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ACE NY Welcomes Bill to Support Existing Renewable Energy Projects

ALBANY, NY January 29, 2019 — Assemblymember Michael Cusick, D-Staten Island, Chair of the Energy Committee, has announced he is introducing legislation to maintain the continued viability of the state's existing large-scale, renewable energy resources. Senator Kevin Parker, Chair of the Senate Energy and Telecommunications Committee, is carrying companion legislation in the Senate (S.23).

Anne Reynolds, Executive Director of the Alliance for Clean Energy New York (ACE NY), said, “Support for currently operating renewable energy projects has been a missing piece in New York’s ambitious Clean Energy Standard. This bill addresses this issue by requiring electricity suppliers to buy renewable energy credits – RECs – from existing sustainable biomass, hydropower, and wind power projects.”

“This is common sense legislation that will ensure New York is able to meet its clean energy goals without reinventing the wheel,” Assemblymember Cusick said. “Our state has a long history of supporting renewable resources, and as we transition our grid to a fully carbon-free future our legacy clean energy infrastructure needs to be supported.”

This bill directs the Public Service Commission to establish an obligation for all electricity suppliers, including both utilities and competitive retail electricity suppliers, to procure RECs from renewable generators built before 2015. This second tier of the Clean Energy Standard (CES) – often referred to as CES “Tier 2” – would support existing renewables.

Senator Kevin Parker stated, "With the Launch of the Green New Deal during his State of the State Address, Governor Cuomo mentioned the mandate of 100% clean power by 2040 - the fastest in the nation. We must do everything in our power to support Renewable Energy Credits (RECs) by creating Tier 2 of the Clean Energy Standard. As the prime sponsor of this important legislation in the Senate, I look forward to working with Assemblymember Cusick to help shepherd this bill to the Governor's desk.”
In 2016, 24% of the State’s electric load was supplied by renewable resources, all while supporting over 22,000 jobs in the renewable generating sector. Should these existing resources fall out of operation, New York State will lose valuable jobs. By ensuring that the utilities are responsible for procuring renewable energy from existing facilities, this bill would help to keep those facilities in operation. In addition, this bill would help New York get to 50% by retaining existing clean attributes in-state. Currently, New York does not allow existing generators to participate in state procurements, but RPS programs in neighboring states do. This has created the imminent threat of losing some of our baseline clean energy generation to out-of-state customers, which this bill is intended to remedy.

If an existing renewable project is unable to sell RECs in New York, it is likely to cease operations, defer investment in New York, or export to states in adjacent control areas. New York should take immediate action to prevent these outcomes, so projects’ economic benefits continue, and the state is able to count the electricity toward its renewable energy goals. New York State is in direct competition with Connecticut, Massachusetts and other New England states in terms of attracting and maintaining renewable power and/or its attributes. This competition is no longer just theoretical; renewable energy RFPs have been issued in Massachusetts and Connecticut and New York-sited renewable resources are participating in these external markets in growing numbers.

In one example, the 22-MW ReEnergy Lyonsdale biomass-to-electricity plant, which also provided steam to an adjacent paper mill, terminated operations in December 2017 when its REC contract expired. The Lyonsdale facility directly employed 22 individuals, with an annual payroll of approximately $2 million, and supported more than 100 direct and indirect jobs, many of them loggers harvesting fuel. When fully operational, the facility made $6.6 million in annual fuel purchases from local loggers and mills, providing a year-round market for 250,000 tons of low-valued wood by-products.

“We applaud Senator Parker and Assemblymember Cusick for recognizing the value that New York’s existing renewable energy resources bring to our state and local communities,” said Marco Talamo, Regional Vice President, Brookfield Renewables. “As New York leads the way towards a 100% renewable future, we should recognize that we are not starting from nothing. New York is home to dozens of clean, renewable, generating resources, that already serve as a solid foundation for these admirable goals and we stand ready to power New York responsibly for decades to come.”

“We appreciate the leadership of Senator Parker and Assemblyman Cusick in addressing the challenges facing New York’s renewable energy projects that pre-date the state’s Clean Energy Standard,” said ReEnergy Holdings Chief Executive Officer Larry D. Richardson. “ReEnergy’s biomass-to-electricity plants contribute to renewable energy and fuel diversity goals while also supporting hundreds of jobs in the forest products industry in northern and central New York by serving as a critical end-market for logging and mill residue. Our plants need to be able to monetize their renewable energy attributes at a sufficient price, and the ability to do that would ensure the continued operation of the 60-MW ReEnergy Black River facility inside the fence at Fort Drum, which provides secure, resilient and renewable energy for all of Fort Drum’s electricity demand. It also could potentially restore operations at the 22MW ReEnergy Lyonsdale
facility in Lewis County, which terminated operations in December 2017 when its prior REC contract ended.”

“Cube Hydro, which owns 3 hydropower facilities in New York, welcomes the New York Senate and Assembly’s reintroduction of S.23,” said CEO John Collins of Cube Hydro. “Cube urges New York legislators to consider the legislation favorably, and to recognize the critical role that New York’s hydropower resources play in meeting New York’s renewable energy goals. Hydropower plants are clean, zero-emissions power sources and have been and need to continue to be the foundation of New York’s renewable resources. Without the continued support of hydropower through legislation such as this, the long-term viability of hydropower could be in jeopardy, which would significantly impact the ability to meet New York’s renewable energy goals.”

“Powering the equivalent of 9,000 households, Gravity Renewables contributes to Upstate New York’s local economy and clean energy future by partnering with businesses, universities and municipalities to revitalize New York’s aging hydropower,” said Ted Rose, CEO of Gravity Renewables. “However, current state and utility policies do not justify the required investment in this historic infrastructure. This new bill demonstrates that New York values its existing base renewable infrastructure and the economies of the upstate communities it supports. We teach our children to reuse and recycle before buying new. We should be doing the same with our existing New York hydropower infrastructure.”

“New York is fortunate to have a fleet of clean energy facilities that, for decades, has helped reduce emissions, provide good jobs to New Yorkers, and support local economies – including in upstate communities like the ones where EONY Generation is proud to invest,” said Greg Clarke, Chief Electricity Generation Officer, EONY Generation Limited. “As we plan our next steps towards a clean energy future, we need to ensure that the indispensable role played by existing renewables is neither overlooked nor undervalued. This legislation presents a win-win solution for appropriately recognizing the contribution of these resources to New York’s energy mix, while keeping costs low for ratepayers.”

“Ampersand Hydro thanks the sponsors of S.23 for again attempting to address the issue of fair compensation for the environmental and social attributes provided by existing renewable assets,” said Dr. Jason Huang, senior vice president for New York. “Without this legislation, New York may lose significant small hydro resources, resulting in the loss of jobs, tax revenues, and the emissions-free benefits these stations provide. The bill will support continued investment in such assets, which have a perpetual life and provide a cost-effective means of meeting New York’s environmental goals.”

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**About the Alliance for Clean Energy New York:** The Alliance for Clean Energy New York (ACE NY) is a broad coalition dedicated to promoting clean energy, energy efficiency, a healthy environment, and a strong economy for the Empire State, and is New York’s premier advocate for the rapid adoption of renewable energy and energy efficiency technologies. [www.aceny.org](http://www.aceny.org)