



Testimony of New York Solar Energy Industries Association

Before the Joint Legislative Budget Hearing on Energy and Environmental Conservation
Regarding the 2025-2026 Executive Budget

January 28, 2025

Dear Senator Krueger, Assemblymember Pretlow, and esteemed committee members,

Thank you for the opportunity to provide testimony regarding New York State’s FY2026 budget. My name is Noah Ginsburg, Executive Director of New York Solar Energy Industries Association (NYSEIA). I’m here today speaking on behalf of NYSEIA’s hundreds of member companies, and New York’s vibrant rooftop and community (“distributed”) solar industry. New York’s solar industry is powered by nearly 800 businesses¹ in every corner of the state and at least 15,490 skilled workers² in diverse blue-collar and white-collar jobs. Increasing solar power supply in New York State is not just important for meeting New York’s environmental goals; it helps power New York’s economy by providing low-cost electricity to meet growing demand. Distributed solar also advances the Governor’s Affordability Agenda by providing recurring annual utility bill savings to New York families and businesses.

Our industry is at a crossroads in New York. Distributed solar is New York’s most successful clean energy sector and we have incredible momentum; we deployed more solar capacity in 2024 than ever before and surpassed the State’s 2025 distributed solar goal more than a year ahead of schedule. At the same time, we are facing tremendous challenges that threaten the sustainability of our industry, and which could cause a precipitous decline in solar investment, deployment, and employment. The good news is that there are smart and cost-effective state-level policies that will allow us to overcome many of these challenges and to sustain our momentum. To put it simply, either New York can go big or go home. NYSEIA and a growing coalition of business and environmental organizations are advocating for New York to go big. That means [raising New York’s distributed solar goal from 10 gigawatts by 2030 to 20 gigawatts by 2035](#) and advancing policies to lower costs and accelerate deployment: permitting reform, interconnection reform, and targeted incentives for solar projects that directly reduce energy bills for low-income families or that are sited to minimize land use impacts. The policy solutions are known and cost-effective. You and your colleagues in the legislature are well-positioned to enact these policies, supporting the continued success of New York’s solar industry in a time of uncertainty.

¹ Solar Energy Industries Association. New York State Overview. <https://seia.org/state-solar-policy/new-york-solar/> Accessed January 2025.

² New York State Energy Research and Development Authority. New York Clean Energy Industry Report. <https://www.nyserda.ny.gov/About/Publications/New-York-Clean-Energy-Industry-Report>. 2024.



About Distributed Solar

Solar photovoltaic (PV) technology converts sunlight directly into electricity through the photoelectric effect. Solar power generation does not require any fuel input or combustion. As such, the technology has low operating costs and zero emissions. Distributed solar refers to rooftop and community solar projects, which are always less than 5 megawatts in capacity each, and are connected to the local distribution system. Distributed solar projects range in shape and size, but they all provide direct utility bill savings to New Yorkers.

There are two main types of distributed solar projects; onsite solar, which refers to solar energy systems installed on homes or businesses, and community solar. Community solar is a program that enables hundreds of households to share in the output of a distributed solar project located anywhere within their utility territory. To provide a sense of scale, a typical community solar project is 20-40 acres. Community solar expands access to clean energy by allowing renters, low-income households and others who are unable to install solar panels on their own roof to participate in and benefit from a local project. Community solar projects don't just generate clean energy; they provide guaranteed bill savings to subscribers through net crediting, a new program that allows community solar customers to receive their net solar savings directly on their utility bill. New York's community solar programs have baked-in consumer protections, and the vast majority of new community solar projects directly serve low-income households across the state. The recently launched Statewide Solar for All program is a variation on community solar that efficiently delivers utility bill savings to low-income customers enrolled in their utility's energy affordability programs, helping lower energy costs for the New Yorkers that need the savings most.

One important benefit of distributed solar is improved land use. Distributed solar projects are, by definition, smaller than utility-scale projects which can be orders of magnitude larger. Distributed solar can be sited on the built environment, including rooftops, carports, and on brownfields. Agrivoltaics, or the dual-use of land for farming and solar power generation, is another exciting opportunity that is not quickly expanding from pilot projects to an at-scale solution that balances these critical land uses. Even traditional "greenfield" community solar projects are small enough that they can be co-located with agriculture, often with solar being sited on a farmer's less productive land so they can maximize yield. A common concern from policymakers is that solar is a threat to farmland. However, in many cases, co-location of community solar actually supports agricultural retention by providing farmers with a reliable supplemental income stream that increases the financial viability of the farm and allows them to keep farming for another generation.

Distributed Solar is a Bright Spot in New York's Clean Energy Economy

In July 2024, NYSERDA and the Department of Public Service (DPS) published their Clean Energy Standard Biennial Review; a report which found that New York is behind schedule toward most of the state's renewable energy mandates in the Climate Leadership and Community Protection Act (CLCPA).



Distributed solar is a notable exception; in October 2024, New York surpassed the CLCPA goal to deploy 6 gigawatts (GW) of distributed solar more than a year ahead of schedule. NYSERDA's NY-Sun program also appears to be on track to achieve New York's expanded 10 GW by 2030 goal ahead of schedule and under budget; as of January 2025, almost all of the 10 GW NY-Sun program capacity is fully reserved by solar projects in advanced stages of development.

In 2024, New York's distributed solar industry had a record-setting year, surpassing one gigawatt of annual deployment for the first time and adding a whopping 1.24 gigawatts of capacity³ in a single calendar year. These are not a few megaprojects – they are thousands of rooftop and community solar projects that New York's solar industry has demonstrated its ability to deploy at-scale. While many of New York's energy policy discussions focus on utility-scale renewables, it has proven more challenging to build the larger projects and as of 2024, 93% of New York's installed solar capacity is distributed-scale. The solar industry's contributions are more than just clean power; we are investing billions of dollars of private capital into New York's economy, helping modernize the electrical distribution system, providing significant utility bill savings to customers, generating tax revenue for local governments, providing lease revenue to rural landowners, and providing strong wages and benefits to thousands of New Yorkers.

Testimony on the Executive Budget Proposal

Last week, Governor Hochul released a budget proposal that fails to support solar power in New York State. In her State-of-the-State address, the Governor spoke about affordability and the need for action on climate. Regrettably, she did not connect the dots between the two issues, nor did she back her rhetoric with proposals to advance cost-effective solar deployment and energy affordability. This missed opportunity won't just drive up energy costs for homes and businesses, it also threatens hundreds of solar companies and 15,490 good jobs for skilled workers in the solar industry. NYSEIA is deeply disappointed in the Governor's lack of support for solar and energy storage in her 2025 policy agenda. On Donald Trump's first day in office, he signed executive orders to increase fossil fuel extraction and to reduce federal support for renewable energy. New York simply cannot rely on sustained federal support, and state-level leadership has never been more important. I urge the New York State Senate and Assembly to take bold action and advance policies that support the solar industry while lowering electricity bills for all New Yorkers.

Solar Power Advances Energy Affordability by Lowering Utility Bills

After housing and childcare, energy bills are the next largest expense for most New York households. The New York State Department of Public Service estimates that [low-income families in New York spend 10-20% of their income on energy](#) – an extreme burden that will only worsen with rising energy costs. The most effective way to lower energy costs in New York is to increase local energy supply to

³ New York Department of Public Service. In the Matter of SIR Inventory (#13-00205). Utility data filed in January 2025.



meet growing demand with resources like solar power; the [cheapest source of electricity in the world](#)⁴ (once we cut through the red tape). The Governor’s Affordability Agenda emphasizes one-time rebate checks for families, but what New Yorkers really need is reliable, long-term reductions to their expenses. That’s where solar comes in. In New York, households that install solar panels or subscribe to a local community solar project save hundreds of dollars *each year*. In addition to these individual savings, increasing distributed solar and energy storage deployment will save all New York ratepayers an estimated [\\$28 billion dollars on their electricity bills](#) by lowering wholesale energy prices. Not only is distributed solar power affordable, we also know how to build it quickly and at-scale. In October 2024, New York surpassed its six gigawatt distributed solar goal one year ahead of schedule, and we commissioned 1.24 gigawatts of new distributed solar capacity in 2024 alone. With the right policies in place, we can unleash New York’s solar industry and deploy more quickly, efficiently and powerfully than ever before.

Solar Drives New York’s Economy and Workforce

Over the last twenty years, New York built a vibrant solar industry powered by hundreds of small businesses and 15,490 skilled workers; more than any other renewable energy sector. These are good, family-sustaining jobs in an industry that contributes positively to New York’s tax base, local economy, and environment. Over the last three years, New York and the federal government implemented a Prevailing Wage requirement for solar projects above one megawatt and made incremental funding available to support these higher wages. This vast majority of community solar projects in New York State are above one megawatt, and the Prevailing Wage requirement has increased wages and benefits for open shops while also driving a major increase to union participation in the solar industry. Finally, New York’s solar industry has contributed approximately \$10 billion toward constructing infrastructure in the state, modernizing the electric distribution system and helping New York meet growing electricity demand.

New York’s Solar Industry Faces Major Challenges

Despite this momentum, the local solar industry today faces major obstacles. New York’s expanding red tape for solar permitting is extending project timelines and causing project cancellations and layoffs; utility cost overruns and rising interconnection costs threaten the economic viability of community solar projects and harm local solar companies; and high interest rates are suppressing demand for rooftop solar. Finally, the Trump administration is working quickly to reduce federal support for the renewable energy sector. Each of these challenges are significant, and collectively they are an existential threat. Without swift action and strong state-level leadership, the small businesses and the skilled workers that power New York’s homegrown solar industry are at risk.

⁴ International Renewable Energy Agency. Renewable Power Generation Costs in 2023.



New York Can Advance “No Regrets” Policies to Enable Cost-Effective Solar Deployment

In June 2024, NYSEIA released [20 Gigawatts by 2035: Raising New York’s Distributed Solar Goal](#) - a policy roadmap to accelerate rooftop and community solar deployment in New York. NYSEIA estimates that doubling New York’s distributed solar capacity will deliver \$50B in direct utility bill savings to families and businesses, lower the cost of electricity for all customers, and create 15,000 additional good jobs in the solar industry. The roadmap outlines the policies that are needed to overcome barriers and lower the cost of solar power so we can achieve an expanded goal. A few of these proposals include:

- Advancing siting reform to address permitting barriers to community solar. While utility-scale projects are permitted through the Office of Renewable Energy Siting, community-scale projects are all permitted at the local level. Increasingly, local governments are adopting restrictive local laws and moratoria (often in response to proposed utility-scale projects or misinformation), preventing an estimated 4.6 GW of otherwise viable community solar projects in New York. In Illinois, the state streamlined local permitting by creating statewide standards for community solar siting while keeping all project-specific zoning decisions at the local level. New York can replicate Illinois’ successful model, which respects “home rule” while creating viable permitting pathways for community solar projects across the state.
- Directing the NY Department of Environmental Conservation (DEC) to allow solar on state-regulated private property by quickly developing a viable General Permit for community solar. On January 1, 2025, the DEC’s jurisdiction over wetlands and surrounding areas expanded dramatically. The agency’s jurisdiction will expand further in the coming years, which means that land formerly regulated by the US Army Corps of Engineers (USACE) is increasingly falling under the DEC’s jurisdiction. Protecting New York’s ecological resources is important, however it must be balanced with the need to deploy clean energy. During the Obama Administration, the federal government struck this balance; for more than a decade, the USACE offered a viable general permit for renewable energy projects through Nationwide Permit 51. The DEC does not yet have a general permit for solar projects, and has historically enforced a de facto ban against solar on any land it regulates which does not just include high value and sensitive wetlands, but can also include wet spots on farm fields and large buffer areas. The DEC’s new restrictions combined with restrictive local laws are causing companies to cease all new solar development in New York State, imperiling our clean energy progress and solar workforce. The jobs impact and CLCPA impacts are severe and must be mitigated. NYSEIA urges the DEC to rapidly develop a General Permit that allows solar on most sites where it would be permitted by USACE’s Nationwide Permit 51.
- Better regulating New York utilities and requiring them to use smart grid technologies to lower the cost to interconnect new solar and energy storage projects. In New York, solar and energy storage developers must pay the utility to upgrade the distribution system in order to interconnect



their projects. The utilities study proposed solar projects, provide scope and cost estimates for distribution upgrades to the solar/storage developer, and then enter into an interconnection agreement. Solar and storage companies provide 100% of the estimated cost of the upgrade before the utility begins work on the upgrade, which they typically complete in parallel with their solar project construction.

While solar companies must pay for the total final cost of the upgrades, they do not have any control over the work completed by the utility company, and there is no regulatory oversight of these utility costs. Over the last two years, the cost to interconnect new projects has risen dramatically, much faster than inflation. The utilities' inefficient designs, high overhead, and unchecked cost overruns are the main causes. To provide a few examples, in June 2024, National Grid implemented a ~71% increase to their interconnection costs with no due process or regulatory oversight. In addition to inflating cost estimates, New York utilities are also imposing massive cost overruns on solar and storage projects, sometimes retroactively after they are constructed. In fact, the Altamont Road Solar Project, where New York celebrated surpassing our six gigawatt milestone in October 2024, received a \$1.3M bill for National Grid's cost overruns (on top of the \$1M payment they made for the upgrade) just weeks after the ribbon cutting; a bill that they are disputing with a [formal complaint](#).

New York's Public Service Commission can counteract these rising costs with transparency, regulation, and by implementing a robust flexible interconnection program. Flexible interconnection is an alternative approach to interconnection whereby utilities actively manage DERs with smart grid technology rather than overbuilding traditional utility infrastructure. Strong regulation and transparency will lower the cost of traditional upgrades, whereas flexible interconnection can dramatically reduce the cost and timeline to connect new solar and energy storage projects by replacing these expansive and time-intensive upgrades with 21st century technology that is lower-cost and faster to deploy.

- [Directing the Public Service Commission to authorize a long-term extension to NY-Sun, NYSERDA's most successful clean energy program](#). The NY-Sun program supports solar projects across much of New York State with modest capacity-based incentives. NYSERDA's approved incentives are [nearly exhausted](#), and near-term action is needed. We need short-term action for market continuity, but a long-term extension will provide market-certainty and attract investment. As New York makes progress cutting through permitting red tape and lowering interconnection costs, this will reduce the need for NYSERDA incentives for certain projects. NYSEIA envisions a future where NYSERDA's incentives are highly targeted toward projects that directly lower energy costs for low- to moderate-income households or projects that are beneficially sited to minimize land use impacts. This approach will help reduce program costs to ratepayers while encouraging siting best practices.



- Making rooftop solar more affordable for homeowners by modernizing the residential solar tax credit. For years, legislators and a coalition of renewable energy, housing and environmental organizations have advocated for New York to raise the per household cap for New York’s only statewide solar incentive and to make the credit accessible to low-income homeowners and seniors who need the utility bill savings most. Including S.2626 (Harckham) / A.1373 (Walker) in the final budget will make it more affordable for homeowners across the state to install rooftop solar panels.

Conclusion

Urgent action is needed to support New York’s solar industry and workforce. NYSEIA has outlined numerous smart, “no regrets” policies to make solar power more abundant and affordable. Regrettably, the Hochul Administration neglected to include a single one of these policies in her 2025 State-of-the-State or Budget. NYSEIA encourages the Governor to reverse course, and we are eager to work with legislators in the New York State Senate and Assembly to quickly advance impactful policies that support a solar-powered Empire State. Hundreds of local businesses, 15,490 good jobs, gigawatt hours of renewable energy, and billions of dollars of utility bill savings all hang in the balance.

Thank you for your time and for the opportunity to provide testimony today. I look forward to answering your questions today and welcome the opportunity to meet with you and other members of the legislature in the coming weeks.

ATTACHMENT: 20 Gigawatts by 2035: Raising New York’s Distributed Solar Goal