

June 14, 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 – **ETM Solar Works** Comments

Dear Secretary Phillips:

ETM Solar Works 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.

ETM does design and installation of residential and small commercial solar energy systems. This is our 33rd year in business. The interest in solar energy is high and customers are eager to move to all-electric homes powered by photovoltaics. Distributed generation makes the grid more robust and should be highly encouraged. If NY is serious about deploying solar more quickly, the State should NOT add more charges like this to the customer’s bill. If anything, customers should receive a higher credit for exported solar electricity!

As a seller of residential and small commercial solar PV systems in NYSEG and National Grid territories, ETM Solar Works 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 75%) 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 NYSEG would drive a decline from \$92 to \$1, or 98% 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 ETM Solar Works.

Table 1: CBC Impact Analysis and Assumptions – NYSEG

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%

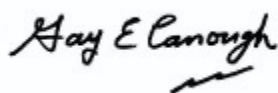
Utility Assumptions	
Utility Territory	NYSEG
Retail Rate (\$/kWh)	\$0.13
CBC (\$/kW-DC)	\$0.92

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%

CBC Impact	
Year 1 Savings - No CBC	\$92.86
Year 1 Savings With CBC	\$1.01
Y1 Savings Reduction (\$)	\$91.85
Y1 Savings Reduction (%)	98.9%

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 NYSEG and across New York State. With the combined effect of inflationary pressures and continually declining NYSEDA 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,



Dr. Gay E. Canough
 President, ETM Solar Works