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New York State Energy Research and Development Authority (NYSERDA)
Fiscal Year 2017-2018 Joint Budget Hearing Testimony
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Good morning, Chairwoman Young, Chairman Farrell and members of the Committees. Thank you for the opportunity to testify before you today. I am John Rhodes and I serve as President and CEO of the New York State Energy Research and Development Authority (NYSERDA).

NYSERDA continues to play a critical role in advancing Governor Cuomo's comprehensive policy for a clean, more affordable and resilient energy system, called Reforming the Energy Vision or REV. In 2016 the Governor launched the $5 billion Clean Energy Fund, or CEF, providing solutions to reduce harmful greenhouse gas emissions, improve resiliency, and make energy more affordable, delivering $39 billion in customer bill savings for New Yorkers. Currently, more than 20 new CEF initiatives are under way that further our progress toward these goals. The CEF consists of four portfolios: Market Development, Innovation and Research, NY-Sun and NY Green Bank.

Market Development is focused on reducing costs and accelerating uptake of energy efficiency and other on-site consumer solutions, while increasing private investment levels. Market Development also specifically supports initiatives that benefit low-to-moderate income households, including a commitment of at least $230 million over the first three years of the CEF.

The Innovation and Research portfolio drives clean business development promoting a robust, self-sustaining clean energy technology advancement ecosystem that will accelerate the growth and scale of new business enterprises. Since 2009, New York State has invested $14 million in six NYSERDA sponsored incubators. These incubators have assisted 153 companies, generated more than 1,100 jobs in the clean tech industry, raised more than $270 million in private investment, and brought dozens of new clean energy products and solutions to the market.

NY-Sun, a $1 billion investment in solar, continues to stimulate a self-sustaining solar industry, gradually reducing incentives as the industry builds to scale. NY-Sun is an example of REV in action and shows clear results. Since the beginning of 2012, solar deployed in New

York State has grown over 750 percent. New York is on pace to reach 1.5 gigawatts of solar energy deployment, with more than 700 megawatts installed and over 800 megawatts in the development pipeline. More than 8,100 New Yorkers worked in the solar industry in 2016. Our strategies in the solar energy sector are working in New York.

NY Green Bank, the largest green bank in the nation, works to leverage private-sector capital into clean energy. As of December 2016, NY Green Bank has closed 18 transactions totaling $305 million, which will result in approximately $1.26 billion in total clean energy projects in New York State. This includes investments that will advance energy efficiency, wind power, solar, and fuel cell projects, among other technology types, which are difficult for the private sector to finance on its own today.

NYSERDA also administers the Clean Energy Standard, or CES, which requires that 50 percent of New York's electricity come from renewable energy sources by 2030. This is the most comprehensive and ambitious clean energy goal in the state's history. In January, $360 million in awards for 11 large-scale renewable energy projects was announced. These awards will leverage almost $1 billion in private sector investment and are expected to generate enough clean energy to power more than 110,000 homes and reduce carbon emissions by more than 420,000 metric tons. The projects are spread across seven regions and include wind farms, fuel cell and hydro-electric projects, and one 50 megawatt utility-scale solar project- the largest of its kind in the state. This is the kind of progress we must make to meet the CES goals.

Offshore wind will also help New York meet the Clean Energy Standard. As recently announce, the State's objective is to develop up to 2.4 gigawatts of cost effective offshore wind by 2030 offering an enormous opportunity to spur economic development through new construction, manufacturing, and supply chain growth. The LIPA Board of Trustees recently approved a 90 megawatt development 30 miles southeast of Montauk, the nation's largest offshore wind farm, and the first in New York. The South Fork Wind Farm will provide enough clean, renewable electricity to power 50,000 Long Island homes and is out of sight from Long Island's beaches. In December, the federal Bureau of Ocean Energy Management conducted an auction of federal water development rights for wind energy that was won by Statoil Wind. The record setting auction results demonstrate a robust market interest in developing wind resources off New York's coast. NYSERDA is developing an Offshore Wind Master Plan which will be released by the end of 2017. NYSERDA will work with our partners and stakeholders as we

outline specific steps the State will take to ensure potential sites are developed responsibly, and with the interests of New Yorkers as the utmost priority.

The 2017-18 Executive Budget recommends $19.7 million funding for NYSERDA to continue energy research and development, and statewide energy planning and analysis activities. In addition to our work under the Clean Energy Fund and Clean Energy Standard, the Governor has called on NYSERDA and the Department of Environmental Conservation to undertake a comprehensive study to determine the most rapid, cost-effective, and responsible pathway to reach 100 percent renewable energy statewide.

For nearly four decades, NYSERDA has protected New York State interests at the West Valley Demonstration Project in Cattaraugus County. The Executive Budget recommends $15.6 million for ongoing nuclear waste cleanup at West Valley, an increase of approximately $2.1 million over last year's budget. Our costs at West Valley are largely dictated by a federal match requirement, and this reflects the funding level necessary to meet the federal appropriation during the 2016-2017 federal fiscal year.

A clean, affordable, resilient energy system is essential to the growth of New York State's economy – we have the talent, the natural resources, the global financial markets and a history of innovation. Under Governor Cuomo, we are putting those resources to work today for all New Yorkers.

This concludes my opening remarks. I would be happy to take any questions that you may have.