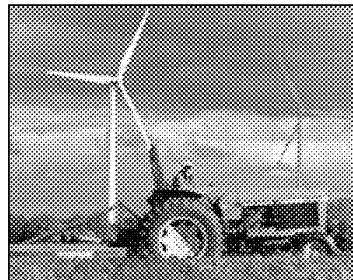
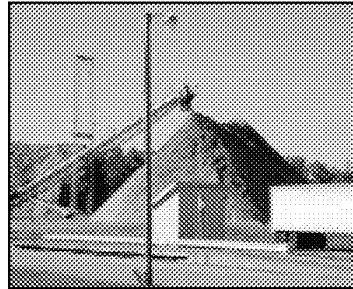
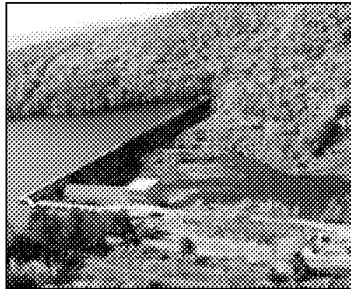


New York State Renewable Portfolio Standard

Performance Report Program Period ending March 2007



Released in August 2007
The New York State Energy Research and Development Authority
(NYSERDA)

Executive Summary

From January 1, 2006 through the first quarter of 2007 (“the reporting period”), NYSERDA and the Department of Public Service have taken several actions to implement the New York State Renewable Portfolio Standard program (RPS). Some of the major actions include the acceptance of two facilities into the RPS program as Maintenance Resources¹ and the completion of a second Main Tier competitive solicitation. In addition to the major actions taken by NYSERDA and the Department of Public Service to implement the RPS, several contracts from the first RPS Main Tier solicitation commenced during the reporting period.

The 19 Megawatt (“MW”) Lyonsdale Biomass plant located in Lewis County, NY and the 20 MW Boralex Biomass plant located in Franklin County, NY were both accepted into the RPS program as Maintenance Resources during the reporting period. As a result of the financial support that will be provided to these two plants under the RPS, New York will enjoy the retention of 39 MW of valuable base load energy capacity along with several dozen full and part time jobs.

During calendar year 2006, NYSERDA paid production incentives on approximately 582,000 Megawatt hours (“MWh”) of production from five renewable energy facilities awarded contracts from the first Main Tier solicitation. While contractors from this solicitation were required to build 254 MW of new renewable capacity, more than 344 MW was actually built and is currently operating. This was due in large part to a 90 Megawatt expansion of the Maple Ridge wind farm located in Lewis County, NY, taking it to 321 Megawatts to become the second largest wind farm in North America.²

Early in the first quarter of 2007, NYSERDA announced that twenty new renewable electric generating facilities in New York were selected in the second Main Tier competitive solicitation. The diverse award group includes ten existing hydroelectric facilities that have been or will be upgraded, nine new wind facilities, and one biomass facility planning to displace coal with biomass as a fuel to produce electricity. While contractors from this second solicitation will be required to build 583 MW of new renewable capacity, project sponsors have indicated that their project plans call for more than 862 MW of new renewable capacity.

When combining the results of the first two Main Tier solicitations with the capacity above that under contract with NYSERDA, the total new renewable capacity associated with the RPS program could exceed 1,206 MW by the fall of 2008. This total renewable capacity is expected to produce approximately 3.6 million MWh of electricity per year, or enough clean energy to supply 600,000 average size homes.

NYSERDA estimates that more than \$1.9 billion will be invested to construct the New York based renewable generation facilities awarded contracts under the RPS. These investments have the potential to yield more than \$720 million of in-state economic benefits over a 20-year period. In addition to these significant economic benefits, the facilities awarded contracts under the RPS

¹ The Maintenance Resource category was created as a subset of the Main Tier. It is designed to provide as needed support to renewable facilities in service prior to January 1, 2003.

² Based on 2006 figures released by the American Wind Energy Association

will provide added environmental benefits, with potential reductions of 2,000 tons of nitrogen oxides, 4,400 tons of sulfur oxides, and 1.3 million tons of carbon dioxide per year.

Program Highlights

- The RPS program has helped to support the construction of the 321 MW Maple Ridge Wind Farm located in Lewis County, NY, which at that time made the project the second largest wind farm in North America.
- New renewable capacity installed since the onset of the RPS program could exceed 1,206 MW by the end of 2008, of which 1,184 would be located in New York.
- It is estimated that \$1.9 billion will be invested in New York by the end of 2008 to finance this 1,184 MW of new in-state renewable capacity.
- The estimated economic benefits that could accrue to NY with these in-state investments could exceed \$720 million over the next 20 years.
- Bid prices contracted under the second Main Tier solicitation were more than 30% lower than under the first Main Tier solicitation (\$15 per megawatt hour compared to \$22.90 per megawatt hour).