



April 8, 2005

Jaclyn A. Brillling, Secretary  
New York State Public Service Commission  
3 Empire State Plaza  
Albany, New York 12223-1350

CASE 03-E-0188      Proceeding on a Motion of the Commissions Regarding a  
Retail Renewable Portfolio Standard  
Notice Seeking Additional Comments, Issued  
Issued April 1, 2005

Dear Ms. Brillling:

On April 1, 2005 The Public Service Commission (Commission) issued a Notice Seeking Additional Comments for Case 03-E-0188 – Proceeding on a Motion of the Commission Regarding a Retail Renewable Portfolio Standard (RPS). This notice seeking comments was issued subsequent to the passage of a budget amendment by the New York State Legislature on March 30, 2005. That budget amendment specifically addresses money to be received by the New York State Energy Research and Development Authority, under oversight of the Commission, related to assessments collected for the purpose of public-policy energy programs.

PPM Energy, Inc is writing to offer its urgent and strongly held view that the statutory language could undermine the substantial and effective work that the Commission has done in its Orders on Case 03-E-1088 both to establish and implement a Renewable Portfolio Standard. Said plainly, the Legislature's act could stop the New York RPS dead in its tracks.

PPM Energy has not previously commented in this proceeding, but has been part of an alliance of wind energy companies submitting comments through the American Wind Energy Association (**WindPower NY**). Today, given the threat to the RPS posed by recent legislative action, PPM Energy is submitting its own comments, while continuing to support the submissions of **WindPower NY** in this matter. PPM Energy is a developer of **wind-power** generating facilities around the country, and has more than 800 MW of wind capacity in its portfolio. In New York State specifically, PPM Energy is a partner in the 198 megawatt Maple Ridge (Flat Rock) wind farm in Lewis County.

Under a program in which funds for RPS compliance are appropriated annually for NYSERDA to administer, NYSERDA will no longer be in a position to sign long-term purchase agreements with renewable developers for compliance with the RPS. As a result, the cornerstone of the New York RPS, central procurement through NYSERDA, will be eviscerated. New York RPS stakeholders and the Commission worked diligently for many months not only to establish an RPS but to fashion a procurement mechanism that ensures an effective RPS. All this innovative work would be undone if the statute stands as written.

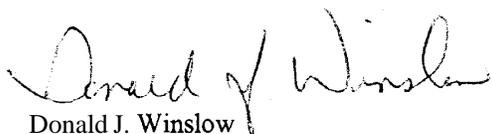
PPM Energy recently acquired Atlantic Renewable Energy Company, the developer of two of the three currently operating wind farms in New York State. PPM Energy must emphasize that it is essential for the state to provide consistent support for the RPS program for PPM Energy to be able to invest in new clean electric generation in New York. The Maple Ridge wind project alone will require the investment of over \$300 million. Unless NYSERDA can be certain of receiving the necessary funds to meet its obligations under RPS-based contracts, future projects such as Maple Ridge could become unlikely. The uncertainty caused by the Legislature's action could cause PPM Energy (and other renewable energy developers) to invest in renewable projects in states such as Massachusetts or Pennsylvania, rather than New York.

Jaclyn A. Brillig  
Page 2  
April 8, 2005

PPM Energy is evaluating wind-development opportunities across the United States. Under its current rules, New York State figures prominently into our business plans. If the funds supporting the renewable portfolio standard are put at risk, it will cause us to reconsider our investment plans in New York State. PPM Energy believes that other renewable developers will view the **shifting** circumstances in New York as we do. As a result, New York State stands to lose billions of dollars of new investments in renewable energy, to forego the creation of thousands of jobs, and to lose a host of other substantial benefits, which are well documented in the recently issued report of the Office of the New York State Controller NY, entitled "Energizing the Future: The Benefits of Renewable Energy for New York State."

PPM Energy greatly appreciates the opportunities to submit comments on this matter, a matter that we view, obviously, with the gravest concern.

Sincerely,

A handwritten signature in cursive script that reads "Donald J. Winslow".

Donald J. Winslow  
Vice President of Policy and Regulatory Affairs  
PPM Energy