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New York State Department of Public Service
Case Number 15-E-0302
Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard

Department of Public Service,
The Clean Energy Standard White Paper is a large step forward in that it recognizes the importance of low carbon electricity from nuclear energy. The proposed Clean Energy Standard aims to do that by distributing Zero Emission Credits (ZECs) for nuclear generation purchases.

However, there are limitations and restrictions to which plants will be eligible for ZECs. ZECs will only be distributed if the nuclear facility is facing financial risk of closure, "as determined by a Staff examination of the books and records of the facility." Putting a restriction like this in place seems reasonable, but in reality, is inconsistent with the rest of the proposed rule.

There are three proposed Tiers of Emissions Credits, Tier 1 for new renewable generation, Tier 2 for existing renewable generation, and Tier 3 for nuclear generation which is at risk of closure. For Tiers 1 and 2, Renewables Emission Credits are not predicated on whether or not that source is at risk of closure. So even if a wind farm is financially solvent, it will still receive RECs. This helps to incentivize construction of renewable energy sources. However, since ZECs are only given to nuclear facilities at risk of closure, this additional incentive to expand the amount of low carbon energy in NY does not exist for nuclear energy.

Moreover, it is possible that nuclear operators will not be willing to turn over their "books and records" to the PSC, and just decide to close the facility instead. While I personally think this would be a foolish mistake, it is a possibility. Additionally, the proposed CES only refers to "upstate nuclear facilities," implying that a nuclear facility which is not "upstate" would not be eligible for ZECs, a seemingly arbitrary (or political) distinction.

In short, a fair market should be created where all low carbon energy generators compete on a level playing field. I applaud the Department of Public Service for taking a step in the right direction by attempting to value at risk nuclear, and encourage them to expand the RECs to all low carbon sources, existing and new.

Thank you for your time,
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