



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
AIR AND RADIATION

July 1, 2004

Gary Davidson, Director  
New York Public Service Commission  
sent via fax  
Fax 518/473-2838

RECEIVED

JUL - 8 2004

Office of Hearings and  
Alternative Dispute Resolution

Dear Mr. Davidson:

I left a message for you today, and thought I would provide you with additional information so you would understand the purpose of my call. I understand that the New York Public Service Commission (PSC) is currently evaluating different design options for New York's Renewable Portfolio Standard (RPS). I wanted to communicate the U.S. Environmental Protection Agency's (EPA) position on the inclusion of voluntary green power purchases into mandatory schemes, including RPS programs.

As you may be aware, EPA runs a national voluntary program -- the Green Power Partnership -- which provides technical assistance and public recognition to organizations that make commitments to green power. The goal of this program is to help lower the cost for renewable energy in the U.S. by fostering voluntary demand for green power. Currently, the program has over 350 commercial, industrial, and government Partners, totaling over 1.4 billion kilowatt hours of annual green power commitments.

In order to retain environmental credibility, EPA requires that Partner purchases be incremental to mandated renewable energy. The program standards are available on the "Partner Tools" page of our website at <http://www.epa.gov/greenpower/partnertools.htm>. It is our experience that green power purchasers are motivated primarily because they believe that their purchase is leading to the development of new renewables that will lead to additional environmental benefits. If generators are allowed to use voluntary green power purchases to help them achieve RPS requirements, this in effect means that voluntary purchases are not leading to additional environmental benefits. This may set a precedent that will negatively impact the marketability of green power.

As a result, we are interested in how this issue gets resolved in New York and other states as they develop RPS mandates. I realize that the time may have passed for EPA to have a formal comment on this aspect of the RPS design--however, I am wondering whether there are other ways you might suggest that EPA can air its opinion on this issue.

Thanks in advance for any information or suggestions you can provide.

Best regards,

A handwritten signature in black ink, appearing to read 'Tom Kerr', written in a cursive style.

Tom Kerr, Chief  
Energy Supply & Industry Branch  
U.S. Environmental Protection Agency  
Tel. 202/343-9003