

To: File
From: jak
Subject: Status Report for CSC PE4 Renewable Energy Certificates
Date: 5/31/21

Task

Investigate options for the Town to purchase renewable electric energy for its municipal operations to qualify for the CSC program and for CSC PE4 points.

Background

- The Town has about a dozen electric accounts (meters) with a total annual use of about 300MWh. The Town Hall and DPW facilities are the largest accounts. Smaller accounts include pumping stations, a radio transmitter station and street lights.
- The Town currently belongs to the Municipal Electric and Gas Alliance. MEGA is a NY non-profit that combines the purchasing power of member municipal government operations to get competitive pricing from ESCOs. Constellation Energy Services is MEGA's current electric ESCO. Dryden is on Constellation's variable rate program. There is no contract term for the variable rate program.
- The CSC program requires the Town purchase RECs.
 - Purchase RECs for 25% - 49% or more of total electricity use: 2pts
 - Purchase RECs for 50% - 95% or more of total electricity use: 5
 - Purchase RECs for 96% - 100% or more of total electricity use: 12
- According to Wikipedia, Renewable Energy Credits (RECs) “are tradable, non-tangible energy commodities in the United States that represent proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource (renewable electricity) and was fed into the shared system of power lines which transport energy. Solar renewable energy certificates (SRECs) are RECs that are specifically generated by solar energy.”
- In addition to selling RECs, NYS allows renewable energy developers to build Community Solar installations and use “virtual metering” to sell the resulting energy to residences and others.

NYSEG

- NYSEG sells blocks of 250kWh of wind energy for \$5, or \$0.02/kWh. There is no contract period. The purchaser does not get the RECs. I assume NYSEG does. NYSEG provides an annual statement to the purchaser documenting the purchase.
- Next steps: none. There are other, lower cost options for the town.

Delaware River Solar (DRS)

- DRS owns the community solar project on Ferguson Road. I contacted Cindy Menges who said DRS will sell community solar energy to the Town at a discount of 10% below NYSEG's rate.
- Menges said DRS will not sell RECs to the Town. Here in Dryden they have an arrangement with NYSEG that the energy they supply to the grid from their PV projects gets credited to customer accounts, often at discount from NYSEG's energy supply rate, via "virtual metering". Also, Community Solar is not available to accounts with behind-the-meter solar generation (Town Hall and DPW both have behind-the-meter solar).
- Next steps: None at present. DRS does not qualify for the CSC program and the discounted energy is not available to the majority of the Town's electric purchases.

True Green Capital Management

- True Green owns the Willow Glen and Ellis Hollow Community Solar projects. Noah Segal from TG told me they don't sell energy or RECs to municipalities.
- Next Steps: None

New York Power Authority (NYPA)

- NYPA is a public power company created in the early 20th century to harness and distribute NY's abundant hydro resources. They sell low cost electricity to municipalities and other entities.
- NYS has recently expanded NYPA's mission to include energy efficiency improvement projects (e.g., LED streetlights) and to develop other renewable energy projects such as wind and solar.

- NYPA's Blended Power program offers "green" electricity to municipalities. We provided a list of accounts to Casey Mastro, local (Freeville) NYPA representative, and are waiting for him to give us a proposal. He told us in April that NYPA will be able to provide green electricity sometime this summer.
- Terry Carroll said NYPA's Blended Power program recently qualified for NYSERDA's CSC program.
- NYPA also offers a variety of consulting services for municipalities interested in developing renewable energy projects. I told Mastro that Dryden might be interested in developing a PV project on the 10-20 acre parcel north of the Town Hall and he said he would follow up internally on NYPA interest.
- Next steps: Follow up with the Mastro on (1) rates and conditions for sale of green energy to the Town, and (2) services that NYPA offers if the Town chose to develop the 10-20 acre parcel north of the Town Hall for solar.

MEGA/Constellation

- Constellation is a subsidiary of Exelon Energy. According to Wikipedia: "Exelon is the largest electric parent company in the United States by revenue, the largest regulated electric utility in the United States with approximately 10 million customers, and also the largest operator of nuclear power plants in the United States and the largest non-governmental operator of nuclear power plants in the world." Dryden is one of the 10 million customers.
- Dan Murphy is the local Constellation representative. He knows Jason and related to me that several years ago Jason moved the Town's electric purchases from a contract, fixed rate program to a no-contract variable rate program.
- Dan told me Constellation will sell wind power RECs to the Town for \$0.004/kWh. Customers must switch to Constellation's contract, fixed rate program. They offer contract terms of 1 and 2 years.

- Dan shared with me that Constellation’s fixed rate for electricity includes an anticipated increase in the NYS surcharge that funds renewable energy development. The variable rate does not include the anticipated surcharge increase and is currently lower than the fixed rate. It is hard to pin down the difference. Dan said many municipalities like the fixed rate because it is predictable. Here are the fixed rates Dan sent me.

Delivery Term	Start	June 2021	June 2021	June 2021
	End	June 2022	June 2023	November 2023*
Fixed Rate \$/kWh		0.04632	0.04604	0.04555

- Cassie sent me a copy of the Town’s April Constellation electric bill. The Town purchased 38,024 kWh for \$926, or about \$0.024/kWh.
- If the fixed rate adds \$0.02/kWh to our bill that would be about \$6K annually for the Town. And the \$0.004/kWh for RECs would be an additional \$1.2K.
- Next Steps: Needs discussion. Wait for NYPA? Discuss with Jason?

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