



November 1, 2019
Mr. Michael Deering
Director of Customer Service Oversight & Stakeholder Relations
333 Earl Covington Boulevard
Uniondale, NY 11533

Dear Michael,

Please see the below response from the New York Solar Energy Industries Association (NYSEIA) and the Long Island Solar Energy Industries Association (LISEIA) in regard to LIPA's October 11, 2019 letter to stakeholders regarding LIPA's solar program and recent tariff modifications regarding Community Solar on Long Island. We reiterate our recent proposals to achieve fair and minimally viable compensation for LIPA's Community Solar program, namely:

1. Increasing the Community Credit on Long Island to be brought to a fair level from the current 2.25 cents to 10 cents per kilowatt-hour.
2. Allowing Community Solar systems sized under 750 kilowatts the option to continue with net energy metering (NEM)-based compensation, as is currently the case for the commercial segment.

Please do not hesitate to reach out to us should you have any questions regarding this letter. We look forward to continuing to work together with LIPA Management and Trustees towards a future where all 1.1 million electric customers on Long Island have access to clean, low-cost, reliable electric power, where solar energy and Community Solar have an important role to play.

Sincerely,

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1. Long Island Lags the Rest of New York State in Renewable Energy Deployment

LIPA's October 11 letter asserts that "Long Island has been a leader in achieving the State's clean energy goals". However, as of 2018, clean energy represented only 8 percent of installed electric capacity on Long Island, compared to 26 percent for the rest of New York State.¹ Hence, contrary to LIPA's assertion of being a leader, Long Island significantly lags New York in achieving its clean energy goals, and significant deployment is required for it to get up to speed with the rest of the State.

2. Long Island Once Led New York in Solar Deployment, But Has Been in Decline Since 2017

LIPA's letter asserts that Long Island "is on track to meet its share of the State's goal of 6,000 megawatts of distributed solar power by 2025". It is true that Long Island has been the historical backbone of the State's distributed solar market, representing almost 30 percent of installed distributed solar power capacity in New York. However, since 2016, solar deployment on Long Island has declined for two consecutive years, with 2018 installs down more than 40 percent compared to 2016². This is in comparison to the rest of the state, which has seen deployments increase by 35 percent over the same period. Unless this trend is reversed, Long Island will not meet its share of the state's solar and clean energy goals.

3. Most Long Islanders Cannot Access Clean Energy Without Community Solar

LIPA asserts that Long Island is home to "New York's most vibrant distributed market, with over 44,000 customers". However, that figure represents just 4 percent of Long Island's 1.1 million electric customers. Community Solar, a NYSERDA-developed program, is strategically designed to offer discounted energy to low- and moderate-income households, small businesses, non-profits, renters and fixed-income seniors and can provide access to clean energy for all Long Islanders.

4. Long Island Significantly Lags the Rest of New York State in Community Solar Deployments

LIPA asserts that "there are currently 14 eligible community solar projects in Long Island." In contrast, the rest of the State has more than 300 active Community Solar projects, including 55 in Con Edison territory³, where such projects are much more difficult to site. Moreover, all of the fourteen referenced projects were developed under the previous, higher compensation scheme for Community Solar, and would not be financially viable under LIPA's new compensation scheme, which devalues Community Solar energy by almost 30 percent.

5. LIPA's Compensation for Community Solar Is Insufficient to Support Even Minimally Investable Projects

LIPA's letter asserts that its approved compensation for Community Solar projects "is sufficient to incentivize those projects that represent cost-effective additions to Long Island's clean energy supply" and that its approved compensation for Community Solar is "on average, 19% above the

¹ Includes both distribution-level and transmission-level capacity. [2018 NYISO Gold Book, p.66](#) and [DPS SIR Inventory Data](#). Excludes nuclear.

² [DPS SIR Inventory Data, PSEG-LI](#).

³ [NYSERDA CDG Map](#). Accessed October 31, 2019.

value of clean energy on Long Island”. However, economic analysis by NYSEIA and LISEIA member firms shows that under LIPA’s compensation scheme, Community Solar projects on Long Island would not be worthy of investment, either by financiers or building owners. Overall, compensation for Community Solar will be devalued by almost 30 percent from current levels as a result of LIPA’s decision.

6. LIPA’s Compensation for Community Solar is Inconsistent with the Aims of the New York State Public Service Commission

LIPA asserts that “it is not the role of the Authority to guarantee the economic viability of any particular community distributed generation project.” While it is true that guaranteeing viability for specific projects is not and should not be within LIPA’s purview, the New York Public Service Commission makes clear that stimulating robust Community Solar development is a priority for the State, asserting that “the adoption of a Community Credit for new projects offers the opportunity to continue to stimulate robust CDG development”.⁴ This is exactly why the PSC has determined compensation in Con Edison territory at a significantly higher rate than upstate New York, in its own words, “at a higher level to encourage additional development”.⁵ In order to be consistent with the PSC, LIPA must set compensation for Community Solar on Long Island at a similar level that encourages, not discourages, additional Community Solar development.

⁴ [NY PSC Order Regarding Value Stack Compensation](#), p.24.

⁵ *Ibid*, p.27.