

Green Power Program FREQUENTLY ASKED QUESTIONS

What is the Green Power Program?

The New York Power Authority's Green Power Program offers a convenient, customizable and cost-effective way for customers to 'green' their electricity supply by purchasing renewable energy in the form of RECs.

What are RECs?

REC is short for Renewable Energy Credit or Certificate. A REC is the difference between purchasing regular electricity and renewable electricity. When a wind farm or other renewable resource generates electricity and puts it into the grid, it also generates a REC. While it is physically impossible to tell where the electricity coming out of your socket came from, if you purchase a REC to go along with it, you are effectively purchasing renewable energy.

Who is eligible to participate?

All customers of the New York Power Authority, including ReCharge NY customers, as well as all public entities and non-profit schools in New York State, are eligible to participate in NYPA's Green Power Program.

So I can continue purchasing my electricity from my utility as I always have and, simply by buying a REC to go along with it, I can legitimately claim to be purchasing renewable energy?

Yes. The electricity grid is in constant balance between supply and demand. At any time, there is a certain amount of demand. If, at that time, a renewable resource is supplying electricity to the grid, a non-renewable resource is not. This is called displacement. If you purchase RECs, that means renewable resources supplied that amount of electricity to the grid and non-renewable resources did not. Since you purchased the RECs, you get to take credit for that. You get to say that your energy came from those renewable resources and that your renewable energy purchase avoided the emissions that would have been created by the non-renewable resources that were displaced.

That sounds complicated; how do I know that I am really getting renewable energy?

You're right to be cautious, however, there are a number of mechanisms in place to ensure that you're really getting what you think you are.

Firstly, in New York, the transfer of RECs happens through the Public Service Commission's Conversion Transaction process. In that process, all the buyers and sellers of RECs report to the PSC what they bought or sold, and from or to whom. The PSC checks to make sure that the RECs were indeed generated by the facilities that sold them and that everything is properly accounted for. Once the process is complete, the buyers of RECs can legitimately claim that they bought renewable energy and that their purchase avoided emissions by non-renewable facilities.

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Secondly, there are non-profit organizations overseeing the renewable energy market, the most prominent of which is the Center for Resource Solutions or CRS. CRS has a program called Green-e Energy, which aims to provide consumer confidence to purchasers of renewable energy. In order to be Green-e Energy certified, a REC must not only originate from a facility that meets the requirements of the Green-e Energy National Standard, but the seller of the REC must undergo a thorough, independent, annual audit to ensure that everything has been properly accounted for and that its customers are receiving what they paid for. NYPA is a Green-e Energy marketer and offers both Green-e Energy certified and non-Green-e certified products. Green-e Energy certified RECs carry a marginal additional cost, but provide additional consumer confidence, which some of our customers appreciate. More information about Green-e Energy is available at: www.green-e.org.

Thirdly, NYPA annually issues to its Green Power Program customers physical certificates of ownership as tangible representations of their renewable energy purchases.

How much does it cost?

Renewable energy costs a little more than non-renewable energy. That difference is the price of the REC. REC prices reflect the additional cost of building a renewable energy project compared to a non-renewable project as well as the market balance of supply and demand for RECs. REC prices thus vary depending on the renewable technology, the location of the project, and over time. Solar RECs for example are currently still more expensive than wind RECs, but less expensive than they were a year ago. RECs in New York are currently more expensive than RECs in New Jersey or Pennsylvania, but cheaper than those in Connecticut or Massachusetts.

I've been offered renewable energy before. How is NYPA's program different?

A key difference between the Green Power Program and many other renewable energy programs is that we ensure that the environmental benefit occurs in New York. Many sellers of renewable energy offer "national RECs," which are RECs that were generated anywhere in the country. If the REC was generated on the west coast, a non-renewable resource was displaced on the west coast and the environmental benefit occurred on the west coast. While a national REC purchase still legally entitles buyers to claim that they are purchasing renewable energy, it is viewed by some as a less legitimate claim. NYPA does not offer national RECs. NYPA only offers RECs that were generated in New York or in an adjacent state and imported into New York so that a non-renewable resource in New York was displaced and the environmental benefit occurred in New York.

Sounds good, but how does it work? Also, you never actually said how much it costs.

Different from many other renewable energy programs, NYPA's Green Power Program is procurement-based. That means that we do not maintain an inventory of RECs or offer standardized pricing. Rather, in order to minimize cost and maximize flexibility, we semi-annually collect requests from among our customers in March and September, aggregate their demand, and competitively procure RECs to meet their needs. We discuss the solicitation results and different options with our customers and move forward with the purchases that best meet their needs. This program structure offers maximum flexibility, allowing customers to lock in REC purchases for any duration they choose as well as select among RECs based on different technologies (such as wind, solar, or biomass), from different locations (such as generated in New York or imported into New York), or carrying different certifications (such as Green-e Energy Certified or just verified by the NYS PSC). Historically, NYPA has purchased RECs between approximately \$5 and \$30, which translates to a cost of between 0.5¢ and 3¢ per kWh.