The Green Power Marketing Opportunity

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NYSERDA
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NYSERDA Competitive Green Power Market Program

Build businesses that acquire/promote and sell green power to retail customers.
Commitment to a Competitive Market

- Community Energy with NYSEG:
  - 12+MW sold in year 1; 11.5+ in year 2;
  - 90 MW to be sold by year 5

- Community Energy with ConEdSolutions:
  - 7.5+MW sold in year 1
  - 190 MW by year 5

- Green Mountain Energy, Sterling Planet and Energy Cooperative of New York

- Nearly $18 M budgeted to support programs

- Expectation is about 280 MW of wind supported after 5 years
Commitment for Green Power

Plainville Turkey Farms
Hobart & William Smith Colleges
The Durst Organization
U.S. Environmental Protection Agency
University at Buffalo
Bombers Burrito Bar
Binghamton Federal Building
NYSERDA
Husky Injection Molding Systems
Renewable Portfolio Standard

- 25% of electrical load requirements to be satisfied by eligible renewable resources over 10 years.

- Energy production from existing renewable resources will count toward the RPS requirement over this 10 year period (approximately 17% of the requirement today).

- Remainder or 8% of the NYS electrical load requirements to be satisfied by new renewable resources.

- Proceeding started at NYS PSC.
# Renewable Energy Market Potential

<table>
<thead>
<tr>
<th>Projected Demand:</th>
<th>2005(GWH)</th>
<th>2006(GWH)</th>
<th>2010(GWH)</th>
<th>2014(GWH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Retail Market (1):</td>
<td>2,350</td>
<td>3,166</td>
<td>3,842</td>
<td>4,570</td>
</tr>
<tr>
<td>NYS Agency (EO 111):</td>
<td>300</td>
<td>300</td>
<td>600</td>
<td>600</td>
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<tr>
<td>New Jersey RPS (2):</td>
<td>---</td>
<td>2,605</td>
<td>4,219</td>
<td>5,526</td>
</tr>
<tr>
<td>Massachusetts RPS (2):</td>
<td>1,100</td>
<td>1,400</td>
<td>3,000</td>
<td>4,500</td>
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<tr>
<td>New York RPS (3):</td>
<td>1,906</td>
<td>10,181</td>
<td>16,662</td>
<td></td>
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<tr>
<td>Total Potential Demand (4) :</td>
<td>4,885</td>
<td>9,377</td>
<td>21,842</td>
<td>31,858</td>
</tr>
</tbody>
</table>

(1) New York estimates scaled up by a factor of 2 (based on EIA data for 2000) to include MA, CT, RI, NJ and PA retail access markets.

(2) RPS requirements for Massachusetts (DOER estimates) and New Jersey (NYSERDA CRS-7092 Report).

(3) RPS starts in 2005. Electrical sales of 160,000 GWH in 2003 growing by 1.0% annually per SEP, RPS target of 8% by ten years.

(4) Current Connecticut RPS ineffective; rules under review and revision has the potential to significantly increase market demand. Market potential excludes potential from interconnected Canadian provinces and the ECAR control area.
Draft RPS Biomass Eligibility Rules for Manure

• The CAFO has a current Agricultural Waste Management Plan developed by a qualified Agricultural Environmental Management Planner and is in compliance with permits and rules.

• Such CAFO may not be a participant in an unresolved legal action initiated by State/federal environmental regulatory agencies alleging public nuisance or violation of environmental regulation.

• CAFOs in other states may qualify if they meet the same standards.
Wind – Another Opportunity

Potential Impacts (30 MW project):

- 20 wind turbines (50 acres of land committed to project-related use)
- 1000 acre spatial envelope is required (50 acres/turbine)
- annual landowner revenues of approx. $3,000 per turbine/$60,000 possible
- production-based royalties possible (small % of project revenues)
- revenues to community of $5,000/MW annually or $150,000.
Land required to be under lease:
by 2006: about 60,000 acres
by 2013: about 200,000 acres

Land/Turbine lease rents to landowners:
by 2006: nearly $ 3,500,000 annually
by 2014: nearly $ 12,000,000 annually

Local community “PILOT” revenues:
by 2006; nearly $ 9,000,000 annually
by 2014; nearly $ 30,000,000 annually

Local employment increases:
by 2006: 115 new jobs
by 2014: another 284 jobs
(ignores temporal construction employment)

*Assumes wind gets
50% of market share

Fenner Wind Project
PON 787 - Renewable Power and Resource Prospecting

Support technology feasibility and resource/site assessments and build portfolio of RPS eligible renewable energy production facilities

Eligible activities:

Site prospecting, fuel/feedstock development, technology development (engineering/environmental analysis) for grid connected facilities

NYSERDA funds up to $200,000 per contract; $4,000,000 for program; 50% cost sharing required; release Spring, 2004
And the rest of the news…

Work is needed at the community level to educate the public and officials and bring various positions into balance if local approvals are to be obtained and expectations as to wind penetration, green marketing and RPS compliance are to become a reality.