

TALKING POINTS

Expanding Prevailing Wage to Solar Projects

1. Bills currently under consideration by the New York legislature and provisions in the New York State Senate budget would require all construction projects that receive public funds, in whole or in part, to pay workers the “prevailing wage” as determined by the New York State Department of Labor.
2. Most—if not all—solar energy projects in New York receive some form of state assistance, be it through New York State Energy Research and Development Authority (NYSERDA) incentives, loans, state tax credits, or property tax abatements. There is a risk that solar projects will get swept up in this broad legislation.
3. Based on data provided by NYSEIA members, **Prevailing Wage requirements have resulted in solar project cost increases of between 10 to 20 percent on average in New York** due to increases in labor costs related to site work, panel mounting, electrical labor, landscaping, and security. (Large-scale renewable projects in NY already use PW.)
4. Current NYSERDA incentives were not calculated with Prevailing Wage in mind, and a **huge number of solar projects in New York would no longer be economical under Prevailing Wage**, resulting in a significant slowdown in solar development.
5. **An exemption for renewable energy projects from Prevailing Wage would support clean energy growth at a crucial time.** Alternatively, the effects of Prevailing Wage could be counterbalanced by an increase in state support, such as through the successful NY-Sun Megawatt Block Program.
6. **Prevailing Wage would also impose a significant administrative burden on small and medium businesses** to demonstrate compliance. This would further constrain solar deployment, shift business from smaller local developers to larger firms, often from out-of-state, and eventually lead many small and medium companies to close up shop.
7. **Applying Prevailing Wage to the majority of solar projects would make it difficult or even impossible for New York to meet its ambitious clean energy targets** in time to act on climate change. New York has limited technological options for decarbonizing its electric sector going forward. Thus there is an urgent need for New York to accelerate solar energy deployment compared to current levels. Prevailing Wage would be a drag on New York’s transition to a clean energy economy at a time when the state can least afford to delay.

Relevant Legislation

S.1947/A.1261

Part II of the Assembly Education, Labor and Family Assistance Article 7 Bill (A.2006-B)

NYS Senate Budget Resolution No. 672

Average Increase in Project Cost

8-kW residential system	\$5,600
50-kW commercial system	\$19,000
5-MW ground-mount system	\$900,000