



NYSEIA Factsheet: Long Island Solar and Storage Programs

With over 500 megawatts-AC of distributed solar capacity as of July 2020, Long Island is one of New York's most vibrant and dynamic solar markets, with energy storage adoption scaling up rapidly in its wake. This factsheet details the existing regulatory and statutory programs through which solar and storage projects are supported in LIPA and PSEG-Long Island territory.

1. "Mass Market" Projects (Residential and On-site Commercial Systems 750 kW-AC and less)

- Currently compensated through Phase One Net Energy Metering (NEM)
- Systems in this segment will continue to receive NEM compensation without additional charges through December 31, 2021
- Beginning January 1, 2022, systems in this segment will be provided multiple compensation options, which can be opted into on an annual basis, per below:
 - Phase One NEM with a fixed \$/kW-month charge, referred to as the Customer Benefit Charge (CBC). The size of this charge is yet to be determined; LIPA has provisionally proposed this be set at \$1/kW-month, with updates to be made on an annual basis. LIPA is expected to issue a proposal regarding the CBC for stakeholder comment in Q1 2021.
 - VDER/Value Stack (see below) for injected power with a discounted CBC (50% for residential, 30% for small commercial systems)
 - Time-of-Use rates that are currently offered in LIPA territory.
- **Sources and Resources**
 - [NYS PSC Order Establishing Net Metering Successor Tariff](#)
 - [LIPA Board Briefing: Successor to Net Energy Metering](#), June 24, 2020
 - [PSEG-LI: Common Residential Electric Rates, 2020](#), including Time of Use Rates
 - [New Time-of-Use Rate Structures Proposed by LIPA effective February 2021](#)

2. VDER/Value Stack Tariff

- **Background**
 - Value-of-solar tariff that has replaced Phase One NEM for non-residential projects except on-site commercial projects 750 kW-AC and below (see above) starting in May 2018
 - Compensates projects based on when and where they provide electricity to the grid; compensation is in the form of bill credits (monetary crediting)
 - Eligible projects will receive compensation for 25 years from date of interconnection and will have ability to carry over excess credits to subsequent billing periods and annual periods

- **Components of VDER/Value Stack**
 - **Energy (LBMP)** – set at the wholesale market price for energy, using the day-ahead hourly locational-based marginal pricing, inclusive of T&D losses
 - **Capacity (ICAP)** - compensation based on NYISO market capacity costs
 - **Demand Reduction Value (DRV)** – based on the value of reducing the distribution grid’s peak load; calculated value using LIPA’s most recent marginal cost of service study and is locked in for a 10-year period
 - **Locational System Relief Value (LSRV)** – location-specific supplement to the DRV based on additional avoided costs at specifically defined locations on LIPA’s system; currently set at 50% of DRV
 - **Environmental benefits (E-Value)** – Higher of NYSERDA-posted Tier 1 renewable energy credit (REC) price OR the social cost of carbon, as of the operational date for the customer-generator.
 - **Community Credit:** Available only for Community Solar projects starting February 2020 and currently set at \$0.05/kWh

- **Sources and Resources**
 - VDER Proceeding available [here](#)
 - Value Stack calculator [here](#); developed to provide an accurate estimate of a PV project’s compensation under the Value Stack
 - [PSEGLI: FAQ for Commercial Demand Customers as of Oct, 19, 2019](#)
 - [PSEGLI: Value of Distributed Energy](#)

- [LIPA: NYS Proceedings and Working Groups](#)
- [LIPA: Tariff for Electric Service, Jan 2019](#) – (p. 60)

3. Community Adder

- \$200/kW-AC available only for Community Solar projects under 750 kW AC.
- Total proposed 2021 funding allocation of \$1.2 million, implying program cap of 6 MW AC.
- **Sources and Resources**
 - [PSEG-LI Rebate Application for CDG or Solar Communities FIT V](#)

4. Long Island Solar Communities Program/ Solar Communities Feed-in Tariff V

- **Background**
 - LIPA-administered Community Solar program focused on LMI subscribers
 - Auction-based feed-in tariff-based program where selected solar systems are paid a fixed rate over a 20-year term of the PPA between the system owner and LIPA
 - System output will be credited to eligible LMI customers who receive a monthly bill discount
 - Offers 7% bill savings to participating customers
- **Program Size**
 - Applications to be granted through auction-based process; first auction round would be for 25 MW-DC of resources, with 20 MW-DC dedicated for LMI subscribers
 - Possibility to expand program to 40 MW-DC subject to LIPA discretion, with the additional 15 MW-DC being split between LMI customers and non-LMI customers
- **Eligible Projects**
 - Rated output of between 200 kW-AC and 5 MW-AC
 - Project must be interconnected to LIPA's electric system with a dedicated meter
- **Pricing**
 - Successful applicants will be paid their as-bid rate (in \$/kWh to the nearest \$0.0001/kWh); rate will remain fixed for the entire 20-year term of the PPA
 - No bid exceeding \$0.1649/kWh will be accepted

- Projects bidding into this program are not eligible to receive the Community Credit, but will be eligible for the Community Adder (see above)
- **Enrollment Timelines**
 - Initial application period: June 1, 2020 through September 30, 2020
 - Additional application period (goes to waiting list): October 1, 2020 through June 30, 2022
 - Waitlist will be evaluated on a quarterly basis against remaining available Solar Communities FIT program capacity and price caps
 - Bidding process for waitlist period detailed [here](#), pages 8-9
- **Sources and Resources**
 - [PSEG-LI Solar Communities Feed-in Tariff V FAQ](#)
 - [LIPA Tariff for Electric Service, Sept 2020](#) (extended version [here](#))
 - [PSEG-LI Solar Communities Feed-in Tariff V General Info page](#)
 - [Approval of Modifications to LIPA's Tariff Related to the Solar Communities Feed-In-Tariff](#)
 - [LIPA CEO Report, Feb 6, 2020](#)
 - [PSEGLI: FAQ for Commercial Demand Customers as of Oct, 19, 2019](#)
 - [LIPA: Tariff for Electric Service, Jan 2019](#) (p. 65)

5. NYSEIDA Long Island Single-Family Solar-plus-Storage Incentive

- **Background**
 - Available for grid-connected residential solar projects paired with an energy storage system.
 - The project may be a new solar plus storage system, or an existing solar project retrofitted to add a new energy storage system.
- **Magnitude and Eligibility**
 - Incentive of \$250/kWh, with initial budget allocation of \$2.5 million, of which \$1.29 million had been committed as of October 30, 2020
 - Incentive is only available for the energy storage component of the system

- Additional incentives available to residents earning less than 80% of the median income in the area; can be up to an additional \$150/kWh
- **Sources and Resources**
 - [NYSERDA Incentive Dashboard](#)
 - [PSEG LI: Solar + Energy Storage](#)
 - [NYSERDA: Incentives for LI Residents](#)

6. NYSERDA Long Island Commercial Retail Storage Incentive

- **Background**
 - Provides commercial customers funding for standalone, grid-connected energy storage OR storage systems paired with a new or existing on-site solar system
 - Systems can be behind-the-meter (BtM) or connected directly to the distribution system
- **Eligible Projects**
 - New commercial and industrial NY-Sun projects
 - Community solar and remote credited systems receiving value stack compensation
 - Existing NY-Sun project applications in approved status
 - Non-residential storage projects NOT paired with PV (standalone storage)
- **Sources and Resources**
 - [NYSERDA Retail Storage Incentives](#)
 - Online contractor application [here](#)

7. PSEG-LI/LIPA Dynamic Load Management (DLM)

- **Background**
 - Umbrella term for three distinct load management programs (see below)
 - Pays customers (or pay aggregators who will pay customers) who want to reduce the amount of electricity used from their electric grid
 - Tariff includes payment from PSEG to ratepayers in exchange for reducing load during peak times. Rate will pay more in constrained areas and will be determined by marginal cost of service studies

- PSEG will call on aggregators to deliver demand reductions from its customer base in targeted areas
- **Smart Savers Direct Load Control Program (Smart Savers Program)**
 - Available to residential and small commercial customers
 - Payment of a single incentive payment per year for 5+ years
 - Customer must have load controllable equipment to participate; equipment must have ability to reduce load by a minimum of 1 kW when a curtailment event is initiated by PSEG/LIPA
 - If a customer participates in this program, they are NOT eligible to participate in CSRP or DLRP
- **Commercial System Relief Program (CSRP)**
 - Specific to non-residential customers
 - Payment of 2 types of incentives (both subject to a reduction if extent of participation is low):
 - For making a commitment to participate
 - Function of the extent of the participation
 - Available to all PSEG-LI customers as direct participants and to load aggregators who contract a minimum load relief (per meter) of 50 kW
 - Direct participant must contract to provide at least 50 kW of load relief; an aggregator must contract to provide at least 50 kW of load relief
- **Distribution Load Relief Program (DLRP)**
 - Specific to non-residential customers
 - Payment of 2 types of incentives (both subject to a reduction if extent of participation is low):
 - For making a commitment to participate
 - Function of the extent of the participation
 - Available to all PSEG-LI customers and load aggregators who agree to provide minimum load relief per meter of 50 kW
- **Sources and Resources**
 - [PSEG: Program Guidelines and Operational Procedures for Dynamic Load Management Tariff Programs](#)

- [NYSERDA: Gov. Cuomo Announces \\$55 M for Energy Storage on LI](#)
- [PSEG LI Aggregator Eligibility Requirements](#)