

STATE OF NEW YORK

Public Service Commission

Patricia L. Acampora, Chairwoman

Three Empire State Plaza, Albany, NY 12223

<http://www.dps.state.ny.us>

07033

FOR RELEASE: Immediate, April 19, 2007

CONTACT: James Denn, Public Service Commission
518-474-7080
James_Denn@dps.state.ny.us

Colleen Ryan, NYSERDA
518-862-1090, ext 3359
cqr@nyserdera.org

NEW YORK'S CONTINUED COMMITMENT TO CLEAN, RENEWABLE ENERGY COULD FOSTER \$1.4 BILLION OF INVESTMENTS IN NEW YORK

Renewable Portfolio Standard Program Progress

Albany, NY—4/19/07—The New York State Energy Research and Development Authority (NYSERDA) and the New York State Public Service Commission (Commission) announced today that twenty-one electric generating facilities in New York have been selected to provide renewable energy to New York consumers in the second competitive solicitation under the Renewable Portfolio Standard (RPS) Program. The diverse award group includes ten existing hydroelectric facilities that have been or will be upgraded, nine new wind facilities, and two biomass facilities. The twenty-one contract awards total approximately \$295 million and will be paid out over a 10-year period as performance incentives for these facilities to produce and deliver electric energy to the New York grid. Performance incentives will average approximately \$15 per megawatt hour.

Governor Spitzer said, “Today’s announcement is further evidence that well-crafted policies to reduce greenhouse gases can provide tremendous economic benefits. Including the results of this latest competitive solicitation, the Renewable Portfolio Standard has now attracted nearly \$2 billion of private investment in renewable energy. This investment translates into more jobs, an expanded tax base, new revenues to local land owners, cleaner air, and lower carbon dioxide emissions. I am very encouraged by the results of the RPS thus far.”

Peter R. Smith, President and CEO of NYSERDA, said, “When New York’s Renewable Portfolio Standard (RPS) was adopted three years ago, it was the first state-administered RPS of its kind. Today’s announcement is a major step towards achieving the ultimate goal of the RPS,

in which 25 percent of electric generation will come from a renewable source by 2013. When these electric generating facilities come on-line, they will not only add to New York's electric capacity, but will more importantly reduce our dependence on fossil fuels as a means of generating electricity. In addition to the environmental benefits, economic benefits will come in the form of planning and construction jobs, long term operations and maintenance jobs, property tax benefits to local governments and schools, economic activity associated with the harvesting of biomass, and energy revenue royalty payments to landowners."

Today's announcement represents an excellent example of teamwork and cooperation between two State organizations. The Renewable Portfolio Standard was created in response to a series of proceedings and subsequent orders of the Commission. Authority to design and implement the program was delegated by the Commission to NYSERDA, with input and oversight from Commission staff.

Patricia L. Acampora, Chairwoman of the Commission, said, "The success of this initiative is clearly a win-win for all parties. One of the main purposes of the RPS Program is the growth in the development, adoption and implementation of renewable energy technologies. This program will help lead to a more energy-secure future for the people of New York State and for businesses and industry, while reducing emissions that can degrade our environment."

Hydroelectric facilities awarded contracts include Browns Falls, Higley, East Norfolk, Raymondville, Norwood, Norfolk, Colton, and Allens Falls, all in St. Lawrence County. Also included are the Eagle hydro plant in Lewis County and the Oswego Falls plant in Oswego County.

New wind facilities awarded contracts are the Noble Bliss Wind Park planned for Wyoming County, Noble Chateaugay Wind Park planned for Franklin County, and Jordanville Wind Farm planned for Herkimer County. Additional sites include Dutch Hill Wind Farm, Cochocton Wind Farm, and the Wind Farm Prattsburgh planned for Steuben County, along with Noble Altona Wind Park, Noble Clinton Wind Park I, and the Noble Ellenburg Wind Park planned for Clinton County.

Biomass facilities awarded contracts include the Niagara Generating Facility in Niagara County and the Lyonsdale Biomass facility in Lewis County.

NYSERDA received proposals from thirty-four electric generating facilities through this solicitation. The twenty-one electric generating facilities selected represent 880 megawatts of in-state renewable energy capacity that is estimated to produce approximately 2.6 million megawatt hours of renewable electricity annually, or enough clean energy to supply approximately 435,000 average size homes. Project developers will invest an estimated \$1.4 billion to construct and upgrade these facilities. Construction of the new wind facilities and upgrades of existing hydro and biomass facilities are expected to be completed by fall of 2008.

The total renewable capacity supported by the RPS program since its inception could approach 1,162 megawatts by the fall of 2008, including the 880 megawatts noted above. This includes 1,088 megawatts of wind power at twelve sites, 65 megawatts of biomass power at three

sites, and 9 megawatts of small hydro power at eleven sites. This total renewable capacity is expected to provide approximately 3.6 million megawatt hours of electric energy per year, or enough clean energy to supply 600,000 average size homes.

NYSERDA estimates that the 1,162 megawatts of renewable capacity could generate more than \$720 million of in-state economic benefits over a 20-year period, excluding the impact of any economic roll-over multipliers or energy price suppression effects. In addition to these significant economic benefits, this renewable capacity will also provide added environmental benefits, with potential reductions of 2,000 tons of nitrogen oxides, 4,400 tons of sulfur oxides, and 1.3 million tons of carbon dioxide per year.

About NYSERDA: The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation created in 1975 by the New York State Legislature. NYSERDA administers the **New York Energy \$martSM** program which provides, among other things, energy efficiency services to the residential, commercial, institutional, industrial, and government sectors. Along with the **New York Energy \$martSM** program, NYSERDA also administers the New York Renewable Portfolio Standard program and various other research and development and environmental programs. More Information about NYSERDA can be found at: www.nyserda.org.

About the Commission: The Public Service Commission has a broad mandate to ensure that all New Yorkers have access to reliable and low-cost utility services. The Commission regulates the state's electric, gas, steam, telecommunications, and water utilities. The Commission also oversees the cable industry. In the latter half of 2004, after a year and a half of public hearings and participation by more than 150 parties, the Commission issued its "Order Approving Renewable Portfolio Standard Policy." That Order identified the Commission's renewable energy policy and provided definitions and targets for carrying out the policy. The policy calls for an increase in renewable energy used in the State from the then current level of about 19 percent to 25 percent by the year 2013. More information about the Commission can be found at: www.dps.state.ny.us.

About the NY RPS: The goal of the RPS is for New York to obtain 25 percent of its energy needs from eligible renewable resources by 2013. Such resources include wind, solar, biomass, fuel cells, anaerobic digesters, and certain hydroelectric facilities. A portion of the 25 percent goal is to be obtained by what is commonly called the Avoluntary market≡, or demand other than government-sponsored programs such as the RPS administered by NYSERDA. The competitive solicitation mentioned in this release is the second in a series that NYSERDA expects to conduct over the next several years to implement the RPS program. More information on the NY RPS can be found at: <http://www.nyserda.org/rps/about.asp> and, <http://www.dps.state.ny.us/03e0188.htm>