STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

In the Matter of PSEG-LI Utility 2.0 Long Range Plan) Matter 14-01299

COMMENTS OF NEW YORK SOLAR ENERGY INDUSTRIES ASSOCIATION IN RESPONSE TO THE PSEG LONG ISLAND UTILITY 2.0 LONG RANGE PLAN

August 21, 2025

Introduction

New York Solar Energy Industries Association (NYSEIA) is New York's statewide trade association dedicated to expanding the adoption of distributed-scale solar and storage. On behalf of our 230 member companies, NYSEIA engages with State agencies, utility companies, and state and local elected officials to advance policies and programs that support the smart and effective deployment of distributed energy resources. The solar + storage industry employs at least 15,490 workers across New York, including more than 3,000 Long Islanders. Our industry plays an important role in the implementation of New York's ambitious energy policies that seek to advance affordability, reliability and decarbonization. NYSEIA's Long Island Solar & Storage Alliance is the branch of our organization dedicated to strengthening Long Island's solar + storage market.

Long Island has a long history as a pioneering solar + storage market in New York; a history of bold leadership that is still being written. The need for bold and creative solutions is greater now than ever before; this summer, at a time of projected electricity load growth, US Congress' enacted H.R.1, legislation that is rapidly phasing out federal clean energy tax credits while federal administrative actions are foreclosing on the possibility of near-term offshore wind additions. These headwinds undermine core elements of LIPA's Integrated Resource Plan, and create urgency for PSEG-LI, LIPA and industry stakeholders to work together to advance solutions that enable the rapid and cost-effective deployment of solar + storage to meet demand and prevent massive rate increases. While there are many elements of energy policy that are controlled by the federal government, there are also many concrete actions that we can take at the State and Local level to drive continued progress toward our clean energy and affordability goals. NYSEIA appreciates the collaborative working relationship we have with the Long Island Power Authority (LIPA) and PSEG Long Island (PSEG-LI), and we look forward to continuing to build on this collaboration to advance our shared goal of accelerating solar + storage deployment on Long Island.

The Utility 2.0 Plan is PSEG-LI's annual strategic filing to LIPA and the New York State Department of Public Service (DPS) outlining proposed initiatives that support New York's clean energy goals under the Climate Leadership and Community Protection Act (CLCPA). Since its inception, the Utility 2.0 framework has served as a platform for piloting and scaling innovative programs that advance decarbonization, energy affordability, and equity across Long Island and the Rockaways. Over time, many Utility 2.0 initiatives have transitioned into core operational programs, reflecting their success and long-term value.

The 2025 Utility 2.0 Plan includes updates on five active initiatives and proposes one new project: the Non-Wires Alternative (NWA) Retail Energy Storage Evaluation. It also outlines PSEG Long Island's continued support for distributed energy resources (DER), including solar photovoltaic (PV) and battery storage. Although the utility reports strong progress toward its 2030 solar PV goal—likely reaching it by 2028 with over 1,150 MW dc already installed—it is not currently proposing any new solar initiatives under Utility 2.0. Energy storage remains a priority, with ongoing efforts to expand residential and bulk-scale deployment and a new push to support retail battery energy storage systems (BESS). As of early 2025, Long Island has deployed approximately 35 MW of residential and retail BESS, with a projected increase to 38 MW by year-end. The plan also acknowledges barriers to further adoption, including high implementation costs, declining customer adoption, and local permitting challenges.

As Long Island considers strategies to meet electric load growth, distributed energy resources (DER) deployment will play an important role, and it will be essential to streamline processes in order to shorten timelines, lower costs and improve customer experience. It's also critical that utility programs and tariffs fully compensate DER for the value that they provide to participating customers and to all customers through the systemwide benefits that are realized through the scaled deployment of DER as a grid resource. DER can help Long Island meet its peak electricity demand at a lower cost by deferring or eliminating the need for expensive expansions of centralized power generation, transmission and distribution infrastructure. By generating electricity closer to where it is consumed, distributed solar reduces strain on transmission and distribution infrastructure, lowers line losses, and can defer or eliminate the need for costly grid upgrades. Battery storage enhances these benefits by enabling load shifting, frequency regulation, and backup power capabilities. However, to unlock the full potential of residential and retail BESS on Long Island, it is critical that compensation mechanisms provide sufficient and predictable revenue. Without meaningful compensation for the grid services batteries can offer, customer adoption will remain limited, and the region will miss a vital opportunity to build a more flexible and resilient energy system.

NYSEIA strongly supports PSEG Long Island's continued investment in clean energy programs. At the same time, we encourage the utility to consider more ambitious initiatives that align with State-mandates and reflect the urgency of the moment. Setbacks for offshore wind necessitate a redoubling of our efforts to deploy distributed solar + storage; technologies with a proven track record of success. PSEG-LI can help backstop shortfalls in other regions and ensure that New York remains on track to meet its energy affordability and climate goals.

Strategic Opportunity to Lead in Distributed Solar and Storage
This year's filing comes at a pivotal moment. As federal support for clean energy deployment begins to wind down, state and local leadership has never been more critical. The 2025 Utility 2.0 Plan presents an opportunity for PSEG Long Island and LIPA to propose bold, forward-looking initiatives that cement Long Island's leadership in clean energy deployment, grid modernization, and energy affordability. With the right vision and commitment, Long Island can continue to serve as a model for how utilities can accelerate the transition to a resilient, equitable, and decarbonized energy future.

In these comments, NYSEIA offers four main recommendations:

- **Maximize Long Island's leverage of federal solar tax credits while they are available**
- **Double down on energy storage**
    - **Animate a market for retail BESS**
    - **Accelerate the market for behind-the-meter BESS**
- **Streamline interconnection**
- **Improve the solar customer experience**

NYSEIA appreciates the opportunity to provide the following recommendations in response to the PSEG LI Utility 2.0 plan.

Maximize Long Island's Leverage of Federal Tax Credits

The recent passage of H.R.1 by the United States Congress is rapidly phasing our federal tax credits for solar on homes and businesses, making it more expensive for Long Islands to adopt the technology. The 30% federal tax credit for customer-owned residential solar + storage is being eliminated at the end of this calendar year. The 30% federal tax credit for commercial solar projects will be eliminated at the end of 2027, based on the project's placed-in-service date. US Congress preserved the commercial Investment Tax Credit for BESS; however, strict limits on Chinese-content in BESS starting in 2026 will present a challenge, prompting many BESS developers to commence construction of their projects by the end of the year.

Since the passage of H.R.1, there has been a major rush of homeowners seeking to install solar + storage by the end of the year in order to qualify for the 30% federal tax credit. We expect a similar rush of commercial solar projects on Long Island over the next two years ahead of a year-end 2027 placed-in-service deadline. PSEG-LI can help Long Islanders leverage more federal support by expediting interconnection timelines over the next few years. NYSEIA's detailed interconnection recommendations are included in a later section of these comments.

Double Down on Energy Storage

In 2024, the New York State Public Service Commission (PSC) adopted the New York Energy Storage Roadmap, establishing a goal of deploying six gigawatts of energy storage by 2030. Long Island's load share of this capacity is 750 MW. However, PSEG-LI's 2025 Utility 2.0 Plan *does not include a 750 MW energy storage target*. In the Plan, PSEG-LI asserts that "achieving

the load-share-ratio of 750 MW of Energy Storage on Long Island by the end of 2030 is dependent on the level of energy storage procured by the state and that share contracted to PSEG Long Island. Thus, PSEG Long Island is committed to contributing to the overall 2030 statewide energy storage CLCPA goal, but the achievement of this goal is reliant on the progress of the state."[1] NYSEIA appreciates that Long Island's ability to achieve its BESS goal relies upon NYSERDA and other factors. However, PSEG-LI will play a pivotal role in achieving the goal and NYSEIA urges LIPA and PSEG-LI to reaffirm its commitment to achieving the energy policy goals adopted by the Commission.

Federal policy changes are yet another key reason for Long Island to double down on energy storage. The Trump Administration has halted offshore wind development, imperiling Long Island Integrated Resource Plan. H.R.1 is rapidly phasing our federal support for solar PV. These federal actions will impede clean energy resource addition on Long Island and threaten to exacerbate rising electricity rates while extending Long Island's overreliance on polluting fossil fuel generators. H.R.1 did not eliminate federal tax credits for energy storage, making it one of the most cost-effective clean energy resources we can deploy on Long Island to meet peak demand and counteract rising energy costs while reducing air pollution.

Retail Energy Storage: From Analysis to Action

NYSEIA welcomes the inclusion of retail BESS in PSEG Long Island's 2025 Utility 2.0 Plan and acknowledges the meaningful progress PSEG-LI has made over the past year. Most notably, PSEG-LI's updated benefit-cost analysis (BCA) for retail energy storage now shows a positive benefit-cost ratio for front-of-the-meter (FTM) distribution-connected BESS on Long Island.

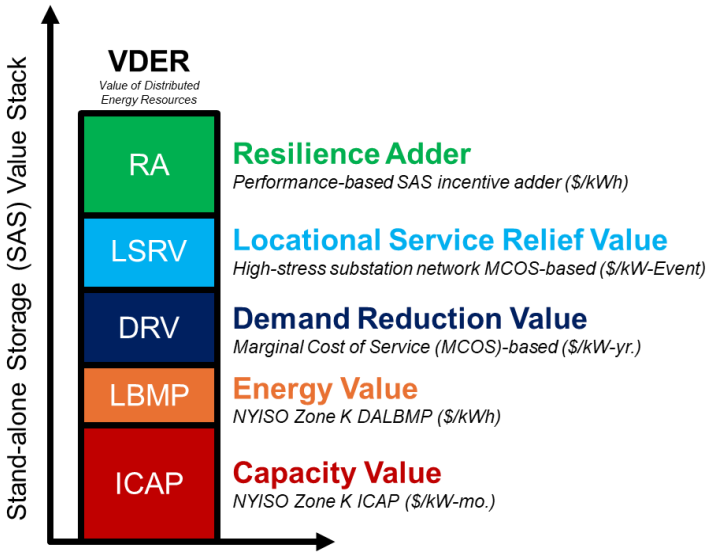
This new analysis confirms what NYSEIA and other stakeholders have long argued: retail energy storage is not only aligned with New York's climate and reliability goals, but it also delivers measurable value to the grid and to customers. With this foundation in place, the next logical step is for PSEG Long Island to stand up a robust retail energy storage program - similar to those implemented by other utilities across the state under the New York State Energy Storage Roadmap. The Public Service Commission directed investor-owned utilities to deploy $675 million in ratepayer funding to support retail energy storage incentives in their service territories; an effort that is already underway and that has created a multi gigawatt pipeline of retail BESS in New York, evidenced by the interconnection queue and the rapid reservation of available NYSERDA incentives. Long Island has not yet committed to participating in the statewide retail BESS program; a missed opportunity that is delaying BESS deployment on Long Island when these resources will be critical for providing reliable power on Long Island at a lower cost and with reduced reliance on an aging fleet of fossil fuel generators.

Rather than committing to a full-scale program, the Utility 2.0 Plan proposes that PSEG-LI complete analysis to identify locations where energy storage could defer distribution system upgrades and run an RFP for a single 5-megawatt Non-Wires Alternatives (NWA) BESS at this location. Respectfully, there is no need for Long Island to pilot a program that is already operating at-scale across New York. The proposed NWA procurement is woefully inadequate to

[1] PSEG-LI. Utility 2.0 Long Range Plan and Building Efficiency & Electrification Plan. July 2025.

address the need and opportunity for BESS on Long Island. NYSEIA instead urges PSEG-LI to animate a market for retail BESS through the Value of Distributed Energy Resources (VDER) tariff. PSEG-LI's feeder-level analysis can be used to identify Locational System Relief Value (LSRV) Zones; areas where DER are uniquely valuable and therefore eligible for enhanced VDER compensation, which will enable retail BESS to be deployed in a way that maximizes value for Long Island ratepayers.

LIPA and PSEG-LI have expressed concern regarding the ratepayer impact of upfront incentives for retail BESS. NYSEIA acknowledges that building hundreds of megawatts of retail BESS will have a cost, but reminds PSEG-LI that these are investments in infrastructure that have a positive benefit-cost ratio and that can defer the need for even more expensive upgrades to the electric transmission and distribution system. If Long Island seeks to amortize its BESS investments over a longer time period to reduce near-term costs, this can be accomplished through enhancements to the VDER tariff. As outlined below, NYSEIA and NY-BEST recommend that Long Island implement improvements to the VDER tariff to increase its accuracy, and then incorporate a "Resilience Adder" in the VDER tariff as an alternative to an upfront incentive to provide any needed incentive to induce development. This tariff-based incentive would augment VDER compensation with a 10-year performance payment, eliminating upfront costs and risk for ratepayers while inducing private investment. This model mirrors the successful "Community Credit" used to support community solar on Long Island and would allow the utility to compensate retail BESS based solely on actual performance.



NYSEIA recommends the following suite of modest but impactful tariff reforms that would further improve the economics of retail energy storage and reduce the size of the Resilience Adder needed to induce development and deploy these resources. These tariff improvements include:

Selected tariff revisions that better reflect the true technical and economic value of retail BESS:

- **Explicit Buyback Rate (SC11) Exemption:** Retail storage assets within LIPA territory are implicitly required to pay a buy-back rate (SC11), although the in-practice application of these charges to BESS exports is unresolved. Buyback rates were implemented originally during the 1960s to discourage co-generation exports at a time when utilities owned generation - they are outdated, and particularly punitive on front-of-the-meter (FTM) storage assets, which store energy for later beneficial use on the grid. The Joint Utilities of NY adopted a 15-year exemption on the buyback rate for standalone storage projects in 2023[2]; Zone K is the only utility territory without an explicit buy-back rate exemption and LIPA should adopt an exemption to be in line with the rest of the state.

- **Optimize the DRV call window to four hours:** The current VDER Demand Reduction Value (DRV) call window is five hours in LIPA territory, longer than the current peak period (which are 3- or 4-hour durations for all time-of-use [TOU] rate codes: 190, 191, 192, 194, 195, 292, and 294). Reducing the DRV window to four hours, which is also in effect for Con Edison territory with most similar load patterns, would improve the alignment of technical benefits and economic price signals. Additionally, given rising temperatures and electric demand in spring and fall seasons, LIPA could also consider expanding the DRV capability period to include shoulder months of June and September.

- **Time-Differentiated Power Supply Charges:** Implementation of time-differentiated power supply charges for community-scale storage assets is recommended as a foundational tariff measure for energy storage deployment. Time-differentiated power supply charges are standard across the Joint Utilities for large-commercial customers (based on zonal day-ahead hourly locational-based marginal pricing). A less granular time-differentiation was implemented for residential customers in LIPA territory and should be expanded to include large-commercial customer classes (e.g., rate codes 284, 285, M284, and M285) or, alternatively, be applied strictly for BESS customers.

Tariff reforms with operational and ratepayer economic benefits:

- **Reform the VDER Capacity Component (ICAP) - Alternative 3 (ALT3) rules to match those of the Joint Utilities:** Currently, LIPA is the only utility in the state that defines the ICAP-ALT3 compensation based on its zonal (Zone K - Long Island) peak hour, rather than the NYISO-defined NYCA Statewide peak (during non-holiday weekdays in July to August) to match the NYISO capacity tag methodology.

- **Expand Locational System Relief Value (LSRV) Zones based on LIPA's forthcoming Marginal Cost of Service:** The VDER tariff includes both temporal and locational price signals to encourage optimal DER deployment and operation. The LSRV price signal is intended to drive DER deployment in the areas where they are most valuable. NYSEIA recommends that Long Island complete its MCOS study expeditiously

[2] Order Establishing Updated Standby Service Rates and Implementing Optional Mass Market Demand Rates, Case 15-E-0751, New York State Public Service Commission (Issued and Effective October 13, 2023)

(all of New York's investor-owned utilities filed their MCOS studies in June 2024, however, Long Island has not yet filed) and then use these study results to identify the areas where DER provide the greatest deferral value. Dispatchable DER deployed in these areas should be eligible for and receive additional compensation for exporting power during high value time periods.

Each of these tariff reforms has precedent in other utility territories and would bring Long Island into alignment with statewide best practices. Collectively, these improvements can significantly reduce reliance on incentives and lay the groundwork for a sustainable retail BESS market on Long Island.

TARIFF AND INTERCONNECTION REFORMS IMPACT SUMMARY

Tariff Change	Joint Utility Alignment	NPV Impact ($/kWh)	New Missing Money ($/kWh)	Resilience Incentive Reduction ($/kWh/yr)*
Buyback Rate (SC11) exemption	✅	+$54	($433)	$7.88
DRV call window to 4 hours	✅	+$53	($380)	$7.72
Time-Differentiated Power Supply Charges	✅	+$61	($319)	$8.91
LSRV Expansion (Total)	✅	+$161	($158)	$23.51
└ a. Geographic expansion		+$71		$10.37
└ b. Modify LSRV rate	✅	+$48		$7.01
└ c. Extend LSRV term		+$42		$6.13
Modernize Direct Transfer Trip requirements	✅	+$25		
Reform ICAP-ALT3 rule	✅	–	–	–
Implement Statewide Storage for All program	✅	–	–	–
Missing Money: Illustrative based on an average 5-MW, 4-hour BESS project operating in LIPA (*Upfront $/kWh Retail Storage Incentive Program*)			($487)	
Resilience Adder: 10-Year Performance-based Standalone Storage Incentive Adder ($/kWh/yr): *Annual incentive, based on monthly payments and an 8% discount rate*				$71

Source: NineDot Energy

Accelerate Adoption of Behind-the-Meter Energy Storage

NYSEIA supports the continued use of PSEG-LI's Dynamic Load Management (DLM) program as a tool to incentivize residential battery storage and provide grid relief during peak demand periods. In many respects, Long Island leads the State on residential BESS. We appreciate that PSEG-LI has updated its program documentation and telemetry requirements to allow for the participation of BTM BESS. However, the current compensation levels are not sufficient to drive widespread adoption, or even to fully leverage the existing installed base of storage systems on Long Island. Despite offering a residential BESS incentive for several years, allowing residential BESS to enroll in the DLM program, and launching a default time-of-day rate, only 4.6% of Long Island's new residential solar installations included BESS in 2024.[3] During the same period, Orange & Rockland's BESS attachment rate was 26.5%, with almost all of the attachment driven by a Virtual Power Plant (VPP) Pilot project implemented in collaboration with Sunrun.

Not only are Long Island's BESS attachment rates lower than they could be; a large number of Long Islanders that have installed residential BESS are not participating in the DLM program. This represents a missed opportunity to harness existing assets for grid services. There are simple actions and DLM program improvements that will both increase BESS attachment rates and bring existing BTM BESS assets off the sideline and into the DLM program.

Recommendation: proactively promote DLM enrollment to customers with residential BESS that are not yet enrolled through a targeted email campaign. Nearly 3,000 residential BESS have been deployed on Long Island, and many are not enrolled in the DLM program. For a period of time, customers were not able to enroll in DLM because there was not an aggregator to facilitate participation. Now that this issue has been resolved, NYSEIA recommends that PSEG-LI send out targeted email communications to these customers to encourage them to enroll their BESS in order to support the grid and receive incentives.

Recommendation: increase DLM compensation levels for BTM BESS to be equivalent to compensation levels for equivalent front-of-the-meter BESS. NYSEIA recommends increasing the DLM BESS compensation rate to the Demand Reduction Value (DRV) under the VDER framework (currently $110/kW-year on Long Island). This value is more than twice the level of compensation that a BTM BESS receives for participating in DLM. The DRV is derived from the utility MCOS, and is directly connected to the deferral value DER provide to ratepayers. More accurately compensating BTM BESS through the DLM program will provide a more meaningful revenue stream to customers, system owners and aggregators. This revenue potential will help increase BESS attachment rates and accelerate deployment of assets that can be used by PSEG-LI to meet peak demand. NYSEIA also strongly urges the utility to commit to fixed DLM compensation levels for at least five years. Revenue certainty is essential for customers and aggregators to make long-term investments and enrollment decisions.

Recommendation: reduce the duration of BTM BESS call events to two or three hours. LIPA and PSEG-LI have the ability to accurately forecast the peak hours, and targeting events for the

[3] NYSERDA Statewide Distributed Solar Projects. Analysis by NYSEIA. February 2025.

most constrained hours will allow limited battery capacity to be deployed more effectively, increasing the value of performance payments and improving the economics of participation.

Recommendation: allow dual participation. NYSEIA also encourages PSEG Long Island to resolve the current conflict between the Smart Savers thermostat program and the DLM battery program. At present, customers must unenroll from the thermostat program to participate in DLM with a battery - an unnecessary barrier that limits DER integration. Allowing dual participation would maximize the value of customer-owned resources and streamline program access.

Finally, NYSEIA emphasizes the importance of supporting low-and-moderate-income (LMI) households. Energy storage remains challenging for these customers, who require minimal upfront costs and predictable returns. NYSERDA's RGGI-funded incentives - $400/kWh for LMI customers - are a critical support mechanism, but they must be paired with improved DLM compensation to ensure long-term affordability and participation. By strengthening the DLM program in these ways, PSEG Long Island and LIPA can accelerate residential energy storage adoption, improve grid reliability, and deliver meaningful economic benefits to customers. NYSEIA urges the utility to act on these recommendations and continue working with stakeholders to refine and expand the program.

Streamline Interconnection

PSEG-LI directly manages the DER interconnection process; a critical element of distributed solar + storage project development/installation. By streamlining this process, PSEG-LI will help to lower the cost and accelerate the timeline of DER deployment. The following recommendations would improve interconnection for both large and small DER on Long Island.

Standardize SCADA Installation Process & Management

Long Island's distinct topography offers substantial potential for on-site commercial and industrial solar installations. These systems enable businesses and property owners to reduce energy consumption and avoid costly grid upgrades associated with integrating additional load or generation. However, this potential is significantly constrained by challenges associated with Supervisory Control and Data Acquisition (SCADA) requirements.

Under PSEG Long Island's *Small Generator Interconnection Technical Requirements*[4], solar and energy storage projects with a capacity of 500 kW-AC or greater must establish a cellular SCADA network connection to provide the utility with real-time visibility into generation output. In practice, this requirement has led many developers to design systems at 499 kW-AC to avoid the delays, cost, and logistical burdens associated with PSEGLI's SCADA process; even when both the building and grid infrastructure could accommodate larger systems.

This issue is unique to Long Island. Other New York utilities employ a standardized approach in which the utility owns and manages the SCADA Remote Terminal Unit (RTU) and provides a

[4] Long Island Power Authority. (2016). *Smart Grid Small Generator Interconnection Procedures (SGIP)*. PSEG Long Island. Retrieved from https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/-/media/E0A2C07E3B66484F815AED8F74BE5384.ashx

pre-configured assembly that integrates the modem, router, communications card, and related equipment in a single housing. Under this model, the customer utilizes the utility's communications service (e.g., a Verizon card within the utility-owned RTU), eliminating the need for the developer to procure the card on the customer's behalf; a process complicated by telecommunications providers' service policies.

By contrast, PSEGLI requires developers to procure, program, and install all SCADA-related equipment and services in customer-owned enclosures. These installations inherently vary in design and assembly by project, complicating compliance and increasing the likelihood of delays. The absence of a standardized RTU assembly also creates challenges for consistent installation, testing, and long-term maintenance.

Adopting a utility-procured and managed SCADA RTU for all DER projects, consistent with practices used by other New York utilities, would streamline interconnection, reduce project downsizing, and ensure reliable communications. Such a model would also better serve PSEG LI's operational needs by enabling the utility to maintain visibility into generation and to promptly address communications failures; tasks that customers are not well-positioned to perform.

We appreciate the Department of Public Service's support in addressing this issue by advancing utility-provisioned SCADA on Long Island. Aligning PSEG LI's SCADA process with best practices statewide will remove a key barrier to C&I solar + storage deployment. We underscore that a timely solution is critical, given the limited window for projects to leverage available federal incentives.

Reducing Cost Barriers from Direct Transfer Trip Requirements for DER

PSEG Long Island's current Small Generator Interconnection Procedures require Direct Transfer Trip (DTT) protection for all DER above 1 MW. While intended to ensure rapid isolation of generation during abnormal system conditions, this requirement is often cost-prohibitive and misaligned with best practices across New York and nationally. All other New York utilities meet system protection and operational needs for inverter-based DER using SCADA-based visibility and remote trip capabilities.

The Interstate Renewable Energy Council's (IREC) 2025 report[5], Deconstructing Direct Transfer Trip Requirements, concludes that DTT is often unnecessary for inverter-based DER on distribution feeders. Modern, IEEE 1547 certified inverters provide highly reliable anti-islanding protection, ceasing to energize the grid within two seconds of disturbance, well within operational safety margins. In combination with utility-controlled reclosing practices, such as reclose-blocking or extended reclose delays, SCADA monitoring and remote trip functions can achieve the same safety outcomes without the significant costs and deployment challenges of DTT. As IREC notes, DTT installations often require specialized communications circuits, protection relays, and custom programming, with typical costs hundreds of thousands of dollars.

[5] Deconstructing Direct Transfer Trip: *A Comprehensive Assessment of DER Islanding Risks, Safety Concerns, and Mitigations*, July 2025. https://irecusa.org/wp-content/uploads/2025/07/DTT-Paper-Final.pdf

Replacing the blanket DTT requirement with a SCADA-first approach would align PSEG-LI with the rest of the state's utilities, remove a major barrier to larger-scale DER deployment, and still ensure robust system protection. Currently, PSEG-LI already has wired SCADA and RTU-based communications in place and can remotely trip DER systems when needed — functionality that meets system protection goals without defaulting to costly DTT deployments.

Enabling Cost-Effective Residential Clean Energy Upgrades with Meter Socket Adapters

As Long Island works to accelerate the deployment of residential clean energy upgrades, it is essential to remove unnecessary cost and complexity. One easy reform available today is that PSEG could approve the use meter socket adapters (MSA) in its Long Island's service territory; an allowance that is already in effect in PSEG's New Jersey service territory.

Meter socket adapters are devices that are installed between the utility meter and the meter socket, enabling safe and code-compliant interconnection of solar PV, BESS, electric vehicle chargers, and other distributed energy resources - without requiring costly upgrades to the main service panel. In many cases, MSAs eliminate the need for full panel replacements, which are often triggered by limited breaker space in older homes.

This is especially relevant on Long Island, where the housing stock is among the oldest in the nation. According to the U.S. Census Bureau, over 70% of owner-occupied homes in the region were built before 1959. These homes are 5–10 times more likely to have 100-amp service panels[6], which frequently require replacement to accommodate clean energy upgrades. NYSEIA's analysis shows that widespread adoption of MSAs - used in just 40% of behind-the-meter upgrades - could save Long Island ratepayers hundreds of millions of dollars.

Clean Energy Upgrade	MSA Savings Based on LIPA 2030 Goal
Solar PV	$ 56,470,588
Energy Storage	$ 12,032,000
Electric Vehicle	$ 174,930,000
Heat Pump	$ 29,400,000
TOTAL	**$ 272,832,588**

NYSEIA savings analysis accounts for potential savings across all of the completed projects needed to achieve the 2030 goal (including completed projects)

The urgency of adopting cost-saving technologies like MSAs has only increased in light of recent federal policy changes. With federal incentives for clean energy deployment being eliminated, the burden of affordability now falls more heavily on state and local programs - and on the cost-efficiency of individual projects. MSAs offer a practical, proven solution to reduce installation costs, avoid unnecessary electrical work, and ensure that clean energy remains accessible to Long Island homeowners. In this new policy environment, every dollar saved matters more than ever.

[6] Electric Power Research Institute. *U.S. Survey of Residential Electrical Panels*. 2023.

In addition to lowering costs, MSAs simplify installation, reduce permitting and inspection delays, and improve equity by making clean energy upgrades more accessible to low- and moderate-income households. MSA installations are faster, safer, and lower cost.

MSAs are already approved and widely used in neighboring territories. PSEG New Jersey updated its tariff in 2024 to allow “meter collar adapters” following the passage of NJ law S3092, and hundreds of units have been installed since. NYSERDA also piloted MSAs with advanced functionality with Con Edison between 2021 and 2023, demonstrating significant labor and equipment savings. A joint petition filed by ConnectDER and Tesla in 2024[7] (PSC Docket 24-E-0526) seeks to establish a standardized statewide approval process for MSAs, with support from the Joint Utilities.

In May, LIPA convened an MSA workshop with NYSEIA, PSEG-LI metering staff, utilities that allow the use of MSAs (PSEG-NJ and Xcel) and multiple manufacturers with UL-listed MSAs: Enphase, ConnectDER and Tesla. The workshop was productive, and PSEG-LI did not raise any critical objections that could not be addressed real-time by the manufacturers. In the intervening months, each manufacturer has sent samples of its MSA to PSEG-LI for evaluation and testing. NYSEIA appreciates PSEG-LI’s due diligence; however, these products are already safely and reliably in use in PSEG’s New Jersey territory and across the country. NYSEIA urges PSEG and LIPA to approve the use of meter socket adapters without delay, and to establish an open and transparent process for manufacturers to have their products evaluated for use. Doing so would immediately reduce costs, accelerate deployment, and help Long Island meet its clean energy goals more efficiently.

Improve DER Review Process to Reduce Delays and Soft Cost

On July 31, 2025, PSEG-LI responded to a DPS request for information regarding CESIR study timelines under the RAPID Act proceeding. In its response to the question on the nature of CESIR delays, PSEG-LI indicated that it completed 173 CESIR studies since 2019, of which 12 (~7%) took longer than the time permitted by SGIP but did not disclose the nature of the delays. It is also important to note that 29 (16.7%) CESIR studies took longer than 60 BD complete; the highest percentage among New York utilities, even though the average system size and the volume of complicated interconnections is relatively lower than upstate NY utilities. We urge LIPA and PSEG-LI to place stronger emphasis on meeting SGIP timelines and to carefully evaluate when extending a CESIR review by an additional 40 days is truly justified.

In its response to the DPS question regarding projects that received one or more notices of incomplete or deficient design package, PSEG-LI claimed to have ”not sent any notices of incomplete design packages in Step 5 as it has received all documents contained in its Appendix F – Application Checklist during an earlier step.”[8] While this may be technically correct, the absence of notices at this stage should not be interpreted as evidence that projects are advancing without delay. In fact, incomplete notices remain a leading cause of interconnection delays on Long Island, with delays commonly occurring during the application

[7] Petition of ConnectDER, Inc. and Tesla, Inc. to Establish a Statewide Process for Meter Socket Adapter Model Approval, Case 24-E-0526, New York State Public Service Commission (Filed August 30, 2024)
[8] Case 24-E-0415. PSEG-LI Filing in Response to DPS Notice. July 31, 2025.

stage, most severely during the “construction document review process” which is after the project completes the CESIR. These review inefficiencies routinely add months to project timelines and continue to be a major barrier to development on Long Island. We strongly encourage LIPA and PSEG-LI to prioritize interconnection review process improvements, which stakeholders also raised at the June 2025 Interconnection Working Group meeting.

Reducing Cost with Technology: Flexible Interconnection

As DER penetration increases over time, traditional methods for evaluating interconnection hosting capacity and managing DERs are resulting in significant hosting capacity constraints and long lead times for substation transformer upgrades. Flexible interconnection, or the use of smart grid controls and hardware to monitor and control DERs in real-time, can address hosting capacity constraints and support low-cost DER deployment & electrification by mitigating costly traditional distribution upgrades and accelerating interconnection timelines.

National Grid[9] and Avangrid[10] have both implemented successful New York pilot projects where flexible interconnection was utilized to increase hosting capacity by 30-50%, and they are working to expand their flexible interconnection program, with an emphasis on constrained substations. The technology has been used for large solar PV projects, but the same technology can be used to actively manage PV + BESS and standalone BESS projects to increase grid utilization rate for charging and discharging while avoiding expensive upgrades. NYSEIA is currently completing a flexible interconnection cost-benefit analysis with NY-BEST and EPRI which show promising results for both PV and BESS use cases. We believe that, in many cases, the cost and timeline benefits of flexible interconnection will be preferable to a traditional upgrade for large DER (1-5 MW).

NYSEIA acknowledges that each utility has a unique topology of electrical infrastructure and DER; what works for an Upstate utility that is integrating 5-megawatt community solar projects may not be applicable on Long Island, where real estate constraints limit the number of large solar projects. However, NYSEIA encourages PSEG-LI to evaluate opportunities for flexible interconnection on Long Island, particularly for larger DER that are more likely to trigger major distribution system upgrades.

Improve Customer Experience

To date, Long Island’s clean energy deployment has primarily included smaller, customer-sited projects. It’s critical that customers that elect to invest in or subscribe to clean energy projects have a positive experience. There are small changes to solar billing & crediting that could materially improve that experience for both residential solar customers and community solar subscribers.

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[9] National Grid. (2024, October 17). *Flexible Connections Active Resource Integration Pilot Update.* https://dps.ny.gov/system/files/documents/2024/10/2024-10-17-ju-itwg-ng-flexible-connection-additional-pilot-locations.pdf

[10] Avangrid. (2024). *Corporate Responsibility Report.* https://www.avangrid.com/documents/d/avangrid-1/avangrid-2024-crr-pdf

Maximizing the Benefits of Time-of-Day Rates for Solar Customers

NYSEIA appreciates the collaborative process that led to the implementation of Time-of-Day (TOD) rates in LIPA territory. Recognizing the potential risks to solar customers - particularly the concern over stranded net metering credits in peak vs off-peak time periods - NYSEIA worked closely with LIPA and PSEG-LI to ensure that the TOD rate structure would be compatible with distributed solar and would preserve the value of customer-generated energy.

One of the most important outcomes of that collaboration was LIPA's agreement to allow non-grandfathered net metering customers to exchange excess generation credits between on-peak and off-peak periods. Under the current tariff, when a customer transitions to the 2-period TOD rate, all banked credits are initially applied to the off-peak period. LIPA's exchange mechanism allows customers, to reallocate credits between periods at a 2:1 ratio - two kWh of off-peak energy for one kWh of on-peak energy, and vice versa. This exchange would affect the amount of energy carried forward into the next year but not the energy already billed.

This policy was designed to address the issue of stranded credits - an outcome where a customer generates more excess energy in one rate period (typically off-peak) but is prohibited by tariff from applying those credits to cover consumption in another period (typically on-peak). Without a mechanism to reallocate credits, solar customers may lose the value of energy they've generated simply because it was produced during a time window where they are a net exporter of energy rather than a net consumer.

While the credit exchange mechanism is a meaningful step toward preserving value for solar customers, there are still concerns within the industry about how it is currently implemented. Under the current system, customers must fill out a PDF form and email it to the utility to request a credit transfer - a cumbersome and opaque process that places the burden on customers to understand their usage patterns and proactively manage their credit allocations. This complicated process is leading to customers, many of whom might benefit from TOD rates, choosing to remain on legacy rate structures instead.

Over the last year, NYSEIA, LIPA and PSEG-LI have discussed potential solutions. One easy-to-implement solution would be for PSEG-LI to conduct an annual "sweep" of customer accounts, whereby the utility reallocates excess generation credits between on-peak and off-peak periods based on each customer's historical usage. This could be completed manually initially before the kinks are worked out and the process is fully automated. While the utility has expressed openness to this solution, there is not yet a defined timeline for implementation. NYSEIA urges LIPA and PSEG Long Island to prioritize improving the credit exchange process and to continue working with stakeholders to refine TOD rate design. Doing so will ensure that TOD rates fulfill their promise as a tool for advancing clean energy, improving affordability, and empowering customers.

Implement Net Crediting for Volumetric Community Distributed Generation (CDG) Projects on Long Island

On December 20, 2024, the NY PSC issued an Order Approving Net Crediting for Volumetric Community Distributed Generation Projects.[11] The order directed New York's utilities to expand net crediting, otherwise known as consolidated billing, to the earliest adopters of CDG who signed up for projects before New York transitioned from volumetric net energy metering to VDER for CDG projects. Net crediting is a valuable utility billing & crediting mechanism that allows customers to participate in local CDG projects without the hassle of receiving multiple bills. Net crediting was made available to VDER-compensated CDG projects years ago, and NYSEIA commends the PSC for directing New York's utilities to expand this billing & crediting option to all CDG projects. New York's utilities are required to implement net crediting for volumetric CDG customers by the end of 2025. NYSEIA urges PSEG-LI to implement net crediting for its volumetric CDG projects/customers on the same timeline.

Shared Priorities with NY-BEST

NYSEIA expresses its strong support for the additional comments submitted by the New York Battery and Energy Storage Technology Consortium (NY-BEST). Their recommendations underscore the importance of fully committing to Long Island's proportional share of the state's energy storage deployment targets, as well as advancing bulk storage solutions and enabling storage development outside the confines of the Utility 2.0 framework. These efforts are essential to ensuring that Long Island can meet its reliability and decarbonization goals with the flexibility and scale that modern grid conditions demand.

Conclusion

As federal support for affordable clean energy solutions recedes, the responsibility to lead falls increasingly on state and local actors. Long Island, with its history of innovation, its strong local clean energy workforce, and its proven capacity to deploy DER, is uniquely positioned to meet this moment. PSEG Long Island and LIPA have the opportunity not only to advance the region's energy future, but to set a bold example for utilities statewide—and nationally—on how to build a reliable, affordable, and decarbonized grid that always puts the customer first.

The recommendations in these comments reflect a central theme: that distributed solar and energy storage are not just clean energy technologies, but tools for affordability, reliability, and empowerment. NYSEIA deeply values its long-standing collaborative relationship with PSEG Long Island and LIPA. We appreciate the thoughtful engagement that has characterized our past interactions, and we offer our continued support and partnership in developing ambitious proposals—and helping to implement them. We look forward to continuing our partnership and helping PSEG Long Island and LIPA deliver the kind of leadership this moment demands—grounded in ambition, shaped by collaboration, and built to serve Long Island's communities.

[11] Case 19-M-0463. New York Public Service Commission. Order Approving Net Crediting for Volumetric Community Distributed Generation Projects. December 20, 2024.