



## **Testimony of Zack Dufresne, Executive Director, New York Solar Energy Industries Association (NYSEIA)**

### **to the Corporations, Authorities, and Commissions, Energy, and Environmental Conservation Committees**

#### **2022 Hearing on Role of State Authorities in Renewable Energy Development July 28, 2022**

Thank you for the opportunity to provide testimony on the role of New York State authorities in renewable energy development.

New York Solar Energy Industries Association (NYSEIA) is a nonprofit industry trade association proudly representing hundreds of distributed solar and storage businesses with thousands of employees across the Empire State. Our mission is to advance and accelerate distributed solar energy and energy storage deployment in New York State through engagement on key legislative, regulatory, and statutory policy matters affecting these industries. Our membership is primarily composed of local, regional and national firms working every day to help achieve the ambitious clean energy and equity goals outlined in the Climate Leadership and Communities Protection Act (CLCPA).

Our testimony is focused on:

- I. Background**
  - a. Solar job growth**
  - b. Pace of solar deployment**
  - c. Private-public partnership opportunities for cost reduction and benefitting disadvantaged communities**
- II. Comments on the Build Public Renewables Act (BPRA)**
- III. Conclusion, with topics for clean energy reform not addressed by the BPRA**
  - a. Interconnection**
  - b. Permitting**
  - c. Taxation**

#### **I. Background**

**The solar industry is currently one of New York’s largest and fastest growing job sectors, employing over 12,000 workers in the Empire State.<sup>1</sup> According to the US Bureau of Labor Statistics’ most recent projections, solar installer will continue to be among the top five fastest**

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<sup>1</sup> NYSEIDA, [New York Clean Energy Industry Report](#). 2021.



growing occupations in the United States over the next ten years.<sup>2</sup> Solar projects contracted via New York Power Authority (NYPA) as well as utility-scale renewable energy projects contracted through New York State Energy Research and Development Authority (NYSERDA) are required to pay prevailing wage, and as of spring 2022, all distributed solar projects one megawatt and above are required to pay prevailing wage for construction and development activities. We look forward to continuing this trend of creating and supporting a variety of in-state high-paying jobs – both union and non-union – to develop, market, engineer, construct, maintain, and operate electric generation projects.

**New York is on pace to far exceed the current CLCPA goal of six gigawatts (GW) of solar energy by 2025.** According to NYSERDA, installed distributed solar projects combined with projects under development brings the State to 6.156 GW total distributed solar capacity. This renewable capacity is generated from over 169,000 currently operating solar projects across New York State, with almost 127,000 of those projects supported through existing State programs.<sup>3</sup> With solar currently installed on the rooftop or property of over 145,000 homes spanning every county in New York, the distributed solar industry has delivered enough clean energy to power over 522,000 New York homes. In 2020, the Empire State was ranked first in the nation in new community solar installations and second for total distributed solar installations. The resulting trend is a staggering 2,100% solar growth over the last ten years in New York State. This success has enabled Governor Hochul’s recent expansion of the statewide distributed solar goal to ten GW by 2030.<sup>4</sup>

**Effective public-private partnerships, such as the NY-Sun Program, foster cost reductions and facilitate benefits to disadvantaged communities.** To date, New York has leveraged over \$5.6 billion in private investments through a comparatively small \$1.8 billion NY-Sun Program initiative. The recent NY-Sun expansion to ten GW is expected to leverage another \$4.4 billion in private investments through a similarly sized incentives pool. Cultivating a competitive renewable energy industry in this way – through public-private partnerships – serves to shield risks and development costs from New Yorkers and encourages outside investment in our State. Additionally, NYSERDA estimates the NY-Sun expansion order will result in \$600 million in investments serving disadvantaged communities, on top of the \$135 million already allocated to low-to-moderate income customers through NY-Sun. Not only do these partnerships leverage private investments serving disadvantaged communities – rather than fully relying on ratepayer or taxpayer investments – the private sector competition spurred by these programs has helped drive down the cost of solar development by 69% in the last ten years. Further, customer bill impacts are expected to remain minimal in accomplishing and exceeding our CLCPA distributed solar goals, with bill impacts from the recent ten GW expansion forecasted at approximately \$0.71 per month for the average residence, or a less than 1% bill impact.<sup>5</sup>

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<sup>2</sup> U.S. Bureau of Labor Statistics, [Fastest Growing Occupations](#). April 18, 2022.

<sup>3</sup> NYSERDA. [Solar Data Maps](#). July 4, 2022.

<sup>4</sup> NYSERDA. [Press Release - Governor Hochul Announces New Framework To Achieve At Least 10 Gigawatts Of Distributed Solar By 2030](#). December 17, 2021.

<sup>5</sup> Ibid.



## II. Comments on the Build Public Renewables Act

On June 1, 2022, the Senate passed S.6453-C, a bill that directs NYPA to purchase, develop, and operate renewable energy projects in New York State, among other provisions.

**The solar industry unequivocally agrees with the intent of this bill in that it is critical for New York State to meet its clean energy targets and that State authorities have a crucial role to play in this effort.** However, we dispute the premise that the actions proposed in this bill will accelerate solar development, save ratepayer and/or taxpayer costs, or create additional jobs in comparison to the current framework in New York State. We also have sincere concerns about NYPA’s capability and capacity to efficiently develop, engineer, construct, maintain, and operate a significant fleet of renewable energy generation projects. Additionally, we are worried that this Act if implemented would divert essential and limited NYPA resources away from its existing clean energy roles, all while failing to address the most significant remaining hurdles to meeting our CLCPA goals.

**NYPA currently has distinct and important missions in helping New York achieve our climate, resiliency, and equitability goals; chief among NYPA’s role is grid management and planning.** NYPA’s function in public transmission and energy storage investments is key to connecting upstate renewables to downstate residents, while also curtailing unnecessary transmission buildouts. Similarly, the distributed solar and storage industries are key to avoided transmission costs; New York could save over \$28 billion in total resource costs by leveraging additional local solar and storage from the private sector.<sup>6,7</sup> NYPA has established expertise and experience in grid planning as owners of 1,400 circuit miles of high-voltage transmission lines along with sixteen power plants.<sup>8</sup> Yet, solar developers are increasingly struggling to find hosting capacity to add more clean energy projects to New York’s antiquated grid system. This will not change by passage of this bill. Instead, NYPA could reasonably focus more state resources on upgrading its own bulk transmission network, in coordination with helping investor-owned utilities in NYPA’s territory efficiently upgrade their distribution networks. In this effort, NYPA could also play a more active role in the ongoing Coordinated Grid Planning

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<sup>6</sup> “The least-cost implementation of the CLCPA calls for roughly 50% of New York’s electricity capacity coming from solar, including nearly 22 GW from community and rooftop solar, and almost 84 GW from utility-scale solar. Optimizing this transition for distributed energy resources would also enable the deployment of more than 17 GW of distributed battery storage across the state.” See: Vibrant Clean Energy. [Decarbonizing New York Through Optimizing Distributed Resources](#). October 20, 2021.

<sup>7</sup> Energy storage enablement does not result in significant carbon emission reduction unless paired with renewable generation and/or to offset significant amounts of peak load, which is currently possible at scale only by implementing “flexible interconnection.” We encourage NYPA and their experts to engage on flexible interconnection solutions and allocate state resources to promote this cost reducing policy solution to technical hosting capacity limits. See: [Smarter Grid Solutions, Flexible Interconnection: Clearing queues, reducing costs and speeding up grid connections whitepaper](#). 2022.

<sup>8</sup> NYPA. [A History of Innovation](#). 2022.



Process (CGPP) with the intent of establishing a more robust and effective plan to efficiently upgrade New York’s bulk transmission and distribution networks.<sup>9</sup>

**NYPA also has significant roles in electrification and energy efficiency, however, has apparently struggled to deliver on these existing clean energy imperatives.** Regarding electrification and the necessity to build out electric vehicle (EV) charging infrastructure, a February 2022 audit by the NYS Comptroller determined: “NYPA’s Evolve NY installation of EV high-speed chargers did not reach its phase 1 goals, and Evolve NY charger deployment is as much as 2 years behind schedule.”<sup>10</sup> Regarding energy efficiency, NYPA can have a significant role in advising, financing, and implementing deep building retrofits in all publicly owned buildings in New York, from the village police station to New York City Hall to the Empire State Plaza to the entire operations of the Department of Corrections. Also, NYPA should have an established and specific commitment to public schools and prioritize Title 1 schools to be an agent for eliminating pollutants in communities that often suffer from high asthma rates because of disinvestment and previous practices for fossil fuel plant siting. On the other hand, asking NYPA to expand its mission to also include renewable project development risks overwhelming NYPA’s already strained staff and further diluting the benefits it is currently tasked with providing to New York residents.

**NYPA has already been granted broad authority to procure renewable energy projects, yet has failed to materialize this prerogative.** NYPA was granted expanded authority in 2019 and 2020 to buy renewable energy on behalf of any public entity in New York State; to have priority in building new transmission upgrades; to build transmission infrastructure offshore; and to build electric vehicle charging stations. NYPA pledged in 2019 to procure one million megawatt-hours of renewable energy, yet ultimately procured zero; and again in 2021 NYPA issued a large solicitation which resulted in two awards, yet by our understanding neither award has materialized an actual contract for electricity generation. Before we rely further on NYPA to meet our CLCPA goals, perhaps NYPA could be inquired as to why they have failed to meet their existing clean energy commitments.

**NYPA’s ability to finance new renewable energy projects while concurrently abandoning its fossil fuel investments is questionable at best.** Currently, while only a portion of renewable energy development is subsidized via NY-Sun and Clean Energy Standard programs, this Act would mandate that the whole development cycle and associated costs for clean energy projects be borne by the customer/ratepayer/taxpayer. This exacerbates development risks and costs for NYPA and its customers, as any time a project fails to move forward at whatever stage for whatever reason, the State would be on the hook for that lost investment. For reference, NYPA’s current financing model for energy efficiency programs passes financial risks on to customers. This begs the question whether or not this Act envisions a similar NYPA financing model to serve often much more expensive/risky renewable energy projects? This Act also raises questions about how this will impact NYPA’s balance sheet, and concurrently its financing rates;

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<sup>9</sup> Department of Public Service. [Coordinated Grid Planning Working Group](#). 2022.

<sup>10</sup> NYPA. [Selected Management and Operation Practices](#). February 2022.



aggressive expansion of NYPA's debt may well lead to a downgrading of its currently beneficial credit rating, thereby locking New York State development cycles into uncertain and fluctuating finance rates. Concurrently, this may serve to jeopardize existing NYPA programs that rely on beneficial financing rates. Also, early forced retirement of NYPA's fossil fuel plants could lead to stranded assets for the State, further exacerbating financial burden to NYPA's ratepayers. Furthermore, there are questions about how NYPA would efficiently find the available expertise to scale up and skill up in-house staff to enact such a wholesale change in their current mission, absent expensively pilfering expertise from the private development sector.

**NYPA has the faculty to advance CLCPA goals outside scope of BPRA.** NYPA could support distributed renewables and efficiency services by relieving roadblocks for project financing by providing grants or access to upfront capital at no or very low cost, rather than transferring direct development risk to customers as proposed by this Act. Further, NYPA could establish these programs so that they support disadvantaged communities and do not create new debt burdens. NYPA could also facilitate the deployment of Advanced Metering Infrastructure (AMI), the democratization of utility and customer usage data, and increased access and transparency in the interconnection and grid planning processes with help identifying equitable transmission and storage infrastructure upgrades.\

### III. Conclusion

Though this Act is well-intentioned, it seemingly fails to address the main remaining barriers to distributed clean energy development in New York State: interconnection agreements through distribution utilities, not owned by NYPA; permitting through local jurisdictions; tax agreements through local IDAs or municipalities. The BPRA ultimately finds itself as an unnecessary intrusion into a market that has seen tremendous growth thanks to private industry development. The BPRA provides no evidence that NYPA can more effectively or efficiently deploy solar projects in light of the aforementioned barriers, and risks stifling private development at a time when accelerating solar deployment is critical to achieving New York's renewable energy goals. NYPA should focus on its existing obligations, and not adversely interfere with the private development model that has yielded tremendous success. NYPA is at its best and provides the most value when it successfully partners with private sector renewable and transmission developers.

Thank you for the opportunity to provide comments on this matter. Please reach out to Zack Dufresne at [zack@nyseia.org](mailto:zack@nyseia.org) with any questions or to discuss this memorandum.

Respectfully,

A handwritten signature in black ink, appearing to read "Zack Dufresne", written over a light blue horizontal line.

Zack Dufresne, NYSEIA Executive Director