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March 28, 2003

Honorable Janet Hand Deixler
Secretary
State of New York Public Service Commission
Three Empire State Plaza, 14th Floor
Albany, NY 12223

RE: Case 03-E-0188 – Proceeding on Motion of the Commission Regarding a
Retail Renewable Portfolio Standard

Dear Secretary Deixler:

Ecosystem Projects, LLC is an exclusive licensee in the United States for waste to energy processes that that convert municipal solid and industrial wastes into energy in the form of gas, electricity or steam.

Ecosystem Projects appreciates the opportunity for comment in the Commission's procedure to establish a New York State Renewable Portfolio Standard. We believe that the best way to encourage New York State's use of renewable energy is through policies providing for mandatory as well as voluntary purchases of power meeting Renewable Portfolio Standards, according to the environmental and economic performance of renewable energy technologies.

In its February 19, 2003 order instituting this proceeding, the Commission asked for comments on several threshold issues. Ecosystem Projects' responses to these issues are as follows:

1. The types of resources that should be considered as “renewable” for the purposes of a renewable portfolio standard.
 - A ***Power produced with emission and environmental impacts comparable to, or less than, those of power provided by regulated utilities or registered energy services companies, where the production of such power avoids the use of fossil fuel, should be deemed a renewable source for purposes of the Renewable Portfolio Standard. The determination of whether power is produced with comparable, or lower emission and environmental impacts, could be determined by reference to emission performance standards met in service areas or a statewide average.***

2. The appropriateness of including renewable resource energy procured from outside the State, such as hydropower from Canada or wind energy from New England.
 - A ***Cross border sales of renewable resource energy should be allowed. However, incentives should be offered to encourage the generation of power, or sale of gas produced with renewable resources in New York State, and to reduce power transmission bottlenecks or address gas distribution infrastructure constraints.***

3. The retail suppliers that should be required to sell energy from renewable resources.
 - A ***Retail suppliers should be required to purchase renewable resource energy, where such energy can be purchased at or below power portfolio cost factors including generation and transmission costs. Other factors appropriately considered in requiring mandatory purchases of renewable resource energy should include the capability to: reduce production of Greenhouse Gases; reduce peak demand; enhance system reliability; reduce transmission and distribution infrastructure demands; and foster implementation of New York State policies and initiatives for reliable, cost efficient, and environmentally sound sources of energy.***

4. The impact, if any, on the ability of energy services companies' (ESCOs) abilities to compete with utilities if they are required to procure renewable resources beyond what their customers request, given the relative sizes of the loads supplied by utilities and ESCOs currently, and how such impacts might be overcome.
 - A ***To the extent that the RPS mandates purchase of renewable energy resources that are cost effective, enhance system reliability, or resolve infrastructure constraints, impacts on the ability of ESCOs to compete with utilities can be mitigated or avoided.***

5. The best methods for retail suppliers to procure renewable resources (e.g., construction and ownership versus purchases).

A No comment on this issue at this time.

6. Methodologies for the recovery of costs by regulated utilities.

A Regulated utilities should recover costs for the production, transmission or distribution of power generated with renewable resources using the same cost recovery principles used for other power production assets. Cost recovery principles and contract terms for purchases of renewable power should encourage development of production capacity with renewable resources within a price range established by consensus reflecting general, environmental and economic policy considerations, and allow voluntary purchases of renewable resource power sold at prices falling outside the established range. This price range should be adjustable at reasonable intervals.

7. Individual retail suppliers' targets, if appropriate.

A No comment on this issue at this time.

8. The potential impact on reliability and system operations due to the addition of renewable resources, especially those resources that operate only intermittently (e.g., windmills and photovoltaics), and what, if anything, must be done to ensure that reliability is maintained.

A A Renewable Portfolio Standard should be developed considering its impacts upon the reliability and security of the New York State Power System. .

9. The appropriate means to monitor progress toward meeting the goal and to ensure results, including possible rewards and disincentives.

A Appropriate means to monitor progress should include a mandatory reporting system that:

1) Uses standard formats for reporting emissions and emission reductions resulting from the use of renewable power;

- 2) *Can be used to establish a reliable inventory of emissions associated with power production, preferably as part of a broader registry of Greenhouse Gas emission reduction, credits, or quotas;*
- 3) *Can be used for purposes of an early crediting program for any Greenhouse Gas regulatory program adopted after establishment of a New York State RPS;*
- 4) *Promotes trading of verified GHG reductions or “renewable attributes”; and which*
- 5) *Provides retail energy customers with clear, understandable information about the environmental impacts and costs of the renewable power they purchase or use.*

10. The appropriateness of a “renewable attributes trading” system, and the components of any such system that might be developed.

A A “renewable attributes trading” system should be part of any RPS established.

11. The impact, if any, on the Commission’s Environmental Disclosure Label Program, and any modifications that might be needed and appropriate for that program.

A No comment on this issue at this time..

12. The practicality of installing new renewable facilities in the high load areas of the State. If the targeted renewables are built upstate, the impact, if any, such construction might have on the addition of new resources in the load centers where they are most needed, and the appropriate means to ensure that additional generation and transmission resources will be built where they are most needed.

A No comment on this issue at this time.

13. The impact, if any, the renewable portfolio standard would have on existing green marketing programs in the State, and what the State might do to support developers and green power marketers during the process of developing rules to implement the standard.

A The RPS should be established considering emission standards of existing green marketing programs in New York State.

14. Changes needed, if any, by the Public Service Commission and NYSERDA in the SBC-funded renewable energy program to coordinate with the new target.

A No comment on this issue at this time.

Respectfully Submitted,

Stephan J. Henriquez

ECOSYSTEM PROJECTS, LLC

By: Stephan Henriquez
President

Cc: Hon. Eleanor Stein (by email)
Active Party List (by email)