



## **Comments on the Long Island Power Authority's Proposal Concerning Modifications to LIPA's Tariff for Electric Service establishing a default Time of Day rate for residential non-heating service.**

Submitted by  
**New York Solar Energy Industries Association (NYSEIA)**

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New York Solar Energy Industries Association (NYSEIA) appreciates the opportunity to provide feedback on the Long Island Power Authority's (LIPA) proposal concerning modifications to LIPA's Tariff for Electric Service to create a Time of Day (TOD) rate that will become the standard rate for residential non-heating service beginning in 2024.

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 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 Community Protection Act (CLCPA)<sup>1</sup>.

The solar industry is grateful for the thoughtful collaboration that has occurred between LIPA staff and industry stakeholders since we jointly announced a roadmap to develop a new residential Time of Day rate for electric customers on Long Island and the Rockaways on December 15, 2021<sup>2</sup>. LIPA Staff and their consultant, The Brattle Group, have been responsive, transparent, and have consistently made good faith efforts to address the concerns of the solar industry regarding Time of Day rates. While there are still some open issues to resolve, it's fair to say that our joint efforts should serve as a model for what utilities and the solar industry can achieve when we work together.

Our industry is generally supportive of the transition to Time of Day rates. We believe that educating customers on ways they can take control of their energy consumption, and then using price signals to incentivize them to take those actions will drive efficiency through behavioral change, and can catalyze demand for residential solar, energy storage, and electric vehicles. It is critically important that our transition to renewable energy empowers Long Island residents and businesses with solutions that provide cost relief as well as economic and environmental benefits for our region. Time of Day rates are a meaningful step forward.

Even as we support the transition to Time of Day rates, the solar industry is mindful of the fact that solar energy production does not typically align with the peak consumption periods currently proposed. This

<sup>1</sup> [NY State Senate Bill S.6599](#), *NY State Senate*. 2019-06-18. Retrieved 2023-02-27

<sup>2</sup> NYSEIA. (12/15/2021). LIPA and NYSEIA Announce Roadmap to New Residential Time of Day Rate [Press Release]. [https://a89dc9d7-3f40-46d2-a618-1e5bc0415173.usrfiles.com/ugd/a89dc9\\_8f9bd38f2a7942728fb55d28aa357690.pdf](https://a89dc9d7-3f40-46d2-a618-1e5bc0415173.usrfiles.com/ugd/a89dc9_8f9bd38f2a7942728fb55d28aa357690.pdf)



creates the real potential for solar customers to see bill increases when switching to a Time of Day rate, eroding savings for families and businesses that invested in solar energy systems. Our primary goal is to prevent scenarios in which that would occur, and we are grateful for LIPA's continued partnership in that effort.

To provide the maximum benefit to solar customers and avoid complications to the solar sales process that could stifle solar growth, NYSEIA strongly urges LIPA to examine the method by which ratepayers are compensated for excess solar electricity generation, the process by which solar companies access prospective customers' energy consumption data, and the impact the new rate design may have on hosts and subscribers of Community Distributed Generation (CDG) projects.

### **Method of ratepayer compensation for excess solar electricity generation.**

Under the current flat-rate Net Energy Metering (NEM) program, solar customer return on investment assumes that excess generation will be compensated by the utility on a kilowatt-hour basis using a volumetric 1:1 conversion. Bill credits for excess generation can be applied to offset a customer's electricity consumption at any time during a monthly reconciliation period, with any excess credits carried over to subsequent months.

#### Adjust the Reconciliation Period

LIPA's proposal to change the manner in which solar customers are compensated for excess production utilizes a 2:1 on-peak to off-peak conversion ratio to value solar customers' on-site electricity production and to allow ratepayers to transfer those credits between consumption periods. This ratio is reasonable and aligns well with the rates per kilowatt-hour LIPA is proposing for on-peak versus off-peak energy consumption, however, instead of an annual reconciliation we respectfully request monthly reconciliation enabling more real time accounting. This will also strengthen ratepayers' ability to manage their energy costs, increasing satisfaction with the new rate design.

#### Include Pre-2018 NEM Customers in Excess Generation Exchange Proposal

LIPA's Excess Generation Exchange proposal excludes solar customers whose systems were placed in service prior to 2018. While LIPA's analysis shows that 73% of these customers have no excess generation in either time period, the point of Time of Day rates is to shift load, and we want to encourage these customers to do so. Furthermore, we believe that standardization is important. Applying uniform guidelines to all customers can reduce confusion and increase customer satisfaction with the utility and with their solar investment. At a time when Long Island urgently needs to accelerate solar and energy storage deployment in order to meet the renewable energy goals set in the Climate Leadership and Community Protection Act (CLCPA), New York's 10 Gigawatt Distributed Solar Roadmap<sup>3</sup>, and New York's Energy Storage Roadmap<sup>4</sup>, we cannot afford policies that could hinder that deployment and

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<sup>3</sup> State of New York, Department of Public Service, New York's 10 GW Distributed Solar Roadmap: Policy Options for Continued Growth in Distributed Solar, <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B4C42AAFF-0EB9-4890-AA0D-21C70B088F4B%7D>

<sup>4</sup> State of New York, Department of Public Service, New York's 6 GW Energy Storage Roadmap, <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={7D4753BA-916B-483E-9E35-6749B20384A6}>



imperil the achievement of those goals. We also acknowledge that LIPA’s intent by establishing Time of Day rates is to alleviate strain on the grid during peak hours, and in order for this to be achieved, all customers, including all solar customers, must be subject to the same price signals to incentivize them to change their consumption habits. For this reason, NYSEIA strongly encourages LIPA to amend its proposal to allow all solar customers, regardless of their interconnection date, to exchange credits between load periods and to continue to honor the monthly reconciliation to which Long Island ratepayers have become accustomed.

### **Process for clean energy companies to access customer consumption data.**

The first and most critical aspect of sizing a solar photovoltaic system for a residential customer is determining the amount of electricity the home consumes. This allows solar companies to accurately model the cost savings a customer can anticipate after their solar panels are installed, and calculate the return on investment (ROI). Adding uncertainty to that calculation and complicating the solar sales process could discourage customers from making the decision to go solar, consequently making it more difficult for Long Island to achieve its share of New York’s renewable energy goals.

Until now, estimating bill savings for prospective solar customers required only that solar companies obtain the sum total annual electricity consumption of the home. Currently, companies obtain this data manually by emailing the customer’s utility account number to a PSEG LI staff member who takes the time to look up the information and reply with the total consumption. Modeling customer bill savings on a Time of Day rate is significantly more complex and requires companies to obtain what is called “8760 data”, which is a detailed hourly breakdown of the customer’s annual consumption. LIPA should explore automated solutions that would allow solar customers to more easily share their 8760 data with the solar company they choose. Many energy vendors utilize UtilityAPI<sup>5</sup>, an online utility data service, to share this type of information. NYSEIA looks forward to collaborating with LIPA to identify the best solution to increase the efficiency of the data access process.

### **Impact on Community Distributed Generation (CDG) projects.**

In 2022, New York reached the milestone of 1 Gigawatt of installed Community Distributed Generation (CDG), making New York the top Community Solar market in the United States. At the time, Governor Kathy Hochul said, “Reaching this nation-leading milestone – with more than one gigawatt of community solar installed – is a testament to New York’s aggressive pursuit of clean-energy alternatives that will supercharge our economy and bring us one step closer to a carbon-neutral future,”<sup>6</sup> Community Distributed Generation is a critical tool in directing the benefits of solar energy to low-to-moderate

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<sup>5</sup> UtilityAPI, 2023, <https://utilityapi.com/>

<sup>6</sup> NYSEIDA, 3/22/2022, *Governor Hochul Announces New York as Top Community Solar Market in the United States* [Press Release], <https://www.nyserda.ny.gov/About/Newsroom/2022-Announcements/2022-03-22-Governor-Hochul-Announces-NY-as-Top-Community-Solar-Market-in-the-US>



income families and those who live in disadvantaged communities, a key tenet of the CLCPA, and it expands access to solar energy to ratepayers for whom on-site solar is not feasible like renters, co-op and condo owners, and those who live in extremely shaded areas.

Some CDG developers have expressed that the transition to Time of Day rates may have a negative impact on Community Solar project economics, reducing the revenue received by the hosts of community solar projects to levels that could threaten the financial viability of these projects. The complexity of modeling customer consumption and determining which ratepayers could benefit from CDG discount rates may also increase the cost of customer acquisition and subscriber replacement for these projects. Because of the uniqueness of historical business models which were based on the existing tariffs at the time, NYSEIA requests that LIPA permit subscribers to CDG projects to transfer excess generation credits between only on-peak and off-peak periods, not the super-off-peak period.

CDG developers also observe that the more complicated utility bills with Time of Day rates may add to the existing confusion and frustration that customers experience because they currently receive two separate electricity bills; one from their utility company that reflects their consumption and any CDG credits, and a second from their community solar host charging them for the electricity they received from the CDG project. To mitigate these concerns, we urge LIPA to expedite the implementation of net crediting for CDG projects to streamline the billing process for these subscribers. Since LIPA is planning a phased transition to the new rate design, we also ask that ratepayers who subscribe to CDG projects be among the last groups to transition in order to allow more time to implement net crediting.

## **Conclusion**

NYSEIA looks forward to continuing to engage with LIPA staff to identify and implement solutions to the aforementioned challenges. We acknowledge that LIPA has clearly stated its intention to resolve many of the solar industry's concerns, made good faith efforts to propose solutions that address those concerns, and is actively engaged in a constructive dialogue that we are confident will allow the solar industry to support the final proposal and to partner with LIPA on its implementation.