



NY-Sun Inclusive Community Solar Adder Proposal: NYSEIA Comments

NYSEIA submits the following comments in response to NYSERDA’s straw proposal and Request for Information (RFI) pertaining to the proposed introduction of an Inclusive Community Solar Adder that would incentivize projects serving Low-and-Moderate Income (LMI) subscribers and related disadvantaged communities.

1. Project Eligibility

NYSEIA recommends that the Inclusive Community Adder be limited to only projects that will not be receiving the Community Adder, Phase One NEM, the Market Transition Credit or the Community Credit, as those projects have progressed to a certain level of financial viability and the projects where the additional adder is needed the most are the projects that have not progressed to receive those incentives. Diverting projects in the current pipeline to the Inclusive Community Solar Adder may over-incentivize projects that already have sufficient funding to move forward.

2. Subscriber Requirements

- i. NYSEIA urges NYSERDA to adopt a more inclusive definition for non-residential subscribers. For example, non-profits located in a designated disadvantaged community or serving disadvantaged populations should be eligible as non-residential subscribers. We recommend that NYSERDA establish a review process for non-profits to petition for eligibility which is, to the extent justifiable, maximally inclusive, to set up the LMI CDG market for success.
- ii. NYSEIA advises against any eligibility screen that requires residential subscribers to demonstrate documentation proving their household income satisfies the income threshold. In the design of any low-income access program, requiring participants to prove income eligibility is a significant barrier to participation and should be eliminated to allow for easier entry to participation. We suggest that NYSERDA utilize participation in other needs-based programs to demonstrate income eligibility rather than requiring customers to demonstrate separately for the purposes of the adder. Participation in any needs-based benefit program should satisfy the criteria for participating in a project serving LMI customers. In particular, if customers can demonstrate they are participating in a HEAP or EAP program, they should meet the eligibility

criteria for the adder, in lieu of an additional step to prove income. The burden of proof should lie with the state to affirm eligibility rather than the customer to prove eligibility.

- iii. NYSEIA strongly advocates that all affordable housing projects, regardless of whether or not they are included in LMI-designated areas, be eligible as subscribers.

3. Proposed Incentive Level

NYSEIA supports the proposed “sliding scale” structure of the Inclusive Adder; however, the proposed level of \$0.05-\$0.10 per watt incentive amount is not adequate to fully incentivize and account for the additional costs in targeting LMI communities.

4. Payment Process and Schedule

NYSEIA recommends that 100% of the Inclusive Adder be paid up-front to the project. Under the proposed 50%/25%/25% payment schedule, the entire incentive will not be able to be financed, unlike the Community Adder and PBI MW incentive, as LMI customers will be signing short-term contracts and the financiers will argue that there is no guarantee that they will remain at the end of year 1 and year 2. As such, 50% of the incentive will not be able to be financed or modeled for in the project capital stack.