NYSEIA
New York Solar Energy Industries Association

New York Solar Energy Industries Association (NYSEIA) Strongly Supports NYSERDA's Petition for Reconsideration and Clarification of the Prior Commission Decision

I. NYSEIA strongly supports NYSERDA's request that the small number of solar projects that were retroactively allocated recycled Community Credit be granted a one-time option to reject the Community Credit, and instead retain the higher NY-Sun incentive that they secured based upon the incentives available at the time of reservation. In December 2022, DPS Staff submitted a proposal to transition from the Community Credit to the Community Adder in Con Edison territory. The DPS Staff proposal included recommendation for how to smoothly transition the market from the performance-based incentives that were exhausted in late 2021 to the subsequent higher capacity-based incentives. One of the key items addressed in the DPS Staff proposal was how to best administer Community Credit "recycling", the process by which Community Credit capacity that became available as a result of project cancellation be reallocated to the next project in line. DPS Staff wisely proposed that solar projects in progress be granted a one-time option to either accept recycled Community Credit capacity and forego their higher capacity-based incentive, or alternatively to retain the higher NY-Sun incentive and forego the Community Credit. Regrettably, the Commission's April decision did not include this key element of the DPS Staff proposal. The April Order has had the unintended consequence of forcing solar contractors and customers with projects in advanced stages of development to accept a lower capacity-based incentive than what was included in their NYSERDA incentive reservations, while forcing the project to accept recycled Community Credit. Even in cases where the Community Credit is more valuable than the higher capacity-based incentive on a net present value basis, these changes have proven disruptive for projects in late stages of development, and has resulted in significant hardship for a small number of projects for whom financing was already set. In addition to impacting solar projects, this issue is significantly impacting solar contractors, who are not receiving incentive payments from NYSERDA for completed projects until this issue is resolved.

II. NYSEIA supports NYSERDA's proposal to grant impacted customers/contractors with a 60-day period to opt-out of recycling Community Credit capacity. This is a reasonable amount of time for customers and contractors to consider the trade-offs and make a decision, provided that contractors are informed of the option at the commencement of the 60-day period.

III. NYSEIA strongly supports NYSERDA's request that the small number of solar projects that were unintentionally allocated both the Community Adder and the

Community Credit due to coordination issues between Con Edison and NYSERDA be able to retain those incentives to avoid negative impacts on solar customers and companies. Making incentive level modifications retroactively for projects in advanced stages of development (including projects that are fully operational) projects could cause significant financial harm to the impacted solar companies and customers. While the May 1st sunset on the Community Credit recycling is likely resulting in additional savings for ratepayers, NYSEIA understands and supports NYSERDA's recommendation that the NY-Sun budget for the Con Edison MW Block program be reduced by $544,558 (NYSERDA's estimate of the incremental incentive payment amount) to ensure that there are no additional costs to New York ratepayers.

IV. NYSEIA urges the Commission to direct NYSERDA to grant immediate temporary relief to impacted solar contractors and customers. NYSEIA is aware of at least one New York-based solar installation company that is currently awaiting approximately $800,000 in reserved NY-Sun incentives for affordable housing community solar projects that are fully installed. In the case of these projects, the NYSERDA incentive amounts to more than half of the total system cost, and the impact of NYSERDA's non-payment on the company's cash flow is severe. Nonpayment of reserved NYSERDA incentives sets a concerning precedent that could impact market confidence, but more imminently it could cause irreparable damage to local solar businesses by forcing impacted companies to cut costs rapidly; an outcome that can often only be achieved through layoffs. Due to the unique circumstances, we urge NYSERDA to issue full payment for reserved NY-Sun incentives upon satisfaction of the project completion milestone, with reconciliation contingent upon the projects' ability to forego the Community Credit pursuant to a future Commission decision in response to NYSERDA's Petition.

Thank you for the opportunity to provide comments. NYSEIA strongly supports NYSERDA's petition for reconsideration and appreciates the Commission's timely attention to this matter.