



NYSEIA/LISSA Long Island Policy Priorities: 2020-2021

ESSENTIAL DESIGNATION STATUS: NYSEIA strongly advocates that solar and storage development and installation work be classified as essential industries in relation to potential future in-person work restrictions necessitated by COVID-19, for the following reasons:

- Solar construction work takes place almost entirely outdoors, can be done in small groups with appropriate personal protective equipment, and social distancing can be maintained effectively.
- The solar industry is much more uniform in its policies, procedures, and compliance than the broader construction industry when compared to it as a whole, and has adapted its workplace practices flexibly and safely with regard to the risks posed by COVID-19.
- Solar construction work has been deemed essential in neighboring states including New Jersey, Massachusetts, Pennsylvania and Connecticut.
- Continuing New York's transition to a clean energy economy must remain a critical priority given the existential threat of climate change.

CLCPA COMPLIANCE ROADMAP AND MONITORING: As of 2018, renewable energy comprised only 8% of overall electric capacity on Long Island, compared to 26% for the rest of the state.¹ To ensure that Long Island adheres to New York's out-year Climate Legislation and Community Protection Act (CLCPA) mandates of 70% electric decarbonization by 2030 and 100% carbon free electricity by 2040, NYSEIA advocates that LIPA implement the following steps:

- Establishing a concrete roadmap detailing how Long Island will achieve its share of these targets as soon as possible, with the specific contributions of distributed solar, transmission-level solar, onshore wind and off-shore wind outlined.
- Maintaining a webpage tracking Long Island's electric generation and load profile on a quarterly and annual basis, including the contribution of renewable energy vis-à-vis fossil fuel generation.

HOSTING CAPACITY AND INTERCONNECTION UPGRADE COSTS: Constraints to hosting capacity and the associated costs of upgrading Long Island's grid to accommodate higher levels of distributed generation continue to hold back the development, construction and financing of commercial and community solar projects in the region. Most non-residential solar projects on Long Island are associated with substantial interconnection costs, which can be as high as 10% of overall system costs.²

- As directed by the New York Public Service Commission (PSC) for other utility territories in the state³, NYSEIA advocates that PSEG-LI and LIPA should conduct a comprehensive study for the purpose of identifying distribution upgrades and local transmission upgrades that are necessary or appropriate to facilitate the timely achievement of the CLCPA targets, including:
 - Identifying potential new projects which would increase hosting capacity on the local distribution system to allow for interconnection of distributed solar and storage capacity;

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

² Clean Energy Parties Comments in Response to 2019 NYSERDA NY-Sun Petition, Feb 2020.

³ *Order on Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act*, May 14, 2020.

- Identifying the possibility of fossil generation retirements and the impacts and potential availability of those interconnection points.
- NYSEIA strongly advocates that PSEG-LI should work to reduce the frequency for which DTT is required for commercial solar projects. If DTT or SCADA are required, NYSEIA recommends that PSEG-LI should work towards driving down the monthly recurring costs.
- NYSEIA recommends that PSEG-LI increase the pace at which its hosting capacity maps are updated to achieve parity with the level of functionality of the Joint Utilities (JU). Currently, PSEG-LI expects to launch its 2.1 Hosting Capacity Maps by end-2020, while the JU launched its 3.0 maps in October 2019.
- NYSEIA advocates that LIPA should adopt the state-level IPWG proposal (“Cost-Sharing 2.0”) that seeks to remove the first-mover barrier for shared distribution-level upgrades.

RESIDENTIAL/SMALL COMMERCIAL CUSTOMER BENEFIT CHARGE: In keeping with PSC’s July 2020 Order for the rest of New York State⁴, [LIPA is contemplating levying a fixed \\$/kW-month charge](#) (referred to as the Customer Benefit Charge, or CBC) for residential solar and storage projects, as well as on-site commercial projects under 750 kW-AC starting January 2022.

- Given that NY-Sun incentives for residential solar projects on Long Island expired in 2016 and have not been reinstated since, as well as the significant impact of a \$1/kW-month fixed charge on customer payback periods, NYSEIA believes that the adoption of a CBC charge will lead to a further slowdown in residential solar and storage deployments on Long Island.
- To the extent a residential CBC is adopted for Long Island, NYSEIA advocates that it should only include costs related to low-income programs, as the customers that would be subject to the CBC are making significant investments in the state’s clean energy goals, and should not be required to pay public benefit charges for programs designed to meet these goals.
- If the CBC is adopted, NYSEIA recommends that LIPA provide clear guidelines on what cost categories will be included in the charge, and urges LIPA to outline a clear process for updating the CBC, should it be adjusted, to avoid litigating charges at the rate case level.
- Given that most commercial customers already pay demand charges, NYSEIA strongly advocates that small commercial projects (on-site projects less than 750 kW-AC) should be fully exempt from the CBC.

COMMUNITY CREDIT AND COMMUNITY ADDER: The Community Credit comprises roughly 30 percent of the overall Value of Distributed Energy Resources (VDER) tariff for Community Solar compensation, and is central to maintaining the economic feasibility of Community Solar projects on Long Island. The Community Adder is a supplemental incentive of \$200 per kilowatt (kW) available for Community Solar projects up to 750kW in size. The availability of the Community Credit for 2021 is currently under review by LIPA, while PSEG-LI has proposed extending the Community Adder for 2021 subject to LIPA Board approval with a provisional budget of \$1.2 million, which would support 6 MW of Community Solar projects.

- NYSEIA strongly advocates maintaining the Community Credit and Community Adder at their current levels for 2021 and beyond.
- Given that the Community Adder is the only incentive currently available to solar projects on Long Island, NYSEIA advocates that funding for the Community Adder must be increased significantly above the proposed \$1.2 million for 2021 so as to support the development of Community Solar on Long Island.
- If the Community Credit is not extended for 2021 and beyond, it is imperative that LIPA increase the magnitude of the Community Adder to offset this loss and maintain the financial feasibility of Community Solar on Long Island, which has only begun to scale up deployment.

⁴ Order Establishing Net Metering Successor Tariff, July 16, 2020.

COMMUNITY SOLAR INITIATIVES: The PSC’s December 2019 PSC Order⁵ directed the JU to implement a net crediting-based mechanism to achieve consolidated billing (UCB) for Community Distributed Generation (CDG) projects. LIPA has committed to follow in the footsteps of the rest of the state in this regard starting in early 2021.

- NYSEIA continues to engage with PSEG-LI and LIPA to ensure a timely rollout of UCB for Community Solar projects on Long Island, including enrollment and crediting. NYSEIA strongly recommends that the rollout of UCB take place concurrently for both NEM-based and Value Stack projects, given the high volume of NEM-based CDG projects on Long Island.
- NYSEIA recommends that PSEG-LI and LIPA undertake simple, low-cost actions focused on CDG and Community Solar marketing and education, both for prospective subscribers as well as prospective CDG hosts (building and land owners). These include:
 - Showcasing CDG through an ongoing marketing campaign including bill inserts, letters, emails, postcards, and newsletters to customers across Long Island;
 - Creating an easily accessible section of the PSEG/LIPA website and existing marketplace dedicated to CDG to build awareness, educate, and connect residential ratepayers to projects with subscriber openings;
 - Collaborating with the NYSEIA/LISSA developer community to efficiently and cost-effectively build a customer experience on the existing marketplace to guide newly educated residential ratepayers to projects with subscriber openings;
 - Undertaking actions to education commercial customers regarding the concept and viability of becoming a host site for CDG.

SOLAR INCENTIVES: Distributed solar deployments on Long Island declined by 15.2% between 2016 and 2019⁶, at least in part due to the expiration of NY-Sun incentives for Long Island in 2016 (residential projects) and 2019 (commercial projects). At the same time, residential solar penetration stands at only 4%, and siting potential for non-residential solar on Long Island remains more than adequate, with the Long Island Solar Roadmap estimating enough low-impact siting potential to host nearly 19.5 gigawatts⁷ of solar capacity. For Long Island to attain its solar installation potential, NYSEIA strongly advocates that LIPA and NYSEIDA jointly develop and fund an incentive program that specifically addresses the following areas of potential and market barriers:

- Interconnection costs;
- Projects serving Low-and-Moderate Income (LMI) customers and communities;
- Projects sited on low-impact or no-impact sites, including brownfield and landfill sites.

BUILDING CODES AND ROOFTOP PERMITTING STREAMLINING: The permitting process for rooftop solar projects can be highly time-consuming, and procedures and building codes can also vary significantly by municipality, with over 95 building departments throughout the region. This creates variations between jurisdictions, and adds an extra layer of difficulty and cost for solar installers. At the same time, New York State’s recently published 2020 Building Codes do not contain provisions requiring new buildings to be solar-ready, clean energy-ready, or have any form of “green” or sustainable component.

- NYSEIA supports a streamlined building code for all of Long Island, and continues to engage with Long Island municipalities to implement a more efficient, streamlined permitting process, with a greater degree of consistency across towns with respect to permitting submissions.
- NYSEIA continues to engage with town supervisors and officials to encourage the adoption of SolarAPP, a free digital residential solar permitting tool for towns and jurisdictions developed by SEIA in conjunction with the National Renewable Energy Laboratory (NREL).

⁵ *Order Regarding Consolidated Billing for Community Distributed Generation*, December 12, 2020.

⁶ NY DPS SIR Inventory Data, PSEG-LI, August 2020.

⁷ Long Island Solar Roadmap Report (in-progress estimate).

- NYSEIA supports legislation requiring new buildings to be solar-ready, similar to Local Laws 92 and 94 of New York City, which require all new buildings to either have a green roof or a pre-installed solar array.