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August 14, 2015

Hon. Kathleen H. Burgess
Secretary to the Commission
NYS Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

**Re: Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund
Comments on the Clean Energy Fund Supplemental Filing**

Dear Secretary Burgess,

As New York State's largest general farm organization, New York Farm Bureau (NYFB) appreciates the opportunity to comment on the New York State Energy Research and Development Authority's "Clean Energy Fund Supplemental Filing." Our members represent all types of commodities, all size farms, and are located across the entire state from very rural areas to locations that could be considered urban. Some of these farms are already generating renewable energy—ranging from anaerobic digesters and biomass, to small wind and solar—and other farms are considering how energy generation or increased energy efficiency would work into their long-term business and land use plans.

New York is the home to 35,500 farms in all corners of the state and our farmers are responsible for the stewardship of one-quarter of the state's landmass. In fact, these farms are often located in ideal locations to help strengthen the resiliency of our energy grid, and in doing so, can help cut down on their own energy costs and increase farm profitability. Farms have a large potential contribution to make to the state's overall energy system and we are pleased that both NYSERDA and the Public Service Commission (PSC) recognize the value of New York's farm businesses.

Given the anticipated changes forthcoming from the "Reforming the Energy Vision" process the Public Service Commission is undergoing, coupled with the new Clean Energy Fund plans, there is significant uncertainty right now for farmers looking at the future of clean energy in the state. While NYFB respects the revolutionary process the state is undergoing to look at and re-think the entire energy system, at the same time this makes it difficult for our farmers to provide the most meaningful feedback. Because there are so many unknowns at this time, we encourage both NYSERDA and PSC to remain in close contact with the agricultural community throughout this process as more defined directions are determined to receive ongoing feedback and insight from farmers. This will help ensure the most effective results in meeting the state's goals and providing a benefit to consumers and farms simultaneously.

Agriculture Programs

Up to this point, NYSERDA has focused energy assistance to farms in the form of energy efficiency information and audits and incentives for installation of renewable energy generation. NYFB encourages

NYSERDA to continue to place a high priority on agricultural energy efficiency going forward in the following areas: 1) assistance in evaluating energy usage and areas for possible savings, like today's energy audits, 2) financial and technical assistance for farm updates to increase energy efficiency, and 3) research and distribution of information on new and evolving technologies and best management practices to enhance on-farm energy efficiency.

Farmers in New York report higher energy costs on average than many of their counterparts in other states and energy efficiency is one important way to help our farmers maintain a competitive edge in the marketplace. Lowering on-farm costs is key to long-term farm profitability and the energy efficiency assistance provided by NYSERDA in the past will continue to be an important need for agriculture. In addition, research to find new ways to enhance efficiency on farms—either by technology that can be utilized or simply by changing management practices—is a role that NYSERDA is well suited to play.

Strengthening Farm Partners with Technical Assistance, Education and Outreach

NYFB is very supportive of plans outlined in this section for both Technical Assistance for Farm Management Best Practices and Technical Assistance for Controlled Environmental Agriculture. These are areas where NYSERDA could make a significant difference on farms in conserving energy, which can help reduce business costs. Utilizing Cornell Cooperative Extension (CCE) and the Department of Agriculture and Markets (DAM)—and possibly coupling education and outreach with other established programs—is a good delivery method for farms. CCE and DAM already work closely with farms and have established trusting and successful relationships.

The easier it is for farms to understand changes, see how they will affect the bottom line, and receive technical assistance for implementation, the more widely they will be adopted. A format like DAM's Agricultural Environmental Management (AEM) program, that provides a step-wise approach to making positive changes over time, should be considered for energy efficiency on farms. Controlled environmental agriculture has great potential for growth in the state and would allow New York farmers to lengthen our short growing season and make our specialty crop sector more competitive with states that have much longer seasons. Energy costs in this sector are one of the major limiting factors to expansion.

Piloting and Demonstrating New Technologies

NYFB recognizes the important part that NYSERDA can play in piloting and demonstrating new technologies so that farmers have objective information to evaluate, but we do hope that this will extend beyond just energy use on farms to include energy generation systems as well. While the marketplace should allow and provide for many choices, there are some technologies that would lend themselves to piloting that would provide valuable information to farmers in selecting what technology might work best for their specific circumstances.

Evolution of Previously Authorized Agriculture Programs

While NYFB appreciates NYSERDA's recognition of the need for a transition between previously authorized programs and the future programs anticipated post-REV, we fear that preserving the existing incentive programs at the current levels for two years will not be enough. We have previously recommended in a letter to the Governor on April 24, 2015, which was copied to NYSERDA and PSC, that these programs be continued for at least another three years, and possibly longer. These are valuable programs serving New York farms and deserve to be continued until the results of the REV process are well established and implemented and the state and farmers together are able to evaluate which programs will be needed in the future to ensure energy efficiency and energy generation.

We do not feel that two years is enough time for REV to be completed and for an economically viable market-based solution to be in place that will continue to provide for the growth of on-farm energy generation. ***For this reason, we believe NYSERDA's plan for a transitional program that would offer the new initiatives outlined in the proposal, along with energy efficiency audits and technical assistance, will not be robust enough to maintain a positive momentum for the agricultural sector and we urge the authority to re-evaluate this plan in conjunction with the on-site power production incentives.***

On-Site Power Production

Emerging On-Site Power Technologies (ADG, Fuel Cells and Small Wind)

We are pleased to see NYSERDA's stated goal to increase the production and use of Anaerobic Digester Biogas, as this type of power production has huge potential to be implemented on many of our state's dairy farms, but has so far not been widely adopted and remains expensive and often difficult to maintain. It is obvious that incentives alone have not led to more widespread adoption by livestock farms, but abandoning these programs would be premature without a more thorough evaluation of the barriers that are still present.

NYFB supports NYSERDA's approach to engage stakeholders and the Clean Energy For Agriculture Task Force in the coming year to better evaluate what approaches would improve digester adoption and we look forward to working with the authority on recommendations. Additionally, plans to focus on developing soft-cost reduction strategies and expanded revenue streams for on-site power production and new business models is supported by NYFB and can help chip away at some of the barriers to adoption that our farmers report.

While on-site power production has normally off-set farm energy usage, there is great potential for energy generation to sustain a larger area than just a single farm and evaluation of these opportunities should also be part of NYSERDA's consideration of agriculture's place in the overall picture of the state's energy system. It can be imagined that one farm—or a collection of farms—could use waste to generate power for their community and we encourage this potential to be integrated into all of NYSERDA's future programs, pilots and research.

Clean Energy For Agriculture Task Force

New York Farm Bureau applauds the creation of a Clean Energy for Agriculture Task Force and takes its role in serving on this Task Force seriously. Chaired jointly by NYSERDA and the DAM, this body has a diverse representation of the industry that can easily call on the expertise of farmers and other energy professionals to thoroughly review ideas and clarify recommendations to ensure the state moves forward in the right direction.

While it is very important for this Task Force to identify clean energy benefits and barriers and develop collaborative initiatives to achieve these benefits, we anticipate the group's most important work will be in evaluating and recommending incentives to overcome barriers to adoption for farmers. We remain a long way off from the economics penciling out on farms for a truly market-based system that incentivizes on-farm energy generation installation. Much innovation, research and thought will have to be invested into creating a successful market-based system with no financial incentives from the state, so in the meantime it is important that the momentum behind on-farm energy generation installation does not stall. The Clean Energy for Agriculture Task Force and stakeholder engagement will be important throughout the coming year to ensure that agriculture can reach its potential in contributing to the state's new energy vision.

Conclusion

NYFB appreciates that NYSERDA has thoughtfully considered the future of agricultural energy efficiency and on-site production in the CEF proposal. Many farms in the state are well positioned to reduce energy usage and/or begin generating renewable energy or increase their current generation if we can overcome some of the financial and technological barriers that exist.

However, we remain concerned that adequate time has not been planned for a transition from the current programs offered by the state to the new vision that has not yet been made clear. We strongly urge NYSERDA, PSC and the state to approach with caution the ending of any current programs until and unless the new energy vision for the state is clear and has been fully implemented so that farm businesses can successfully enter the envisioned market-based system without a collapse of agriculture's involvement.

We look forward to working with NYSERDA and the PSC in developing a plan that will work for the state, our farms and for consumers. Thank you in advance for considering these concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean E. Norton", with a long horizontal flourish extending to the right.

Dean E. Norton
President