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New York State Energy Research and Development Authority (NYSERDA)
Fiscal Year 2016-2017 Joint Budget Hearing Testimony
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Good morning, Chair Young, Chair 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).

Chair Zibelman has already laid out Governor Cuomo's key energy initiatives, including Reforming the Energy Vision and the Clean Energy Standard (CES). I will pick up with a discussion of NYSEDA's ten-year, \$5 billion Clean Energy Fund (CEF). The CEF will also support the nation-leading CES by accelerating the adoption of energy efficiency to reduce demand while increasing renewable energy to meet demand. It will support REV with focus on four primary outcomes: reducing greenhouse gas emissions (GHG), mobilizing private sector capital, achieving energy savings and also customer energy bill savings. 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 behind-the-meter 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 growth across five key areas - smart grid technology, renewables, high performance buildings, transportation, and cleantech startup - to meet the increasing demand for clean energy and bring new economic development to New York State.

NY-Sun, the Governor's \$1 billion commitment to solar, creates a self-sustaining solar power market in New York, reducing and ultimately eliminating incentives as the industry builds to scale. NY-Sun is an example of REV in action. Under Governor Cuomo, solar deployed in New York State has grown 300 percent through 2014. More

than 7,200 New Yorkers worked in the solar industry in 2014, an increase of more than 2,000 jobs from 2013. Our strategies are working.

NY Green Bank, the largest green bank in the nation, works to leverage private-sector capital into clean energy. To date, NY Green Bank has received over \$1 billion in investment proposals and has an active pipeline of roughly \$500 million. In 2015, NY Green Bank closed \$54 million in commitments in four high-impact, first-of-their-kind deals. These deals leveraged private sector capital at a rate of up to 5 to 1. We anticipate ultimate leverage as high as 8 to 1.

This CEF portfolio is needed - to achieve better GHG, energy, and bill savings by doing more with less. I recall Chair Zibelman's points - \$91 million in ratepayer collections reductions in 2016; a total of \$1.5 billion ratepayer reductions by 2025; \$39B in lifetime bill savings; and \$29 billion in private capital leverage over the CEF timeframe.

NYSERDA continues to streamline operations to become easier to work with. Applications for residential solar, our highest volume program, are now approved within three days, down from 28 days. We've cut the cycle time for other processes by half to two thirds. An application by a homeowner to receive a free audit can now be completed online, and by a typical homeowner in less than five minutes.

For nearly four decades, NYSERDA has protected New York State interests at the West Valley Demonstration Project in Cattaraugus County. The Executive Budget recommends \$13.5 million for ongoing nuclear waste cleanup work at West Valley, an increase of \$900,000 over last year's budget. Our costs at West Valley are largely dictated by a federal match requirement, and this amount reflects the funding level necessary to match the federal appropriation during the 2016-2017 federal fiscal year.

The 2016-17 Executive budget provides \$19.7 million in funding for NYSERDA to continue energy research and development, and statewide energy planning and analysis activities.

As a Public Benefit Corporation, NYSERDA understands the importance of full disclosure of its investments made on behalf of the public and for transparency and oversight. NYSERDA has built a robust reporting regime that reflects existing legislative, administrative, and regulatory requirements, including: Fiscal Year End Financial

Statements; Annual Budget and Financial Plan; Green Jobs-Green New York Annual Report; Quarterly Program Progress Reports; and significant reporting to the Authorities Budget Office. NYSERDA works on periodic audits with the State's Comptroller's Office and the findings from these audits are made public and provide valuable insight toward improving our procedures and internal controls. Further, the new semi-annual reports that were included as part of last year's budget provide for more frequent and detailed reporting, with regional breakdowns by county and utility service territory, for solicitations, awards, expenditures, and commitments.

A clean, affordable, reliable energy system is essential to the health of New York State's economy and our environment – we have the global talent, the natural resources, the global financial markets and a history of innovation all based here. And under Governor Cuomo, we are putting those resources to work today.

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