# 2023 Policy Retrospective

New York Solar Energy Industries Association (NYSEIA) was active in policy and regulatory matters throughout 2023, and made significant progress on multiple issues impacting New York's distributed solar industry. This document provides an overview of NYSEIA's activities in 2023 and provides important context as we finalize our 2024 priorities. If you have questions about NYSEIA or our policy efforts, please email info@nyseia.org to get in touch with NYSEIA staff.

## Legislative Advocacy

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**New York City Solar + Storage Property Tax Abatement extension and expansion (A.6113B/S.6640B):** in June 2023, the New York State legislature unanimously passed a NYSEIA-drafted bill to strengthen NYC's solar property tax abatement (PTA). The PTA, a local NYC property tax incentive valued at 20% of the net cost of a PV system after the NY-Sun incentive, was scheduled to expire at the end of 2023. NYSEIA worked closely with the NYC Mayor's Office on a proposal to extend the PTA for a decade, allow for the inclusion of energy storage as an eligible expense, and raise the incentive to 30%. The original proposal included a direct-pay provision for non-profits and affordable housing, but ultimately this was cut at the request of the NYC Office of Management & Budget. Assemblymember Robert Carroll recently introduced standalone legislation (A.8355) that would enable the direct pay provision, and NYSEIA will be supporting that legislation in the upcoming session. The cost of the PTA is fully borne by the City of New York, and the City provided a memo of support for the bill which is part of how we were able to garner such strong state-level support. This legislative success helped cement NYC as a strong residential and small commercial solar + storage market for the next decade.

**Residential Tax Credit expansion (S.3596B/A.6739A):** last legislative session, NYSEIA ran an aggressive campaign to get the residential tax credit expansion into the budget. If enacted, the bill will raise the per household incentive cap from $5k to $10k, allow for energy storage to be included as an eligible expense, and make the incentive refundable for low-income families. We knew it would be an uphill battle to get the bill into the budget last year based on when we launched our campaign (March), but we made significant progress. By the end of last session, we got a bill introduced in both chambers and built a coalition of 25 environmental justice/housing groups who signed on to a letter of support. We also mobilized our members through an email and call drive using the Solar United Neighbors online platform and made inroads with the Governor's Energy Team on the proposal. As we prepare for the 2024 legislative session, we are well-positioned on this bill. On December 6th, we ran a call-relay that resulted in dozens of calls to the Governor's office voicing support for the bill, and we've relaunched our Solar United Neighbors grassroots campaign. We've had favorable meetings with the Division of Budget and the Governor's team regarding the proposal, and discussed the proposal directly with Governor Hochul last week at a campaign event we hosted with NYSEIA Solar PAC. Our near-term goal is to get this proposal into the executive budget, and we will be working to line up additional support from key members of the Senate and Assembly as well.

**Community Solar Siting Bill (A.3579A):** in 2023, NYSEIA's Commercial and Industrial (C&I) Committee identified restrictive local laws as a critical barrier to distributed solar deployment. According to an analysis by Lodestar Energy, an estimated 4.6 gigawatts of distributed solar is currently being prevented by restrictive local laws, repeating moratoria or other unreasonably burdensome requirements or zoning/stormwater management enforcement at the local level. Over a six-month period, NYSEIA developed a proposal to address the siting barrier to distributed solar deployment, and we recently secured support from bill sponsor Assemblywoman Pat Fahey. If enacted, NYSEIA's siting bill will; 1) make clean energy PILOTs exempt from the property tax cap, allowing municipalities that host clean energy projects to grow their tax base; 2) allocate funding to NYSERDA to support enhanced outreach and education to municipalities regarding clean energy; and 3) create a state-level appeal process for distributed clean energy projects that are caught up in local permitting to ensure that good projects have a viable permitting pathway statewide. On December 8th, this bill was introduced in the Assembly by AM Patricia Fahy. NYSEIA is currently briefing stakeholders regarding this important proposal, including NYSERDA, the Office of Renewable Energy Siting, the Governor's Office, and other trade associations. We recently met with Senator Monica Martinez, chair of the Local Governments committee in the Senate, to ask for her support of the bill. We are requesting that the Governor include the bill in her executive budget, however, we think that is unlikely and we are prepared to advocate for this proposal throughout the session.

**PV Recycling:** NYSEIA is working with ACE-NY and national SEIA to advance PV recycling legislation in NY. Over the summer, we met with Assemblymember Didi Barrett, chair of the energy committee, to request her support for our proposal, which would direct NYSERDA to conduct a PV recycling study, create a tax credit for existing recycling facilities that wish to add-on PV recycling capabilities, and preempt any local laws regarding PV recycling until after the study is complete and NY develops a smart state-wide policy for PV recycling. NYSEIA's strong preference is for a PV recycling plan that utilizes a decommissioning approach rather than extended producer responsibility, which could drive up costs and serve as a major barrier to serving the NY market with many modules. We are still in the process of securing Senate and Assembly sponsors, and hope to have a bill introduced before the start of the legislative session in January. This effort is something that ACE-NY is encouraging for inclusion in the executive budget; a proposal that NYSEIA is largely supportive of. NYSEIA developed useful educational materials regarding PV recycling that we will use as part of an advocacy campaign once we have a bill sponsor and introduction.

**Build Public Renewables Act:** while NYSEIA did not support BPRA, and we opposed it in 2021-2022, we did not oppose the bill in the 2023 legislative session. BPRA had broad legislative support and was included in the Governor's 2023 executive budget. Based on the inevitability of the bill's enactment and NYSEIA's desire to build a coalition with many of the environmental justice groups and bill sponsors supporting BPRA, NYSEIA remained neutral on the bill this last session. NYSEIA regularly meets with NYPA regarding solar + storage policy, and we look forward to providing input/feedback on NYPA's renewable energy development plans to advocate for NYPA to play a role that is additive to the existing market and that creates opportunities for our member companies.

**Utility Owned Generation:** Last session, Senator Parker introduced legislation that would authorize utilities to own and operate renewable energy generating facilities in New York State, in contravention of over 25 years of New York State energy policy that shields electricity ratepayers from the risk of project development. NYSEIA opposes this legislation because we believe that re-exposing ratepayers to this risk is not in the public interest, especially given rising energy costs. Having utilities build renewables and charge the full cost to ratepayers will not help achieve the CLCPA targets any more quickly or less expensively, partly because utilities cannot navigate the Renewable Energy Siting Law (Executive Law Section 94-c) process any quicker than private independent power producers (IPP), since everyone needs to follow the same requirements for environmental review. The New York State Public Service Commission's (PSC) determination that IPP companies can build and operate generation more efficiently than utilities was one of the main reasons the PSC decided to restructure the electric utility industry in New York over two decades ago. Consistent with this policy, the PSC barred the State's monopoly utilities from constructing and owning renewable generation because of the potential that such ownership would inhibit entry by private market participants, which could result in less competition and higher costs in the long run. Although the legislation also proposes that net revenues from the utility facilities would be provided to low-income customers in the form of bill credits, many utilities currently have an immense backlog of community solar bill credits, with tens of thousands of New Yorkers not receiving their bill credits from utilities in a timely fashion under existing programs. It is unreasonable to expect that the utilities would be any more effective at providing these new services.

## Regulatory Advocacy

***Incentives, Compensation/Rate Design, Permitting, Interconnection***

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**NY-Sun Midpoint Review:** On January 17th, NYSERDA and the Department of Public Service (DPS) submitted the NY-Sun Program Mid-Point Review in Case 21-E-0629. This filing was triggered when 50% of the new Upstate MW Block capacity authorized by the 10 GW Order was submitted to the MW Block program, occurring on November 17, 2022. NYSEIA submitted comments in response to the Mid-Point Review that were largely supportive, but included some additional recommendations to strengthen the solar market over time, including VDER improvements, support for NYSERDA's proposal to enable multiple discount rates for CDG net crediting projects, and ongoing NY-Sun incentives to counteract the impacts of rising interconnection costs and inflation.

**NYSERDA Energy Storage Roadmap:** On December 31, 2022, the DPS and NYSERDA released the much-awaited Energy Storage Roadmap. In March of this year, NYSEIA submitted comments in response to the roadmap. Our comments encouraged the Public Service Commission to authorize and fund this statewide energy storage program without delay, supported the proposed Index Storage Credit (ISC) for the Bulk energy storage program, supported the proposed descending block incentive program design for the retail and residential market segments, encouraged an accelerated timeline for the residential and retail program implementation, recommended prioritizing the Retail (below 5 megawatt) segment due to the unique direct and system-wide benefits distributed storage can provide to New Yorkers. We also recommended that residential capacity allocation be increased at least two-fold to meet consumer demand, encourage aggregation, maximize the use of existing grid infrastructure, and provide resilience benefits to more New Yorkers. We also suggested that grid service programs and other price signals are needed for homeowners and system owners to encourage residential energy storage adoption, asked that project maturity requirement changes be considered to allow projects with longer permitting timelines to qualify for incentives before they are fully allocated, and suggested that permitting and interconnection reforms are needed to achieve New York's energy storage deployment goals.

**NY-Sun onsite non-residential incentive level advocacy:** in the summer of 2023, NYSEIA send NYSERDA a proposal with two modifications to the existing onsite non-residential NY-Sun incentive. We proposed that NYSERDA: 1) raise the system size threshold from 750 kW-DC to 1,500 kW-DC; and 2) maintain the prior incentive level of $0.35/W by bringing funding from future blocks forward rather than letter the incentive level decline. Unfortunately, NYSERDA did not implement our recommendations and the incentive level has since declined. NYSEIA plans to put forward this and other recommendations in our comments in response to NYSERDA's pending post 10-gigawatt proposal, which must be filed with the PSC by the first week of January 2024.

**Inclusive Community Solar Adder (ICSA):** On March 14th, NYSERDA released version 2.0 of their proposed rules for Round 2 of the Inclusive Community Solar Adder. That proposal followed NYSERDA's decision in 2022 to pause the release of the updated incentive pending release by the U.S. Department of Treasury of guidance on the low-income bonus tax credits contained in the Inflation Reduction Act. NYSEIA partnered with the Coalition for Community Solar Access (CCSA) to submit comments on the proposal. NYSERDA integrated some of industry's feedback into the updated incentive, and on October 12th, NYSERDA began accepting applications for the ICSA again. NYSEIA understands it can be challenging to meet the ICSA Round 2 requirements, and we are hopeful that pending improvements to CDG billing & crediting (e.g. multiple discount rates for net crediting) will address these challenges and support the program's success.

**Statewide Solar for All:** NYSEIA, national SEIA, and the Coalition for Community Solar Access (CCSA) provided feedback on the Department of Public Service (DPS) Staff Proposal on a Statewide Solar for All Program. In our comments, we supported the intent of the Statewide Solar for All (S-SFA) Proposal, which seeks to catalyze additional distributed solar and storage project development and to leverage solar and energy storage projects to provide direct bill savings to low- and moderate-income (LMI) New Yorkers. We agreed with DPS Staff and NYSERDA that community solar is a critical tool to meet the State's decarbonization and equity objectives under the Climate Leadership and Community Protection Act, and we supported Staff's Proposal that the S-SFA program be additive to the existing programs supporting opt-in community solar. However, the Solar Parties expressed concern that the program structure as proposed would not adequately permit both models to operate in harmony while achieving their stated goals, and recommended modifications to build a successful S-SFA without impeding existing opt-in community solar programs. We shared that with a few key changes, S-SFA could be instrumental to expanding the distributed energy opportunity in New York State in a manner that supports a diversity of business models and ensures that a growing number of LMI customers will directly benefit. The most notable change we recommended was for S-SFA to be capacity limited and rolled out in conjunction with additional ICSA capacity. In addition, we said that an S-SFA program designed to achieve "additionality" will support New York to go beyond its existing 10 GW distributed solar goal, demonstrating its unmatched leadership and commitment to addressing climate and equity.

**NYSERDA Agrivoltaics RFI:** in October 2023, NYSERDA issued a request for information, seeking input on a proposed RFP that would fund agrivoltaics research and development projects. NYSEIA convened the subset of members with a focus on agrivoltaics to solicit their input, and submitted comments that advocate for NYSERDA to: proceed quickly with the RFP; focus this RFP on commercial-scale projects (e.g. 1 MW and above) rather than small demonstration projects that can't necessarily be scaled; and remove the application-specific research requirement in the RFP (we recommend that NYSERDA instead procure a single research consultant to analyze all the projects) to enable more companies to participate, to lower the cost of the program, and to increase the usefulness of the research/analysis results. As we prepare for the upcoming legislative session, we will be identifying and supporting policies that strengthen the economics of dual-use agrivoltaic projects.

**Community Credit to Community Adder transition advocacy:** in April 2023, the PSC made a poor decision regarding the transition from the Community Credit (which was exhausted in October 2021) to the Community Adder/higher NY-Sun capacity-based incentives that were authorized in early 2022. The PSC decision forced solar projects that secured their NY-Sun incentive reservations after the exhaustion of the Community Credit to accept retroactive allocation of Community Credit in lieu of the higher capacity-based incentives if/when solar projects ahead of them in the interconnection queue cancelled and their Community Credit capacity was “recycled”. The impact of this decision is that a few solar companies were denied payment from NYSERDA for the NY-Sun incentives that they reserved in accordance with the NY-Sun program rules. For two impacted developers, they are owed more than a million dollars each for projects that are complete. NYSEIA advocated for NYSERDA and the PSC to grant relief to the small number of impacted projects/developers. In September, NYSERDA filed a petition for reconsideration and NYSEIA submitted a memo in support. Notably, Con Edison also submitted a memo in support of NYSERDA’s petition (albeit after the comment deadline). The petition has now undergone the mandatory 60-day public comment period, and NYSEIA is advocating for the PSC to rule on the issue as soon as possible, hopefully the January session.

**LIPA Time of Day Rate Design:** Having spent most of 2022 in discussions with LIPA leadership to negotiate inclusion of several key solar industry priorities in the new Time of Day rate, NYSEIA submitted formal comments to the LIPA Board of Trustees on February 27th. Those comments conditioned our support for the proposed tariff changes on the inclusion of those priorities which included granting solar customers the ability to transfer excess generation net metering credits between rate periods, simplifying the process by which solar companies can obtain 8760 data for prospective customers, and mitigating the impact of the new rate on community solar projects. LIPA agreed to include each of those priorities in the operating procedures for the new rate, and they have continued to keep NYSEIA informed as they transition to the implementation phase of the new rate design.

**LIPA Dynamic Load Management Program:** Earlier this year, LIPA proposed to modify the Tariff to increase participation in its Dynamic load Management program among residential customers who install behind-the-meter battery energy storage systems. LIPA proposes to allow qualifying paired Battery Storage Equipment and qualifying stand-alone Battery Storage Equipment projects to elect to have the battery output directly measured directly at the battery. Direct metering of the energy storage system output will be used to verify the actual Load Relief provided by the customer’s energy storage system during each hour of each designated Load Relief Period and Test Event, at the Aggregator’s option. Data recorded via direct metering of the energy storage system during each designated Load Relief event will be captured and communicated by the authorized third-party Aggregator and used by PSEG Long Island to evaluate performance and compensation. On December 2nd, NYSEIA filed joint comments with Sunrun recommending that LIPA adopt the staff proposal for direct metering at the device, but we suggested the utility should simplify the DLM program payments into a pay-for-performance $/kW structure, increase the resulting $/kW rate, and align the compensation structure for locational dispatch and load reduction delivered beyond the four-hour event window with the pay-for-performance $/kW structure. The LIPA Board of

Trustees voted to approve this proposal on December 13th, modifying the proposal to include one of the industry's recommendations, but rejecting the others.

**CDG Billing and Crediting:** In response to utilities' persistent failure to assign timely and accurate bill credits to community solar subscribers, NYSEIA partnered with the Coalition for Community Solar Access (CCSA) to convene a working group to develop a proposal to establish CDG billing performance metrics on the utilities, and associated negative revenue adjustments (NRA) intended to incentivize the utilities to reduce billing and crediting issues for the CDG program. In April, NYSEIA and CCSA submitted a proposal with seven CDG billing & crediting performance metrics to the Department of Public Service for consideration. The Joint Utilities also produced a proposal, although that proposal was far less comprehensive. The Department of Public Service committed to reviewing both proposals and creating a staff proposal that would be submitted to the Public Service Commission for consideration. NYSEIA recently followed up with DPS Staff and learned that the staff proposal will be released before the end of 2023. If that does not happen, NYSEIA will consider a legislative approach to address this ongoing and critical issue. NYSEIA has also played an active role in the CDG Billing & Crediting Working Group convened by NYSERDA and DPS, and as we plan for 2024, we intend to take a more proactive approach that involves directly filing petitions with the PSC rather than waiting for action at the working group level.

**Customer Benefit Contribution Charge (CBC):** On July 17th, 2023, NYSEIA submitted comments to the New York Public Service Commission regarding how the Customer Benefit Contribution (CBC) should be applied in the case of a PV system expansion. The CBC is a fixed monthly charge levied on solar projects that interconnected after January 1, 2022. NYSEIA opposed the original implementation of the CBC due to the erosive effect the CBC has on customer savings. The Department of Public Service put forward a proposal for how the CBC should be applied uniformly by New York utilities in cases where a solar PV system that interconnected before the CBC charge went into effect is expanded. NYSEIA opposed the retroactive imposition of the CBC on any PV capacity interconnected prior to January 1, 2023, as this would discourage PV system expansions/retrofits. NYSEIA recommended that the CBC only apply to incremental capacity installed after the effective date of the CBC.

**Marginal Cost of Service Study (MCOS) Method:** In July, NYSEIA, in collaboration with the "Clean Energy Parties" submitted comments to the Public Service Commission in response to the marginal cost of service (MCOS) white paper published by DPS staff this spring. NYSEIA and its members are invested in the utilities' method for calculating their marginal cost of service because more complete MCOS estimates translate directly into higher and more accurate compensation for solar + storage projects via the Value of Distributed Energy Resources (VDER) tariff. The MCOS white paper that DPS staff published was a significant improvement vs the current methodology from NYSEIA's perspective, as the proposed methodology accounted for the avoided cost of transmission associated with efficiency/DERs and incorporated many of industry's other recommendations relating to study time horizons and the use of load forecasts that account for load growth driven by electrification. At the 11th hour, the utilities put forward a proposal that emphasized the use of Non-Wires Solutions (NWS) instead of LSRV and the use of an avoided cost methodology for calculating the value of LSRV. NYSEIA is not supportive of these proposals, as they could potentially erode the value of LSRV and DRV and replace a market price signal with a utility-administered program that we fear will be less effective at animating the DER market. On November 28th, a virtual technical conference was held to provide an opportunity for DPS staff and industry stakeholders to engage with the Joint Utilities regarding their proposal. At the technical conference, the Joint Utilities provided further explanation of their proposal to use a deferral value approach for MCOS in LSRV areas and for Non-wires Solution areas. NYSEIA is currently working with the other clean energy trade associations to formulate a position and comments by the January 16th deadline. Our current thinking is that we want to oppose the utilities' proposal that prioritizes NWS and encourage a rapid MCOS order followed by a reconstitution of the VDER working group or a similar venue to debate the best method for translating MCOS into VDER price signals. NYSEIA and the Clean Energy Parties retained Energy Tariff Experts to help facilitate the industry's participation in this proceeding and is currently preparing for second technical conference on the subject to be held in early January.

**2023 New York State Solid Waste Management plan:** On June 28th, NYSEIA submitted comments regarding PV panel recycling in response to the 2023 New York State Solid Waste Management plan jointly with the Alliance for Clean Energy New York (ACE NY) and the Solar Energy Industries Association (SEIA). Our comments voiced general support for the plan, but reminded the DEC that solar panels have a long lifespan and therefore solar PV panel recycling is not an urgent near-term issue. Our comments encouraged the DEC to avoid extended producer responsibility (EPR) requirements for solar panels (which would put the recycling requirement on the manufacturer) and to instead leverage existing industry practices to address end-of-life solar panels (e.g. decommissioning plans). NYSEIA opposes EPR because, as we see in Niagara County, state and local EPR policies are not feasible for global manufacturers to comply with, and can effectively prevent solar deployment and slow our transition to clean energy. NYSEIA believes that decommissioning plans already largely address concerns regarding future solar panel waste, and we are confident that recycling infrastructure for solar PV will develop over the next few decades as the solar panels installed in NY today are near the end of their useful life.

**DEC Stormwater Management Guidance:** In the summer of 2023, NYSEIA members highlighted a growing number of instances whereby the DEC's solar panel stormwater guidance, which has fundamental errors/misconceptions regarding solar design and the stormwater impacts of solar, was being misused by DEC staff at the regional level and by municipal staff and their attorneys to the detriment of ground-mounted solar project siting. NYSEIA first flagged the issue for NYSERDA, requesting their assistance addressing the issue on an interagency basis. After a few months of limited progress, NYSERDA encouraged NYSEIA to directly engage with the DEC on the matter. In November, NYSEIA and a group of impacted developers (New Leaf Energy, Carson Power, Nexamp, Sol Source Power) met with the leadership from the DEC's Division of Water to discuss the issue. DEC invited NYSEIA to provide recommended changes to their existing solar panel stormwater guidance for their consideration outside of a formal comment period. The DEC's willingness to receive and consider our input on a tight timeline is encouraging, and NYSEIA is currently working with members to draft the recommended guidance so we can provide it to the DEC by the beginning of January.

**New York City "City of Yes for Carbon Neutrality" Zoning Text Amendments:** In the Spring of 2023, the City of New York unveiled proposed amendments to NYC's zoning to support the City's decarbonization efforts. Those zoning text amendments would allow rooftop solar canopies as-of-right in all zoning districts regardless of existing building height, up to 15 feet above the roof surface. They would also allow solar parking canopies as-of-right above accessory off-street parking, and ease the siting of standalone BESS, including in residential districts. On June 27th, NYSEIA submitted a memo in strong support of the amendments. On December 6th, the New York City Council passed the amendments into law. These new zoning laws will support the City's progress toward its ambitious climate goals while expanding the addressable market for solar and energy storage in New York City.

In addition to the climate impacts, the zoning amendments will create thousands of good jobs in the solar and energy storage industry and they will help NYC buildings comply with Local Law 97.

**New York City Building Code challenges:** On July 17th, NYSEIA submitted comments in response to an NYC Department of Buildings bulletin providing clarifications regarding the allowable use of anchors in lieu of railings as an equally safe alternative for compliance with the relevant section of the NYC Mechanical Code. A change in plans examiners' interpretation of this bulletin had resulted in significant confusion and was preventing multiple projects in the City from being closed out. The issuance of this clarification effectively solved those problems by providing clear guidance for installers in alignment with the City's prior approach to enforcement.

**Residential Energy Storage Permitting in New York City:** NYSEIA has been engaged in an effort to streamline residential energy storage permitting in the City for nearly two years in close collaboration with our partners at the City University of New York Sustainable DG Hub, and the Mayor's Office of Climate and Environmental Justice. Under the current process, even after a battery product undergoes UL9540A testing and extreme vetting by the FDNY to secure a Certificate of Approval (COA), projects continue to be subject to a site-specific permitting process that is prohibitively onerous. 18 months ago, NYSEIA secured a commitment from the FDNY to create an expedited pathway for small residential energy storage projects. The agreement in principle would eliminate the need for a site-specific review of projects installing products that have received a COA. The FDNY released draft guidelines earlier this year, and NYSEIA provided feedback on areas of concern. Since that time, there has been little progress in negotiations where CUNY has been a messenger between industry stakeholders and the FDNY. In recent months, NYSEIA insisted on meeting with the FDNY ourselves in the hope that we could identify the remaining challenges and discuss potential solutions. NYSEIA convened a meeting that included battery OEMs and industry stakeholders, including a fire protection engineer retained by Sunrun. At that meeting it became clear that the attorney representing the FDNY was unwilling to consider industry feedback. We are in the process of identifying FDNY operations leadership with whom we can discuss ESS permitting, and writing a memo justifying industry's recommended changes to the requirements for streamlined residential energy storage permitting, accounting for both safety and feasibility.

**Coordinated Grid Planning Process (CGPP):** In partnership with other clean energy trade associations ("Clean Energy Parties"), NYSEIA submitted comments recommending improvements that will help ensure that distributed solar + storage is considered throughout the grid planning process. Specific recommendations included accelerating the CGPP and distribution planning processes, with improvements to timeliness and increased standardization and transparency while keeping distribution planning separate and more frequent than the CGPP. We recommended creating a more structured and participatory Energy Policy Planning Advisory Council (EPPAC), establishing a charter, clearly assigning roles and responsibilities including a third-party facilitator, and creating a consensus based decision-making process. NYSEIA also recommended that energy storage be fully considered within the CGPP. We're happy to share that Dhruv Patel is a permanent member of EPPAC, and is providing input and guidance to DPS staff and the utilities as they model and plan for various decarbonization scenarios.

**Energy Policy Planning Advisory Council (EPPAC) Representation:** In the Coordinated Grid Planning Process (CGPP) order, DPS staff were directed to convene meetings of the EPPAC. The purpose of these meetings is to inform the grid planning process by establishing assumptions for the planning study underpinning the CGPP. The

EPPAC's primary function is to advise the system planners on the development of up to three generation build-out scenarios projecting potential renewable generation resource development in the State. In addition, the EPPAC will provide lessons learned from prior CGPP cycles, guidance on the need for analysis of bulk transmission sensitivities that may be run on each of the three principal scenarios, and review of the CGPP final report to ensure stakeholder perspectives are captured appropriately. NYSEIA represents distributed generation stakeholders at these meetings which are attended by NYSEIA's Interconnection Policy Manager, Dhruv Patel.

**National Grid Zone A Sub-Transmission Interconnection Advocacy:** Earlier this year, National Grid identified potential grid reliability issues in Western New York that threatened the feasibility of at least 60 distributed scale solar projects, with a combined capacity in excess of 300 MW-AC (~450 MW-DC). These projects had been previously studied and granted interconnection approval. National Grid subsequently informed impacted developers that the previous studies were potentially invalid and the projects needed to be re-studied using new software. This interconnection issue came to light following the adoption of new software by National Grid in the fall of 2022 for evaluating the system impacts of integrating distributed energy resources (DER). In September, NYSEIA sent a letter to the Public Service Commission asking the State to urge National Grid to quickly complete re-studies and to identify and implement low- and no-cost solutions that enable these projects to proceed. We also requested that the Commission acknowledge, and take into account, the individual and collective financial impacts that this issue is having on DER developers if and when the issue comes before the PSC. NYSEIA was able to exert pressure on National Grid through the Governor and PSC, and they were able to expedite the re-studies over the past few months. In November, National Grid shared the re-study results with impacted developers, and it appears that many of the projects will be authorized to proceed with additional upgrades that are significantly less expensive than initially feared (approximately $0.033/Watt-AC of incremental cost based on the data NYSEIA has received to date). NYSEIA is continuing to coordinate with impacted developers to quantify the scale of impact and determine next steps. We are prepared to submit comments on behalf of industry in response to National Grid's pending petition to the PSC on this topic, emphasizing the need for speed on the part of utilities and flexibility and relief for impacted developers.

**Flexible Interconnection:** flexible interconnection is the use of software and smart controls to manage distributed energy resources in real time, enabling higher rates of PV + storage penetration without costly grid upgrades. The utilities' traditional approach is increasingly resulting in cost-prohibitive upgrade requirements, resulting in longer project timelines, higher costs, and higher rates of cancellation. Flexible Interconnection is a lower-cost alternative that utilizes intelligent software control of interconnecting DERs to curtail or adjust settings to ensure grid reliability as a substitute for more costly Fixed Interconnection options. We are certain that flexible interconnection will be commonplace in the future as we transition toward lower capacity-factor sources of power. However, key stakeholders in New York such as DPS staff, NYSERDA and legislators, do not fully appreciate flexible interconnection or its benefits relative to the current approach. To address this gap in knowledge, NYSEIA recently submitted a funding application to NYSERDA, in partnership with NY-BEST and the Electric Power Research Institute, to perform a study to advance flexible interconnection in New York State. With these funds, NYSEIA will perform a cost-benefit analysis of flexible interconnection, identify impactful use cases, determine the amount of savings the State could realize from flexible interconnection, and lay out an implementation plan.

**Letter of Credit in lieu of cash deposits:** Higher penetration of distributed energy resources (DER) is resulting in larger, more expensive grid upgrades at the distribution level. These expensive grid upgrades can potentially be supported by multiple DER projects through Cost Sharing 2.0. However, the upfront cash deposit requirement is impeding small and mid-sized DER developers from pursuing otherwise viable projects due to the cash flow impact of needing to make large cash deposits for multiple projects at the same time. NYSEIA proposes that New York utilities accept Letters of Credit (LoC) for large distribution upgrade deposits. LoCs are a financial instrument that provide the recipient with the necessary financial security to know they will be paid while allowing the issuer to maintain possession of their cash, strengthening the issuer's balance sheet and liquidity relative to making cash deposits. The New York Independent System Operator (NYISO) and New York utilities already accept LoCs for transmission-level interconnection upgrades. NYSEIA proposes that this existing practice of accepting LoCs in lieu of cash deposits be expanded to expensive distribution upgrades, including line upgrades, substation re-builds, and other upgrades that either have a higher mobilization threshold or otherwise require high developer contribution. This advocacy is currently ongoing, and we are hopeful that NYSEIA and the Joint Utilities will be able to file a joint petition to the PSC in the next month or so to request SIR modifications that allow LoCs in lieu of cash deposits.

In addition to the aforementioned policy items, NYSEIA has also been working with NYSERDA, the Department of Public Service, and others to consider improvements to the Cost Sharing 2.0 timeline, improving the SIR queue data, propose amendments to the SIR Appendix K to reform the manner in which energy storage project grid impact studies are conducted, advocate for beneficial changes to the UL 1741 SB requirements, and develop a cost estimate matrix for PSEG Long Island grid infrastructure. We have also been engaged in the development of the Integrated Energy Data Resource (IEDR) program, and we're an active participant in the Hosting Capacity Map working group.

## Conclusion

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2023 was a productive year for NYSEIA and the distributed solar + storage industry in NY. A leadership transition and other new hires created additional bandwidth to focus on multiple priorities simultaneously. Our historic success in passing a ten-year extension and expansion of the New York City Solar + Storage Property Tax Abatement created momentum we have harnessed to power dual advocacy campaigns for the expansion of the New York Residential Solar Equipment Tax Credit, and a C&I siting proposal that would help the industry overcome the impacts of restrictive local zoning and permitting. Our advocacy in regulatory affairs has been equally impactful. As this year ends, NYSEIA is well positioned to advance an ambitious policy agenda for New York's distributed solar and energy storage industries in 2024. NYSEIA staff are grateful for the strong engagement of our member companies and Board of Directors. Your participation makes our advocacy better and stronger. We look forward to working with each of you in the coming year.