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John B. Rhodes, Chair

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First-of-its-Kind New York State Initiative Pays Residents in Communities Hosting Wind or Solar Farms to Combat Climate Change

Host Community Benefit Program Wins PSC Approval

ALBANY — The New York State Public Service Commission (Commission) today approved a Host Community Benefit Program that provides bill credits directly to residential electric customers in municipalities in which major renewable energy facilities are located thus incentivizing more clean energy projects to be developed across the state to support the combatting of climate change. The program will provide bill credits that vary based on the size and type of the renewable energy facility.

“To ensure host communities benefit more fully from the development of renewable energy projects, developers will now be required to fund bill credits for local electric customers,” **said Commission Chair John B. Rhodes.** “This first-of-its-kind program will provide direct benefits to residents, while keeping in place negotiated community-wide benefits, such as Payments in Lieu of Taxes and host community agreements.”

This innovative program was created as a result of the nation-leading Accelerated Renewable Energy Growth and Community Benefit Act, landmark legislation signed by Governor Andrew M. Cuomo aimed at improving and fast-tracking the siting and construction of large-scale renewable energy projects in an environmentally responsible and cost-effective manner. The program will provide an annual bill credit to residential electric utility customers within a city or town where newly constructed facilities 25 MWs or greater are sited for the first 10 years a facility is operational.

The amount of the credit would correlate to the type and size of the facility. Solar and wind project developers would be required to pay an annual fee of \$500/MW and \$1,000/MW of nameplate capacity, respectively. As a result, a 50 MW solar farm would provide annual customer credits totaling \$25,000, and a 100 MW wind farm would provide annual customer credits totaling \$100,000. The money would be shared by all residential customers in the host municipality, regardless of proximity to the facility.

Facility owners would pay the annual fee to the utility serving the affected municipalities. Utilities would then apply a bill credit to eligible customers’ accounts. Additionally, utilities would annually report the following: facilities actively providing benefits under the program in its service territory; monies received from each facility; the amount of the individual bill credit and the number of customers who received the bill credit for each facility; and the costs to administer the program.

The credit will be paid by any new renewable energy project greater than 25 MW that goes into service after the effective date of the Accelerated Renewable Energy Growth and Community Benefit Act, which was April 2020. The Host Community Benefit Program received strong support from stakeholders participating in the review, including many local elected officials.

New York State's Nation-Leading Climate Plan

Governor Cuomo's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the Climate Leadership and Community Protection Act, New York is on a path to achieving its mandated goal of a zero-emissions electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented ramp-up of clean energy including over \$4 billion invested in 91 large-scale renewable projects across the state, the creation of more than 150,000 jobs in New York's clean energy sector, a commitment to develop 9,000 megawatts of offshore wind by 2035, and 1,800 percent growth in the distributed solar sector since 2011. Under Governor Cuomo's leadership, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while meeting a goal to deliver 40 percent of the benefits of clean energy investments to disadvantaged communities, and advancing progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs in end-use energy savings.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 20-E-0249 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.