



**MEMORANDUM IN SUPPORT OF
S.6307 (Harckham) / A.3446 (Griffin)**

In relation to extending the time period for guaranteed recovery of energy performance contract costs from energy savings incurred by school districts

May 10, 2022

The New York Solar Energy Industries Association (NYSEIA) strongly supports S.6307/A.3446 to extend the time period from 18 years to 25 years for guaranteed recovery of energy performance contract (EPC) costs from energy savings incurred by school districts.

EPCs are an innovative financing technique allowing school districts to use the cost savings from reduced energy consumption to repay the cost of installing solar systems and other energy conservation measures. EPCs help schools achieve energy savings without upfront capital expenses and have successfully lowered costs for New York school districts and their taxpayers. These measures serve as a cost-effective way for schools to go solar and assist the state in meeting the goals of the Climate Leadership and Community Protection Act (CLCPA).

However, the current 18-year payback period allowable under State Education Law, enacted in 2001, is inconsistent with current federal standards of a 25-year payback period and does not mesh with industry standards for solar panel useful life, now at 25-30 years. This results in missed savings opportunities for school districts across New York State who want to include solar generation in an EPC, but are not allowed to if the system pushes the total payback period to longer than 18 years.

Also, in keeping with actions adopted in this year's State budget, school districts are now preparing to transition to zero-emission bus fleets and install electric vehicle (EV) chargers, which will increase electricity demand at schools. Solar generation can help address this emergent need, providing schools districts with a sustainable and affordable option to meet their growing electricity needs. Schools are also looking more and more to pair their solar systems with an energy storage component, providing districts with energy resiliency. These factors can lead to longer payback periods for EPCs, making the 25-year timeframe more appropriate.

By adopting a 25-year payback period for EPCs, more New York school districts would be able to benefit through both the adoption of clean energy and by providing budget savings to taxpayers. K-12 schools are excellent locations for solar generation, which is most often installed on rooftops or carports, thereby avoiding local siting opposition. Additionally, all solar projects installed on school buildings are developed under prevailing wage requirements.

For the above reasons, NYSEIA supports S.6307/A.3446 and urges its immediate passage. For information about this memorandum of support, please contact Zack Dufresne, Executive Director, at (c) 518.522.6582, zack@nyseia.org.