

Clean Energy Standard Tier 1

Eligible Renewable Energy Certificate Contracts



CLEAN ENERGY STANDARD SOLICITATIONS:

46 large-scale renewable energy projects

\$7 billion direct investment projected

~5,500 jobs created

reduced carbon emissions—like taking more than 770,000 cars off the road every year

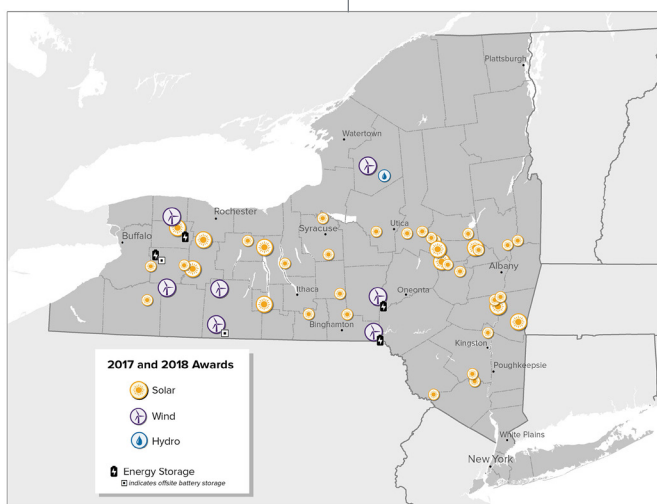
With the passage of the Climate Leadership and Community Protection Act (CLCPA)—the most aggressive climate change program in the nation—the Clean Energy Standard (CES) now requires 70% of the State’s electricity come from renewable energy sources by 2030.

Under the CES, the New York State Energy Research and Development Authority (NYSERDA) conducts annual procurements as a reliable source of financial support for developing renewable energy projects. Since 2018, NYSERDA has awarded 46 projects.

Community benefits for hosting renewable energy projects

There are significant economic opportunities for communities hosting renewable energy projects. These include additional income for landowners, short- and long-term job creation, and increased revenue for local businesses in various industries. The construction phase of each project is especially beneficial, bringing numerous short-term jobs, increases in the hospitality industry due to the influx of workers, and the need for construction materials and services.

Projects are most commonly developed on underutilized land, often owned by private landowners who lease to developers for the life of the project. Landowners can continue using the remainder of their property for other means, such as farming.



Competitive bids for projects

The first two procurements issued under the CES attracted more than 130 competitive bids from renewable energy developers, primarily large-scale wind and solar projects.

This strong competition translated to greater value for the State and enabled NYSERDA to procure renewable energy certificates (RECs) ahead of the targets set in the early years of the CES.

Renewable energy certificates

A Tier 1 REC represents the energy production of one megawatt-hour (MWh) of generated electricity. Each REC is proof that energy has been produced from CES-eligible renewable sources. To support renewable energy development, NYSERDA provides production-based payments to operating projects for Tier 1 Eligible RECs.

The average cost per REC purchased by NYSERDA under the first two rounds of awards is approximately \$20, which is aligned with other Northeastern states with similar clean energy goals, while ensuring that the overall relative cost of the CES is lower than other regional states.¹ The amount of each REC contract is fixed and based on annual production, ensuring that ratepayers are protected by cost overruns, a risk taken by project developers.

NYSERDA will purchase RECs from the contracted projects after they become operational and begin to deliver power. Depending on the type of project, these REC payments can last up to 20 years.

Load-serving entities

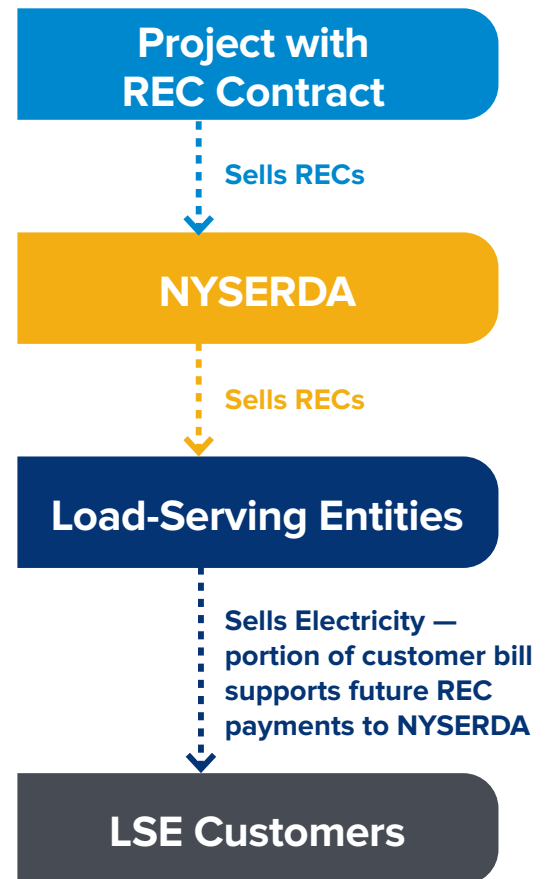
The CES is a statewide initiative supported by all New York load-serving entities (LSEs), including utilities, energy service corporations, and other wholesale electricity buyers. Directed by the Department of Public Service, the State's energy and utility regulator, NYSERDA will purchase RECs from awarded projects and resell them to the LSEs to fulfill their compliance obligations.

The compliance obligation requires LSEs to purchase a set percentage of RECs annually based on the amount of electricity they sell to consumers. LSEs recuperate their costs, including compliance obligation costs, through electricity sales.

REC contracts

The development and construction of renewable energy projects involves significant capital investment, necessitating long-term contracts from a creditworthy entity, such as NYSERDA, in order to finance and construct the projects. A REC contract allows project developers to efficiently seek funding for project construction and enable the developer to recoup their investment over the life of the project.

The contract also ensures developers advance their projects responsibly, including transparent siting and permitting, working with host towns to complete community agreements, and securing equipment and labor to successfully build the project.



Learn more.

Visit nyserdera.ny.gov/CES



Accelerating New York's clean energy industry

Projects contracted under NYSERDA's first two CES procurements will produce enough electricity to **power more than one million homes**, generate more than **\$7 billion in direct investment** over the life of the projects, and create approximately **5,500 jobs**. Once operating, these projects will **reduce annual carbon emissions by more than 3.5 million tons**, the equivalent of taking more than **770,000 cars** off the road annually.

NYSERDA expects projects awarded since 2018 will begin entering operation in 2020 with additional projects coming online throughout the next decade, ahead of the 2030 goal of 70% of the State's electricity coming from renewable sources.

These projects are a critical component in advancing the goals mandated by the CES and an important step toward the growing pipeline of renewable energy development that will sustain the clean energy economy.

¹ U.S. Renewables Portfolio Standards 2019 Annual Status Update, U.S. DOE Lawrence Berkeley National Laboratory