August 14, 2024

New York Power Authority
123 Main St
White Plains, NY 10601

Re: NYPA 2024 Conferral Process

Dear NYPA Colleagues,

On behalf of New York Solar Energy Industries Association (NYSEIA), I am pleased to submit the attached comments as part of NYPA's 2024 Conferral Process. NYSEIA acknowledges the significant challenges New York must overcome to achieve the clean energy mandates in the Climate Leadership and Community Protection Act (CLCPA). We also appreciate the significant contributions that the New York Power Authority (NYPA) is making to support progress toward these mandates. Thank you for being a collaborative partner to New York's solar industry, and for affording us the opportunity to provide input as NYPA develops its Build Public Renewables Act implementation plan.

Please contact me if you have any questions regarding NYSEIA's comments, and we look forward to continued dialogue and collaboration.

Respectfully submitted,

Noah Ginsburg
Executive Director
New York Solar Energy Industries Association

Please share your thoughts on the State's progress toward CLCPA goals.

On July 1, 2024, NYSERDA and the Department of Public Service filed their Clean Energy Standard Biennial Review, a report which states that New York is no longer on track to meet its 70% renewable electricity by 2030 mandate with a business-as-usual approach. According to the NYSERDA/DPS report, electric load growth combined with delays and cancellations for utility-scale renewable energy projects due to inflation and rising interest rates are resulting in a forecast >42,000 GWh shortfall in clean energy by 2030 to meet the 70% renewable electricity mandate.

New York Solar Energy Industries Association (NYSEIA) is concerned that New York is not on track to achieve 70% renewable electricity by 2030, and calls for policy interventions and a new strategy to accelerate deployment of renewable energy resources and energy efficiency. Despite setbacks for utility-scale renewables and headwinds for rooftop and community solar, New York is actually ahead of schedule for deploying 10 gigawatts of distributed solar by 2030. Scaling up distributed solar deployment can help to close the gap on New York's CLCPA mandates, which is why NYSEIA is calling for New York to raise its distributed solar goal to 20 gigawatts by 2035. The policy interventions needed to accelerate distributed solar deployment include: interconnection reform and flexible interconnection to lower the cost and shorten the timeline for connecting new solar and storage projects to the electric distribution system; siting/permitting reform to expedite local approvals for rooftop and community solar; and improved rate design and incentive programs, with an emphasis on supporting projects that are beneficially sited and/or deliver direct utility-bill savings to low- to moderate-income households.

Please share your thoughts on how NYPA can or should support CLCPA.

NYSEIA asserts that the primary interventions that will accelerate distributed solar deployment include: interconnection reform and flexible interconnection to lower the cost and shorten the timeline for connecting new solar and storage projects to the electric distribution system; siting/permitting reform to expedite local approvals for rooftop and community solar; and improved rate design and incentive programs, with an emphasis on supporting projects that are beneficially sited and/or deliver direct utility-bill savings to low- to moderate-income households. To the extent NYPA can drive these important policies forward or otherwise address interconnection and siting barriers, that could meaningfully drive incremental progress toward CLCPA compliance.

NYPA can also support progress toward the CLCPA by rapidly transitioning its fleet of fossil fuel generators to non-emitting alternatives such as large-scale battery energy storage facilities, paired with onsite clean energy generation resources where feasible. NYPA can also support progress toward the CLCPA by maintaining high performance from its fleet of hydroelectric facilities; the NYSERDA/DPS Clean Energy Standard Biennial Review states that "baseline hydroelectric resources have declined 8.2% from 2017-2020" and cites economic challenges and deferred maintenance as the root cause. NYPA can also continue to support its existing power customers to implement onsite distributed energy resources across the state.

To the extent NYPA plans to use its expanded authority to develop and own distributed solar and battery energy storage facilities, NYSEIA strongly recommends that NYPA do so in partnership with the existing ecosystem of solar and storage developers, EPC contractors and financiers operating in New York State. The significant gap between New York's forecasted renewable energy generation and what is needed to comply with the CLCPA implies that additional actors could enter the market without hurting existing market participants. Yet at the same time, the core barriers to deployment are interconnection hosting capacity and land use; issues that can only be addressed through policy changes.

Additionally, incentive programs such as NY-Sun and NYSERDA's forthcoming retail energy storage incentive program have finite budgets allocated. The limited pool of funding/capacity through these programs creates a sense of scarcity and competition. NYSEIA urges NYPA to approach development with a lens of additionality; NYPA should focus its limited bandwidth toward implementing projects that would not otherwise happen if not for NYPA's participation. This approach will allow NYPA to leverage its strengths to help close New York's CLCPA gap while helping to expand the renewable energy industry and workforce. As NYPA develops its renewable energy implementation strategy, NYSEIA recommends that the Authority consider adopting an approach similar to the New York Green Bank, whose "mission is to work in collaboration with the private sector to transform markets in ways that accelerate clean energy investments, combat climate change, and equitably deliver both economic and environmental benefits to all New Yorkers." An approach that emphasizes partnership and additionality will be well received by existing market participants and will drive progress toward CLCPA mandates.

In the spirit of expanding the addressable market, one area where NYPA might be able to support solar project deployment is within New York's upstate municipal utility service territories. Many of these municipal utilities lack standardized interconnection processes or compensation mechanisms for distributed energy resources. As a power provider for many of these municipal utilities, NYPA is uniquely positioned to enable solar and storage projects in these areas that will otherwise go unserved. Similarly, NYPA can enable a subset of its existing customers to implement solar projects that would otherwise not be feasible. For example, NYSEIA is aware of public agencies/authorities who have concerns about Internal Revenue Service (IRS) rules that prohibit private use of facilities constructed with tax-exempt bond financing. Perhaps NYPA could utilize its expanded authority to help its public sector customers overcome such concerns, enabling large portfolios of distributed solar and energy storage projects to be deployed on these facilities, many of which have strong technical potential.

Finally, NYPA has an important role to play in informing policy regarding rate design and interconnection. NYPA has a unique perspective as both a public utility and an entity charged with implementing clean energy projects. NYPA understands both the utility perspective and that of clean energy developers, allowing it to put forth nuanced and impactful policy recommendations that are more likely to succeed. To the extent NYPA is able, NYSEIA encourages NYPA to increase its (already significant) engagement in efforts to improve interconnection and rate design in the state.

Please share your thoughts on what NYPA is already doing to support CLCPA.

NYSEIA is not aware of all the activities that NYPA is doing to support the CLCPA, however, we acknowledge the important role that NYPA plays generating and transporting clean and low-cost power to municipal and industry energy consumers in the State, and supporting its customers to implement onsite distributed energy resource (DER) opportunities.

Do you have anything else you would like to share for the record?

The key barriers to clean energy deployment in New York are rising interconnection costs, restrictive local laws/siting challenges and challenging project economics due to declining incentives and rising costs. These barriers impact NYPA just as they impact private sector clean energy developers. NYSEIA encourages NYPA to focus its finite time and resources toward addressing these structural barriers to clean energy deployment and/or enabling projects that would not otherwise be feasible if not for NYPA's participation.