Brief Opposing Exceptions of the Solar Energy Industries Association
NY PSC Case 03 – E – 0188
Proceeding on Motion of the Commission
Regarding A Retail Renewable Portfolio Standard
July 8, 2004

The Solar Energy Industries Association respectfully files this brief opposing exceptions; the Association further notes its agreement with all segments of the RETEC brief.

The Establishment of a True and Significant Resource Portfolio is Critical to Policy Success

As noted throughout the proceedings, beginning with the instituting order, the New York Renewables Portfolio Standard seeks to promote a constellation of public benefits – economic development, improved reliability and peaking capacity, improved public health and environmental quality, improved environmental justice, etc., etc. Every resource developed within the bounds of the policy contributes differently to the pursuit of these goals. Within this context, the RPS should treat achieving the procurement of the largest possible amount of sheer megawatts of renewable power as only one of multiple goals.

The intent of the RPS, as articulated in the title of the standard, is to develop a diverse portfolio of renewable resources. This portfolio should achieve a variety of public benefits at a reasonable cost. In this context, the SBC-like tier is critical to the credibility and relevance of the policy, and we applaud Judge Stein's efforts to balance the competing interests in this case.

The renewable energy industry is experiencing surging growth across all technology types, but this growth is very uneven geographically. States with a significant long-term commitment to integrating the full spectrum of clean energy technologies are reaping the economic and societal benefits of high-value, high-tech and high growth clean energy industries. Those that rely on token demonstration programs are simply tying their economies to the fading future of 19th century combustion technologies.

We note for the record The June 21 announcement of the relocation of DayStar Technologies from California to Malta, New York. This solar manufacturer has announced their intent to create 250 local jobs over the next 5 years in a state-of-the-art photovoltaic factory. This is just the beginning. As John R. Tuttle, President and CEO of the company, noted:

> "The successful implementation of DayStar's long term growth strategy is reliant upon engaging with pro-clean energy partners. In this regard, DayStar devoted a great deal of time carefully assessing where in the United States to headquarter our new facilities. After considering the

> attributes of numerous sites, it became evident that New York State, and specifically the STEP facility in Saratoga County, represented the ideal home for us."
>
> Tuttle added, "Governor Pataki's demonstrated commitment to advancing renewable energy technologies into the mainstream is consistent with our fundamental objective.

Governor Pataki took this opportunity to reaffirm his commitment to clean energy development:

> "It makes sense that DayStar, whose long-term growth strategy depends upon having clean energy-reliant partners, would choose New York since no state is more committed to the development of clean and renewable energy sources than New York,"

The SBC-Like Tier Would Be Easily Administered

In their comments, Constellation NewEnergy (at 15) has claimed that the inclusion of small or behind the meter resources will introduce excessive difficulties into the verification and administration of the standard. However, NYSERDA's respected and well-developed technology deployment program already administers solar funding similar to the program proposed by the SBC-like tier; the proposed tier amounts largely to an amplification and extension of the NYSERDA program to achieve the long-term objectives of the RPS. NYSERDA expresses in its own comments its willingness and ability to administer the proposed tier, and successful programs of this sort are already under way elsewhere, at the state, utility, and even municipality level.

The administrative simplicity of the SBC-like tier extends, as well, to the generation and use of renewable energy credits in this market. We believe that existing inverter output measurement, remote output measurement over the Internet or telephone networks, and the aggregation and sale of solar renewable energy credits are standard business activities in which "behind the meter" renewable industries participate every day. There is no reason this type of measurement cannot extend to the measurement and verification of renewable energy credits.

Concordant with this argument, we would note the July 1, 2004 launch of the New Jersey Solar Renewable Energy Credit trading program at http://www.njcep.com/srec/. This functioning website allows the trading, aggregation, and submission of solar renewable energy credits in fulfillment of that neighbor state's RPS. Absent some unforeseen significant difference between New York and New Jersey in the operation of their solar markets, this objection must be dismissed out of hand.

Multiple Intervenors' Comments on SBC-Like Costs and Output are Logically Untenable

In particular, we would first note the persistence of the arithmetic oversight, first noted in our initial brief on exceptions. This oversight, overstates the cost of an SBC-like tier by approximately 100% by neglecting to "back out" the generation provided by SBC-like tier technologies from the expected generation provided by other renewable resources. This previously unnoticed arithmetic error can be easily corrected within the existing study methodology.

However, a more distressing statement is contained within the Multiple Intervenors' comments on the cost of the SBC-like tier. The MI (at 23) claim that the SBC-like tier would cost nearly $543 per megawatt-hour. A footnote explains that they arrived at this figure by dividing the annual SBC-like tier payments 2006 – 2013 by the megawatt-hours generated by these resources over the same period, *ignoring these system's decades of expected subsequent operation beyond 2013.*

With current technologies and warranty policies prevalent throughout the solar industry, most solar panels installed in 2006 would still be under warranty in 2031; those installed in 2013 could be expected to last through 2038 at the least. The MI would, however, ignore 96% of this output. In their brief, MI simultaneously demands that cost estimates extend beyond 2013, while apparently claiming that already installed SBC-like tier technologies would generate 0 MWh from 2013 onwards. This despite the fact that the excellent cost/benefit ratio obtained from long-term output from upfront incentives was singled out for specific discussion in the staff's cost studies several times.

The methodological inconsistency is sufficiently serious and pervasive that RETEC urges the Commission to dismiss the MI's cost and output statements for the SBC-Like Tier. The record already contains superior information that provides an adequate basis for decision.