

## New York State Mandated Electric Surcharge Increase

“As your load serving entity (LSE), NYMPA is obligated under the State of New York’s Clean Energy Standard (CES) to purchase Renewable Energy Certificates (REC’s) from NYSERDA to support the development and operation of renewable energy projects in the State (generally wind and solar). NYMPA passes these costs through to each individual system based upon your system load, and you, in turn, pass these charges on to your retail customers, either as part of your ppac, or as an individual line item on the customer invoice.

REC’s are priced in dollars per MWh. The amount of REC’s NYMPA must purchase is based on a mandated percentage of NYMPA’s total load, which is simply the cumulative total of all of the member system loads. This percentage requirement has been steadily increasing each year since 2016. In 2023, that percentage was **6.16%** of total load. In 2024, the required percentage increased to **6.45%** (0.0645 x total MWhs), thereby effectively increasing the number of REC’s NYMPA is obligated to purchase. We notified you of that increase last fall and built it into your 2024 system budgets.

Because historically there have not been a sufficient number of REC’s available for purchase, the CES requires NYMPA and other LSE’s to make so called “alternative compliance payments” (ACP’s) in lieu of REC’s at a price determined annually by NYSERDA. Due to the lack of available REC’s, NYMPA’s monetary obligations are typically more dependent on the ACP price than REC prices. On 12/22/23, NYSERDA announced that the ACP price for 2024 is **\$45.39** per MWh, up substantially from **\$31.89** per MWh in 2023. This increased ACP price will be reflected in a higher charge on your January NYMPA invoices.”