New York State Biomass Policies and Instruments

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New York State Biomass Policies and Instruments, 2000 – 2013

Tax Policy:

**Solar, Wind and Biomass Systems Exemption** – The law intends to encourage the installation of solar, wind and farm-waste energy equipment systems and to ensure property owners that their real property taxes will not increase as a result of the installation of these systems. The amount of the exemption is equal to the increase in assessed value attributable to the solar, wind or farm-waste energy system.

Rules and Regulations:

**Green Building Requirements for Municipal Buildings (NYC)** – City funded new construction or substantial reconstruction projects with an estimated cost of more than $2 million must meet LEED Silver Certification standards; except Schools (G) and Hospitals (H-2) need only meet LEED Certification standards. Other requirements vary by technology and capital cost.

**Renewable Power Procurement Policy** – The renewable-power procurement component of this order commits the state government to purchase a portion of its electric power from renewable energy resources - at least 10% from resources such as wind, solar thermal, photovoltaic (solar electric), sustainably managed biomass, tidal, geothermal, methane waste and fuel cells by 2005, increasing to 20% by 2010. State entities can fulfill their renewable power procurement obligations through on-site generation or by purchasing renewable energy on the open market.

**Environmental Disclosure Program** – The New Mexico Renewable Energy Production Tax Credit provides a tax credit against the personal income tax of one cent per kilowatt-hour for companies that generate electricity from wind or biomass. $0.01/kWh for wind and biomass. Wind and biomass: First 400,000 MWh annually for 10 years (i.e. $4,000,000/year). Total generation from both the corporate and personal tax credit programs combined must not exceed two million megawatt-hours of production annually.

**Renewable Portfolio Standard** – New York’s RPS has a target of 25% by 2013. Of this, approximately 19.3% of the target will be derived from existing (2004) renewable energy facilities and one percent (1%) of the target is expected to be met through voluntary green power sales. Additionally, This proceeding was instituted on February 19, 2003, to explore the development of a renewable portfolio standard (RPS), which is a program to increase the proportion of renewable energy that is consumed by retail customers in New York State. The development of additional renewable energy resources is a long-standing energy policy objective of the State. The 2002 State Energy Plan (June 2002) warned of the possible consequences of New York's fossil fuel dependency, noting that the State's primary sources of energy are imported, to a large degree, from abroad, have significant long-term environmental effects, and ultimately face depletion.

Disbursements:

**System Benefits Charge** – $1.86 billion through 2011 - New York's system benefits charge (SBC), established in 1996 by the New York Public Service Commission (PSC), supports energy efficiency, education and outreach, research and development, and low-income energy assistance. To support the SBC program, the state's six investor-owned electric utilities collect funds from customers through a surcharge on customers' bills. Each year from 2006-2011, each utility must collect and remit to the New York State Energy Research and Development Authority (NYSERDA) a sum equal to 1.42% of the utility's 2004 revenue.
Market Activity:

**New York Net Metering** – 10 kW for solar; 25 kW for residential wind; 125 kW for farm-based wind; and 400 kW for farm-based biogas. Generally credited to customer's next bill at utility's retail rate. (NEG associated with wind turbines greater than 10 kW is credited monthly at avoided-cost rate). Accounts reconciled annually at avoided-cost rate.

Research and Development:

**Biomass Resource Program** – The Biomass Resources Program emphasizes the use of low-cost waste biomass such as agricultural and forestry waste streams to products including fuels and chemicals. Projects that convert biomass to fuels, chemicals, and energy products use methods that include anaerobic digestion, acid or enzyme hydrolysis, gasification, pyrolysis, and combustion. The largest source of biomass is wood and wood wastes, a renewable and sustainable resource. Moreover, evaluates the energy-efficiency and emissions performance of a wide range of conventional and advanced biomass-fired heating technologies; evaluate the energy, moisture, and chemical composition of biomass fuel feed stocks; develop advanced boiler technologies by supporting R&D and commercialization efforts with New York manufacturers; demonstrate advanced technologies in representative applications; provides objective, scientific information for the development of high-efficiency and low-emission biomass heating initiatives in New York State.

Government Services:

**LIPA – Renewable Electricity Goal** – The initiative is outlined in LIPA’s 2004-2013 Energy Plan, Appendix E-1 – Status Report, approved in June 2004, and states an intention to comply with the state requirement that 24% of electricity generation come from renewable resources by 2013. For LIPA, this will entail an 8-10% increase in renewable energy procurement, met through periodic requests for proposals (RFPs) for renewable generation.

Cost-Share and Grants:

**High-Efficiency Biomass Heating Technologies** - Nine projects valued at more than $2.5 million will compare energy and emissions performance for wood-burning equipment, including residential and commercial wood boilers, pellet stoves, wood stoves, and emerging grass-pellet technologies. NYSERDA’s program will perform a comprehensive scientific evaluation of several different advanced and conventional biomass technologies to characterize emissions and energy efficiency in specialized combustion laboratories. The technologies to be evaluated include both residential- and commercial-scale boilers with various fuel types under different operating conditions.