

GENERAL INFORMATION

39. Clean Energy Standard (“CES”) Collection

A. The Clean Energy Standard (CES) surcharge recovers costs associated with the procurement of Renewable Energy Credits (RECs) that supports generation by renewable sources; the purchase of Zero-Emission Credits (ZECs) that supports qualified zero-emissions nuclear power plants; the benefits and costs associated with the sale and transfer of Tier 1 VDER RECs, including H-Value RECs with applicable other customer capital rate carrying charges, as described in 39.A.i; and costs associated with Alternative Compliance Payment (ACPs), if applicable, for any shortage of RECs needed for the Company to meet its obligations from Non-Retail Access customers.

- i. The Company shall be permitted to sell excess Tier 1 VDER RECs to other New York investor-owned utilities at the same price the Company initially paid for the REC during the 2023 and 2024 CES compliance periods.

The Clean Energy Standard (CES) also recovers costs associated with: contracts signed by NYSERDA to maintain certain baseline renewable resources at risk of attrition (Tier 2 Maintenance Contracts); cash shortages that may have resulted from NYSERDA’s CES activities and cash shortages associated with the procurement of Offshore Wind generation (OSW) (Backstop Charges); through the System Benefits Charge (SBC) from all customers, including those customer with energy usage that is exempt from the SBC.

B. RECs, ZECs, and if applicable, ACPs, shall be recovered from all Non-Retail Access customers through the Supply Adjustment Charge Component as set forth in General Information Rule 25.

- i. The costs for the RECs shall be recovered by dividing the annual REC costs, including an allowance for uncollectibles, by projected kWh sales and adding to the Supply Adjustment Charge Component.
 - a. REC costs shall be reconciled on an annual basis.
- ii. The costs for the ZECs shall be recovered by dividing the annual ZEC costs, including an allowance for uncollectibles, by projected kWh sales and adding to the Supply Adjustment Charge Component.
 - a. ZEC costs shall be reconciled on an annual basis.
- iii. The costs for the ACP shall be recovered by dividing the annual ACP costs, including an allowance for uncollectibles, by projected kWh sales and adding it to the Supply Adjustment Charge Component.
 - a. ACP costs shall be reconciled on an annual basis.

C. Tier 2 Maintenance Contracts and Backstop Charges shall be recovered from all customers through the System Benefits Charge as described in Rule 4.

D. The Company shall file a CES Statement on not less than 15 days’ notice. The Statement shall set forth the surcharge rates as described in Rule 39.B. above.