

**New York Solar Energy Industry Association Comments to New York Department of
Public Service/New York Public Service Commission**

**Regarding the Public Service Enterprise Group's Utility 2.0 Long Range Plan & Energy
Efficiency and Demand Response Plan, 2021 Annual Update**

Matter Number 14-01299

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1) Introduction

The New York Solar Energy Industries Association (NYSEIA) through its Long Island Solar and Storage Alliance Steering Committee (LISSA) appreciates the opportunity to submit comments on Public Service Enterprise Group's (PSEG-LI) Utility 2.0 Long Range Plan & Energy Efficiency and Demand Response Plan, 2021 Annual Update ("LRP").

NYSEIA strongly supports New York State's (NYS) commitment to decarbonizing its electric sector under the Green New Deal and the Climate Leadership and Community Protection Act (CLCPA), and continues to advocate for the expansion of distributed solar energy and energy storage deployment throughout NYS as primary means towards achieving its CLCPA-mandated targets of 70% electric sector decarbonization by 2030 and 100% decarbonization by 2040. Given Long Island's significance as one of the state's major population and electric load centers, the fact that almost 95% of its electric grid is currently based on fossil fuels¹, and constraints on siting and transmission resources for the deployment of large ground-mounted renewable projects in the region, it is crucial that LIPA and PSEG-LI prioritize the development and deployment of distributed solar and storage projects if Long Island is to transition to a carbon-free electric grid in compliance with CLCPA mandates and timelines.

¹ Includes both distribution-level and transmission-level capacity. [2021 NYISO Gold Book, p.66](#) and [DPS SIR Inventory Data](#). Excludes nuclear.

Long Island has long enjoyed a reputation as New York’s largest and most vibrant distributed solar market, with installed capacity of 529 megawatts-alternating current (MW-AC) at the end of 2020². However, distributed solar installations on the Island have declined since 2016, with 2020 installations having declined by 44% since 2016.³ In the rest of the state, deployment increased by 111% during the same time period. Significant action and support is required by LIPA and PSEG-LI to achieve the volume of solar and storage deployments necessary to decarbonize Long Island’s electric sector and ensure the State is in compliance with the CLCPA’s 2030 and 2040 mandates, especially keeping in mind future load growth from the electrification of the transportation and heating sectors. It is within this overarching context that NYSEIA’s detailed comments, provided in the following section, should be viewed.

2) Detailed Comments

- a. LIPA’s allocated share of New York’s CLCPA-mandated distributed solar target for 2025 is proportionally correct, but should serve as a minimum target considering the challenge of meeting 2030 and 2040 CLCPA mandates

The CLCPA has mandated that NYS deploy 6 GW-DC of solar PV by 2025. Based off of Long Island’s share of NYS peak load and its population, LIPA has determined that its share of the CLCPA goal is 750 MW-DC of solar PV by 2025. This allocation is proportionately correct, and LIPA/PSEG-LI should be credited for establishing a Long Island-specific mandate relating to this goal. However, given Long Island’s well-established role as a leader in NYS’s residential and small commercial solar market, and the significant lift required for Long Island to achieve its share of the state’s out-year CLCPA goals of 70% and 100% electric decarbonization by 2030 and 2040 respectively given the share of fossil fuel generation on Long Island (almost 95% as previously cited) compared to upstate regions, NYSEIA recommends that LIPA and PSEG-LI set a more aggressive goal for near-term DG solar deployments in the order of 1.2 GW-DC (i.e. 20% of the 2025 target), with the proportional allocation of 750 MW being a minimum target for 2025.

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

³ Ibid.

b. PSEG-LI and LIPA must establish a roadmap for compliance with 2030 and 2040 CLCPA mandates

Long Island is the heart of the state's solar market, with almost one-fourth of the state's installed distributed solar capacity.⁴ However, as referenced earlier, distributed solar installations and deployment have been declining on Long Island in recent years, while they have increased substantially in other parts of the state. At the same time, renewables comprised only 5.5% of overall electric capacity on Long Island in 2020, compared to 23.6% for the rest of the state.⁵ To ensure that Long Island adheres to the out-year CLCPA mandates of 70% renewable energy by 2030 and 100% carbon free electricity by 2040, NYSEIA strongly recommends LIPA/PSEG establish a concrete roadmap for the region to 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. In order to track Long Island's progress towards CLCPA mandates, NYSEIA also recommends that LIPA and/or PSEG-LI maintain a webpage providing detailed quarterly and annual accounting of Long Island's electric generation and load profile, including the contribution of renewable energy vis-à-vis fossil fuel generation.

c. PSEG/LIPA must increase their investments in distributed solar incentives going forward, including extending the Community Credit and Community Adder incentives for Community Solar on Long Island

The historical success of the distributed solar market on Long Island was made possible by the availability of robust incentives in the form of rebates for residential and commercial solar systems through NYSERDA's NY-Sun program. However, residential and commercial incentives expired in 2016 and 2019 respectively, and the only proposed investment in solar energy in the 2021 LRP is an allocation of \$0.40 million for Community Solar, detailed in PSEG-LI's Energy Efficiency and Demand Response (EEDR) Plan for 2021.⁶ This is a small fraction of the proposed 2022 investment in energy efficient products of \$24.4 million and commercial efficiency of \$32.4 million.⁷ PSEG-LI/LIPA's relative lack of support for solar

⁴ [DPS SIR Inventory Data, PSEG-LI](#).

⁵ Includes both distribution-level and transmission-level capacity. [2021 NYISO Gold Book, p.66](#) and [DPS SIR Inventory Data](#). Excludes nuclear.

⁶ PSEG-LI Utility 2.0 Long Range Plan & Energy Efficiency and Demand Response Plan, 2021 Annual Update, p. A-4.

⁷ Ibid.

going forward is made symbolically evident by the title of the EEDR plan itself, which references energy efficiency (EE) and demand response (DR) programs, but not solar, energy storage, or other renewable generation technologies. In previous years, this plan was referred to as the “Energy Efficiency and Renewables Plan” (EERP). Overall, significantly more investment in distributed solar and storage incentives is required by PSEG-LI and LIPA to place the region on a sustainable path to a carbon-free electric future in compliance with 2030 and 2040 CLCPA mandates.

Of most immediate concern, the 2021 LRP contains no mention of continued support for the Community Credit incentive and the Community Adder rebate, which were only introduced in 2020 and are critical mechanisms to support the still-nascent buildout of Community Solar on Long Island. At a current value of 5 cents per kilowatt-hour (kWh), the Community Credit comprises roughly 25 to 30 percent of overall Community Solar compensation through VDER, and is central to maintaining the economic feasibility of such projects. If the Community Credit is not extended in 2021 and beyond, it is highly likely that Community Solar development and deployment on Long Island will come to a standstill, notwithstanding the LIPA-administered Solar Communities Program, which is capped at 20 MW and is specific to low-income households.

d. Significant proactive investments in distribution infrastructure are needed to realize CLCPA goals, and are not mentioned in the LRP

Constraints to existing hosting capacity on Long Island’s distribution grid to accommodate a higher volume of distributed generation, as well the high costs associated with the upgrades necessary to increase hosting capacity, have long been first-order barriers to scaling up distributed solar and storage deployments on Long Island. As directed by the New York Public Service Commission for other utility territories in the state⁸, 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, with the following aims:

⁸ Order on Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act, May 14, 2020.

- i. Evaluate the local transmission and distribution system of the individual service territories, to understand where capacity “headroom” exists on the existing system;
- ii. Identify existing constraints or bottlenecks that limit energy deliverability;
- iii. Consider synergies with traditional Capital Expenditure projects - drivers of synergies could include aging infrastructure, reliability, resilience, market efficiency, and operational flexibility;
- iv. Identify least-cost upgrade projects to increase the capacity of the existing system;
- v. Identify potential new or emerging solutions that can accompany or complement traditional upgrades;
- vi. Identify potential new projects which would increase DER hosting capacity on the local distribution system to allow for interconnection of new renewable generation resources;
- vii. Identify the possibility of fossil generation retirements and the impacts and potential availability of those interconnection points.

e. PSEG/LIPA should support and raise awareness about Community Solar

To promote the sustainable growth of the Community Solar market on Long Island, NYSEIA recommends that PSEG-LI and LIPA make simple, low-cost investments focused on marketing and customer education for two user groups: building and land owners as host sites, and individual ratepayers as subscribers. These can include, but are not limited to:

- Showcasing Community Solar at least quarterly starting in Q1 2022 as an ongoing marketing campaign from PSEG-LI/LIPA including bill inserts, letters, emails, postcards, and newsletters have been sent to customers across Long Island;
- Creating an easily accessible section of PSEG/LIPA’s website and existing marketplace dedicated to Community Solar to build awareness, educate, and connect residential ratepayers to projects with subscriber openings. Specifically, NYSEIA recommends a diverse multichannel education and awareness campaign, including educational videos, social media, customer service representative referrals and direct customer marketing engagement;
- 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 educate commercial customers regarding the concept and viability of becoming a host site for Community Solar.

While some of these initiatives can be carried out through the proposed upcoming Enhanced Marketplace program, the Community Solar market on Long Island is already in the process of ramping up, and NYSEIA recommends the above measures should not be delayed due to the rollout of the Enhanced Marketplace program, and should proceed in parallel with the implementation of this program.

f. Enhanced Marketplace

NYSEIA supports the creation of the Enhanced Marketplace program and supports the inclusion of solar PV, storage, and Community Distributed Generation products in the Marketplace, so long as the program is aimed at providing leads to a competitive market and PSEG-LI/LIPA will not own the devices. NYSEIA strongly advocates that PSEG-LI should not be in the business of choosing products “for sale” or providing the platform to do so; instead, PSEG-LI should be advocating for the adoption of DER and EE technologies and providing a secure platform to fairly pair inquiries for the products and services with qualified merchants and contractors.

3) Conclusion

NYSEIA and LISSA appreciate the opportunity to provide comments in response to PSEG’s Utility 2.0 Long Range Plan, 2021 Annual Update. We look forward to working with PSEG and LIPA to implement our recommendations as we work together to transition Long Island to a cleaner, carbon-free future in line with CLCPA mandates. Please contact Shyam Mehta, Executive Director of NYSEIA, with any questions about this submission.

Respectfully submitted,

/s/

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