



TESTIMONY OF SHYAM MEHTA, EXECUTIVE DIRECTOR OF NYSEIA

JOINT HEARING OF THE SENATE MAJORITY AND THE ENVIRONMENTAL CONSERVATION COMMITTEE ON CLIMATE AND COMMUNITY PROTECTION ACT (S7971A)

FEBRUARY 14, 2019

Good morning. My name is Shyam Mehta. I am the Executive Director of the New York Solar Energy Industries Association, also known as NYSEIA. I'd like to thank Chairman Kaminsky and members of the Committee for the opportunity to present the solar industry's perspective on the Climate and Community Protection Act (Senate Bill S7971A). NYSEIA is a not-for-profit trade association that represents over one hundred solar energy businesses across New York, from all sectors of the industry. Our mission is to achieve significant, long-term and sustainable growth in solar energy deployment, thus accelerating our state's transition to a clean energy economy while creating well-paying jobs and economic prosperity for the people of New York.

1. Rapid Statewide Decarbonization Will Require Significant Changes to New York's Electricity Generation Mix, and Our Options are Limited

Recognizing that climate change poses severe existential and economic risks and the limited time frame in which to address them, NYSEIA fully supports the intent and goals of the Climate and Community Protection Act (CCPA), and thanks the Senate for taking up this issue in earnest. In particular, we applaud the CCPA's aggressive decarbonization timeline and the inclusion of intermediate goals to track progress and maintain accountability.

To eliminate emissions, it is useful to first identify their sources. In New York State, electricity generation and imports made up 17 percent of total statewide CO₂ emissions in 2015¹, after transportation (33 percent - and remember, electric vehicles cannot truly be clean if they are charging from a dirty grid) and on-site combustion (31 percent). A full 41 percent of electricity produced in New York comes from burning fossil fuels like oil, coal and natural gas, and that number increases to 70 percent downstate², which lacks the hydropower resources of upstate and where wind power is difficult to site. To decarbonize our electric grid by 2050, therefore, will require dramatically increasing the share of renewable technologies in a relatively short period of time.

To compound the issue, the state's clean energy technology options going forward are limited. We are not blessed with abundant geothermal resources and hydropower potential in our state has been largely tapped out. Going forward, the onus thus lies on solar and wind power to lead New York towards an emissions-free energy future.

¹ "New York State Greenhouse Gas Inventory: 1990–2015", NYSERDA. <https://www.nyserda.ny.gov/-/media/Files/EDPPP/Energy-Prices/Energy-Statistics/greenhouse-gas-inventory.pdf>

² "2018 Power Trends", NYISO. <https://www.nyiso.com/documents/20142/2223020/2018-Power-Trends.pdf/4cd3a2a6-838a-bb54-f631-8982a7bdfa7a>

2. For Solar to Play a Meaningful Role in an Emissions-Free Energy Future, Dramatically More Must be Deployed Than Has Been So Far

First, it is important to recognize the state's solid policy foundations for solar, which are due to the efforts of the Legislature and the Cuomo administration. The near-term path for solar growth is solid, thanks to our state's commitments and policy support from NYSERDA and the Public Service Commission. The solar industry is very heartened by the policy direction that the Senate has set under its new leadership, and we are eager to partner with you on ambitious clean energy efforts such as this bill. But let's put that progress into perspective. Although the last five years have seen a significant increase in solar deployment, solar made up just over 1 percent of New York's energy mix at the end of 2017³. Early data suggests that this increased by only 0.3 percent over the course of 2018⁴.

For solar energy to play any meaningful role towards the achievement of a carbon-free electricity sector and economy, it will not suffice to increase deployments at incremental or even moderate rates. To achieve a contribution of even 10 percent by 2030 will require deploying almost ten gigawatts of solar in the next decade - more than seven times the amount that has been installed to date. In other words, for solar to play any meaningful role in a carbon-free economy will require deploying an order of magnitude more than we have seen to date.

3. Upping Our Solar Deployment Rate to Required Levels Will Require Codification of Solar-Specific Targets and Coordinated Action to Ensure Cost-Competitiveness

Recognizing that a dramatic increase in solar deployment will be required to realize the goal of a carbon-free electric sector over the next few decades, NYSEIA urges the Legislature to adopt a new, robust solar-specific goal that dramatically expands solar access and creates a stable, predictable market for solar employment and investment. Just like the CCPA's targets for greenhouse gas emissions, the goal should be enforceable and include interim targets to ensure progress. Governor Cuomo's commitment to doubling distributed solar deployment to 6 gigawatts by 2025, which NYSEIA applauds, is a step in such a direction, as is the Million Solar Strong campaign's goal of powering a million NY homes with solar by 2023. It is not a coincidence that many states that have consistently led the country in solar deployment, such as Massachusetts, New Jersey, Arizona and Nevada, all have solar carve-outs as part of their renewable energy portfolio standards.

Finally, while codification of solar-specific targets, in the short, medium and long-term, is absolutely necessary to drive our transition to a clean energy economy, it is by no means sufficient. Ultimately, the growth of solar adoption will depend on how affordable it is compared to other options, and any measures, even if well-intentioned, that increase solar project costs risk slowing down deployment.

Perhaps more than any other single issue this session, NYSEIA member companies are very concerned that efforts to expand Prevailing Wage requirements could lead to a dramatic slowdown in the industry and kill solar projects in every corner of the state. To put this issue in perspective, a typical solar project earns a rate of return somewhere in the 8-12 percent range. In a survey that NYSEIA will unveil shortly, our members report that Prevailing Wage requirements have historically added between 15 and 25 percent to overall project costs – meaning that a large number of solar projects would be in the red and the state's clean energy and climate goals would be undermined.

Our member companies currently pay a very competitive wage (and many are hiring), and it is important to note that larger solar projects and those with municipal offtakers are already subject to Prevailing Wage requirements. If these

³ "2018 Power Trends", NYISO. <https://www.nyiso.com/documents/20142/2223020/2018-Power-Trends.pdf/4cd3a2a6-838a-bb54-f631-8982a7bd7a7a>

⁴ "Interconnection Queue Summary", DPS. <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/286D2C179E9A5A8385257F8F003F1F7E>

requirements must be expanded, we strongly urge this Committee to consider ways to mitigate the impact, such as increasing NYSERDA MW-Block funds, exempting certain classes of solar projects and/or relieving solar of administrative burdens that come with the Prevailing Wage regime. NYSEIA would appreciate the opportunity to continue to dialogue with you on this critical issue.

NYSEIA thanks the Environmental Conservation Committee for considering these comments. If we can be a resource or provide additional information, please do not hesitate to contact Shyam Mehta at shyam@nyseia.org.