

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on February 12, 2026

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan, recusing
Radina R. Valova

CASE 15-E-0302 - Proceeding to Implement a Large-Scale Renewable
Program and a Clean Energy Standard.

CASE 18-E-0071 - In the Matter of Offshore Wind Energy.

ORDER APPROVING OFFSHORE WIND IMPLEMENTATION PLAN

(Issued and Effective February 13, 2026)

BY THE COMMISSION:

INTRODUCTION

On October 2, 2025, the New York State Energy Research and Development Authority (NYSERDA) filed a proposed Offshore Wind Implementation Plan (the Proposal) with the Public Service Commission (Commission). Among other things, the Proposal would enable NYSERDA to manage the sale of offshore wind (OSW) renewable energy certificates (ORECs) in three distinct offerings to voluntary, third-party purchasers. These offerings would include a long-term contracting option, a pre-sale option, and a re-sale option, and would provide NYSERDA with OREC income which would be used to reduce ratepayer impacts of the OSW program. The Proposal also includes the implementation of a load ratio share basis for billing load serving entities (LSEs),

and a reconciliation process, both of which are also part of the current Tier 1 program. In this Order, the Commission approves NYSERDA's Proposal as described herein.

BACKGROUND

In the Clean Energy Standard (CES) Framework Order, the Commission established the CES to increase the State's renewable energy supply and to preserve New York's existing zero-emissions generation.¹ Regarding OSW, the CES Framework Order stated that New York is fortunate to have a substantial potential for OSW production and that the State has the opportunity to exploit its geographic advantage to develop OSW and promote the beneficial attendant economic activity associated with the then-burgeoning industry. The Commission directed NYSERDA to identify the appropriate mechanisms to utilize to achieve this objective, resulting in NYSERDA filing the Offshore Wind Policy Options Paper in January 2018. The Commission subsequently issued its Order Establishing Offshore Wind Standard and Framework for Phase 1 Procurement on July 12, 2018, which adopted the goal to procure 2,400 megawatts (MW) of OSW capacity by 2030.² The Commission authorized NYSERDA to hold initial procurement solicitations in 2018 and 2019, for an aggregate of approximately 800 MW, or more, of OSW capacity. NYSERDA launched its inaugural solicitation for OSW (ORECRFP18-1) in November 2018, and in response to this initial procurement, NYSERDA successfully contracted for 1,696 MW of OSW

¹ Cases 15-E-0302 et al., Order Adopting a Clean Energy Standard (issued August 1, 2016) (CES Framework Order).

² Case 18-E-0071, Offshore Wind Energy, Order Establishing Offshore Wind Standard and Framework for Phase 1 Procurement (issued July 12, 2018).

capacity in October 2019.³ On April 23, 2020, to maintain New York's trajectory towards meeting its clean energy goals, the Commission authorized NYSERDA to issue an additional OSW solicitation for up to 2,500 MW of additional OSW capacity.⁴

THE PROPOSAL

The Proposal describes the three approaches that would be available to potential third parties interested in obtaining ORECs for their own purposes. Any revenue NYSERDA receives from these OREC sales would be recognized as revenue for the purpose of the LSE OREC obligation reconciliation and, as such, would reduce the total cost of the OREC program to ratepayers. The first of these three approaches is a long-term contracting option whereby NYSERDA would enter into voluntary long-term contracts with creditworthy entities for the purchase of ORECs. The terms and conditions of the contracts would include, but not be limited to, contract length, OREC quantity, OREC price, and payment terms. Under all voluntary long-term contracts, participants would purchase ORECs at no less than NYSERDA's net-weighted average cost to procure, plus any administrative adder approved by the Commission for that compliance year. Second, the Proposal includes a voluntary pre-sale option that would permit NYSERDA to hold an OREC sale prior to the start of the next OREC compliance year. Through this pre-sale, NYSERDA would offer a percentage of the net expected OREC inventory for the following compliance year for sale. The length of the pre-sale period would be fourteen days, according to the Proposal. NYSERDA proposes to allocate the ORECs based upon the following:

³ Case 18-E-0071, NYSERDA's Launching New York's Offshore Wind Industry: Phase 1 Report (filed October 23, 2019).

⁴ Case 18-E-0071, Order Authorizing Offshore Wind Solicitation in 2020 (issued April 23, 2020).

(1) if the total demand for ORECs were to be below the expected voluntary ORECs pre-sale inventory, each purchaser would be allocated a quantity of ORECs equal to their order quantity; or (2) if total demand were to be above the expected OREC inventory, each purchaser would receive a pro-rata share of ORECs based upon their total order quantity. Finally, NYSERDA also requests the ability to hold a Voluntary OREC re-sale at the end of each compliance year if NYSERDA were to have a sufficient volume of ORECs, and there is sufficient demand for the ORECs. While NYSERDA believes that the proposed Voluntary OREC pre-sale approach would meet the needs of both the prospective market participants and NYSERDA, it is possible that there could be additional sufficient demand for ORECs from voluntary purchasers after the end of the calendar year. NYSERDA proposes to consult with Department of Public Service (DPS) Staff before initiating any such voluntary re-sales.

Similar to the CES Tier 1 program, the OSW program would require LSEs to purchase from NYSERDA their load ratio share of the ORECs purchased annually by NYSERDA. Each year NYSERDA would determine, in collaboration with DPS Staff, the dollar per megawatt hour (MWh) charge (the LSE OREC rate) owed by each LSE for the next compliance year. The LSE OREC rate would be used by all LSEs and NYSERDA to determine the monthly payment an LSE would be responsible for making to NYSERDA. This billing and payment mechanism would utilize the "pay-as-you go" process that was implemented under the ZEC Implementation Plan.⁵ This approach would ensure that NYSERDA has the necessary funds to meet its contractual obligations to OREC suppliers while procuring ORECs to fulfill the goals of the CES. Appendix A

⁵ Case 15-E-0302, Order Approving Zero-Emissions Credit Implementation Plan With Modifications (issued September 20, 2019).

contained in the Proposal includes the OREC Purchase and Sale Agreement that NYSERDA would utilize to effectuate the purchase of ORECs from NYSERDA by LSEs.

Regarding the LSE reconciliation process, the Proposal recommends that this occur after the OREC compliance year ends on December 31 each year. NYSERDA would reconcile financial obligations to OREC contracted suppliers and would offset the total financial obligation to OREC contracted suppliers with any OREC long-term Contract Revenue, as well as any OREC Annual pre-sale or re-sale revenue, to determine the net LSE financial obligation. NYSERDA would reconcile the funds collected from each LSE to the net LSE financial obligation necessary to meet their requirement based on the Version 2 load data that is provided by the New York Independent System Operator, Inc. and recorded in the New York Generation Attribute Tracking System (NYGATS). This load would also be adjusted for load modifiers. As explained in the Proposal, this reconciliation would account for the actual adjusted statewide load, the actual number of ORECs purchased by NYSERDA, the actual price paid by NYSERDA for those ORECs, and any OREC revenue from the long-term or annual voluntary sales. NYGATS account holders, including LSEs, would not be allowed to transfer ORECs transferred from NYSERDA for compliance purposes as a result of the reconciliation process.

Included in the Proposal is a reference to both the New York Power Authority (NYPA) and the Long Island Power Authority (LIPA), which currently support New York State's renewable energy goals through operation of the State's large hydropower assets and participation in some NYSERDA-administered CES programs respectively. Regarding ongoing reporting, NYSERDA proposes to include ORECs in its CES progress reports to DPS, including the biennial review, NYSERDA's quarterly and annual

financial administrative reporting, and other applicable filings.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (Notice) was published in the State Register on November 5, 2025 [SAPA No. 15-E-0302SP72]. The time for submission of comments pursuant to the SAPA Notice expired on January 5, 2026. No comments were received.

LEGAL AUTHORITY

The Commission's authority derives from the New York State Public Service Law (PSL), through which numerous legislative powers are delegated to the Commission. Pursuant to PSL §5(1), the "jurisdiction, supervision, powers and duties" of the Commission extend to the "manufacture, conveying, transportation, sale or distribution of ... electricity." PSL §5(2) requires the Commission to "encourage all persons and corporations subject to its jurisdiction to formulate and carry out long-range programs, individually or cooperatively, for the performance of their public service responsibilities with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources."

PSL §66(2) provides that the Commission shall "examine or investigate the methods employed by [] persons, corporations and municipalities in manufacturing, distributing and supplying ... electricity ... and have power to order such reasonable improvements as will best promote the public interest, preserve the public health and protect those using such ... electricity ...". Further, PSL §65(1) provides the Commission with authority

to ensure that "every electric corporation and every municipality shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and, in all respects, just and reasonable." The Commission also has authority to prescribe the "safe, efficient and adequate property, equipment and appliances thereafter to be used, maintained and operated for the security and accommodation of the public" whenever the Commission determines that the utility's existing equipment is "unsafe, inefficient or inadequate."⁶ PSL §4(1) also expressly provides the Commission with "all powers necessary or proper to enable [the Commission] to carry out the purposes of [the PSL]" including, without limitation, a guarantee to the public of safe and adequate service at just and reasonable rates,⁷ environmental stewardship, and the conservation of resources.⁸

DISCUSSION

The OSW program is a critical component of the CES, and the Proposal put forth by NYSERDA contains the necessary processes and timelines to effectively manage the OSW program. The three OREC purchasing approaches described above provide adequate programmatic detail, and these sales will help to reduce ratepayer costs by reducing the total LSE obligation reflected in NYSERDA's costs to purchase ORECs from OSW

⁶ PSL §66(5).

⁷ See *International R. Co. v Public Service Com.*, 264 AD 506,510 (1942).

⁸ PSL §5(2); see also, *Consolidated Edison Co. v Public Service Commission*, 47 N.Y.2d 94 (1979) (overturned on other grounds) (describing the broad delegation of authority to the Commission and the Legislature's unqualified recognition of the importance of environmental stewardship and resource conservation in amending the PSL to include §5).

generators. The sale processes described herein are almost identical to those included within the Tier 1 program put into effect for the 2025 program year.⁹ It should be noted that NYSERDA reported that its first Tier 1 pre-sale offering took place in 2024, and resulted in approximately \$1.5 million in ratepayer savings.¹⁰

The OSW Standard obligates each LSE to serve its retail customers by procuring new OSW resources, evidenced by the procurement of ORECs from NYSERDA. With respect to the billing and payment structure, similar to the Tier 1 program, the OREC Implementation Plan applies the load ratio share obligation for cost recovery as required by the Commission. As referenced above, this is based on the "pay-as-you go" process that was implemented under the ZEC Implementation Plan. In that process, the total cost to all LSEs is based on the quantity and cost of ORECs purchased by NYSERDA, less any sales made through the three voluntary sales processes described above. LSEs are required to make payments to NYSERDA based on their load share, therefore a uniform wholesale per MWh charge is applied to each LSE's actual wholesale load to calculate its monthly OREC obligation payments.

Similar to Tier 1, there is a final reconciliation process that will occur in June, following the close of the OREC compliance period on December 31 of each year. NYSERDA would reconcile financial obligations to OREC contracted suppliers and then offset the total financial obligations to OREC contracted suppliers with any revenue received from Long-term contracts,

⁹ Case 15-E-0302, Order Modifying Clean Energy Standard Tier 1 Obligations (issued April 20, 2023).

¹⁰ NYSERDA, Voluntary Sales - Vintage 2025, Voluntary Pre-Sale, available at: <https://www.nyserdera.ny.gov/All-Programs/Clean-Energy-Standard/Voluntary-REC-Sales/Tier-1-REC-Voluntary-Sale/2025-Voluntary-Sales>.

pre-sales, and re-sales. NYSERDA would also reconcile funds collected from each LSE to the net LSE financial obligations necessary to meet their requirement, based on load data provided by the New York Independent System Operator, Inc. NYSERDA shall include ORECs in its CES progress reports to DPS Staff, including the biennial review, NYSERDA's quarterly and annual financial administrative reporting, and other applicable filings.

Finally, as noted above, NYPA and LIPA are considered participants in the CES and therefore may choose to purchase ORECs through the approaches described herein or some other NYSERDA mechanism.

The Commission orders:

1. The Offshore Wind Implementation Plan, filed by the New York State Energy Research and Development Authority on October 2, 2025, is approved, as discussed in the body of this Order.

2. The New York State Energy Research and Development Authority shall report on Offshore Wind Renewable Energy Certificate acquisition and financial impacts within its Clean Energy Standard progress reports, which include the Clean Energy Standard Biennial review, as well as the New York State Energy Research and Development Authority's quarterly and annual financial administrative reporting.

3. These proceedings are continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary