renewable resources in New York City, but disagrees that the costs associated with such a geographically-targeted effort should be socialized statewide. Multiple Intervenors will comment on other aspects of the Whitepaper more fully at the appropriate time.

Initially, Multiple Intervenors reiterates the need for the Commission to very carefully design and implement its clean energy programs to help achieve the legislatively-mandated objectives of the Climate Leadership and Community Protection Act ("CLCPA") in an equitable manner, without burdening customers with excessive and/or unnecessary costs. Given the magnitude of renewable energy resources that will be needed over the next few years to achieve the State's lofty clean energy goals, and the significant price tag associated therewith, it is crucial that the CES program be administered in a cost-effective manner that neither forces captive customers to pay more than needed, or requires certain customers to subsidize other customers towards achievement of those goals. These cost-related concerns also are particularly heightened now, as customers grapple with a severe economic downturn caused by the COVID-19 pandemic.

Currently, customers are paying for increased transmission to be built, and offshore wind generation to be developed, to deliver more renewable power to the Downstate region, including but not limited to New York City. If, *arguendo*, a special program/tier is needed to promote more renewable generation in a specific region of the State, such effort should be funded primarily – if not exclusively – by the customers in that region, not socialized on a statewide basis. Accordingly, the proposal in the Whitepaper requiring all load-serving entities to procure Tier 4 RECs, irrespective of where their customers are located, should be modified or rejected.

The Notice seeks stakeholder feedback on whether, and how, Tier 4 procurement costs should be capped in relation to Tier 1 costs. Multiple Intervenors agrees that a cap on the Tier 4 REC price should be implemented. The new Tier 4 clearly is designed to specifically facilitate the development of renewable energy in (or into) New York City, which, given existing transmission constraints from Upstate to Downstate New York, likely would result in increased costs to consumers. Tier 4 projects also likely would be more expensive than renewables developed elsewhere in the state, even though both project types arguably have the same value in the lens of achieving the CLCPA's 70x30 goal. If, *arguendo*, the Commission agrees with NYSERDA and Staff that a Tier 4 program should be the responsibility of all LSEs statewide, capping the Tier 4 REC price at a benchmark based on prevailing Tier 1 REC prices would mitigate the potential inequitable subsidization by Upstate customers of Downstate renewables developed through the Tier 4 program.

Relatedly, the Whitepaper also proposes that projects that bear the cost of new transmission facilities should not be subject to a Tier 4 REC price cap. More clarity is needed on the circumstances in which the Tier 4 REC price would or would not be capped (*e.g.*, would a project that bears only a portion of the costs of a new transmission project to facilitate delivery of its generation into the Downstate area be exempt from the price cap?). How the costs of such transmission facilities would be allocated to customers also should be explored in more detail; such information is not apparent from the Whitepaper.

Multiple Intervenors appreciates this opportunity to provide this very preliminary feedback on the Whitepaper, and looks forward to submitting more substantive comments on the Whitepaper as a whole on or before August 31, 2020.

Respectfully Submitted,

MULTIPLE INTERVENORS

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