

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**CASE 03-E-0188 - Proceeding on Motion of the Commission Regarding  
a Retail Renewable Portfolio Standard**

Initial Brief on Exceptions  
Long Island Power Authority

The Long Island Power Authority (“LIPA”) hereby submits its exceptions to the Recommended Decision issued by Honorable Eleanor Stein on June 3, 2004 in the above-captioned matter.

LIPA would also like to take this opportunity to commend Administrative Law Judge Stein for her arduous efforts in issuing a Recommended Decision at this time that advances the development of additional renewable energy resources for commercial generation of electric power in New York State. As it has stated previously in this proceeding, while LIPA is not subject to the jurisdiction of the Public Service Commission, it supports the efforts of the Commission in establishing a renewable portfolio standard in the State, and intends to meet the spirit of the goals of this proceeding. LIPA, however, has yet to determine whether it will participate in the SBC-like tier since it is already directly funding and implementing its own substantial new technology programs, and intends to continue to do so.

Procurement Structure

LIPA endorses the recommendation that the Renewable Portfolio Standard (“RPS”) consist of a hybrid approach that would give Load Serving Entities (“LSE”) the option of either participating in a voluntary central procurement capability developed by a State agency or opting to procure renewable certificates or energy directly through contractual relationships with offering entities. LIPA would suggest that the Commission’s order allow the LSE to determine their individual appropriate mix of centralized versus direct procurement on an annual basis.

Renewable Energy Certificates and SBC-Like Tier

LIPA would suggest that any Renewable Energy Certificates trading program established also include a market for attributes originating from SBC-Like tier technologies. While the output of

certain small systems may need to be calculated rather than measured, LIPA notes that its experience with larger systems generally has been that energy output is measured, and thus more susceptible to administrative tracking. LIPA would suggest that the Commission's order allow the LSE to determine their individual appropriate mix of centralized versus direct procurement of SBC-Like tier technologies on an annual basis.

Respectfully submitted,

LONG ISLAND POWER AUTHORITY

By its attorney:

(signed)

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