Comments of New York Solar Energy Industries Association in response to the Long Island Power Authority's Proposed Modifications to the Tariff for Electric Service

June 5, 2026

Introduction

New York Solar Energy Industries Association (NYSEIA) appreciates the opportunity to comment on Long Island Power Authority's proposed modifications to its Small Generator Interconnection Procedures (SGIP) tariff, which are intended to be effective on July 1, 2026.

LIPA's proposed modifications to interconnection procedures for Distributed Generators (DG) and Battery Energy Storage Systems (BESS) under ten (10) megawatts connecting to LIPA's distribution system seek to: 1) better align the LIPA's interconnection procedures with the New York State Standardized Interconnection Requirements (NY-SIR)[1]; 2) allow for changes to interconnection timelines to accommodate tax-credit eligible projects; and 3) introduce a pilot program to assist public-sector customers with the Supervisory Control and Data Acquisition (SCADA) interconnection process for commercial DG and BESS projects above 500 kWac.

NYSEIA strongly supports these objectives, and appreciates LIPA's thoughtful implementation of these interconnection improvements. Successful implementation will result in: 1) a more standardized statewide process, with more appropriate cost-sharing deposit deadlines and more granular energy storage study schedules; 2) more clean energy projects moving forward with federal support as solar and storage companies navigate new near-term federal tax credit commence construction and placed-in-service deadlines; and 3) streamline SCADA implementation for public-sector facilities.

Effectively implementing these reforms will support progress toward New York's clean energy and affordability goals, whereas inaction or ineffective implementation could have significant negative impacts on customers and contractors alike, while impeding progress toward state policy goals.

SGIP Modifications to Qualifying Upgrade Payment Deadlines

NYSEIA strongly supports LIPA's proposed modifications to the SGIP to move Qualifying Upgrade payment deadlines under the Cost Sharing framework from the initial 30% deposit date to the final deposit date. This modification aligns with changes proposed jointly by NYSEIA and the Joint Utilities through the Interconnection Policy Working Group that were adopted in 2025[2]. The purpose of this change was to better align the non-refundable deposit deadline in the interconnection process with New York's lengthy permitting timelines, ensuring that solar and energy storage developers have adequate time to engage with local AHJs and to de-risk projects from a zoning perspective prior to making non-refundable deposits under the Cost Sharing framework.

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[1] New York State Public Service Commission, *Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems ≤ 5 MW, as modified by the Commission from time to time*

[2] New York State Public Service Commission, *Order Modifying Standardized Interconnection Requirements*, issued June 23, 2025, Case 24-E-0621

SGIP Modifications to Consider Energy Storage Operations/Scheduling in Study Process

NYSEIA also strongly supports the adoption of rules for Energy Storage Scheduling (Appendix K) on Long Island. LIPA's tariff modification aligns closely with changes proposed by NYSEIA and the Joint Utilities through the Interconnection Technical Working Group that were adopted by the Commission last year. The purpose of adding Appendix K to the SGIP is to enable BESS developers to propose charging and discharging schedules for proposed BESSs so the utility can study the projects more effectively, resulting in fewer expensive distribution upgrades and faster/lower-cost BESS deployment. While LIPA's community-scale BESS market is still nascent, LIPA is making significant strides to enable a market for community-scale BESS, with an emphasis on high-value Locational System Relief Value (LSRV) zones. NYSEIA appreciates LIPA's continued efforts to enable smart, targeted energy storage deployment on Long Island, which promises to save ratepayers money by suppressing wholesale energy prices during times of peak demand and deferring the need for expensive transmission and distribution system expansion, all while reducing air pollution on Long Island. The improvement to the interconnection study process enabled through Appendix K complements the Authority's ongoing efforts to improve rate design.

Prioritizing ITC-Eligible Projects in the Interconnection Queue

In January 2026, the Commission issued an Order Regarding Queue Management[3] with the stated intent of maximizing New York's ability to capture federal ITCs. The January Order did not simply direct New York's Joint Utilities to prioritize ITC-eligible projects; instead, it created a separate, priority-queue that partially replaced the New York SIR, with the goal of providing utilities and distributed energy resource (DER) developers with greater timeline certainty. Over the last several months, the Joint Utilities, DPS, and industry have been working to interpret and implement the directives in the January Order. While the Commission's Order was well-intentioned, it created significant new complexity, and some unintended consequences. In practice, developers are not looking for a perfectly engineered framework—they are just looking for greater timeline certainty, and additional support from the interconnecting utility to meet their placed-in-service deadlines.

Against that backdrop, NYSEIA believes LIPA has taken a constructive approach. LIPA's proposal avoids layering a rigid, highly prescriptive framework on top of the SGIP, and instead maintains the existing interconnection process while directing PSEG Long Island to prioritize ITC-eligible projects. NYSEIA supports LIPA's decision to take a different approach to queue management than the framework recently adopted on a statewide basis. At the same time, there is an opportunity to build on this foundation in a targeted way by incorporating straightforward tools that provide developers with greater visibility into timelines. These comments focus on how to do that while preserving the flexibility of LIPA's approach and avoiding unnecessary complexity.

The DPS queue prioritization proposal that was adopted by the Commission was developed with the goal of improving timeline certainty and maximizing the number of projects that can meet federal tax credit deadlines. NYSEIA strongly supported those objectives. However, it has become clear that the approach introduces a level of structural complexity that is difficult to operationalize and, in practice, has created meaningful disruption in the market. In particular, the use of formal priority groupings, combined with new deadlines and cohort-based scheduling requirements, has introduced a degree of confusion and uncertainty that developers are actively navigating today. NYSEIA is already seeing projects delayed, financing timelines disrupted, and broader uncertainty in the market as participants attempt to understand how these new structures will be applied and how projects outside defined priority groups will be treated. The January Order has also created loopholes that could result in future queue congestion; an outcome we hope to mitigate. These outcomes are consistent with concerns

[3] New York State Public Service Commission, *Order On Interconnection Queue Management*, issued January 23, 2026, Case 24-E-0621

NYSEIA raised earlier in the proceeding[4] that rigid prioritization frameworks can inadvertently introduce new risks, even where the underlying intent is to accelerate development.

In light of these challenges, LIPA's proposal represents a smart, no-regrets approach. By avoiding rigid project groupings and prescriptive scheduling constructs, LIPA has preserved the flexibility needed to manage the queue based on actual project conditions while preserving the integrity of the SGIP. This approach reduces the risk of inadvertently delaying viable projects and allows the utility to focus on advancing projects that are ready to proceed.

NYSEIA also notes that, to the extent LIPA retains discretion to prioritize certain projects, it will be important to ensure that this flexibility does not result in extended delays for other projects that are ready to proceed. Even without formal priority group structures, the effects of prioritization can still create uncertainty if not implemented transparently. Maintaining clarity around how scheduling decisions are made will be important to preserving confidence in the interconnection process.

At the same time, the experience of the past several months reinforces that flexibility alone is not sufficient. The central issue that queue management reforms were intended to address—the lack of timeline certainty—remains critical. Developers continue to face significant challenges in planning around interconnection timelines, particularly in the context of fixed federal tax credit deadlines.

For that reason, strengthening LIPA's proposal does not require replicating the structural elements of the statewide framework, but instead incorporating targeted tools that provide developers with clearer visibility into scheduling.

NYSEIA recommends that LIPA adopt an optional process through which a developer can request a target in-service date, and the utility can respond with a corresponding schedule for completing interconnection work. As part of that response, the utility should also provide a defined timeline for when interconnection funds must be released in order to achieve the target in-service date.

NYSEIA also recommends that any requirements related to demonstrating eligibility for tax credit prioritization be applied with appropriate flexibility. In the rest of New York, interconnection processes do not require developers to provide formal evidence of tax credit eligibility as a condition of moving forward, reflecting the reality that project development pathways vary and certainty often emerges over time. Developers may reasonably anticipate meeting federal tax credit requirements without having definitive documentation at early stages. Requiring strict documentation upfront could inadvertently exclude otherwise viable projects or delay their progression through the queue. Providing developers with the ability to indicate expected in-service timelines or anticipated qualification, rather than requiring definitive evidence, is most appropriate based on how projects are developed in practice.

This approach is consistent with NYSEIA's prior recommendations, which emphasize that providing target in-service dates and associated deposit timing is one of the most effective ways to improve timeline certainty without introducing additional structural complexity or new forms of project risk.

Importantly, this type of developer-driven scheduling reflects how interconnection progresses in practice. The most meaningful inflection point is when a project is ready to move into construction and the developer is prepared to fund the necessary work. Providing a clear, utility-supported schedule at that point creates alignment, improves accountability, and allows both parties to plan effectively without the need for broader queue restructuring.

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[4] *Comments of the Solar + Storage Parties re: Department of Public Service Staff Proposal for Managing DER Project Construction Version 2*, Filed November 18, 2025, Case 24-E-0621

NYSEIA also emphasizes that any enhancements to LIPA's proposal should remain grounded in simplicity and practicality. The experience to date demonstrates that efforts to comprehensively restructure the queue can introduce unintended consequences that slow down, rather than accelerate, project deployment. The more effective path is to provide clear, actionable information to projects that are ready to move forward while preserving the flexibility to adapt to changing conditions. This approach—focused on clarity, flexibility, and execution—is more likely to move projects forward in practice and deliver the results that these policies are intended to achieve.

Advancing a More Practical Approach to SCADA Implementation

NYSEIA appreciates LIPA taking action to improve SCADA implementation for certain commercial projects above 500 kWac.

As LIPA is well aware, the existing SCADA installation process on Long Island has been a significant and persistent barrier to the timely interconnection of larger distributed energy projects. Unlike other utilities in New York, where SCADA is typically installed, owned, and managed by the utility as part of the interconnection upgrade scope, on Long Island this responsibility was shifted to individual developers. In concept, NYSEIA supports giving DER developers more control over implementation; however, this has proven impractical for SCADA, which is essentially utility infrastructure whose sole purpose is to securely communicate with LIPA/PSEG Long Island's operation and control centers – a significant multi-party configuration and coordination challenge.

In practice, LIPA's fragmented approach to implementing SCADA for DERs has proven extremely difficult to execute. Developers have been required to establish separate telecommunications accounts, procure specialized equipment, work through third-party vendors, and navigate a multi-step integration process involving PSEG Long Island, multiple disparate divisions at Verizon, and their external contractors. This has introduced layers of coordination that are both outside the typical experience of DER developers and beyond their control. As NYSEIA documented previously, LIPA's existing SCADA implementation process regularly results in extensive delays, in some cases exceeding a year, including for projects that were otherwise fully constructed and ready to operate. The challenges created by LIPA's current SCADA implementation process are not just limited to the construction process; misalignment of responsibility for SCADA operations and maintenance, and the system owner's lack of visibility into the infrastructure they are asked to maintain, has created entirely avoidable outages for fully installed solar PV systems.

This issue has been one of the most consequential interconnection challenges facing projects on Long Island, creating frustration for developers and customers, delaying clean energy deployment, and undermining the efficiency of the interconnection process. It is also an issue that NYSEIA and its members have been working with LIPA and PSEG Long Island to address for several years.

Against that backdrop, NYSEIA commends LIPA for recognizing the magnitude of this problem and for working collaboratively with PSEG Long Island and industry stakeholders to advance a more centralized model.

The proposed SCADA pilot moves in the right direction by shifting responsibility for key elements of the communications infrastructure, including telecommunications circuits and network integration, to the utility for a subset of public-sector projects. This is an important and meaningful step that has the potential to significantly reduce delays and improve the interconnection process.

NYSEIA recommends that LIPA clarify that this transition to a utility-managed model applies comprehensively to all SCADA-related equipment and systems at the project site. As currently drafted, the tariff language appears to retain customer responsibility for procuring, installing, and maintaining certain supervisory equipment at the project site. If this includes critical communications and control

equipment necessary for integration with the utility's network, maintaining this division of responsibility risks perpetuating many of the same challenges that the pilot is intended to address.

The experience of NYSEIA's members is clear: delays have not been driven solely by telecommunications circuits, but by the need for developers to procure and configure specialized equipment, manage vendor relationships, and coordinate secure integration with the utility's systems. A fully centralized approach, in which the utility is responsible for procuring, installing, configuring, and maintaining all SCADA-related equipment — with all costs paid for by the interconnection customer — would be more consistent with practices across the rest of New York and more likely to deliver reliable, timely outcomes.

SCADA Billing: Aligning With Statewide Norms

In addition, NYSEIA recommends that LIPA carefully consider the billing structure associated with SCADA implementation. As currently proposed, the tariff contemplates ongoing monthly charges for telecommunications services and equipment associated with SCADA. While NYSEIA understands the underlying cost drivers, this approach differs from the standard practice used by many utilities across the rest of New York, where the estimated lifetime SCADA-related costs are typically recovered upfront as part of interconnection deposits.

From a project development perspective, an upfront cost structure provides significantly greater certainty and reduces administrative complexity over the life of the project. Developers are already accustomed to incorporating interconnection upgrade costs into project financing models, and a one-time payment aligns with how other distribution upgrades are treated. By contrast, ongoing monthly charges introduce a new category of long-term operational cost and administrative burden that must be tracked, managed, and accounted for over time, creating additional complexity for both developers and the utility.

An upfront cost structure also better aligns with the goal of streamlining the interconnection process. One of the key lessons from existing SCADA challenges on Long Island is that added layers of coordination and ongoing management requirements can contribute meaningfully to delays. Consolidating SCADA-related costs into a single, clearly defined upfront payment would reduce those frictions and provide a more predictable and efficient pathway for project completion. If LIPA is amenable to this approach, the following language could be considered as an alternative to the Billing section of Exhibit A1:

In CESIR cost estimates for participating projects, LIPA will include the estimated cost to install, configure, maintain and communicate with the SCADA installation for the duration of the project life. The actual cost of installation and configuration, as well as an upfront payment for the net present value of the estimated cost of maintenance and communication, shall be paid by the customer to the utility as part of the standard SGIP deposit and reconciliation process. Following reconciliation, the interconnection customer shall have no ongoing financial obligation relating to the SCADA installation, which is fundamentally part of the utility's infrastructure. The interconnection customer must provide timely access to utility personnel and reasonably cooperate with LIPA and its contractors to maintain SCADA communications for the life of the system.

From NYSEIA's perspective, this pilot represents an important opportunity to resolve one of the most significant sources of delay in the Long Island interconnection process. We strongly support its direction and look forward to working with LIPA and PSEG Long Island to ensure it is implemented in a way that fully addresses the challenges identified by industry. Our hope is that it can quickly be expanded from the subset of public-sector customers to all DERs for which SCADA is required.

Conclusion

NYSEIA strongly supports LIPA's proposed modifications to the SGIP, and encourages the Board to adopt them quickly with the minor modifications described in these comments. At a moment when New York is under real pressure to deliver projects quickly and capture the benefits of available federal incentives, it's critical for New York to streamline interconnection and prioritize ITC-eligible projects, with an eye toward simplicity and practicality. That means giving developers enough certainty to make investment decisions, while providing utilities with flexibility to prioritize ITC-eligible projects.

LIPA's proposal reflects a clear understanding of that balance. By stepping back from the more rigid elements of the statewide framework and focusing on a simpler, more flexible approach, LIPA has put forward a model that is more adaptable to real-world conditions and better positioned to move projects forward. NYSEIA appreciates LIPA's leadership and we look forward to continuing to work collaboratively with LIPA and PSEG Long Island to drive continued progress deploying affordable clean energy on Long Island.

For questions, comments, or follow up, please contact:

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NYSEIA Proposed Redline to Exhibit A1 (SCADA PILOT)

EXHIBIT A1
ADDITIONAL INTERCONNECTION REQUIREMENTS

1. For Governmental Agencies, the requirement for Supervisory Control and Data Acquisition (SCADA) shall be as follows:

   Supervisory Control and Data Acquisition (SCADA):

   A Unit with aggregate rating of 500 KVA or greater shall require a SCADA (Supervisory Control and Data Acquisition) system Remote Terminal Unit (RTU). Interconnection Customer's RTU is required to use DNP 3.0 Serial Protocol. The supervisory equipment located at the Unit Premises shall be procured, installed, configured, owned, and maintained by LIPA, and paid for by the Interconnection Customer. ~~A DNP points list, otherwise known as "function tabs," will be provided by PSEG Long Island to Interconnection Customer to configure Interconnection Customer's RTU.~~ The supervisory equipment at the LIPA Operations Center will be procured, installed, maintained by LIPA and paid for by the Interconnection Customer. A dedicated leased TLS communication circuit AND/OR a wireless 4G backup is required for communication between the Interconnection Customer's RTU and LIPA's SCADA system (at LIPA's Operations Center). If necessary, ~~T~~the lease line(s) shall be ordered by LIPA and owned by LIPA. Installation, maintenance and subsequent monthly charges for lease line and/or wireless lines shall be charged by LIPA to the Interconnection Customer. Interconnection Customer would be responsible for all future costs related to upgrades and/or modification to TLS or wireless communication circuit.