

Appendix D – Renewable Energy Standard – Tier 2

Criteria for Demonstrating Risk

Criteria for demonstrating that the renewable energy attributes of these resources are at risk are:

1. An examination of relevant portions of the facility's financials and other records (including a documented after-tax cash flow forecast) and, to the extent appropriate, of the generation facility owner/operator and any affiliates
2. The basis for and reasonableness of expected operating and capital costs. This evaluation may include, among other things, a comparison to prior years' costs and a comparison to costs of like generation
3. The existence of any other cash sources available to the generation facility, such as:
 - a) Tax benefits
 - b) Subsidies
 - c) Contracts
 - d) Other sources, including restructuring financing
4. Whether market rules are increasing the costs of the generation facility and, if so, whether any steps can be taken to reduce such costs
5. Whether the generation facility's real property tax assessment is consistent with the assessments imposed in similarly situated facilities elsewhere, and if not, what action has been taken to address such assessment
6. Whether the generation facility is required to operate as part of a package of assets that is financially viable as a whole
7. Whether the generation facility generates enough revenue, based on expected output, to cover its operating costs
8. Whether the generation facility generates enough revenue to make necessary capital improvements
9. Whether the generation facility generates enough revenue to cover its fixed costs, including:
 - a) Debt service
 - b) Property taxes
 - c) Security costs
 - d) Other costs
10. Whether the generation facility has attempted to make use of other renewables programs available to it, such as voluntary green markets.

Procedures to Obtain Maintenance Resource Contracts

1. Any entity seeking Tier 2 maintenance resource eligibility for an renewable energy standard facility must submit a request to the Deputy Director of the Office of Clean Energy (OCE Deputy Director). The request may be submitted at any time through the duration of the RES Program

Office of Clean Energy, Deputy Director
New York State Department of Public Service
3 Empire State Plaza
Albany, New York 12223
Christina.Palmero@dps.ny.gov
(518) 474-1612

2. The request must include the entity's three most recent years' income statements, balance sheets, cash flow statements, and income tax returns related to the facility
3. The request must also identify:
 - a) The type of facility
 - b) Location
 - c) Date of commercial operation
 - d) List of affiliates
 - e) List of contracts
 - f) Description of financing arrangements
4. The OCE Deputy Director will review the information within 30 days for compliance with the filing requirements and will notify the applicant of any deficiencies in the filing and how to remedy those deficiencies
5. Once the deficiencies are satisfied, the OCE Deputy Director will issue a Notice of Proposed Rulemaking concerning the request to be published in the State register pursuant to the requirements of the State Administrative Procedure Act
6. After receiving all necessary information to complete the review, the OCE Deputy Director will make a recommendation to the Commission regarding the facility's eligibility for maintenance resource status, taking into consideration each facility's circumstances and the amount of the assistance required.
 - a) If eligibility is recommended, the recommendation will include a proposed payment award amount at a level necessary to ensure preservation of the at-risk renewable energy attributes and/or other measures that might be taken and proposed contract terms.
7. If the Commission approves a maintenance contract, it will certify the terms to the NYSERDA for administration of the contract and will also authorize a method of funding.