

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

Case 15-E-0302

**FILING REGARDING RENEWABLE ENERGY STANDARD
2022 Alternative Compliance Payment (ACP) Prices**

Introduction

In accordance with the Commission's August 13, 2020 "Order Approving Phase 4 Implementation Plan" (Phase 4 Order)¹ the New York State Energy Research and Development Authority (NYSERDA), hereby files the ACP price for 2022. NYSERDA has posted this information on its website at nysERDA.ny.gov/clean-energy-standard, and submits this filing for the benefit of broad dissemination.

Background

In establishing the Renewable Energy Standard (RES) Program, a component of the Clean Energy Standard (CES), the Commission adopted the State Energy Plan goal that 50% of New York's electricity is to be generated by renewable sources by 2030 as part of a strategy to reduce statewide greenhouse gas (GHG) emissions by 40% by 2030. The Order Adopting a Clean Energy Standard (CES Order) created the principal structure through which the State will channel its supply-side efforts to achieve the GHG goal.²

Under Tier 1 of the RES, the CES Order requires each LSE to serve their retail customers by procuring qualifying RECs in a defined and increasing percentage of the total load served by the LSE. LSEs will be able to meet their RES obligations by purchasing RECs from not only NYSERDA but also from other sources or by making Alternative Compliance Payments (ACPs) to NYSERDA. The CES Order establishes the RES REC compliance period as January 1 to December 31 of each year, beginning in 2017.

Year 2022 NYSERDA Tier 1 RECs and 2022 ACP Price

As described in the Phase 4 Order, NYSERDA will implement changes to the existing process of pricing Tier 1 RECs for sale to LSEs. NYSERDA will set a Tier 1 REC price for each individual quarterly sale, rather than set an annual REC price based on the projected weighted average cost of Tier 1 RECs, as previously done. Prior to each quarterly Tier 1 REC Sale, NYSERDA will determine the actual average Tier 1 REC price NYSERDA paid to the generators of all Tier 1 RECs (whether purchased through a

¹ Case 15-E-0302; Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, "Order Approving Phase 4 Implementation Plan," issued and effective August 13, 2020, p. 13.

² Id. "Order Adopting a Clean Energy Standard," issued and effective August 1, 2016, at p.2.

fixed or index method) being offered during that quarterly sale. Unsold RECs from previous quarters will be factored into the quarterly weighted average cost of Tier 1 RECs at the price NYSERDA purchased them.

NYSERDA will inform LSEs of the price and quantity of Tier 1 RECs available when it announces the start of each quarterly Tier 1 REC sale. NYSERDA's price for a Tier 1 REC will no longer be tied to its vintage. The Tier 1 REC price could vary each quarter depending upon the volatility of the index REC payments and the number of Tier 1 RECs purchased through index REC contracts.

As identified in the Phase 4 Order, the 2022 ACP will be calculated as the net weighted average cost for the Tier 1 RECs *projected* to be delivered during that compliance year, plus ten (10) percent, plus any Commission-approved administrative adder. The ACP will remain constant throughout 2022 and be paid directly to NYSERDA.

The ACP per MWh based upon the net weighted average cost of Tier 1 RECs projected to be delivered for the 2022 compliance year is shown in Table 1.

Table 1 –2022 ACP Pricing

2022 ACP Price	\$35.00
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Respectfully submitted,



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