GreenNY Council – 100% Renewable Electricity Policy Guidance

Compliance Requirements

Executive Order 22 "Leading by Example" requires Affected Entities to obtain 100% of their electricity from eligible renewable resources by 2030 and thereafter, subject to available supply.

Affected Entities are able to satisfy their renewable energy needs through 3 approaches:

1. First, each Affected Entity shall count the amount of clean energy generated by Eligible Systems[1] across the State that the Affected Entity pays for in its electricity bills or otherwise towards compliance with the Clean Energy Standard (CES)[2], based on calculations provided by NYSERDA. Affected Entities shall provide information requested by NYSERDA to perform the applicable calculations, including load data, CES compliance payments, and any other necessary information.
2. Second, for the remainder of its electricity usage, each Affected Entity shall next be required to demonstrate meeting this obligation, where feasible through the use of on- or off-site Eligible Systems providing energy dedicated to the Affected Entity's operations. This could include the development of onsite, behind-the-meter renewable generation projects (e.g., rooftop solar) or development of remotely metered value of distributed energy resource (VDER) projects (e.g., remotely metered distributed scale projects).
3. Third, for the portion of electricity that cannot be served by such Eligible Systems, each Affected Entity should, in consultation with the New York State Energy Research and Development Authority (NYSERDA) and Department of Public Service (DPS), procure renewable energy credits (RECs) qualified under a Qualifying Tier of the CES.[3]

Affected Entities may use a combination of the above approaches to satisfy their renewable energy goals. Affected Entities are responsible for all electric load under their control. This includes electricity consumption in facilities leased from others if the Affected Entity is responsible for payment of electric utility bills. Affected Entities are not responsible for load that is not under their control, e.g., electricity consumption in facilities where electricity is included in the lease payments.

Please note that for remotely metered VDER projects, renewable energy generated only counts towards the achievement of the Affected Entity's renewable energy goals if the Affected Entity forgoes the payment for Environmental Value (value of E) from the utility (i.e., retains the RECs associated with the generation). If the affected entity opts to receive the value of E, the renewable generation from the

[1] Eligible Systems in the Clean Energy Standard are defined as "renewable energy systems" under the Climate Leadership and Community Protection Act and §66-p of the Public Service Law as "systems that generate electricity or thermal energy through use of the following technologies: solar thermal, photovoltaics, on land and offshore wind, hydroelectric, geothermal electric, geothermal ground source heat, tidal energy, wave energy, ocean thermal, and fuel cells which do not utilize a fossil fuel resource in the process of generating electricity."

[2] Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Order Adopting Modifications to the Clean Energy Standard (issued October 15, 2020).

[3] Executive Order 22 defines "Qualifying Tier" to mean any tier of the New York State Public Service Commission's Clean Energy Standard (Case 15-E-0302) ("CES") that is designed to incentivize the delivery of additional, incremental clean energy to New York State or a specific location within New York State, which as of the date of this Executive Order includes Tier 1, Offshore Wind and Tier 4 but not Tier 2 or Zero-Emission Credits.

VDER project cannot be counted towards the achievement of the Affected Entity's renewable energy goals.

Affected Entities may purchase eligible RECs from NYSERDA, from developers of renewable energy projects, or from third parties. The following distinguishes the types of RECs for purpose of compliance with EO22:

- Eligible for compliance: Tier 1 RECs, Tier 4 RECs, and Offshore Wind RECs
- Not eligible for compliance: Other types of RECs, including Tier 2, Tier 3, and non-Tiered RECs

Affected Entities are required to register with NYPA's New York Energy Manager service, which is the system of record for compliance with the EO22 100% renewable energy goal. Affected Entities shall ensure that their electricity consumption is recorded in New York Energy Manager, either through utility bill integration or manual entry of electricity bills.

In order to ensure compliance with the EO22 renewable energy goals, Affected Entities shall enter into a contract with NYSERDA or third parties, in order to enable them to purchase RECs to achieve their renewable energy goal, after accounting for generation from onsite and remotely metered renewable energy projects as well as RECs purchased by their utility on their behalf under the CES.

Following is an illustrative example demonstrating 100% renewable energy in 2030:

Affected Entity electricity consumption:	100 MWh
RECs purchased by utility under CES on behalf of Affected Entity	31 MWh
Renewable generation from onsite solar:	15 MWh
Renewable generation from remotely metered solar (for which no E value was received):	40 MWh
Remaining RECs to be purchased from NYSERDA:	14 MWh

Frequently Asked Questions

1. **Interim targets for 2024-2030**
   Q: What percentage of renewable energy are Affected Entities expected to achieve in each year leading up to 100% by 2030?
   A: While there are no specific interim targets in EO22, Affected Entities are encouraged to plan for generally increasing the number of renewables serving their electric load until reaching the 100% target by 2030.

2. **Define "Affected Entity"**
   Q: Are there any exemptions for small entities or facilities?
   A: The 100% RE requirement is applicable to all electric load under the control of Affected Entities listed in E.O. #22. This includes electricity consumption in facilities leased from others if the Affected Entity is responsible for payment of electric utility bills. Affected Entities are not responsible for load that is not under their control, e.g., electricity consumption in facilities where electricity is included in the lease payments.

3. **Define "feasible"**
   Q: What is considered "feasible," is it merely technical feasibility or is there an economic/financial component to feasibility?
   A: Feasible refers to both technical and economic feasibility, i.e. entities may pursue onsite projects, off-site power purchase agreements, or REC purchases whichever are most cost effective.

4. **Clarify REC eligibility**
   Q: What Tiers of RECs qualify?
   A: Executive Order #22 excludes Tier 2, Tier 3 and any non-Tiered RECs, but **any** of Tier 1, Tier 4, or OSW RECs are eligible for compliance.

5. **Define REC Tiers**
   Q: What resources qualify for the various Tiers of RECs
   A: Please refer to Appendix A of the CES Order issued October 15, 2020, available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={EAAF1A1E-2A05-49A7-A4D1-C5755E5BE536}

6. **Clarify accounting for net energy metered (NEM) projects**
   Q: Does generation from NEM projects count towards the renewable goal?
   A: Renewable generation from NEM projects counts towards RE goal. Although NEM projects do not produce RECs, no other entity can claim the generation from NEM projects, so it counts towards the Affected Entities' RE goal.

7. **Clarify accounting for VDER projects**
   Q: Does generation from VDER projects count towards the renewable goal?
   A: Renewable generation from VDER projects does not count if entities receive E value (since it would be a double claim on the REC, which the load serving entity (LSE) purchased for the price of E value). Entities that develop (or have previously developed) VDER projects and receive E value compensation would need to purchase an eligible Tier of RECs to demonstrate compliance with RE targets.

8. **Clarify accounting for CES payments**
   Q: How are Affected Entities credited for RECs purchased by their LSE on their behalf pursuant to the CES?
   A: Calculated by NYSERDA based on load data from entities and LSEs.

9. **Clarify overlapping BuildSmart and E.O. #22 requirements**
   Q: Are Affected Entities allowed to count the same renewable generation towards both their BuildSmart and E.O. #22 100% renewable electricity requirements?
   A: If Affected Entities are subject to overlapping renewable energy requirements or goals, they may count renewable generation from distributed projects and REC purchases towards both goals. This does not constitute a double claim, but should instead be viewed as repeated reporting of the same information (i.e., the Affected Entities' energy supply mix).