The Community Solar for Disadvantaged Communities Act (S. 3521-A/Parker and A.3805-A/Cusick)

Cross-utility Crediting will expand solar access for more New Yorkers

Action Needed

If enacted, this legislation will direct the Public Service Commission (PSC) to authorize the transfer of community distributed generation (CDG) bill credits across utility service territories. This will expand CDG access so that any New Yorker served by a utility subject to PSC jurisdiction could participate in a CDG project located anywhere in New York State, enabling all New Yorkers to equally benefit from lower-cost solar, especially disadvantaged communities that lack rooftop access or larger developable sites.

Rationale

- **The CLCPA's first required milestone comes in 2025, installing 6 GW of distributed generation (DG).** To achieve this, 60 percent of that goal must still be built (3.6 GW), meaning the construction of 900 MW – or about 180 new solar farms – each year.
- **The CLCPA commits to serving disadvantaged communities**, targeting 35 percent of the benefits of the Act to low-and moderate-income (LMI) households that cannot access traditional residential solar.
- In the order approving the compensation structure for community solar, the **PSC highlighted cross-utility crediting (CUC) as key to reaching millions of downstate LMI customers**. Without CUC, NYC and other urban areas are effectively barred from participating in community solar, given the lack of suitable rooftops and available land.
- **Con Edison customers are billed to support the CDG program but cannot equally access its benefits**. This is especially true in NYC, where there is a severe lack of sites for solar development. There are 4.8 GW of CDG in the upstate development queue - but only 198 MW in Con Edison (4%). That would serve less than 30,000 households in a city of 9 million (0.3%).
- NYS cannot build the transmission infrastructure to achieve this first goal in time and faces further transmission "bottling" issues to deliver the accelerated expansion of renewable energy development to the 50 percent market penetration level by 2030. **CUC would help achieve the state's ambitious solar goals without adding to the problem, moving bill credits instead of electrons.**
- The Legislature wants to address this gap: **The Senate has twice passed legislation to enable CUC; the Assembly bill now has 74 co-sponsors.**
- CUC relies on an in-state financial transaction to settle bill credits, and CDG generation would continue to be compensated under the state's VDER framework. As such, CUC does not require Federal approval or infringe on Federal jurisdiction.
- COVID-19 has created an unprecedented economic crisis. **CUC can achieve multiple objectives - stimulating the economy, engaging private capital, helping to meet emissions targets, providing lower cost green power for customers** - ideal solutions for these challenging times.

How Cross-Utility Crediting ("CUC") works:

CUC is built on models used by other long-standing industries subject to PSC jurisdiction, including telecommunications and energy services companies. These models can be utilized for Community Solar through a straightforward expansion of the existing CDG framework.

As an example, let's assume the CDG project is sited in the territory of Utility #1 and the customer is located in Utility #2 territory:

- Utility #1 receives the value of solar associated with the CDG farm and can offset the energy and capacity purchases of its default service customers. End-use customer bill credits are valued at the VDER rate in Utility #1.
- For the customer located in Utility #2, credits are received by the customer on their Utility #2 bill, provided at the VDER rate of Utility #1.
- An accounting platform settles the financial transactions between Utilities #1 and #2, similar to that now used for ESCOs.