



NY-Sun Program Mid-Point Review
ORDER ADOPTING NY-SUN MID-PROGRAM MODIFICATIONS
CASE 21-E-0629 - In the Matter of the Advancement of Distributed Solar
NYSEIA Policy Summary, June 23, 2023

NYSERDA/DPS Mid-Point Review Filing Recommendations

On January 17, NYSERDA and the Department of Public Service (DPS) submitted the [NY-Sun Program Mid-Point Review](#) (“MPR Filing”) in [Case 21-E-0629](#). This filing was triggered when 50% of the new Upstate MW Block capacity authorized by the [10 GW Order](#) was submitted to the MW Block program, occurring on November 17, 2022.

The MPR Filing makes six specific recommendations:

1. provide NYSERDA flexibility to adjust the Con Edison Community Adder and ICSA incentive rates specified in the 10 GW Order, based on dynamic market and policy conditions (including passage of the IRA);
2. make no changes to Value Stack compensation at this time;
3. modify the Prevailing Wage Adder eligibility requirements [to make the Adder accessible to the majority of projects subject to federal PW requirements in order to access the 30% ITC];
4. authorize the creation of a Floating PV Adder;
5. authorize the removal of system production adjustments from the NY-Sun C/I incentive payment structure; and
6. allow multiple Net Member Credit rates within a single CDG project.

NYSEIA/Clean Energy Parties Comments

On April 10, 2023, [NYSEIA submitted comments](#) in response to the MPR Filing voicing support for items 1 and 5 in the filing. NYSEIA also voiced support for items 3, 4 and 6, with additional recommendations for consideration, such as: allowing all projects that pay Prevailing Wage (PW) to access the PW adder; creating additional beneficial siting adders, including an “agrivoltaics” adder and expanding the parking canopy adder statewide; and establishing CDG crediting performance metrics for the utilities to encourage timely and accurate crediting for community solar projects. NYSEIA opposed item 2, and advocated for New York to revisit the VDER value stack as soon as possible. NYSEIA asserted that “a more accurate reflection of the value of solar and storage, through an adjusted Environmental (“E”) Value along with improvements to the Demand Reduction Value (DRV) and Locational System Relief Value (LSRV) and the inclusion of avoided long-run transmission costs within the Value Stack – would support a more robust, resilient, long-term sustainable market for clean DERs in New York State.” On a related note, NYSEIA advocated for the Commission to begin planning for the next phase of New York’s distributed solar program, extending beyond ten gigawatts.



PSC Mid-Point Review Order

On June 23, 2023, the Public Service Commission issued an [Order Adopting NY-Sun Program Modifications](#). The order included the following decisions in response to the MPR Filing recommendations:

(1) provide NYSERDA flexibility to adjust the Con Edison Community Adder and ICSA incentive rates specified in the 10 GW Order, based on dynamic market and policy conditions (including passage of the IRA);

The Order grants NYSERDA flexibility to adjust the Con Edison Community Adder, ICSA, and other NY-Sun incentive rates as necessary to respond to evolving market conditions.

The PSC Order directs NYSERDA to submit an informational filing within 60 days outlining the IRA federal guidance issued to date and what impact that guidance may have on NY-Sun base incentives and adders.

(2) make no changes to Value Stack compensation at this time;

The Order makes no changes to the VDER Value Stack. The Commission notes that the NY-Sun program continues to provide an efficient, cost-effective method to encourage solar deployment in New York. The Commission also notes that future changes to the VDER Value Stack should be addressed under Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources.

(3) modify the Prevailing Wage Adder eligibility requirements [to make the Adder accessible to the majority of projects subject to federal PW requirements in order to access the 30% ITC];

The Commission adopts the proposed eligibility requirement modification in the MPR Filing, whereby the Prevailing Wage Adder will be available to projects greater than 1 MWac in size that: (a) submit applications to Upstate C/I Block 21 or later, or to the second Con Edison Nonresidential Block or later for projects greater than 1 MW; (b) are not subject to the prevailing wage requirement as established by the 10 GW Order; and (c) are willing to (i) commit to pay New York State Prevailing Wage and (ii) substantiate as such via quarterly certifications by a New York State-licensed Certified Public Accountant during the project construction period.

The Order also provides NYSERDA with flexibility to adjust the PW Adder, and directs NYSERDA to file any proposed changes in the docket for Case 21-E-0629 to provide stakeholders advance notice.



The Order does not allow projects below 1MWac to access the PW Adder nor does it carve out any capacity allocation for Con Edison vs Upstate. However, it directs NYSERDA to file a report with the Commission detailing spending by region along with any recommended modifications to the PW Adder within 30 days of the date when 50% of the PW Adder budget is exhausted.

(4) authorize the creation of a Floating PV Adder;

The Order authorizes NYSERDA to establish a Floating PV Adder at the incentive at the proposed rate specified in the MPR Filing (\$0.15/Watt-DC). The order also directs NYSERDA to file a report detailing the number of projects, capacity and funding allocated toward floating PV within one year of the program launch.

(5) authorize the removal of system production adjustments from the NY-Sun C/I incentive payment structure;

The Order authorizes NYSERDA to remove system production adjustments from the NY-Sun C&I incentive payment structure, and allows for the full incentive value to be paid upon project completion. The Order also specifies that if a developer prefers to receive the incentive over several years, pursuant to the existing NY-Sun schedule, NYSERDA must accommodate.

(6) allow multiple Net Member Credit rates within a single CDG project.

The Order acknowledges that offering multiple discount rates via consolidated billing is important for making community solar accessible to low- to moderate-income customers, especially in light of the proposed minimum discount rates ranging from 10-20% detailed in the proposed rules for both the ICSA and the federal LMI Bonus Tax Credits. The Order also acknowledges that New York's utilities have limited technical capabilities, and the utilities may not be capable of implementing multiple discount rates quickly without jeopardizing ongoing automation efforts that are intended to enable the utilities to provide basic service (monthly, accurate credits) to their solar customers.

The Order directs the Joint Utilities to host at least one technical conference, within 60 days of this order, to present how they may be able to implement multiple discount rates via net crediting. The Order directs the Joint Utilities to submit a filing to the Commission within 120 days of this order detailing whether and how multiple "Net Member Credit" rates could be implemented as part of the utilities' billing automation efforts, including timeframes and costs.



Beyond ten gigawatts

The Order acknowledges that several commenters urged the Commission to consider the next phase of New York's solar program, behind the current 10 GW goal. The Order also acknowledges that the IRA could enable New York to exceed its 10 GW goal at no additional cost.

The Order directs NYSEIDA to file a report to the Commission within 60 days outlining how much capacity (beyond 10 GW) NYSEIDA believes could be supported with the previously approved budget. The Order explicitly requires that the additional capacity be community solar projects that commit at least 40% of their capacity toward residential subscribers within Disadvantaged Communities.