August 13, 2019

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

MEMORANDUM IN SUPPORT: A.4294 / S.23

In Relation to Maintaining the Continued Viability of the State’s Existing Large-Scale, Renewable Energy Resources

Dear Governor Cuomo:

Gravity Renewables, Inc. (Gravity) supports A.4294/S.23 and urges its immediate passage. This bill would allow New York State to maintain its existing baseline of renewable electricity generators. This support of existing renewable energy facilities will help to save the jobs that these generators have created, encourage generators to sell their renewable energy credits in New York rather than out-of-state, and allow New York to achieve state goals at the lowest cost to ratepayers.

About Gravity

Gravity is an investor-backed owner, operator, and developer of small hydroelectric power plants in the United States. Gravity brings long-term, cost-effective clean energy to electricity consumers, helps conserve and restore historical sites, and promotes educational and recreational opportunities in the communities it serves. Gravity currently owns or coordinates the power marketing activities on twelve New York hydroelectric facilities. In addition to the New York facilities, Gravity is building a growing portfolio of small hydropower resources nationwide, including ten facilities in New England, one in North Carolina, and one in Virginia.

Gravity is actively working to connect the benefits of small hydroelectric projects with municipalities, counties and leading academic institutions within New York. Gravity currently has
a substantial impact on many New York communities with the hydroelectric plants that it either owns or coordinates the power marketing activities. The following is a summary of the localized impact of Gravity’s New York fleet.

<table>
<thead>
<tr>
<th>County</th>
<th># of Plants</th>
<th>Est. kWh</th>
<th>Regional Equivalent of Households Receiving Renewable Energy*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>1</td>
<td>35,795,000</td>
<td>4,429</td>
</tr>
<tr>
<td>Saratoga</td>
<td>2</td>
<td>24,564,000</td>
<td>3,039</td>
</tr>
<tr>
<td>Seneca</td>
<td>2</td>
<td>16,796,000</td>
<td>2,078</td>
</tr>
<tr>
<td>Lewis</td>
<td>2</td>
<td>4,800,000</td>
<td>594</td>
</tr>
<tr>
<td>Columbia</td>
<td>1</td>
<td>3,521,000</td>
<td>436</td>
</tr>
<tr>
<td>Hamilton</td>
<td>1</td>
<td>3,500,000</td>
<td>433</td>
</tr>
<tr>
<td>Greene</td>
<td>1</td>
<td>2,836,000</td>
<td>351</td>
</tr>
<tr>
<td>Essex</td>
<td>1</td>
<td>2,500,000</td>
<td>309</td>
</tr>
<tr>
<td>Dutchess</td>
<td>1</td>
<td>1,800,000</td>
<td>223</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>96,112,000</strong></td>
<td><strong>11,892</strong></td>
</tr>
</tbody>
</table>

*Based on 2009 US Energy Stats.

**Small hydro is a vital – if often overlooked – part of the existing baseline of renewables**

Small hydro is a foundation of New York’s economy. Cities and towns were sited based on the untapped power available from the rivers. The exit signs along the interstates north and west of Albany bear testament to this history - Seneca Falls, Lyons Falls, Baldwinsville, Mechanicsville, Stillwater, Potsdam, Beacon Falls, Hoosick Falls are all sites of small hydro facilities.

Small hydro in New York delivers all of the benefits that other renewable technologies do and more. Through reinvestment in environmental improvements and capital maintenance, the lifespan of a small hydro station can far exceed the expected life of other renewable energy resources.

Small hydro provides more than just long-lived, distributed clean energy. From an economic development perspective, each functioning 1 megawatt project supports approximately 1 full-time job, several part-time jobs and between $50,000 and $100,000 annually in local economic development. In addition, these projects are ideally suited in size and production profile to support direct contracting with commercial power consumers in the state. Located on the state’s waterways and in urban settings, these projects provide unique benefits to the state’s taxpayers including dam maintenance and repair, recreational opportunities for residents and tourists, and promoting environmental stewardship through watershed management and fish passage programs. It creates regional economic development through creating jobs, strengthening the tax base and promoting spending, all while protecting taxpayers from the opportunity costs from assuming control of abandoned small hydro sites.
Comments in support of A.4294 and S.23

New York has a 50% by 2030 renewable electricity mandate established by the Public Service Commission. The Governor proposed a more aggressive goal of 70% renewable electricity by 2030 in the 2019-20 Executive Budget. Achieving these goals will require use of the full range of renewable technologies. It will require building new renewables as well as retaining existing projects. We need adequate pricing signals for existing projects to remain in operation, as this bill sets out.

In 2016, twenty-four percent of the State’s electric load was supplied by renewable resources, all while supporting over 22,000 jobs in the renewable generating sector. Should these existing resources fall out of operation, New York State will lose valuable jobs. By ensuring that the utilities are responsible for procuring renewable energy from existing facilities, this bill would help to keep those facilities in operation.

In addition, this bill would help New York get to 50% by retaining existing clean attributes in state. Currently, New York does not allow existing generators to participate in state procurements, but RPS programs in neighboring states do. This has led to numerous generators exporting their RECs to the New England market and created the imminent threat of losing more of our baseline clean energy generation to out-of-state customers, which this bill is intended to remedy. Furthermore, a recent study performed by Synapse Energy Economics shows the substantial cost savings of retaining our existing renewable generation rather than building additional new facilities.

This bill will also ensure fuel diversity for the State’s energy portfolio, providing energy security, system reliability, and protection to consumers from potential price spikes or shortages.

For the above reasons, Gravity supports this legislation and urges its signing. For more information contact Jonathan Miller, Director of Markets and Analytics, at 303-615-3102.

Dated: August 13, 2019

Respectfully submitted,

Jonathan Miller
Director of Markets and Analytics
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