

EXPRESS TERMS

The New York Public Service Commission (NYPSC or Commission) is considering specific rules and design details pertinent to the Renewable Portfolio Standard (RPS) Program that, in turn, may require changes to the Commission's Environmental Disclosure Program (EDP). The Commission stated in the RPS Program January 26, 2006 Order in Case 03-E-0188 (January Order) that it is considering recognizing the unbundling of environmental attributes from the associated energy and allowing the participation in the RPS Program of renewable generators that enter into physical bilateral agreements for the sale of energy separate from the RPS Program environmental attributes to which such energy was associated. The Commission explained in the January Order that it was persuaded by the parties' assertions that allowing physical bilateral contracts to participate in the RPS Program and recognizing the unbundling of energy from its environmental attributes could result in lower RPS Program costs because these actions would provide generators greater market access and improve liquidity of the market while decreasing financial risks.

These modifications may require significant changes to the Commission's environmental disclosure label process involving the ways in which all generation data is compiled, aggregated and reported on environmental disclosure labels. To accommodate these proposed modifications to the RPS Program and to encourage the further development of the voluntary green market, the Commission is considering modifying the current EDP to include an attributes accounting system similar to systems used in other states. The Commission stated in the January Order that it expected a certificate system would benefit New York ratepayers by decreasing RPS Program costs resulting from

lower costs for developers through risk mitigation, market liquidity and increased financing opportunities.

In 1998, the NYPSC adopted rules for implementing New York's EDP,¹ which provides consumers with standard information in a uniform format regarding the fuel mix and emissions of the electricity they purchase. The information is sent to consumers semi-annually with their electric bills.

New York State's EDP was established to provide information to retail customers about the environmental attributes of the electricity being supplied to them by their load serving entity (LSE). The information is presented in the form of a label that discloses the mix of fuel sources used to produce the electricity that was purchased by an individual consumer and a graph that displays how the emission levels of sulfur dioxide (SO₂), nitrogen oxide (NO_x) and carbon dioxide (CO₂) for that fuel mix compare to the average for New York State. Information about fuel mix and emissions resulting from electricity generation allows consumers to make choices that reflect their preferences. The goal of environmental disclosure is to facilitate informed customer choice, which could, in turn, lead to improved environmental quality and resource diversity.

This document presents possible changes the Commission is considering in EDP accounting and suggests how these changes might be implemented. It also describes characteristics of the certificate-based attribute system that the Commission is considering establishing and seeks comments on specific details, including cost recovery methods.

¹ Case 94-E-0952, Competitive Opportunities, Opinion No 98-19, Opinion and Order Adopting Environmental Disclosure Requirements and Establishing a Tracking Mechanism (issued December 15, 1998).

A. EVALUATION AND CONSIDERATION OF POTENTIAL IMPACTS AND CHANGES REQUIRED OF THE EDP

Allowing bilateral transactions and the unbundling of generation attributes from energy transactions will affect how disclosure labels are created. This section provides an overview of the how the EDP labels are created under the EDP in place today, and how such a label would be produced if the data are acquired from the administrator of a certificate-based system. The section then considers the impacts and changes required of the EDP System from four perspectives: 1) how the data are acquired and calculated; 2) the appearance of the disclosure label; 3) the frequency and timeliness of the label; and 4) differences in the usefulness or meaningfulness of data presented in the disclosure label.

1. Current New York Approach for Acquiring and Calculating Data

LSEs acquire resources to serve their customers in three ways. They either: (1) generate electricity from their owned or controlled sources for their own use; (2) purchase energy from identifiable generators directly or through other wholesale intermediaries (bilateral transactions); or, (3) purchase energy from the spot market. These actions are monitored by the New York Independent System Operator (NYISO) through its financial settlement system, so the NYISO knows how much each generator produced, which parties bought how much energy from each generator or other wholesaler, what generation was sold into NYISO spot markets, and how much each LSE purchased from the spot market. If any transactions occur downstream of the last point monitored by the NYISO (e.g., generated or delivered at points on the distribution system not directly accounted for in the NYISO settlement system), the

local transmission and distribution (T&D) company must report the generation and attributes associated with these units to the EDP Administrator. These "load modifiers" currently serve between one percent and two percent of total New York load.

Environmental disclosure labeling is thus based first on NYISO reports, provided every six months to the EDP Administrator. For generation units that are owned and controlled by the LSE, the NYISO reports how much of the output is used by the LSE and how much is sold to others. The NYISO also reports the amount of energy transferred under bilateral arrangements. All bilateral transactions are identified by generating unit and the buyer; and the buyer is assigned the attributes of the generating unit involved in that transaction.

LSE purchases from the spot market are separated from other transactions. The NYISO reports the amount of power each participating entity sold into the spot market by source generating unit and the amount purchased by each buyer.

For purposes of developing data used for environmental disclosure labels, the EDP Administrator uses data pertaining to all energy consumed in New York, whether or not sold through bilateral transactions, as provided by the NYISO. For LSE spot market purchases, the EDP Administrator segregates the energy and attributes associated with "Conversion Transactions" or "CTs."

Conversion Transactions occur voluntarily when an entity that sold energy into the spot market and an entity that purchased a like amount of energy from the spot market, during the same settlement period, jointly notify the EDP Administrator that they wish to separately identify the specified amount of energy for environmental disclosure purposes. For purposes of an LSE's environmental disclosure label, the energy associated with a CT will receive credit for the environmental attributes

of the generation source of the entity that sold the energy into the spot market. This energy will then be deducted from the spot market total, and the remaining spot market purchases are assigned the attributes of the residual generation that was sold into the spot market (the "residual system mix").

Further adjustments are made to account for energy imports and exports, which are monitored by the NYISO. For imports, the EDP Administrator assigns an aggregate or average fuel mix and emissions for the region where the generation originated, unless unit-specific imports originate from a state or region with tracking and environmental disclosure requirements comparable to New York's, in which case the unit-specific data may be used. Exports are also identified by generating unit, allowing the EDP Administrator to remove attributes associated with exports from the New York mix.

Once the total amount of energy consumed in New York is determined and the sales or transfers from each generating unit to each LSE are known, the fuel and emissions attributes are incorporated into the analysis. The attributes shown in the labels are based on information from the New York Department of Environmental Conservation (DEC) and the U.S. Energy Information Administration (EIA).

The DEC and EIA produce annual reports that show the fuel source and amount of pollutants emitted for each generating unit in New York. The EDP Administrator uses the data from the most recent reports and associates the fuel source and emission rates (e.g., lbs/MWh) with the NYISO-reported generating unit sales to LSEs, and calculates the fuel mix and average emissions to be assigned to the residual spot market pool. Adjustments are made to account for line losses, imports and exports, in order to match up with total sales. Finally, the EDP Administrator calculates the total load information for each LSE

and provides labels to them on which they can base labels for distribution to their customers as required.²

2. "Certificate-Based"
Method for Calculating Data

The current EDP monitors the financial market for electricity contracts and then associates environmental attributes with those electricity contracts. In a certificate-based system, unique, serial-numbered electronic generation certificates are created for each MWh generated and information on the generation attributes is reflected on the certificates. A certificate-based approach primarily monitors market transactions for attributes. Certificates in an account reflect title to the generation attributes associated with that MWh of energy generated. Ownership is determined and verified electronically. Under the approach followed by New England and PJM, the attributes of all generation, not just renewable generation, are monitored by the certificate system.

In concept, a certificate system works much like a bank. The system administrator (banker) issues a uniquely identified electronic certificate for each MWh of energy generated. Before a system administrator could issue certificates to a generator, however, the generator has to open

² For example, in 2003 for New York as a whole: about 33% of attributes were tracked via ownership or control of resources or bilateral transactions; about 9% via CTs; and about 58% through spot market transactions assigned the spot market, or residual mix of attributes. If NYPA and municipal entities (which use virtually all ownership/bilateral contracts and do not have retail choice) are excluded, however, the proportions are: 24% of attributes were tracked via ownership or control of resources or bilateral transactions; about 10% via conversion transactions; and about 66% through spot market transactions assigned the spot market, or residual mix of attributes.

an account by registering with the system administrator. Registration requires that each generator provide certain information about generating unit characteristics and generation attributes. These attributes are then attached to each electronic certificate that is issued to that generating unit. The information can be entered by each generator, but would be verified in a similar manner as occurs today in New York. The emissions data, in particular, are updated periodically from the same sources now used by the EDP Administrator.

Accounts are opened by generators, LSEs, intermediaries and others. Certificates are issued periodically (e.g., quarterly as with the NEPOOL GIS, or monthly as with the PJM GATS) based on generation data reported by the control area system operator during that period, or as reported by distribution utilities or others for generation not reported to the control area system operator (such as that interconnected to the distribution systems or located behind-the-meter on a customer's premises). Under the certificate approach, absent a contract provision assigning attributes to another party, the certificates are first placed into the electronic bank account of the generator that produced the MWh.³ Subsequent movement of certificates (based on trades within the system, imports and exports) are confirmed electronically by both the buyer and seller, and when such transactions are confirmed, the system administrator moves the certificates from the seller's account

³ A special case is that of Qualifying Facility contracts under the Public Utilities Regulatory Policy Act of 1978, most of which are silent regarding attribute ownership. Currently, the EDP program assigns the attributes to the purchaser of the power if the contract is silent regarding attribute ownership. The Commission is not considering changing that protocol.

into the buyer's account.⁴ Most certificate transfers involve the attributes of clean energy sources with low emissions. For example, account holders might buy renewable energy certificates to support marketing claims for voluntary green power products.

At the end of each reporting period, all energy sold to retail customers is matched by an equal amount of retired certificates that can be used to create an environmental disclosure label. More specifically, total retail sales by each LSE (as reported to the system administrator by the control area system operator) would have to match the amount of retired certificates in the LSE's account.⁵

It is possible that LSEs might not acquire certificates equal in amount to their retail sales. By the end of a certificates' trading or settlement period (either quarterly or monthly), any shortfall between the amount of certificates secured by an LSE and the LSE's retail sales are assigned a mix of attributes representative of the certificates not otherwise associated with load, i.e., the attributes of the unclaimed certificates. These unclaimed certificates are generally those with little or no value that would not be traded and will therefore remain in the generators' accounts. Thus, at the end of each settlement period, the system administrator removes and retires from these accounts certificates that have not been traded or reserved, calculates the fuel mix proportions and average emissions from the attributes of these certificates,

⁴ A certificate-based accounting system is not a trading platform. Certificate trading is accomplished off-line through bilateral transactions, and the completed transactions are recorded in the system electronically.

⁵ LSEs could have different sub-accounts for different products that they offer, but energy supplied with each product would have to be matched by an equal amount of appropriate certificates.

and assigns this residual system mix to the retail energy not covered by certificates.

Finally, the system administrator issues a report to each LSE that shows, for the reporting period, an LSE's retail sales (certificate obligation) and the equivalent certificates based on those that were secured by the LSE and on the residual mix assigned by the administrator. This information can then be used directly to create each LSE's environmental label.

Because a certificate can reside in only one account at a time, it cannot be counted twice. So long as a generator is uniquely registered for creating of its certificates in a single generation registry or accounting system, and that system's reports are the sole source of data used for verification, title can be determined. There is no need to follow the intermediate contract path of certificate transactions to verify title, as the certificate itself serves as that verification.

3. Comparison of Data Acquisition and Calculation Methods of the Two Approaches

It appears that the calculation of data for disclosure labels under a certificate-based approach and the current EDP is the same. Under both methods, the system administrator must perform some or all of the following steps:

- a. Acquire data associating attributes with specific LSE load, for transactions clearly attributable to the LSE

The processes of acquiring data and calculating disclosure label proportions and emissions are quite similar between the two approaches. The primary similarity is the assignment of "desirable" attributes

in transactions to which generators and LSEs mutually agree. This occurs in New York's current EDP approach through purposeful bilateral contracts with clean resources and through CTs. A major difference is that under a certificate system there is no analogue to the bilateral transactions entered into for purely commodity purposes.

b. Make adjustments to data received

Under New York's current EDP approach, the EDP Administrator must adjust the NYISO data to reflect Conversion Transactions, after confirming with parties on both ends of the transaction. Other adjustments are made to the NYISO data such as regrouping of certain LSE designations and a recalculation of the Niagara Mohawk data. These types of adjustments are typically not made in a certificate-based system.

c. Determine a residual mix

This step is analogous in the two approaches

d. Apply the residual mix to load that has not already been assigned attributes.

This is a straightforward step that is the same under either approach.

e. Address imports and exports and loss adjustments.

This is a straightforward step that is similar under each approach.

f. Associate fuel and emission with each LSE's retail sales

This is a straightforward step that is similar under each approach.

g. Roll information up into a label

This is a straightforward step that is the same under either approach.

4. Appearance of the Disclosure Label

The appearance of the label itself can be exactly the same under a certificate-based approach as under the current EDP Program approach. The key difference is the basis upon which the numbers are determined.

5. Frequency and Timeliness of Labels

Labels can be distributed just as often under a certificate-based approach as under the current EDP approach.

6. Usefulness and Meaningfulness of Disclosure

An important aspect of the meaningfulness and usefulness of disclosure labels under the two approaches is the degree to which, when compared, the labels look more or less alike. Under the current EDP approach, if an LSE relies to a large extent on commodity bilateral purchases, its label would show the generation attributes of the generating units from which they were purchased. It has been suggested that under the certificate system, those attributes are unlikely to be traded, with the result that more energy would be assigned the residual system mix. On the other hand, it is asserted, if there are few commodity bilateral purchases, most LSE labels, as in the current EDP approach, will show a similar mix of attributes because most of them are assigned the residual mix from the spot market.

For differentiated "green" products, it appears that there would likely be little difference between the two approaches if LSEs rely on certificate transactions to the same extent as they have in the recent past relied on CTs or green bilateral transactions under the current EDP approach. The labels would likely appear practically identical in fuel mix and emissions.

In general terms, the implications of moving from the current EDP to a certificates system include:

- The Residual Mix would probably end up looking somewhat more like the New York State average mix without NYPA and municipals than it does today.⁶
- The proportion represented today by bilaterals is likely to look more like the Residual Mix.
- Labels might look a bit more alike for those not conducting substantial CT (today) or certificates (in the future) business.

For customers having retail choice, as noted earlier, past experience indicates that about 24% of load is supplied through bilateral transactions, with only about 10% supplied with purposeful regard for the fuel type. The majority of attributes, 66% in aggregate across the State where retail choice is available, are assigned to labels today through

⁶ This effect, if undesirable, could be ameliorated if EDP rules were adopted requiring attributes from LSE-owned resources and/or bilateral contracts to be placed initially in LSE, rather than generator, accounts. Alternatively, EDP rules could require that bilateral transactions remain bundled for generation not eligible for the RPS Program.

residual mix attributes associated with spot market purchases. This means that the label differences between the systems will be modest, and in terms of meaningfulness to retail customers, unlikely to be perceived as material, or even noticeable.

A look at the practices and portfolios of LSEs under the current EDP system, illustrated below, suggests the likely impact of moving to a certificates system. In 2003, for example, based on a review of actual labels, it is noted that: 31 LSE labels showed emissions and fuel sources either identical to the emissions and fuel sources in the spot market or nearly so (very small proportion of non-spot market emissions and fuel sources). Under a certificate system, the labels for these LSEs would continue to look alike, being allocated the residual mix. The labels of two utility LSEs (Niagara Mohawk and NYSEG) showed modest deviation from the emissions and fuel sources in the spot market. So, for these 33 LSEs, the change would not be material, and the meaningfulness of the label would not change.

The labels for two utility LSEs (Consolidated Edison and Rochester Gas & Electric) departed materially from the spot market label, due to substantial proportions of energy from utility-owned facilities or bilateral contracts. Two competitive LSEs not selling "green" energy also had labels departing materially from the spot market labels. Consequently, the labels for these four LSEs might look somewhat different under a certificates system, with the degree of difference depending on whether certificates are initially deposited to the generator accounts or are deposited to LSE accounts if owned or controlled by that LSE under contract.

One competitive LSE selling "green" energy departed materially from the spot market label. This was a purposeful result of the LSE's procurement and marketing objective, and this would not likely change under a certificate system.

Six public power labels - the two NYPA labels, municipals, and three municipal light plants, departed materially from the spot market label.⁷

Based on this assessment of actual EDP experience, it appears that there would be very little difference between the current approach and a certificate-based approach in terms of the meaningfulness and usefulness of EDP labels. Most differences remaining might be minimized by establishing an EDP rule governing the certificate system treatment of owned resources and resources under bilateral contracts.

**B. PROPOSED CERTIFICATE ACCOUNTING
SYSTEM CHARACTERISTICS**

The Commission is considering implementing a state-wide certificate-based generation accounting system (Regional Environmental Attribute Certificate Tracking System or REACTS) that is similar to systems in neighboring control areas. Such a system would issue and keep track of certificates of generation, would assist LSEs in meeting their EDP responsibilities, would provide an accounting mechanism for an EDP Administrator to record transfer and retirement of certificates procured under the RPS Program, and may provide a platform capable of supporting implementation of future emission policies. It would, in addition, continue to prevent double-selling of attributes, provide a verification mechanism for voluntary green power purchases, and create a record of generation that will

⁷ These labels may look very similar under a certificates system (at least for those LSEs that use extensive amounts of hydroelectric generation) as they would likely transfer certificates to acquire labels similar to what they have now. In any event, because there is no retail choice for the customers of these LSEs, the differences may not be particularly important with respect to the primary purpose of EDP.

facilitate compliance with future regulatory programs that are currently being considered.

1. Major Design Features of REACTS

The REACTS system would be designed to keep track of certificates of all generation, including certificates associated with energy transactions accomplished through bilateral trades, energy sold and purchased through the spot markets of the NYISO, and energy transacted between the NYISO and neighboring control areas.⁸ REACTS would be fully compatible with the NEPOOL Generation Information System (GIS) and the PJM Generation Attributes Tracking System (GATS), thereby facilitating an economically efficient regional market for generation attributes.

REACTS would issue certificates for electricity generated in the State, including both renewable and non-renewable generation. To do so, all generators in the State would be required to register with REACTS, providing essential information about characteristics of the generating unit. The information contained on the certificates would be entered into the system during the generator registration process, and would be verified.

Certificates would be issued monthly to generators based on financial settlements data from the NYISO, and potentially for other data sources for generation interconnected to distribution company facilities or customer-sited generation not reported to the NYISO. One certificate would be issued for every MWh of generation. Each certificate would have a unique serial number, and would contain a variety of information fields

⁸ System design should also include consideration of methods to track customer-sited generation.

as needed by the EDP Administrator, NYSERDA, and market participants.

Every entity participating in the energy markets administered by the NYISO would have an account in the system. Market intermediaries (brokers, marketers) could also establish accounts. There would be four types of accounts: active, reserve, retired, and export. When certificates are issued, they would be deposited in the generator's active account. Certificates in an active account could be traded without restriction. Transaction of certificates would occur between buyers and sellers, with both parties agreeing to record the transfer within the REACTS. Retirement of certificates would occur automatically when the certificates are claimed by an LSE, or manually when the certificates' owner requests transfer of certificates to a retirement account. Once placed in a retirement account, along with any unclaimed certificates, the certificates could not be traded again. Thus, the retirement account would be the final point of deposit for a certificate. Market participants could also set up reserve accounts where renewable certificates could be set aside for sale to retail customers separate from electricity, or for other purposes as agreed by detailed operating rules. Reserved certificates would not contribute to the residual mix calculation.⁹

Certificates that are sold outside of New York would be retired from REACTS by moving them to an export account. Certificates imported into New York would be recognized if they are exported from compatible accounting systems with agreements between the REACTS and the exporting accounting system. To

⁹ New England and PJM add a refinement (called a "reserve account") that allows account holders to set aside renewable certificates that they do not want to be included in the residual mix. Comments are sought on whether New York should adopt a similar option, and, if so, the appropriate length of the "set aside" period.

prevent double sales, REACTS certificates would be created for certificates imported into New York State only if the certificates issued for that generating unit in the exporting accounting system are retired.

Those generators that do not wish to manage their certificates would still have to register with REACTS, but they would not have to participate actively in the system. For such generators, their certificates would stay in their active accounts until the end of the settlement period when the system administrator will automatically retire the certificates.

The system would be settled every six months and the residual mix would be calculated as described above, although hourly settlement of energy trades would continue as is currently done in the NYISO. Certificates representing the Residual Mix and its associated emissions profile would be assigned to any shortfall between an LSE's total load and the number of certificates in the LSE's account at the end of the settlement period.

At the end of each settlement period, the REACTS administrator would prepare reports for account holders showing the certificates in their accounts. For the EDP, the administrator would prepare individual reports for LSEs showing the attributes to be incorporated into the labels.

The Commission is seeking comments on the general design of the system as described above. This general description of how the REACTS would function would be supplemented at a later date by more detailed operating rules. In drafting the operating rules, DPS and NYSERDA staff may draw upon the operating rules of neighboring accounting systems, modified as necessary to meet New York's needs. The following links provide insight into the details of these certificate

systems, and what staff will be considering. General comments on these approaches are welcome.

Parties are referred to these resources:

NEPOOL Generation Information System

<http://www.nepoolgis.com>

http://www.nepoolgis.com/GeneralDoc/NEPOOL%20GIS%20Rules%20-%201_1_06%20revision.pdf

PJM Generation Attributes Tracking System

<http://www.pjm-eis.com>

<http://www.pjm-eis.com/documents/downloads/gats-operating-rules.pdf>

Other resources that may be used by the Commission include the following:

Western Renewable Energy Generation Information System

<http://www.westgov.org/wieb/wregis/>

<http://www.westgov.org/wieb/wregis/reports/InOpRulesfnl7-15-04.pdf>

Midwest Renewable Energy Tracking System

<http://www.gpisd.net/mrets/documents/M-RETSTechRec18.pdf>

2. System Administration and Cost Recovery

Administration of the REACTS could be provided by the Department of Public Service, although system development, system maintenance and possibly day-to-day management could be contracted out.

Creating and administering a certificate accounting system generally involves three sets of costs: 1) the cost of planning and designing the system, including drafting operating rules; 2) the cost of system development, including preparing an RFP, hiring a contractor, and writing the software; and 3)

system maintenance and the day-to-day operational costs of administering the system.

Overall, the costs of developing any system depend on several factors, such as whether a new system must be created from scratch or an existing system can be reconfigured or expanded to include new features or functions. Costs would be determined by a competitive RFP process for system development and operational support.

The Commission is considering a number of methods to recover the costs associated with development and operation of a certificate system. These include a combination of two approaches pertaining to start-up costs and two approaches pertaining to on-going costs.

Regarding start-up costs:

Approach A: System Benefit Charge Funds

Under this approach, SBC funds already set aside for this purpose might be used to finance or assist in financing the start-up costs of the certificate system.

Approach B: Contractor-Financed

A contractor might be willing to finance some or all of the start-up costs of the system and recover the costs through the methods described below. This option has the same advantages and disadvantages of those options. If system development were contractor-funded, financing charges would presumably be included, adding to the total cost.

Regarding on-going costs:

Approach A: Volumetric Charge

Costs would be recovered through an MWh charge on LSEs. In essence, customers would pay for the New York system based on their energy use, regardless of whether or not their supplier transacts certificates. This option would keep the per-MWh costs low by spreading the costs across the largest load, and would present the lowest hurdle to participation and transactions. Because all customers benefit from environmental disclosure labels, it could be argued that all customers should pay for the system, regardless of whether their electricity provider transacts a significant number of certificates or not. This may be appropriate because all LSEs will rely on the certificate tracking system to create EDP labels.

Approach B: User Fees

User fees could be structured in different ways. For example, account holders that buy or sell certificates within New York State could pay based on each transaction, or based on the volume of certificate transactions. Of course, if only a few market participants transact certificates, the per-MWh cost might be relatively high and have the perverse effect of discouraging market participation. Another way to set user fees is to establish annual subscription fees in advance of using the system, and then allow paying users unlimited access to it. One challenge with this

approach is establishing the subscription fees in advance without knowing how many market participants to expect.

C. ADDITIONAL ISSUES

In addition to comments on the proposed approaches in general, and the specific questions asked above, the Commission solicits comments on the following questions.

1. The proposed certificate-based approach suggests assigning a residual mix from unsold or unreserved certificates at the end of the settlement period (proposed to be every six months). Is it preferable to use an alternative way of assigning attributes to retail sales for which the LSE has not purchased certificates? If so, please describe that alternative approach and its advantages.
2. Would modest differences in the labels of LSEs not attempting to purchase "green" energy undermine the meaningfulness of the EDP? Would a system that produces labels--for LSEs not attempting to differentiate themselves--that are slightly more homogenous than under the current approach, but that are clearly differentiable from LSEs attempting to use "green" energy, be materially less useful or less meaningful to customers than the labels produced under the current system?
3. The Commission is considering whether to require jurisdictional LSEs that own generation units, and those with bilateral energy contracts not explicitly unbundling attributes from energy, to

4. indicate in the system that certificates from said units or contracts automatically be deposited into the LSE's account, instead of the generator's account. This type of automatic transfer would only occur after both the generator and the LSE have provided written consent.
5. The Commission is considering whether the system administrator should issue certificates based on financial settlements data from the NYISO. Comments are invited on whether the system should also issue certificates for generation interconnected to distribution company facilities or customer-sited generation not reported to NYISO.
6. The Commission is considering specifying that only renewable certificates can be reserved, but without a limitation on the amount of time they can be reserved. Because the number of renewable certificates likely to be reserved each year is very small (most renewable certificates in the system will be procured by NYSERDA for the RPS Program), it may have an inconsequential effect on the environmental disclosure label. Comments are invited indicating either agreement or disagreement with the policy to allow only renewable certificates to be reserved and on the ability for certificates to be reserved indefinitely.
7. How should the import and export of certificates be handled? For example, as is the case in the RPS Program, should certificate imports be required to be accompanied by equal electricity imports?