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Rory M. Christian, Chair

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PSC Improves Critically Important Clean Energy Program

Commission Expands ‘Pay-As-You-Go’ Model to Help Lower Consumer Costs for Renewable Energy Programs

ALBANY — In celebration of Earth Week, the New York State Public Service Commission (Commission) today approved changes to its landmark Clean Energy Standard (CES), which is designed to fight climate change, reduce harmful air pollution, and ensure a diverse and reliable low carbon energy supply. The changes include streamlining the load-serving entities (LSEs) obligation and cost allocation while also enabling increased voluntary Renewable Energy Certificates (RECs) purchases, making the program more cost-effective, which will help lower consumer costs.

“Our action today makes the necessary updates to keep this very successful and important program moving forward,” **said Commission Chair Rory M. Christian.** “These changes provide a more efficient method of determining the CES compliance obligation for load serving entities thereby benefiting ratepayers.”

With today’s decision, the Commission will allow the New York State Energy Research and Development Authority (NYSERDA), the manager of the CES program, to shift the way it allocates and recovers the costs of the CES Tier 1 RECs to make it fairer to consumers across New York State. Transitioning to a load-share basis will result in NYSERDA only collecting enough funds to meet its contractual requirements for a compliance year. Further, it would align the program with the rest of the CES programs. Tier 1 of the CES is the State’s primary program for the procurement of RECs from large-scale renewable resources (LSR) and Community Distributed Generation (CDG) projects.

The new approach will require utilities and other LSEs that sell electricity to consumers in New York State to purchase all Tier 1 RECs, including both the LSR and CDG RECs, made available by NYSERDA, net of any voluntary sales, in a proportion to their share of the statewide load. This allocation approach is already used in other renewable energy programs in New York State and is based upon a ‘pay-as-you-go’ model that has been implemented by NYSERDA.

The ‘pay-as-you-go’ model applies a uniform cost per megawatt hour charge to each LSE’s actual wholesale load to calculate its monthly obligation payments. This new approach will also allow other entities, such as community choice aggregators or energy service companies, to purchase Tier 1 RECs to satisfy their clean energy needs.

New York State's Nation-Leading Climate Plan

New York State's nation-leading climate agenda calls for an orderly and just transition that creates family-sustaining jobs, continues fostering a green economy across all sectors and ensures that at least 35 percent, with a goal of 40 percent, of the benefits of clean energy investments are directed to disadvantaged communities. Guided by some of the nation's most aggressive climate and clean energy initiatives, New York is on a path to achieving a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and economywide carbon neutrality by mid-century. A cornerstone of this transition is New York's unprecedented clean energy investments, including more than \$35 billion in 120 large-scale renewable and transmission projects across the state, \$6.8 billion to reduce building emissions, \$1.8 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.8 billion in NY Green Bank commitments. These and other investments are supporting more than 165,000 jobs in New York's clean energy sector in 2021 and a 2,100 percent growth in the distributed solar sector since 2011. To reduce greenhouse gas emissions and improve air quality, New York also adopted zero-emission vehicle regulations, including requiring all new passenger cars and trucks sold in the State be zero emission by 2035. Partnerships are continuing to advance New York's climate action with nearly 400 registered and 100 certified Climate Smart Communities, nearly 500 Clean Energy Communities, and the State's largest community air monitoring initiative in 10 disadvantaged communities across the State to help target air pollution and combat climate change.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-E-0302 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.