



VIA ELECTRONIC FILING

November 25, 2024

State Energy Plan Comments
NYSERDA
17 Columbia Circle
Albany, NY, 12203-6399

Re: Comments of New York Solar Energy Industries Association on the Draft Scope of the New York State Energy Plan

To Whom it May Concern,

New York Solar Energy Industries Association (NYSEIA) appreciates the opportunity to provide comments in response to the Draft Scope of the New York State Energy Plan.

Attached please find our comments. Feel free to contact me if you have any questions.

Thank you.

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Introduction

The New York Solar Energy Industries Association (NYSEIA) is pleased to submit these comments in strong support of the Draft Scope for the New York State Energy Plan. As the leading voice of the solar industry in New York, NYSEIA represents hundreds of solar companies and thousands of workers dedicated to deploying distributed solar and energy storage across New York State. At a time when state-level leadership is critically important, we commend the New York State Energy Planning Board (NYSEPB) for producing a comprehensive and ambitious scope for a plan that addresses the critical energy needs of our state while advancing economy-wide decarbonization, ensuring energy system reliability, and promoting economic development.

Achievements in Distributed Solar and Energy Storage

NYSEIA is particularly encouraged by the inclusion of distributed solar and energy storage in the draft scope. These areas are pivotal to achieving New York's ambitious climate and energy goals. Distributed solar is the most successful clean energy program in New York State¹, representing 93% of all the state's operational solar capacity . New York recently surpassed the 6 gigawatt milestone mandated by the Climate Leadership and Community Protection Act (CLCPA) for distributed solar more than a year ahead of schedule. This success is attributable to smart policies and the state's successful partnership with private industry to deploy distributed solar at-scale. Importantly, New York's nation-leading community solar programs² include smart programmatic elements to ensure that utility bill savings accrue to low- to moderate-income (LMI) households, delivering on New York's legislative mandate to provide clean energy benefits to Disadvantaged Communities (DAC).

Leveraging the Success of Distributed Solar to Achieve New York's Climate Goals

Distributed solar is the only clean energy resource being deployed ahead of schedule and under budget. Rather than chalking this up as a success and focusing solely on how to get large-scale renewables back on track, NYSEIA urges the NYSEPB to consider an expanded role for distributed solar + storage in achieving New York's overall clean energy mandates. In June 2024, NYSEIA released a comprehensive roadmap for the next phase of New York's clean energy transition, "Raising New York's Distributed Solar Goal: 20 Gigawatts by 2035"³. This roadmap outlines the benefits of additional distributed solar capacity and identifies high-impact policy interventions needed to support rapid, cost-effective, and beneficial solar deployment in

¹ Office of the New York State Comptroller. (2024). New York State's Clean Energy Fund. Retrieved from <https://www.osc.ny.gov/files/reports/pdf/clean-energy-fund.pdf>

² New York State Energy Research and Development Authority. (2023). New York leads on community solar. Retrieved from <https://www.nyserda.ny.gov/Featured-Stories/New-York-Leads-on-Community-Solar>

³ New York Solar Energy Industries Association. (2024). Raising New York's Distributed Solar Goal: 20 Gigawatts by 2035. New York Solar Energy Industries Association.

New York. Leveraging the success of distributed solar is essential for New York to achieve its nation-leading climate goals. Key elements of this plan include:

Interconnection Reform

The interconnection process for distributed solar and energy storage must be streamlined to reduce costs and timelines. Strengthening regulatory oversight of the utilities and requiring transparency into utility distribution upgrade costs will lower financing and construction costs and shorten timelines to interconnect distributed solar and energy storage. Allowing solar and storage developers to self-build distribution upgrades, while meeting utility specifications and with high labor standards, will enable solar and storage developers to have greater control over cost and timeline, counteracting the utilities' rising costs. Flexible interconnection, or the active management of distributed energy resources (DER) instead of traditional distribution upgrades, will unlock cost-effective hosting capacity and enable more DERs to come online sooner and at a lower cost. Proactive investments into the distribution system to create DER hosting capacity and meet New York's growing electricity demand will create cost-effective and low-risk hosting capacity for the next wave of distributed solar and energy storage projects. These interconnection reforms will be critical to the integration of cost-effective distributed solar and energy storage in the coming years.

Community Solar + Storage Siting Reform

Restrictive local laws and solar moratoria are significant barriers to the development of community solar and retail energy storage projects. NYSEIA recommends state-level permitting support for community-scale clean energy projects and increased financial benefits for host communities to overcome these barriers. This approach will ensure that distributed solar + storage projects can be developed efficiently in communities across New York State while respecting local land use considerations and gaining community acceptance. NYSEIA also recommends that the NYSEPB work closely with the Department of Environmental Conservation (DEC) and to ensure that the agency's efforts to protect freshwater wetlands and other ecological resources are thoughtful and balanced with New York's legislatively mandated clean energy buildout.

Improving Rate Design / Compensation for Distributed Energy Resources

Accurately compensating distributed energy resources for the value they provide to the electric system and the environment will reduce reliance on capacity-based incentives while optimizing the performance of these resources. NYSEIA applauds the Public Service Commission for its recent Order in the Marginal Cost of Service (MCOS) proceeding which directed New York's utilities to incorporate the avoided cost of transmission into their MCOS calculations and to standardize the method of calculating MCOS and for calculating the derivative values for the Value of Distributed Energy Resources (VDER) tariff. NYSEIA also appreciates the Commission's newly launched Grid of the Future proceeding, which is looking at the value of grid flexibility and rate design/compensation approaches to increase flexible demand and

dispatchable behind-the-meter and front-of-the-meter clean energy resources. This work is technical in nature, but critically important for animating the market for distributed energy resources with reduced reliance on incentives.

Targeted Incentives for Low-Income New Yorkers and Beneficial Siting

NYSEIA strongly supports siting reform, interconnection reform and rate design improvements that lower the cost and increase the value of clean energy in the State. At the same time, we believe there is an important role for targeted incentives to stimulate projects that are uniquely beneficial to New Yorkers. NYSEIA supports targeted incentives for solar projects that have reduced land use impacts or that deliver direct utility bill savings to LMI households. One example of a policy that encourages rooftop solar is the New York Solar Energy System Equipment Tax Credit, which is a vital incentive for homeowners. This incentive is impactful, however, it is overdue for an inflation adjustment and the incentive is currently inaccessible to many low-income households. NYSEIA recommends modernizing this tax credit by raising the per-household cap, including energy storage as an eligible expense, and making the credit refundable for low-income families. This modernization will make clean energy more affordable and accessible to all New Yorkers, supporting broader adoption of distributed solar.

Conclusion

Expanding distributed solar and energy storage will create thousands of good-paying jobs across the state, stimulate local economies, and provide financial benefits to host communities through lease payments and property taxes. As New York develops its next energy plan, NYSEIA urges the Planning Board to consider the immense potential for distributed solar + storage to contribute more toward a low-cost, clean energy mix for New York State. Scaling up distributed solar deployment will not only support New York's clean energy goals but also drive economic growth and development. Distributed solar and energy storage can also significantly reduce pollution and improve public health, particularly in disadvantaged communities that have historically borne the brunt of environmental harms. The state's commitment to ensuring that at least 35% of the benefits from clean energy investments accrue to disadvantaged communities is also a point of great pride for our state. NYSEIA supports this focus on environmental justice and the equitable distribution of clean energy benefits.

In light of the current uncertainty surrounding Federal energy policies, it is imperative that New York remains steadfast in its commitment to the CLCPA. Any efforts to undermine these commitments would jeopardize the significant progress made thus far and hinder future advancements. Therefore, we urge the State to resist any attempts to roll back these critical commitments. Strengthening New York's renewable energy mandates is essential to ensure the state continues to lead in clean energy deployment and climate action, providing a stable and sustainable energy future for all New Yorkers.

The Draft Scope for the New York State Energy Plan sets a strong foundation for achieving New York's climate and energy goals. NYSEIA looks forward to working with the New York State

Energy Planning Board and other stakeholders to ensure the successful implementation of this plan. By embracing the recommendations in NYSEIA's 20 gigawatt by 2035 roadmap, New York can continue to lead the nation in renewable energy deployment, create thousands of good-paying jobs, and deliver substantial economic and environmental benefits to all New Yorkers.

We commend the New York State Energy Planning Board for its vision and leadership and look forward to continued collaboration to achieve our shared goals.