

Name: Kevin Sheen
Email Address: ksheen@everpower.com
Title: Senior Director, Development
Organization: EverPower
County: NewYork

INTRODUCTION EverPower appreciates the opportunity to comment on the draft of the State Energy Plan. EverPower is a wind development company headquartered in New York City. The business employs 30 skilled individuals and has recently secured a \$350m investment to further our growth plan. We currently have four projects under development in NY including the 65 MW Howard Wind Project that has received a conditional use permit from the Town of Howard and Steuben County and which we would like to begin construction on in 2010. The project would generate sufficient power for 2% of the RPS requirement at a time when only 27% of the 2013 target has been achieved. For the reasons we set out below there is a real risk that this project will not enter construction in 2010 because of a combination of the low wholesale electricity prices currently in the market and the rigid and investor unfriendly structure of the RPS which we fear will not allow for sufficient price support for wind projects in the state to meet investor hurdle rates. As a leading NY based wind developer we can categorically state that major RPS reform is essential to achieve the 2013 targets. We applaud the Governor for his commitment to clean energy and combating climate change as evidenced by his support for the previously issued Executive Order 111 directing state agencies to implement efficiency measures and use renewable energy resources, and his issuance of Executive Orders 2 and 24, which address state energy planning and combating climate change through carbon emissions reductions, respectively. While our brief comments focus on renewable energy and the RPS in NY, we are encouraged by the comprehensive nature of the draft energy plan and look forward to the implementation of many of its provisions.

RENEWABLE ENERGY New York needs to reaffirm its commitment to renewable energy, and in particular large scale onshore wind farms, which will be required to meet the lion's share of the RPS target. The private investment that has made NY a leader in attracting renewable energy investment that contributes to energy security, supports in-state economic development and offsets carbon is at risk. NY needs to continue to encourage renewable energy in many ways. Here are a few points that NY should consider: . The PSC should move away from the current central procurement model for the RPS to one where the purchasing responsibility is placed on load-serving entities, as is the case in competing wind energy markets across the USA. This would alleviate the problem of insufficient funding and delays in procurement, stop wind investment leaving the state, open up the market to new investors and enhance market liquidity. Establishment of a Renewable Energy Credit (REC) tracking system, which was endorsed by all stakeholders in 2003 and yet has remained inexplicably stalled at the PSC, should accompany this. . While our primary message is to move the requirement to Load-Serving Entities, if the system continues to be managed by NYSERDA, future

funding for the RPS program and a firm bidding schedule each year is essential to maintain and stimulate projects in the state. Progress in meeting New York's clean energy goals has stalled primarily because of a lack of funding for the RPS and ever changing permitting requirements at the state and local level. New York needs to show that its stated commitment to the RPS program will be matched by sufficient funds to meet goals. In addition, agency coordination and support for the permits necessary for project development is crucial. The marketplace needs a clear signal that New York remains committed to supporting the RPS goals. .

Remove natural gas from the lists of sustainable resources such as wind and solar energy. Natural gas is a vital fuel source but it is not a "clean" or sustainable fuel when compared to renewable energy sources. The draft Plan includes natural gas in lists of clean energy resources (e.g., Section 1.2 on page 6), which we believe is misleading and inappropriate. While natural gas is the environmentally preferred fossil fuel, it should not be the State's preferred fuel nor should it be listed alongside sustainable resources.

TRANSMISSION AND SITING Transmission and siting issues are two of the most significant hurdles for the full development of New York's renewable resources and in the absence of legislation establishing a state siting board, state agencies need to rise to the challenge of providing private investors an environment where their proposals can be considered and evaluated fairly and in a timely manner. .

Encourage investment in transmission infrastructure to ensure use of clean energy resources. The plan should support increased investment in transmission supporting full development of the State's domestic renewable infrastructure with costs shared among beneficiaries and utility investment recoverable through the rate base. The transmission upgrades should include both high voltage lines for generation in the wholesale market and distribution line upgrades to accommodate distributed and on-site generation. .

Advocate for creation of a "one-stop shop" for permitting of new generation. The draft plan calls for reinstatement of a siting board but provides no plan for implementation. While the legislation supporting a siting board has lapsed, EverPower suggests the draft Plan should, at the very least, lay out a guide for opening a dialogue on this issue. The agencies that had a role on the previous siting board should discuss how to coordinate their permitting roles in a timely manner. As a New York-based company EverPower has invested millions of dollars within the state and we would like to make an investment of \$500m in clean energy in New York over the next 2 years. However, other states like Pennsylvania, Michigan, and Ohio are making it easier to invest and build renewable energy projects in their state. The uncertainty in the NY market unfortunately means EverPower has no other business choice but to look elsewhere to put their significant investment dollars. New York can continue to attract private investment but only if it is able to remove the boom and bust cycle's that have plagued the REC program to this point. Recently, one of the largest wind power developers in the nation put their plans to build a 100 MW project in the state on hold because in the words of the Town Supervisor "I think they're finding that doing business in New York state is the closest thing to hell outside of (doing business in) California," This company, like EverPower, is shifting significant resources to Ohio and other neighboring states where the climate is much more

favorable to wind power and other renewable. New York is at a crossroads in its support of renewable energy. It risks losing billions in private investment, thousands of potential jobs, millions in tax revenues and much needed support from a landowner base comprised predominately of the farming community. I urge you to make fostering renewable energy a critical part of the State's Energy plan in order to secure our energy independence both as a state and a nation and to provide a continued source of clean power for future generations. Thank you for your time and consideration of these points. Regards, Kevin Sheen Senior Director, Development EverPower Wind Holdings

INTRODUCTION

EverPower appreciates the opportunity to comment on the draft of the State Energy Plan. EverPower is a wind development company headquartered in New York City. The business employs 30 skilled individuals and has recently secured a \$350m investment to further our growth plan. We currently have four projects under development in NY including the 65 MW Howard Wind Project that has received a conditional use permit from the Town of Howard and Steuben County and which we would like to begin construction on in 2010. The project would generate sufficient power for 2% of the RPS requirement at a time when only 27% of the 2013 target has been achieved. For the reasons we set out below there is a real risk that this project will not enter construction in 2010 because of a combination of the low wholesale electricity prices currently in the market and the rigid and investor unfriendly structure of the RPS which we fear will not allow for sufficient price support for wind projects in the state to meet investor hurdle rates.

As a leading NY based wind developer we can categorically state that major RPS reform is essential to achieve the 2013 targets.

We applaud the Governor for his commitment to clean energy and combating climate change as evidenced by his support for the previously issued Executive Order 111 directing state agencies to implement efficiency measures and use renewable energy resources, and his issuance of Executive Orders 2 and 24, which address state energy planning and combating climate change through carbon emissions reductions, respectively. While our brief comments focus on renewable energy and the RPS in NY, we are encouraged by the comprehensive nature of the draft energy plan and look forward to the implementation of many of its provisions.

RENEWABLE ENERGY

New York needs to reaffirm its commitment to renewable energy, and in particular large scale onshore wind farms, which will be required to meet the lion's share of the RPS target. The private investment that has made NY a leader in attracting renewable energy investment that contributes to energy security, supports in-state economic development and offsets carbon is at risk. NY needs to continue to encourage renewable energy in many ways. Here are a few points that NY should consider:

- The PSC should move away from the current central procurement model for the RPS to one where the purchasing responsibility is placed on load-serving entities, as is the case in competing wind energy markets across the USA. This would alleviate the problem of insufficient funding and delays in procurement, stop wind investment leaving the state, open up the market to new investors and enhance market liquidity. Establishment of a Renewable Energy Credit (REC) tracking system, which was endorsed by all stakeholders in 2003 and yet has remained inexplicably stalled at the PSC, should accompany this.
- While our primary message is to move the requirement to Load-Serving Entities, if the system continues to be managed by NYSERDA, future funding for the RPS program and a firm bidding schedule each year is essential to maintain and stimulate projects in the state. Progress in meeting New York's clean energy goals has stalled primarily because of a lack of funding for the

RPS and ever changing permitting requirements at the state and local level. New York needs to show that its stated commitment to the RPS program will be matched by sufficient funds to meet goals. In addition, agency coordination and support for the permits necessary for project development is crucial. The marketplace needs a clear signal that New York remains committed to supporting the RPS goals.

- Remove natural gas from the lists of sustainable resources such as wind and solar energy. Natural gas is a vital fuel source but it is not a “clean” or sustainable fuel when compared to renewable energy sources. The draft Plan includes natural gas in lists of clean energy resources (e.g., Section 1.2 on page 6), which we believe is misleading and inappropriate. While natural gas is the environmentally preferred fossil fuel, it should not be the State’s preferred fuel nor should it be listed alongside sustainable resources.

TRANSMISSION AND SITING

Transmission and siting issues are two of the most significant hurdles for the full development of New York’s renewable resources and in the absence of legislation establishing a state siting board, state agencies need to rise to the challenge of providing private investors an environment where their proposals can be considered and evaluated fairly and in a timely manner.

- Encourage investment in transmission infrastructure to ensure use of clean energy resources. The plan should support increased investment in transmission supporting full development of the State’s domestic renewable infrastructure with costs shared among beneficiaries and utility investment recoverable through the rate base. The transmission upgrades should include both high voltage lines for generation in the wholesale market and distribution line upgrades to accommodate distributed and on-site generation.

- Advocate for creation of a “one-stop shop” for permitting of new generation. The draft plan calls for reinstatement of a siting board but provides no plan for implementation. While the legislation supporting a siting board has lapsed, EverPower suggests the draft Plan should, at the very least, lay out a guide for opening a dialogue on this issue. The agencies that had a role on the previous siting board should discuss how to coordinate their permitting roles in a timely manner.

As a New York-based company EverPower has invested millions of dollars within the state and we would like to make an investment of \$500m in clean energy in New York over the next 2 years. However, other states like Pennsylvania, Michigan, and Ohio are making it easier to invest and build renewable energy projects in their state. The uncertainty in the NY market unfortunately means EverPower has no other business choice but to look elsewhere to put their significant investment dollars. New York can continue to attract private investment but only if it is able to remove the boom and bust cycle’s that have plagued the REC program to this point.

Recently, one of the largest wind power developers in the nation put their plans to build a 100 MW project in the state on hold because in the words of the Town Supervisor “I think they’re finding that doing business in New York state is the closest thing to hell outside of (doing business in) California,” This company, like EverPower, is shifting significant resources to Ohio

and other neighboring states where the climate is much more favorable to wind power and other renewable.

New York is at a crossroads in its support of renewable energy. It risks losing billions in private investment, thousands of potential jobs, millions in tax revenues and much needed support from a landowner base comprised predominately of the farming community.

I urge you to make fostering renewable energy a critical part of the State's Energy plan in order to secure our energy independence both as a state and a nation and to provide a continued source of clean power for future generations.

Thank you for your time and consideration of these points.

Regards,

Kevin Sheen
Senior Director, Development
EverPower Wind Holdings