

Case 03-E-0188
New York Public Service Commission
Proceeding on Motion of the Commission
Regarding a Retail Renewable Portfolio Standard

Initial Comments of Sterling Planet

These Initial Comments are respectfully submitted on behalf of Sterling Planet. These comments are limited to a description of brief statements of position regarding certain of those issues presented by the Commission in its instituting orders which are of essential concern to us in our role as a retail renewable resource power marketer. Our aim at this early phase of the proceeding is to aid the Administrative Law Judge in defining issues and areas of agreement and dispute among the many active parties. We take no position, for instance, on the important issue of which particular technologies or fuels should be deemed to meet a Renewable Portfolio Standard in New York State; We are keenly interested, however that those technologies, fuels, and applications be most clearly defined and articulated in order to reduce disputes and to enable independent and economical validation and verification.

Sterling Planet

Sterling Planet is a national renewable energy marketer and is the first company to offer 100% renewable energy nationwide. With green energy sales in 45 states, including New York, where it is one of three companies currently authorized by the Public service Commission to market retail power from renewable resources, Sterling Planet provides environmentally friendly energy solutions to retail consumers through direct business-to-consumer sales as well as through utility and energy service company (ESCO) partnerships. Sterling Planet is also in the business of developing, constructing, owning and operating new electric generating facilities powered by solar, wind, low-impact hydro, biomass and other environmentally friendly energy sources.

Initial Comments

1. The New York Public Service Commission (“PSC”) should develop, monitor, and enforce within the limits of its jurisdiction a requirement that retail service providers and certain other entities in New York State demonstrate significant and increasing investment in the generation of power produced by renewable resources. This Renewable Portfolio Standard (“RPS”) should be established and implemented as soon as possible. While it may be articulated and modified from time to time by the PSC, the RPS should be adopted as an official policy of the State of New York, and not merely as a rule of the PSC, and should be enforced as necessary by other agencies and Departments of the State within the limits of their respective jurisdictions.
2. The RPS should be designed and implemented primarily to stimulate growth in the generation of electric energy produced by renewable resources within New York State, but should be compatible with other renewable resource energy initiatives, and should not penalize purchases of energy from renewable resources outside of the State.

3. The RPS should be designed to be implemented through a certificate program, such that certificates of ownership of sufficient attributes of generation from renewable resources would satisfy the requirements of the Renewable Portfolio Standard. Certificates representing renewable resource attributes, described on an energy (per kWh) basis, should be separable from and not bundled with the actual electric power produced by any particular generator. This approach would produce the greatest potential benefit for the State in several critically important respects:

a. Certificates prevent the double counting of generation sources.

b. Certificates are most conducive to the establishment of a liquid market, that would allow for State-wide implementation of the RPS, and would best provide the market with price discovery for the various attributes of energy from renewable resources. They are simple, scalable, and divisible, such that, among other things, small retail service providers may acquire only what they need, at a price reasonably equivalent to that which would be paid by a utility with a larger nominal requirement.

d. Certificates may be verified and validated independently at a reasonable cost to the purchaser. Only renewable resource marketers which are authorized by the PSC to engage in the trading and sale of green power to retail consumers should be authorized to issue, reissue, validate and verify certificates for all purposes.

e. Certificates may readily be weighted to further particular policy goals from time to time. For instance, they may be weighted to give greater value to newly constructed generation, or generation constructed in certain load areas, or to give greater value to non-hydroelectric technologies in order to encourage their growth in relation to hydro resources, or to give greater value to new renewable resource technologies or applications developed and manufactured in New York.

f. Certificates are not inconsistent with private long-term bi-lateral transactions in the purchase and sale of power from renewable resources.

4. All retail electric service providers subject to the jurisdiction of the Public Service Commission, including Energy Service Companies (“ESCOs”), and NYPA and LIPA, should be required to meet the RPS requirements. ESCOs should be required to meet the same standard with respect to their loads as is required of the utilities within whose service territories the ESCOs are serving retail customers. Municipal utilities and co-operatives that do not purchase power on a requirements contract from NYPA or LIPA should be strongly encouraged to meet the RPS requirements.

5. Utilities, NYPA and LIPA should be permitted to recover from their retail customers (and their municipal and cooperative customers in the case of NYPA and LIPA) the utilities’ reasonable and prudently incurred costs of meeting (but not exceeding) the RPS, including the cost of certificates sufficient to meet the RPS requirement. Utilities, LIPA and NYPA should be permitted to recover these costs in any reasonable manner approved by the Commission,

including offering premium renewable resource power products to particular customers on a voluntary basis.

6. Under the approach outlined above, the RPS program would not interfere with existing green power marketing programs in New York, or with the SBC-funded renewable energy programs of NYSERDA, which should be continued.