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## By Electronic Delivery

July 1, 2013

Honorable Jeffrey Cohen  
Acting Secretary to the Commission  
New York State Public Service Commission  
Agency Building 3, Empire State Plaza  
Albany, New York 12223-1350

**RE: Case 03-E-0188: Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard**

Dear Acting Secretary Cohen,

Enclosed for filing are the comments of Alliance for Clean Energy New York (ACE NY) on the petition submitted by the New York State Energy Research and Development Authority (NYSERDA) to the Commission on April 25, 2013 requesting modification of the implementation rules governing the Renewable Portfolio Standard (RPS) Customer-Sited Tier (CST) Standard Offer and Competitive PV Programs in order to increase the likelihood of achieving the NY-Sun program's 2013 goals.

Sincerely,

Valerie Strauss, Interim Executive Director  
Alliance for Clean Energy New York, Inc.

Encl.

**COMMENTS OF ALLIANCE FOR CLEAN ENERGY NEW YORK  
ON THE NYSERDA PETITION FOR MODIFICATION OF NY-SUN  
SOLAR PV PROGRAMS**

**I. Introduction**

The Alliance for Clean Energy New York (ACE NY) respectfully submits the following comments in the Renewable Portfolio Standard (RPS) program proceeding. ACE NY is a nonprofit organization whose mission is to promote the use of clean electricity technologies and energy efficiency in New York State in order to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. Members of ACE NY include nonprofit environmental, public health and consumer advocacy organizations, educational institutions, and private companies that develop, produce and sell clean energy and clean energy technologies, as well as energy efficiency services, in New York.

These comments are provided to offer conditional support for the petition submitted by NYSERDA to the Commission on April 25, 2013 requesting modification of the implementation rules governing the Renewable Portfolio Standard (RPS) Customer-Sited Tier (CST) Standard Offer and Competitive PV Programs in order to increase the likelihood of achieving the NY-Sun program's 2013 goals. NYSERDA specifically seeks to: (1) create a second tier, with a lower incentive level, for commercial Standard Offer PV systems sized between the current maximum size cap of 50 kilowatts (kW) up to a new maximum size cap of 200 kW; (2) increase the minimum size threshold for the Competitive PV program to systems larger than 200 kW; (3)

create a separate, short-term, incentive opportunity for capacity additions up to the new 200 kW maximum size cap for previously completed commercial systems; and to (4) raise the residential system maximum size cap from the current 7 kW to 25 kW.

## **II. Comments**

ACE NY supports NYSERDA's request to create a second tier for in the Standard Offer PV program for new commercial systems larger than the current maximum cap of 50 kW. However, we urge the Commission to set the maximum size cap at 250 kW as opposed to 200 kW in order to better accommodate common inverter equipment, or 300 kW to coincide with the 300 kW limit for expedited application processing for inverter-based systems in the Standardized Interconnection Requirements, which became effective in March of 2013. Systems of this size are eligible for the Competitive PV program, however, limited activity in this program and market data indicate that the Standard Offer program is a better fit for this segment of the market. As such, allowing systems in the 50 kW to 250 or 300 kW size range is likely to foster greater levels of program participation at this time. NYSERDA's proposal to implement a two-tier incentive structure for commercial projects is a balanced approach to maximizing available funding while supporting a variety of system sizes.

We also support NYSERDA's request to increase the minimum system size in the Competitive PV program from 50 kW to 200 kW should the Commission approve creation of a second tier in the Standard Offer program, although again we suggest that the line of demarcation be set at 250 or 300 kW and not 200 kW. Without a corresponding increase in the minimum eligible system size under the Competitive PV program, increasing the commercial system sizes eligible for the second tier of the Standard Offer program will create market overlap

and may make it difficult for installers and customers to navigate between the Standard Offer and Competitive programs, and increase the administrative burden and costs for NYSERDA.

NYSERDA also proposes to create a separate, short-term incentive for add-on commercial systems, based on market research showing that many commercial customers with existing systems at the 50 kW cap would add additional capacity if a higher system size cap were implemented. This specific pool of customers represents an opportunity to quickly install additional capacity in the Standard Offer program and put the State in a better position to meet the 2013 goals of NY-Sun. ACE NY believes this is a reasonable approach to increasing the likelihood of meeting NY-Sun program goals within a constrained time frame, and will also promote fair treatment of existing customers should the Commission approve a second tier of the Standard Offer program.

ACE NY supports NYSERDA's final request to raise the residential Standard Offer PV system size cap from 7 kW to 25 kW, which will make the program consistent with New York's net metering laws and appropriately reflect the current state of PV markets and available funding for incentives, both of which have evolved and expanded. Permitting residential systems up to 25 kW will also create an opportunity to engage larger residential energy users such as home-based businesses.

Since the program changes NYSERDA has requested will expand the opportunities to support larger sized systems, we urge the Commission to ensure that sufficient funding remains available for smaller systems and, most importantly, see that NYSERDA, in consultation with Department of Public Service (DPS) staff, is afforded the flexibility to adjust the PV program budgets accordingly to provide adequate support for a variety of system sizes. Furthermore, the need for smaller program changes such as ensuring funding for a variety of system sizes and

minor adjustments to program parameters should be undertaken expeditiously; therefore, we believe NYSERDA, in consultation with DPS staff, should be authorized to make such minor program changes without returning to the Commission via the petition process in order to avoid delay and uncertainty that can adversely impact the market.

### **III. Conclusion**

Achieving the NY-Sun Initiative's aggressive 2013 goal of quadrupling the customer-sited photovoltaic capacity added in 2011 necessitates that the State's incentives are appropriately structured and scaled, and responsive to evolving market conditions. Based on market indicators and stakeholder recommendations, NYSERDA has identified several segments of the marketplace that are currently underserved. The proposed program changes will create an opportunity to more fully engage these market segments, with the potential to yield significant results. NYSERDA's requested modifications are also in keeping with the overarching policies and goals of the RPS, which seek to support a broad scope of projects in terms of geography, size, and incentive structure. We support some flexibility in program modifications with the caveat that program review and evaluation continue so that the program remains open to returning to competitive procurement for larger systems in the future. We also urge the Commission to grant NYSERDA limited authority to adjust PV program budgets, in consultation with DPS staff, in an effort to ensure adequate funding for smaller systems remains in place. With these considerations in mind, as well as our suggestion to set the maximum cap of the new second tier in the Standard Offer program at 250 kW or 300 kW instead of 200 kW, ACE NY supports NYSERDA's petition and urges the Commission to approve the requested program modifications.

Respectfully Submitted,

A handwritten signature in black ink that reads "Valerie Strauss". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Valerie Strauss, Interim Executive Director  
Alliance for Clean Energy New York, Inc.  
Albany, NY  
July 1, 2013