

June 10, 2021

**VIA ELECTRONIC FILING**

Hon. Michelle L. Phillips  
Secretary  
New York Public Service Commission  
Three Empire State Plaza, 19th Floor  
Albany, New York 12223

Re: Case 15-E-0751- Mass Market Rate Design Proceeding – Comments Regarding Joint Utility Draft Tariff Establishing Customer Benefit Contribution Charges – Sun Source Technologies, Inc. d/b/a Lighthouse Solar Comments

Dear Secretary Phillips:

Sun Source Technologies, Inc. d/b/a Lighthouse Solar respectfully submits these comments in response to the draft tariffs and calculations filed by the Joint Utilities in November 2020, pertaining to the proposed Customer Benefit Contribution (“CBC”) charge to be levied on residential and small commercial solar customers beginning in January 2022.

In consistent operation since 2008, Lighthouse Solar is a small, regional solar design and install firm located in New Paltz, NY. We provide custom, turnkey solutions to the residential and small commercial markets as well as design and engineering services to CDG developers.

As a seller of residential and small commercial solar PV systems in Central Hudson Gas & Electric, NYSEG, Orange & Rockland and National Grid territories, Sun Source Technologies, Inc. d/b/a Lighthouse Solar is concerned about the significant injurious impact of a CBC charge at the magnitude calculated for these territories on the value proposition and economic attractiveness of residential and small commercial solar systems. Specifically, the calculated CBC charges would dramatically reduce Year 1 customer savings, which is the crucial determining metric in the marketing and sales of financed solar PV systems. This in turn would reduce potential for customer adoption of solar and hinder the deployment of clean energy in line with New York’s CLCPA-mandated targets for distributed solar and electric sector decarbonization.

To elaborate, the analysis presented in the context of this proceeding via Working Group meeting and regulatory filings has largely focused on the impact of the CBC on payback periods. However, the overwhelming majority (over 60%) of our residential customers finance the purchase of a solar system via loan products as opposed to an outright cash purchase. Consequently, Year 1 savings is a far more relevant metric for the customer in determining the value proposition of residential solar, as the initial cash outlay associated with a financed system is minimal compared to a cash-purchased system. As shown in the below analysis, the proposed CBC charge for Central Hudson Gas & Electric would drive a decline from \$296.93 to \$164.14, or 44.7% in Year 1 savings, which would dramatically reduce the value proposition for going solar and customer adoption rates. It is highly unlikely that this impact would be unique to Sun Source Technologies, Inc. d/b/a Lighthouse Solar.

Table 1: CBC Impact Analysis and Assumptions – Central Hudson Gas & Electric

System Assumptions	
System Size (kW-DC)	8.32
AC-DC Derate Factor	0.77
Average Capacity Factor	14%
Year 1 kWh Production	10,204
Panel Degradation	0.50%

Pricing and Financing Assumptions	
System Price (\$/W)	\$3.00
Loan Term (months)	240
Interest Rate	5.99%
Dealer Fee	10%
NY-Sun Incentive (\$/W)	\$0.35
New York State Tax Credit	\$5,000
Federal ITC (%)	22%

Utility Assumptions	
Utility Territory	Central Hudson
Retail Rate (\$/kWh)	\$0.15
CBC (\$/kW-DC)	\$1.33

CBC Impact	
Year 1 Savings - No CBC	\$296.93
Year 1 Savings With CBC	\$164.14
<b>Y1 Savings Reduction (\$)</b>	<b>\$132.79</b>
<b>Y1 Savings Reduction (%)</b>	<b>44.7%</b>

If a CBC charge of this magnitude, with the likelihood of continual annual increases, is to be imposed on the residential market, it would have the likely result of significantly reducing residential solar sales in Central Hudson Gas & Electric and across New York State. With the combined effect of inflationary pressures and continually declining NYSERDA incentives for residential solar, an additional charge at this level would be a further headwind that our business and New York’s residential market at large can ill-afford. We therefore respectfully recommend the Commission consider reducing the magnitude of the proposed CBC to a level that would maintain Year 1 savings, which would be significantly below what is currently proposed.

Respectfully Submitted,



Bryan McGurn  
 Corporate Secretary  
 Sun Source Technologies, Inc. d/b/a Lighthouse Solar