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Rory M. Christian, Chair

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PSC Issues Decision to Preserve Competitive Renewable Energy Market and Protect Consumers

Denies Petitions Filed by Renewable Energy Developers Seeking Financial Relief

Commission Reaffirms Commitment to Achieve Renewable Energy Targets

ALBANY — The New York State Public Service Commission (Commission) today denied petitions filed by a group of offshore wind developers and a state renewable energy trade association seeking billions of dollars in additional funding from consumers for four proposed offshore wind projects and 86 land-based renewable projects. In denying financial relief, the Commission opted to preserve the robust competitive bidding process that provides critically needed renewable energy resources to New York in the fairest and most cost-effective manner that protects consumers.

“The requested amendments to the contracts would have provided adjustments outside of the competitive procurement process; such relief is fundamentally inconsistent with long-standing Commission policy,” **said Commission Chair Rory M. Christian.** “The Commission has repeatedly stated that competition in the procurement process is necessary to protect ratepayers and provides the soundest approach to mobilize the industry to achieve our critical State goals dependably and cost-effectively, and we do so again through today’s action.”

The petitions denied today were submitted by Empire Offshore Wind LLC and Beacon Wind LLC, Sunrise Wind LLC, and the Alliance for Clean Energy New York, Inc. (ACENY). The petitions were seeking adjustment to Renewable Energy Credit (REC) and Offshore Wind REC (OREC) purchase and sales agreements entered with NYSERDA to address recent inflationary pressures that are impacting project economics.

Upon careful consideration, the Commission found that the contract amendments sought by the Empire/Beacon, Sunrise, and ACENY petitions were not in the best interest of the State’s ratepayers. On a monthly bill basis, granting the request to amend the executed contracts outside the competitive procurement process would have resulted in as high as 6.7 percent increases for residential customers and as high as 10.5 percent for commercial or industrial customers on monthly bills depending on service territory and the level of relief provided — above what was already committed.

In its decision, the Commission stressed that it remains fully supportive of the Climate Leadership and Community Protection Act, which codifies decarbonization requirements for various sectors of the economy and adopts ambitious renewable energy deployment targets and will continue to adhere to Climate Act requirements in a manner that preserves competitive procurement processes and

ensures utility rates are just and reasonable. The Commission said that the decision reaffirms that competitive procurement is the best, most efficient way to help New York reach its goal of having at least 70 percent of electric load served by renewable energy by 2030, development of 9,000 megawatts of offshore wind energy by 2035 and meeting statewide demand with zero emissions resources by 2040.

All three petitions requested an order from the Commission that would have directed NYSERDA to incorporate an adjustment mechanism into existing REC and OREC purchase and sales agreements to account for inflation and other economic impacts cited by the developers.

The petitions drew significant comments from stakeholders both supporting and opposing granting financial relief. Supporters pointed to the State's clean energy goals and argued that relief is needed to stay on track toward achieving those goals. Opponents generally expressed concern with the increase in prices that will be borne by ratepayers and the disruption of the competitive process that was used to award these projects.

The petitions generally stated that the effects of the COVID-19 pandemic have exposed the projects to unprecedented global and regional supply chain bottlenecks, high inflation, and increases in the cost of capital, driven by rising interest rates. Further, the petitions identified impacts associated with the war in Ukraine, including increased demand for renewable energy and resulting shortages and price increases for key components and equipment.

Petitions making similar requests as the offshore wind developers submitted by Clean Path New York LLC for the Clean Path New York project and by H.Q. Energy Services (U.S.) Inc. for the Champlain Hudson Power Express Project remain under review by the Commission.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 15-E-0302 or 18-E-0071 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.