

**NEW YORK SOLAR ENERGY INDUSTRIES ASSOCIATION COMMENTS IN THE MATTER OF TIMELY INTERCONNECTION OF DISTRIBUTED ENERGY RESOURCES (24-E-0415)**

**Introduction**

In April 2024, New York enacted its Fiscal Year 2025 Budget, a series of bills that includes the renewable action through project interconnection and deployment (RAPID) act. While the primary objective of the RAPID Act is to streamline the siting of transmission lines, the Act also includes a directive to the Commission to “commence a proceeding within ninety days of the effective date of this act to review the cause and extent of any delays to interconnection of distributed energy resources.” The Act continues “This proceeding shall consider metrics related to the timely interconnection of distributed generation resources into the distribution system owned by an electric corporation, as well as revenue adjustments related to such metrics.”<sup>1</sup> On July 16, 2024, the Commission issued a Notice Soliciting Comments with a list of five initial questions from Department of Public Service (DPS) Staff to assess whether New York’s utilities are currently complying with the timelines in New York’s Standardized Interconnection Requirements (SIR). New York Solar Energy Industries Association (NYSEIA) is a trade association representing hundreds of Distributed Energy Resource (DER) companies that operate in New York State, and respectfully provides these initial comments for consideration by DPS Staff and the Commission as this proceeding commences.

**Background**

In New York, DER are being deployed rapidly and at-scale, driving progress toward New York’s Climate Leadership and Community Protection Act (CLCPA) mandates. In July 2024, NYSEIDA and DPS issued a Draft Clean Energy Standard Biennial Review; a CLCPA progress report which indicates that New York is no longer on track to achieve the CLCPA mandate to generate 70% of the state’s electricity from renewable sources by 2030 with a business-as-usual approach. According to the filing, the two primary causes for New York’s projected renewable electricity gap are: 1) delays and cancellations for utility-scale renewable energy projects; and 2) electric load growth driven by data centers, industrial development and electrification. As New York determines how to close its renewable electricity gap, NYSEIA advocates for New York to raise its distributed solar goal from 10 gigawatts (GW) by 2030 to 20 GW by 2035 and to advance specific policies to accelerate DER deployment. One key barrier to rapid and cost-effective DER deployment is protracted interconnection timelines. A NYSEIA analysis of the SIR Inventory data set maintained by DPS demonstrates that large DER (>500 kW-AC) interconnection timelines have increased

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<sup>1</sup> New York State Legislature. Senate Bill 8308C. <https://legislation.nysenate.gov/pdf/bills/2023/S8308C>. April 2024.

each year for the last three years, reaching nearly four years for projects that received Permission to Operate (PTO) in 2023:

**Interconnection Timelines for PV and BESS Projects > 500 kW-AC**

Year of Completion	Avg Timeline (Days from Application to PTO)	Avg Timeline (Years from Application to PTO)
2019	1,179	3.23
2020	1,037	2.84
2021	1,131	3.10
2022	1,144	3.14
2023	1,424	3.90
<b>Grand Total</b>	<b>1,185</b>	<b>3.25</b>

Source: DPS SIR Inventory. NYSEIA Analysis. Accessed August 2024.

NYSEIA’s analysis of the SIR Inventory found that interconnection timelines for small commercial DERs (50-500 kW-AC) have also gotten longer over the last several years, increasing from 500 days in 2019 to 646 days in 2023. Timelines for small/residential DERs (below 50 kW-AC) have hovered at approximately 100 days from initial application to PTO for the last five years.

**Interconnection Timelines for PV and BESS Projects 50- 500 kW-AC**

Year of Completion	Avg Timeline (Days from Application to PTO)	Avg Timeline (Years from Application to PTO)
2019	500	1.37
2020	535	1.47
2021	631	1.73
2022	738	2.02
2023	646	1.77
<b>Grand Total</b>	<b>622</b>	<b>1.70</b>

**Interconnection Timelines for PV and BESS Projects < 50 kW-AC**

Year of Completion	Avg Timeline (Days from Application to PTO)	Avg Timeline (Years from Application to PTO)
2019	95	0.26
2020	110	0.30
2021	98	0.27
2022	102	0.28
2023	100	0.27
<b>Grand Total</b>	<b>101</b>	<b>0.28</b>

Eliminating delays from the interconnection process will shorten these timelines, resulting in faster deployment of DERs to support near-term progress toward New York’s CLCPA mandates. Expediting interconnection will also lower the cost of DERs by shortening the time between when DER developer capital is invested into Distribution Upgrades and DER construction and when the DER achieves commercial operation and begins generating revenue. As the adage goes, “time is money”, and this RAPID Act proceeding can help New York save both while enabling progress toward the State’s clean energy mandates.

## **Expediting Interconnection Requires a Holistic Approach**

NYSEIA appreciates the Legislature and the Commission initiating this proceeding, which could deliver meaningful improvements to the DER interconnection process and accelerate DER deployment. As discussed in response to DPS Staff's questions below, NYSEIA cautions that only a small portion of the overall interconnection process is currently governed by mandatory timelines in New York's SIR. Therefore, ensuring that New York utility companies are complying with SIR timelines through monitoring and enforcement will likely result in incremental timeline improvements. SIR timeline monitoring and enforcement are important, however, to maximize impact, it must be part of a broader strategy to shorten DER permitting and interconnection timelines. NYSEIA urges the Commission to holistically evaluate the DER interconnection process, from initial application through to PTO, and to work with the utilities, state agencies, and DER developers to advance strategies to shorten these timelines.

Additionally, while this proceeding appears to be focused primarily on improving interconnection timelines, it is worth noting that there are also significant opportunities to improve interconnection cost estimation accuracy, cost certainty, and to reduce the cost of Distribution Upgrades. Policies that advance cost certainty and counteract rising interconnection costs are also critically important for ensuring rapid and cost-effective DER deployment. NYSEIA encourages the Commission to clarify if these topics are germane in this proceeding, or if they should instead be advanced through alternative channels.

## **Unique Approaches Are Needed for Different Market Segments**

DER interconnection timelines vary significantly based upon the size of the DER and whether Distribution Upgrades are needed. Large DERs have a 3- to 4-year timeline, and therefore shaving a few months off the timeline is not too significant. However, small DERs have a ~100-day timeline, so cutting a few months from the timeline amounts to halving the overall timeline, which would be really meaningful. Similarly, most utilities interconnect a small number of large DERs each year and a large number of small DERs. Distinct performance metrics, timeline compression strategies, and incentives are needed to drive meaningful improvements to the timeline for deploying small (< 50 kW), medium (50-500 kW) and large (> 500 kW) DERs in New York.

## **Accelerating Interconnection Requires Ambitious Goals, Carrots and Sticks**

DER developers already operate within a system of mandatory SIR compliance; if an interconnection customer doesn't make payment or fails to take a required action by the date specified in the SIR, they can lose their interconnection queue position, a significant incentive to ensure compliance. While individual DER developers are not always happy with utility SIR timeline enforcement, it is helpful to the overall DER market because it reduces queue congestion. In contrast, utilities currently operate without meaningful consequences relating to SIR compliance; if they miss an SIR mandated timeline, penalties are not imposed nor do they receive incentives for completing tasks faster than the SIR mandated timelines. As such, the utilities have

little reason to complete Coordinated Electric System Impact Review (CESIR) studies or any other SIR regulated activity in less than the maximum allowable amount of time. To change this dynamic, meaningful penalties for noncompliance as well as incentives for excellence are needed. Rather than simply creating penalties and incentives based upon the current timelines governed by the SIR, NYSEIA encourages the Commission to consider incentives and penalties that are broader and tied to achieving outcomes that the Commission, utilities and DER stakeholders agree are impactful from a CLCPA perspective, e.g., doubling annual DER deployment or halving of DER interconnection timelines. NYSEIA asserts that ambitious goals paired with meaningful incentives and penalties are more likely to deliver meaningful progress than simply enforcing current SIR requirements.

### **NYSEIA Feedback in Response to DPS Staff's Initial Questions**

- 1. Staff proposes to examine interconnection data for the last 5 years (2019-2024). Should a different period be selected for review?**

NYSEIA agrees that the last five years is an appropriate time period for analysis.

- 2. The SIRs contain several time limits applicable to the utility's role in the process (see footnote 2 of the Notice). Which of the time limits in the current SIRs should be used to assess interconnection timeliness?**

To effectively assess interconnection timelines, we should consider the entire process from application to project reconciliation after commissioning. Currently, the time limits set for utility roles in the SIR only cover the period from application to CESIR study payments, which represents less than half of the total project development time. Therefore, we recommend that Staff evaluate the full range of timelines and delays throughout the entire interconnection process—specifically, from the initial application to when the project is energized and the actual costs are reconciled. This approach will provide a more comprehensive understanding of the delays at each key stage by not limiting the assessment to specific time limits outlined in the SIR.

For instance, after the 25% payment date, the applicant has 30 business days to submit updated documents during the construction phase, and the utility has its own internal timeline for reviewing these documents. However, in many cases, this process involves multiple rounds of corrections and requests for clarification which can cause material delays to the overall timeline without triggering any noncompliance with the SIR. As a result, focusing solely on the duration of construction submittal review will not capture the full extent of the delays at this stage or identify where they occur throughout the interconnection process.

- A. The following activities are already governed by binding timelines in the SIR:
  - i. Initial Application
  - ii. Site Verification Test

- iii. Reconciliation

B. The following activities are not bounded by SIR timelines

- i. Site Visit Scheduling

- ii. Late-Stage Construction Document Review

- iii. Landowner Easements and Utility Right-of-Way Encroachment Approvals for Distribution Upgrades

- iv. Design Queue

- v. Cost Estimate Updates

- vi. Upgrade Construction Timelines

NYSEIA encourages the Commission to evaluate delays that occur during each of these activities/steps, and then to consider if additional SIR timelines are needed to prevent delays and shorten the overall interconnection timeline.

**3. The SIRs also contain time limits applicable to the interconnection applicant's role in the process (see footnote 2 of the Notice). Which of these time limits should be assessed to evaluate interconnection timeliness?**

The most common cause of significant delays unrelated to utilities is the adoption of moratoria or restrictive local laws by authorities having jurisdiction (AHJs). These actions can lead to a protracted zoning approval process, thereby prolonging project development timelines. Delays can also be caused by other factors outside the control of the interconnection applicant, such as rapidly changing interest rates or pending awards through the Federal Low-Income Communities Bonus Credit Program, which can have a significant impact on the economic viability of projects. Occasionally, interconnection applicants with projects facing this kind of uncertainty may request that utilities wait to commence construction for Distribution Upgrades even after they have made full payment based upon the CESIR study cost estimate. Although NYSEIA asserts that these delays are reasonable in most cases, they should also be evaluated as part of this proceeding.

**4. What data sets should be used to assess whether utilities are meeting the time limits identified in the SIRs?**

A. The SIR Inventory is appropriate for assessing timelines from interconnection application through to completion of the CESIR study.

B. Most timelines that are governed by the SIR, including invoicing, site testing, and reconciliation, are not included in the DPS-maintained SIR Inventory data set. To address this gap, we recommend that the Commission require utilities to provide DPS Staff their internal records related to these timelines. Presumably the utilities track the dates of all activities that are currently governed by the SIR, so this should not be a burdensome data request. Additionally, we suggest that DPS survey DER developers to gather additional quantitative and qualitative data regarding causes

of interconnection delays. Interconnection customers will provide valuable context that cannot be discerned merely by analyzing data provided by the distribution utilities.

- C. For time intensive stages that are not bounded by SIR timelines, we request that the Commission require utilities to report on the timelines for key stages mentioned in response 2.B. This should include both the timeline for each individual step and the overall timeline to conclude each stage, which will help paint a complete picture that includes the timeline impacts of any repetitive/iterative steps.
- 5. What data sets should be used to assess whether interconnection applicants are meeting time limits applicable to them in the SIRs?**

Interconnection applicants must adhere to the timelines set in the SIR to maintain their queue position. As a result, interconnection applicants do meet these timelines. Additionally, utilities should be tracking the dates that construction materials are submitted by interconnection applicants. This data could also be analyzed by DPS staff.