



MEMORANDUM IN SUPPORT OF Expanding the New York State Solar Energy System Equipment Tax Credit

January 29, 2025

New York Solar Energy Industries Association (NYSEIA) strongly supports an expansion of the [Solar Energy System Equipment Tax Credit](#) to make solar more affordable for all New Yorkers, particularly low-income families and seniors. Standalone legislation has been introduced in the Senate (Harckham S2626) and Assembly (Walker A1373-A.). **NYSEIA, its member companies, and its allies in the environmental justice and housing community are advocating for New York to include this important proposal in the next budget.** This proposal would advance equity, resilience and affordability by:

- Making the solar tax credit refundable for low-to-moderate income households and those who live in Disadvantaged Communities
- Removing an arbitrary system size cap for residents living in co-ops and condominiums
- Including energy storage as eligible equipment
- Increasing the maximum tax credit amount to \$10,000 to adjust for inflation (first cap increase since 2006) and energy storage costs while maintaining the 25% system cost limit

Making the solar tax credit refundable for low-to-moderate income New Yorkers will increase equitable access to solar for the New Yorkers who are most impacted by high energy prices, including senior citizens/retirees and working families. This is particularly important in light of New York's ambitious electrification efforts and recent increases to electricity costs. Raising the co-op/condo system size limit will allow urban homeowners to equally benefit from this important solar incentive.

Clarifying that energy storage equipment is eligible for the tax credit will support increased energy storage adoption. Solar + storage systems provide unique benefits to homeowners and to all New Yorkers. These systems can be aggregated into virtual power plants that reduce New York's reliance on polluting peaker plants while minimizing costly upgrades to the electric grid and providing resilient, backup power to the homeowners.

Finally, raising the per household tax credit cap to \$10,000 will allow more New Yorkers to afford solar power and accelerate solar adoption across the State, creating jobs and strengthening our economy.

This proposal has a modest cost, and it will meaningfully accelerate progress toward New York's ambitious clean energy, equity and decarbonization goals outlined in the Climate Leadership and Community Protection Act. It will also allow New York to leverage federal and private clean energy investment, support local businesses, and strengthen New York's workforce by creating thousands of new jobs in the solar industry. For these reasons, NYSEIA supports the State's efforts to expand the Solar Energy System Equipment Tax Credit and urges the adoption of this proposal in the 2025-2026 budget. For information about this memorandum of support, please contact Noah Ginsburg, Executive Director, at 347-509-6044, noah@nyseia.org.

LETTER OF SUPPORT FROM Environmental Justice and Affordable Housing Partners

Dear New York State leader,

We, the undersigned, support S2626/A1373¹, which will strengthen the New York State Solar Energy System Equipment Tax Credit to accelerate solar adoption while expanding access to more homeowners, including low-income families, families living in co-ops and condos, and residents of Disadvantaged Communities.

Since 2006, the current \$5,000 personal income tax credit cap (up to 25% of the installation cost) has remained flat without any inflationary adjustment. The tax credit has also been inaccessible to low-income homeowners and seniors with limited tax liability. We are asking you to support this proposal to expand the tax credit, helping to accelerate New York's renewable energy transition while empowering more New Yorkers to participate in and benefit from clean energy.

This important legislation will:

- Make the tax credit refundable so low-income homeowners, including seniors on fixed incomes, and residents of disadvantaged communities can benefit from this incentive.
- Increase the maximum Tax Credit amount to \$10,000 for systems installed after 1/1/2026, adjusting for inflation and higher equipment costs, and providing headroom for energy storage expenses
- Eliminate the arbitrary system size cap that reduces the value of this incentive for homeowners living in co-ops or condos
- Make energy storage equipment expenses eligible to incentivize resilient solar

The enhancements outlined above would expand New York's as-of-right solar incentive, ensuring it is accessible to disadvantaged communities through a refundable credit, and align it with the environmental justice and renewable energy goals of the Climate Leadership and Community Protection Act (CLCPA). In addition to accelerating New York's progress towards its clean energy, resilience, and equity commitments, this proposal will create and sustain thousands of good green jobs for New Yorkers while attracting expanded federal and private investment into the State. Updating the Solar Energy System Equipment Tax Credit will:

- Provide more equitable access to benefits of clean energy
- Advance CLCPA goals through accelerated solar adoption;
- Catalyze progress toward a 100% zero-carbon grid, supporting climate resilience; and
- Help facilitate the retirement of the dirtiest and most expensive fossil fuel peaker plants concentrated in environmental justice communities by increasing renewable energy production and storage; and
- Help more New York electricity customers access savings on energy bills.

¹ Support memo updated to reference current legislative bill numbers and text.

CURRENT COALITION OF SUPPORTERS

Fifth Avenue Committee, New York City Environmental Justice Alliance, WE ACT for Environmental Justice, Association for Energy Affordability, Council of New York Cooperatives and Condominiums (CNYC), New Yorkers for Clean Power, GRID Alternatives, Cooper Square Committee, Solar One, Vote Solar, Sustainable Westchester, Cool/Heat Smart Brooklyn, Neighbors Helping Neighbors, NYC 2030 District, Urban Homesteading Assistance Board (UHAB), New York Lawyers for the Public Interest (NYLPI), Renewable Energy Long Island, New York League of Conservation Voters (NYLCV), Queens Climate Project, Long Island Progressive Coalition, Vision Long Island, Long Island Environmental Voters Forum, Habitat for Humanity New York City and Westchester County



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