STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Advancement of Distributed Solar **Case 21-E-0629**

COMMENTS OF THE CITY OF NEW YORK ON THE 10 GW DISTRIBUTED SOLAR ROADMAP

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PRELIMINARY STATEMENT

The City of New York ("City") submits these comments in response to the Public Service Commission's ("Commission") *Notice Soliciting Comments on Solar Roadmap* ("Notice") issued on December 22, 2021 in the above-referenced docket. The Notice was issued in response to *New York's 10 GW Distributed Solar Roadmap: Policy Options for Continued Growth in Distributed Solar* (the "Roadmap"), filed by Department of Public Service Staff ("Staff") and the New York State Energy Research and Development Authority ("NYSERDA") on December 17, 2021. The City recommends that the Commission adopt the Roadmap subject to the modifications proposed herein. In Point I of these Comments, the City explains its support for several components of the Roadmap structure. Distributed solar is essential to both decarbonizing the grid and ensuring that all New Yorkers reap the benefits of a transition to an economy powered by clean energy. In dense urban environments like New York City, building-level renewable energy projects reduce energy demand, lower utility bills, create local jobs and, when paired with storage, provide resiliency benefits. In Point II, the City provides recommendations for improving other components of the Roadmap, focusing largely on the incentive proposals applicable to the Consolidated Edison Company of New York, Inc. ("Con Edison") service territory and the Solar Energy Equity Framework ("SEEF").

POINT I

THE CITY SUPPORTS SEVERAL COMPONENTS OF THE ROADMAP STRUCTURE

The City generally agrees with the Roadmap proposals regarding the overall continuation of the NY-Sun MW Block program. In particular, proposals to continue (i) existing program structures such as an administrative approach to valuing incentives, (ii) the criteria that must be satisfied for a project to reserve incentives, (iii) the Bill-As-You-Go method for collecting program funds, and (iv) conducting a periodic program review, are reasonable and should be adopted. The City also supports Roadmap proposals to increase the per-kW incentives available under the expanded MW Block program, and to examine opportunities for interconnection reforms that improve processes and accelerate utility investment in distribution system hosting upgrades. Finally, the City agrees with the Roadmap that projected ratepayer impacts are modest and reasonable when considered against projected ratepayer benefits.

A. The Roadmap Appropriately Recommends an Administrative Approach to Setting the Incentive Level

The Roadmap proposes to maintain an administrative approach for the near-term using up-front incentives to support solar project viability.[1] Specifically, it recommends expanding the NY-Sun MW Block program for qualifying projects to achieve the incremental 4 GW target ("Incremental 4 GW Target").[2] This recommendation is based on a comparative analysis of several alternative mechanisms to compensate distributed solar projects.

The recommended approach offers clear benefits as compared to alternatives. The MW Block program has a proven track record and has helped put New York State on track to achieve

[1] Roadmap, p. 48.

[2] *Id.*, p. 62.

its 6 GW solar target. One significant benefit of continuing to rely on an established mechanism is that it can be implemented quickly to address the current need for project incentives. This is important because a new or less well-established mechanism would take time to implement, and the delay would exacerbate market uncertainty created by expiration of the Community Credit. Further, the MW Block program supports multiple incentive levels, which is important to reflect differences in project development costs by project configuration, customer acquisition, discount levels, and geography.[3]

The MW Block structure also aligns with development and interconnection timelines of most private sector projects. NY-Sun projects reserve their incentives upon making the initial 25% interconnection payment pursuant to the Standardized Interconnection Requirements ("SIR") and securing local permit approvals.[4] The Roadmap explains that conditioning incentives on achieving these milestones "has proven successful under the NY-Sun MW Block program, which follows a similar pattern of predictability to an administrative incentive value."[5] The City agrees. The MW Block program and the conditions for securing incentives under it have been largely effective and are familiar to the solar development community. The certainty that an incentive can be locked in when a project passes certain milestones is preferable to the delay and uncertainty that would be created by conditioning incentives on periodic competitive procurements.[6] Moreover, periodic auctions likely would require an overhaul of the SIR to integrate interconnection procedures with

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3 *Id.*, p. 62.

4 *Id.*, pp. 55-56.

5 *Id.*, p. 56.

6 *Id.*, pp. 50-51.

changing project development timelines.[7] This complex and time-consuming effort can be avoided by continuing the MW Block program to support distributed solar project development.

Finally, administratively-set up-front incentives under the recommended MW Block expansion offer at least two financial advantages as compared to alternative approaches. The Roadmap explains that upfront incentives help reduce overall project costs by lowering the costs that developers have to capitalize which, in turn, lowers project financing costs.[8] NYSERDA estimates that these savings will amount to approximately $175 million, or approximately 12% of the total cost to achieve the Incremental 4 GW Target.[9] Further, the upfront incentives are socialized among ratepayers throughout New York State. This broad distribution of program costs reduces individual ratepayer impacts, including impacts on the most energy-burdened communities.

B. The Commission Should Increase the Incentives as Recommended

The Roadmap recommends accounting for recent solar project cost pressures by starting the upfront incentive at a value that is somewhat higher than indicated by NYSERDA models for projects completed in 2024 or earlier.[10] According to the Roadmap, NYSERDA's models are based on cost assumptions that do not account for current trends and circumstances. They do not, for instance, reflect recent inflationary cost increases or higher interconnection costs attributable to "saturation of the distribution network."[11] The cost increases will impact projects entering, and currently in, the NY-Sun pipeline. It would be counter-productive to the State's policy objectives,

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7 *Id.*, p. 51.

8 *Id.*, p. 65.

9 *Id.*

10 *Id.*, p. 67.

11 *Id.*

generally, and the Incremental 4 GW Target, specifically, to design an incentive that fails to account for known project costs. Subject to the City's recommendations below, the City thus agrees with the Roadmap's recommendation to start the expanded MW Block program with an incentive for each sector that is greater than the value of final MW Block incentives available under the current program.

C. The Commission Should Maintain the Existing Criteria for Incentive Reservation

The recommendation to expand the current MW Block program does not include any proposed changes to the incentive reservation criteria – *i.e.*, a developer secures the MW Block incentive upon making the 25% payment required by the SIR and obtaining necessary local planning and zoning board approvals. The Roadmap does not recommend a competitive procurement approach to achieving the Incremental 4 GW Target in part because it would require extensive changes to the SIR process including, potentially, the incentive reservation criteria.[12]

The City agrees that the MW Block program should be expanded without any change to the criteria that must be met to reserve project incentives. Current criteria are well-known in the marketplace and relatively predictable for planning purposes, such that incentives can be locked in after certain developmental milestones are passed. Maintaining this status quo would not require any procedural or administrative changes that could delay and/or increase the cost or risk of project development. Given the material lead time for project development and market sensitivity to regulatory uncertainty, the Commission should refrain from making fundamental changes to the existing solar procurement mechanisms that could chill investment or increase the risk of project attrition. The Roadmap does not recommend changing the alignment of interconnection procedures and MW Block incentive reservations, nor does it provide a record basis for doing so.

[12] *Id.*, p. 51.

The City thus respectfully urges the Commission to preserve the current incentive reservation criteria as proposed in the Roadmap, subject to one limited exception described below for public sector projects.

D. The Proposed Program Budget Is Reasonable

The Roadmap proposes a budget of $1.474 billion for the 11-year period 2022 through and including 2032 to achieve the Incremental 4 GW Target under the NY-Sun program.[13] NYSERDA estimates that the proposed budget will have a very modest impact on ratepayers – monthly residential bills are projected to increase by $0.71 on average between 2022 and 2030, and the average levelized bill impact across all customers is estimated to be approximately 0.79%.[14] Expenditures, collections, and ratepayer impacts will vary from year to year but, at their peak in 2024, the bill impact is forecast to rise only to 1.07% with an average statewide monthly residential bill impact of $0.92.[15] For Con Edison customers, the average bill impact in 2024 is estimated to be 0.52% for residential customers and 0.97% for commercial and industrial ("C&I") customers.[16]

The estimated bill impacts are modest and reasonable when weighed against the benefits that customers should realize in return for their investment. The Incremental 4 GW Target marks a significant advance towards the Climate Leadership and Community Protection Act's ("CLCPA") 70 by 30 Goal and Zero-Emissions Target.[17] Achieving these goals will produce substantial statewide environmental benefits that accrue to all ratepayers. The Roadmap proposals

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13 *Id*., p. 80.

14 *Id*.

15 *Id*., pp. 80-81.

16 *Id*., p. 81.

17 Specifically, the CLCPA requires that 70% of energy consumed in 2030 be produced by renewable resources (the "70 by 30 Goal") and that the electricity sector be carbon-free by 2040 (the "Zero-Emissions Target"). *See e.g.*, Draft Scoping Plan Overview, Climate Action Council (January 2022), *available at* https://climate.ny.gov/Our-Climate-Act/Draft-Scoping-Plan.

include design elements that address geographic equity and focus program benefits on disadvantaged communities ("DACs") that historically have shouldered a disproportionate share of the adverse impacts of energy infrastructure. The proposals advanced in the Roadmap – as modified by the City's recommendations below – should promote the equitable development of distributed renewable generation across the State, including in New York City. This is a significant benefit because shifting downstate load from reliance on fossil fuels has been an intractable problem that must be solved to achieve both the 70 by 30 Goal and the Zero-Emissions Target that are required by the CLCPA.[18] The modest bill impacts are reasonable when weighed against these benefits, and they should not be viewed as a reason to scale back or slow down the proposed MW Block program.

E. The Proposed Mid-Program Review Is Necessary and Should Be Approved

Staff and NYSERDA propose to conduct a formal and thorough mid-program review that would start on the earlier of (i) December 31, 2025, or (ii) the commitment of half of the incentivized capacity proposed in the Roadmap (*i.e.*, 1,696 MW).[19] The proposed review would assess program performance to date and consider potential changes to program design, including compensation values and structures.[20]

The proposal to review program performance and consider potential program enhancements is critical. Periodic reviews of program performance have been a staple of program implementation and they are needed to adapt and refine programs over time in response to lessons

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[18] *See, e.g.*, Case 15-E-0302, *Large-Scale Renewable Program and Clean Energy Standard*, Order Adopting Modifications to the Clean Energy Standard (issued October 15, 2020), p. 78 (noting the Staff/NYSERDA conclusion that "without displacing a substantial portion of the fossil fuel-fired generation that New York City currently relies upon, the statewide 70 by 30 Target would be difficult to achieve") ("CES Modification Order").

[19] Roadmap, pp, 71-72.

[20] *Id*., p. 72.

learned and changing circumstances. The Roadmap identifies many factors that impact project cost and development and will change over time, and thus warrant regular review. These include, for instance, federal tax incentives, inflation, supply chain issues, equipment cost and availability, interconnection costs and procedures, and distribution system hosting constraints and related upgrade costs.

Further, the Roadmap recommends several design elements that add complexity to the NY-Sun program. The SEEF would be extended in an effort to target 40% of the incremental incentivized capacity towards DACs and the recommended incentive levels, adders, and budgets were calculated to drive a certain amount of solar deployment within the Con Edison service territory. Periodic reviews will be necessary to evaluate the effectiveness of these design elements and whether modifications are needed to better achieve their objectives.

A thorough and formal review subject to stakeholder comment, as proposed, is necessary to ensure that the incremental NY-Sun program is on course to meet its locational and equity targets as well as the aggregate solar deployment goal. The City thus supports the Roadmap proposal to commence a mid-program review by no later than the end of 2025. Importantly, however, the market is dynamic and circumstances can change quickly (and, often, unpredictably). The City thus submits that a single formal review of a program that exceeds 10-years and $1 billion in scale is not adequate, and more frequent program reviews are needed as explained further in Point II, Recommendation 7.

F. The Commission Should Continue the Bill-As-You-Go Method of Revenue Collection

Staff and NYSERDA recommend that incremental program costs be collected using the Bill-As-You-Go method that was authorized when the Commission established the Clean Energy

Fund and has been used to recover NY-Sun program costs.[21] According to the Roadmap, the Bill-As-You-Go method has served as an "efficient" and "transparent" vehicle for utilities to transfer ratepayer funds to NYSERDA to meet its near-term obligations.[22]

The City agrees that the Commission should authorize continued reliance on the Bill-As-You-Go method. It is an established mechanism with a proven track record that can be continued without the delay or cost that might be necessary to implement an alternative mechanism. The City is not aware of any material shortcoming of the Bill-As-You-Go method in this proposed application, or other compelling reason, that might warrant a change in the cost recovery protocol.

G. The Commission Should Approve the Proposal to Allow Qualifying Projects Currently in the Con Edison Pipeline to Opt-In to the New Incentives

The Roadmap proposes to allow two types of projects located in the Con Edison service territory to opt-in to the proposed incentive structure: (i) non-residential projects that apply to the NY-Sun program after the Roadmap was filed (*i.e.*, December 17, 2021); and (ii) non-residential projects that applied for the current MW Block (Block 10) but were not previously awarded the Community Credit.[23]

The City agrees. Many developers have sought to advance projects through the NY-Sun program based on financial analyses that assumed a Community Credit would be available as a part of the incentive structure. This revenue stream is material – in the Con Edison service territory, the Community Credit represented almost half of all VDER Value Stack compensation available

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[21] *Id.*, p. 5 (*citing* Case 14-M-0094 *et al.*, *Clean Energy Fund*, Order Authorizing the Clean Energy Fund Framework (issued January 21, 2016), pp. 96-103).

[22] *Id.*, p. 5 n.5 and p. 80.

[23] *Id.*, p. 76. Residential projects that fit the above criteria also should be eligible to opt-in to the new incentive structure but, given that the Roadmap proposes a step-down in incentives for residential projects, the option is unlikely to be exercised. The City proposes an alternative incentive structure wherein residential base incentives are higher than incentives available today, and respectfully submits that residential projects meeting the above criteria also should be able to opt-in to the new alternative incentive structure.

to CDG projects.[24] Projects that have survived in the Con Edison pipeline despite uncertainty regarding the Community Credit value and availability should be allowed to opt-in to the new incentive structure rather than be frozen out of it and penalized for their persistence.

H. The Commission Should Approve Proposed Interconnection Reforms That Would Benefit the Process Without Increasing Ratepayer Risk

The Roadmap appropriately recognizes that hosting capacity constraints on utility distribution systems and the cost of upgrading those systems to expand their DER hosting capacity are "key challenges" impacting the growth of distributed solar development in New York.[25] Noting that recent Commission actions should promote increases to distribution system hosting capacities, the Roadmap describes several policy options the Commission may consider to provide more information to project developers and ensure that the State's distribution systems have the capacity to interconnect 10 GW of distributed solar resources.[26] The options presented in the Roadmap are very general – utility planning processes should be modified to include a periodic evaluation of whether hosting capacity is increasing to meet the Incremental 4 GW Target demand; distribution system investments at key locations should be included in future utility Capital Investment Plans; and potential changes to the framework for cost allocation for distribution system upgrades necessary to accommodate distributed resources should be considered.[27]

The City generally supports modifications that would make the interconnection process more efficient and/or reduce interconnection costs, as well as initiatives to improve distribution system hosting capacities, provided that such changes do not increase ratepayer risk. The options

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[24] Case 15-E-0751, *Value of Distributed Energy Resources*, Joint Petition (filed March 10, 2021).

[25] Roadmap, p. 42.

[26] *Id*.

[27] *Id.*, pp. 42-43.

described in the Roadmap potentially could deliver at least some of these benefits and, therefore, warrant further discussion and development. The City looks forward to reviewing additional information on these high-level proposals.

POINT II

THE CITY OFFERS SEVERAL RECOMMENDATIONS TO IMPROVE PORTIONS OF THE ROADMAP

Recommendation 1: Increase the MW Allocation to Con Edison to 568 MW to Better Utilize Available Funding and Promote Regional and Social Equity

The City supports the Roadmap's acknowledgement that, in achieving the Incremental 4 GW Target, the broader policy consideration of geographic equity should be factored into the recommendations. As discussed below, however, the City is concerned that the Roadmap's proposal will exacerbate, rather than alleviate, the regional inequity in distributed solar deployment between downstate and upstate. Accordingly, the City recommends that the Commission increase the total megawatt allocation to Con Edison from the proposed 450 MW to the City's recommended 568 MW, as follows:

Con Edison Base Incentives (MW)	Roadmap	Alternative Proposal
Total MW	450	568
MW Residential	150	150
MW Large Non-Residential (>1MW)	150	209
MW Small/Medium Non-Residential (<1MW)	150	209
Small Non-Residential (<200 kW)	*n/a*	*70*
Medium Non-Residential (200 kW - 1 MW)	*n/a*	*139*

In Recommendation 2, below, the City provides a framework for achieving 568 MW without increasing overall program costs by reallocating and redesigning the proposed incentive funding and levels for Con Edison.

Geographic equity is an important consideration because Con Edison has the most fossil-intensive utility grid in the State, yet it is currently under-represented in terms of installed distributed solar capacity proportional to electricity sales in the region. Con Edison accounts for 14.2%[28] of statewide completed distributed solar despite accounting for 39.6% of statewide electricity sales.[29] As a result, Con Edison ratepayers historically have provided disproportionate contributions relative to benefits for distributed solar programs whose funding is collected statewide from energy suppliers based on their electricity sales. This geographic inequity also is problematic because it means that the NY-Sun program is failing to capture important benefits. Given that almost all of the approximately 22,500 GWh of electricity generated within New York City is from fossil generation,[30] and that 60% of DAC census tracts are located in New York City alone (according to the draft DAC criteria discussed in the Climate Justice Working Group on December 13, 2021), distributed solar installed in Con Edison's service territory can provide additional climate justice, resiliency, and emission reduction benefits.

Moreover, non-residential incentive reservations in Con Edison over the last four years have averaged 67 MW of capacity per year.[31] If this rate of project development continues, the proposed allocation would be exhausted within approximately 4.5 years, rather than the 7 years anticipated by the Roadmap. Expanding the total incentives to support 568 MW (of which 418 MW would be non-residential projects) would provide approximately 6.2 years' worth of incentives if current project development rates continue.

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28 *Id*., p. 36.

29 *Id*., p. 36, Tbl. 5.

30 NYISO, 2020 Load and Capacity Data: Gold Book, p. 94.

31 A four-year average was used because 2020 and 2021 saw much larger incentive reservations as compared to 2018 and 2019. For reference, 14 MW of non-residential solar reserved incentives in 2018, compared to 115 MW in 2020. This average is therefore intended to provide a middle-of-the-road estimate for solar deployment in Con Edison's service territory moving forward.

Additional solar capacity within Con Edison's territory would also support the State's DAC goals. If, per the CLCPA, NYSERDA assumes that (i) 40% of the new upstate capacity will be dedicated to DACs through low-income CDG or location on affordable housing, and (ii) a subscription or allocation of 3 kW per household, there would be enough capacity for approximately 400,000 DAC households, a full 32% of all upstate DAC households. Reaching one-third of the addressable upstate DAC market with CDG and affordable housing (not including residential rooftop solar) is a level of market penetration that may not be achievable before 2030. Meanwhile, under an analogous allocation, only 2% of DAC households in Con Edison's territory (approximately 42,000 out of over 2 million) would be reached with affordable housing and CDG, plus another 1% through residential rooftop solar. Given the advantages of projects sited in Con Edison's service territory, the expected rate of project development there, the Roadmap's emphasis on the importance of geographic equity, and the concentration of DACs in Con Edison's service territory, increasing the solar capacity allocated to Con Edison's territory is justified and necessary to achieve an equitable outcome.

To further the goal of geographic equity, the Roadmap proposes increased funding levels in the Con Edison service territory that, as a whole, are designed to incentivize 450 MW of new distributed solar at a total funding level of approximately $420 million. Of this amount, about $20 million is a re-allocation of existing, unutilized funds originally designated under the NY-Sun Con Edison non-residential program. In comparison, the Roadmap proposes to allocate $400 million in new funding to upstate utilities to incentivize 2,943 MW of distributed solar.[32]

[32] As described in Point II, Recommendation 2, the large majority of adder funding in the Roadmap also may flow to upstate projects, further exacerbating regional inequities.

While the Roadmap's proposed base incentive funding levels are relatively equal between upstate and downstate, the proposed MW allocations are proportionately higher for upstate and, if adopted, would exacerbate the existing geographic inequity between upstate and downstate solar developments. To illustrate this point, the Roadmap states that, as of the date of its filing, 63% of distributed solar capacity is located upstate.[33] The Roadmap is now proposing that 2,943 MW of the Incremental 4 GW Target – representing 74% of new incremental capacity – will be built upstate. This result does not further the Roadmap's stated policy goal of achieving geographic equity.

At minimum, the Expanded MW Block program should "hold the line" on the current upstate/downstate divide on distributed solar capacity. Since Con Edison currently accounts for approximately 14.2% of statewide completed distributed solar, Con Edison should therefore receive, at minimum, 14.2%, or 568 MW, of the Incremental 4 GW Target. As noted above, and as described below, a 568 MW allocation can readily be achieved by maintaining the Roadmap's proposed $420 million budget for Con Edison but reallocating and redesigning the proposed incentive funding and levels for Con Edison.

Recommendation 2: Modify the Proposed Incentives for Con Edison to Create Three Size Segments for Non-Residential Projects, Reduce the Level of Base Incentives, Increase the MW Blocks, and Increase the Community Adder

The Roadmap proposes to segment the Con Edison-specific base incentives into three key categories: (i) Large Non-Residential Projects (≥1 MW) at an initial $0.75/W incentive level; (ii) Small Non-Residential Projects (<1 MW) at an initial $1.30/W incentive level; and (iii) Residential

[33] Roadmap, p. 36. This figure (63%) represents the combined solar capacity installed in the Central Hudson, National Grid, NYSEG, O&R, and RG&E service territories.

Projects at a $0.15/W incentive level. The Roadmap also proposes to establish an initial Community Adder rate of $0.10/W in Con Edison's service territory.

Initially, the City supports the proposal to segment Con Edison incentives based on system size. This segmentation will ensure that smaller projects that provide valuable benefits and can take advantage of limited roof space in New York City, but that do not benefit from the economies of scale of larger projects, can continue to be built. The City recommends, however, that the Commission adopt the following three modifications to the Roadmap's proposals for Con Edison: (i) create three tiers of incentives for non-residential projects (versus the recommended two tiers); (ii) reduce the proposed base incentive levels for non-residential projects in order to incentivize up to 568 MW of new distributed solar in Con Edison's territory; and (iii) re-allocate some of the base incentive dollars to increase the proposed Community Adder for community solar projects located in Con Edison's service territory.

Regarding modifications (i) and (ii), the Commission should create three tiers of incentives (<200 kW, 200-1,000 kW, >1 MW) with dedicated funding in each segment to ensure reliable incentive levels for smaller/multifamily projects. This can be accomplished by reducing incentives for larger projects and reallocating proposed funding from the two proposed buckets of > 1 MW and < 1 MW.

Based on NYSERDA's application data from 2019-2021,[34] commercial projects <200 kW in Con Edison's service territory had an average price of $3.45/W whereas projects between 200 kW – 1 MW had an average price of $2.39/W. This price delta demonstrates the need for different

[34] NYSERDA's open data is available at https://data.ny.gov/Energy-Environment/Solar-Electric-Programs-Reported-by-NYSERDA-Beginn/3x8r-34rs ("NYSERDA Open Data").

incentive levels for small and mid-size projects. The City thus recommends splitting the Small Non-Residential incentives bucket into two categories: (i) <200 kW, and (ii) 200-1,000 kW.

The City also is concerned that the proposed base incentive levels for Con Edison may be unnecessarily high, particularly for the larger projects. The City has done a preliminary 'missing money' analysis which demonstrates that the proposed base incentive levels can be reduced without negatively impacting project development, particularly in light of the City's recommendation (discussed below) to significantly increase the Community Adder for Con Edison from $0.10/W to $0.60/W. This analysis is attached to these comments as Attachment 1.

The City proposes the following alternative base incentive structure for Commission consideration:

Con Edison Base Incentives	Roadmap	Alternative proposal
New funding request for base incentives	$384,644,000	$266,333,333
Residential	$0.15/W	$0.30/W
Large Non-Residential (>1MW)	$0.75/W	$0.30/W
Medium Non-Residential (200 kW - 1 MW)	$1.30/W	$0.75/W
Small Non-Residential (<200 kW)	$1.30/W	$1.10/W

Moreover, to provide additional continuity and predictability for the incentive levels, the City recommends that the first blocks for non-residential projects be set to 60 MW, as opposed to the 30 MW proposed in the Roadmap. The Roadmap's proposal for each market segment may not be sufficient given recent incentive uptake levels. For example, the Roadmap states that it assumed that incentives would be reserved for 21.4 MW/year of small and large projects between 2024 and 2030.[35] According to open data published by NYSERDA, however, 59 MW of small projects and 56 MW of large projects in Con Edison's territory reserved their NY-Sun incentives in 2020

[35] Roadmap, App. B, p. 8.

alone, almost triple the Roadmap's assumptions.[36] Especially for the >1 MW category, there may be enough projects in Con Edison's queue today that the first tranche could be used up almost immediately.[37]

The City therefore proposes that the Commission create blocks that are sufficiently large to provide predictability to the market and allow for projects with longer development timelines, such as public sector projects, to benefit from these incentives. The City also recommends that incentive levels do not decrease unless the Federal government enhances the current Investment Tax Credit above existing levels or the Commission increases the E Value (or makes other, similar improvements to Value Stack components).

Using the Roadmap's proposed Con Edison base incentive budget of $420 million, the City's proposal would allow for base incentives that support 568 MW of new distributed solar at a budget of $288 million (thereby addressing, or at least not exacerbating, the geographic equity concerns), while retaining approximately $118 million to support incentive adders, like the Community Adder and SEEF adders.[38]

The City is concerned that the proposed Community Adder for Con Edison – at just $0.10/W – is too low and is not sufficient to incentivize community solar development in New York City. To address this concern, the City recommends allocating 60% of the savings that would result from its base incentive proposal (*i.e.*, approximately $70 million) to increase the Community Adder to $0.60/W for community solar projects in Con Edison's service territory.

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36 *See generally* NYSERDA Open Data.

37 NYSERDA Open Data.

38 The City's proposal would enable 293 MW of community solar in Con Edison's service territory at a cost of $175M, $71M of which would come from reallocated base incentive funding. The City's proposal also would allow for up to 222 MW of SEEF Projects in Con Edison's service territory at a cost of $157M, $47M of which would come from reallocated base incentive funding.

The Roadmap indicates that the Community Adder value was determined in part by comparing the additional costs of pursuing community solar to the costs of a remote crediting project. This comparison, however, may not be appropriate for projects in the Con Edison service territory, where distributed solar projects are more likely to be sited on or near a building and are more likely to be smaller in size. This means that the choice is not necessarily between community solar or remote crediting, but rather between community solar and behind-the-meter ("BTM") projects. It is important to consider in this regard that BTM projects often show stronger value streams than remote crediting projects while avoiding the higher customer acquisition and management costs of community solar and the higher interconnection costs of front-of-the-meter ("FTM") installations.

If the intent is that community solar should account for 70% of new distributed C&I solar as the Roadmap indicates,[39] then the Community Adder value needs to increase significantly beyond simply covering the estimated cost difference between community solar and remote crediting configurations. The Community Adder instead must be sufficient to make community solar projects more attractive than a BTM project. Adopting the City's recommendations to combine a Community Adder rate of $0.60/W with the reduced base incentive levels split among three project size ranges and increased MW allocations per Block would create a stable incentive program that provides material inducement to pursue community solar. It also would further the goal of geographic equity without increasing ratepayer impacts as compared to the Roadmap's proposals.

A larger Community Adder also may allow for more meaningful bill discounts for subscribers. The U.S. Department of Energy's National Community Solar Partnership set a goal

[39] Roadmap p. 74.

of having an average 20% discount for community solar subscriptions.[40] The Roadmap, however, suggests a 5% minimum discount for market-rate customers, and a 10% minimum discount for projects receiving funding under the SEEF. Community solar is essential in dense downstate environments where renters are disproportionately concentrated and need equitable access to the benefits of solar, and for organizations like the New York City Housing Authority which is relying on community solar projects to achieve its 30 MW solar goal. Given these considerations, NYSERDA should model higher discount levels for community solar projects.

For ease of reference, Attachment 1 outlines the City's alternative program design, including base incentive levels, MW block sizing, and Community Adder rates as summarized in the following Table:

Adders Available in ConEd Service Territory	Roadmap	Alternative Proposal
Community Adder	$0.10/W	$0.60/W
Canopy Adder	$0.20/W	$0.20/W
Affordable Housing Adder	$1.00/W (base + adder)*	$0.60/W
Affordable Housing CDG Adder	$2.00/W (base + adder)*	N/A**
Affordable Solar (residential) Adder	$0.80/W (base + adder)*	$1.00/W
Inclusive Community Solar Adder	$0.20/W	$0.60/W
Prevailing Wage Adder	$0.20/W	$0.20/W
* NY-Sun holds total incentive levels (base + adder) constant for certain project types. In these instances, the value of the adder will therefore rise as the value of the base incentive declines in later blocks. ** In lieu of an Affordable Housing CDG adder, the City proposes that affordable housing CDG projects receive the Base Incentive, Affordable Housing Adder, and the Community Adder. (*See* Recommendation 7).		

In addition to a $0.60/W Community Adder, the City recommends increasing the Affordable Housing, Inclusive Community Solar ("ICSA"), and Affordable Solar (residential) Adders. The projects eligible for these Adders have faced headwinds in the recent past, including

[40] *DOE Sets 2025 Community Solar Target to Power 5 Million Homes* (October 8, 2021), available at https://www.energy.gov/articles/doe-sets-2025-community-solar-target-power-5-million-homes.

inflation and supply chain disruption-related costs, the exhaustion of the Community Credit, and the introduction of the Customer Benefit Contribution. Only 0.37% of all residential projects completed or in the pipeline have used the residential Affordable Solar Adder,[41] indicating a need to enhance the incentive in order to promote utilization. Only 21% of the ICSA was reserved in (compared to 42% upstate),[42] and many of the projects that reserved the ICSA likely also received the Community Credit. [43] Without the Community Credit, continued use of the ICSA at current incentive levels is in question. These projects are instrumental in meeting the State's CLCPA goals and increasing solar equity in New York State. The City has modeled several projects in Attachment 1 to demonstrate the need for such level of incentive support.

Recommendation 3: Create Defined Prevailing Wage and Community Adder Blocks for Con Edison Projects

The Roadmap proposes to establish separate categories of incentive dollars for the proposed prevailing wage and Community Adder incentives. These dollars would be available at a statewide level on a first-come, first-served basis, with incentives paid out based on system size (*i.e.*, on a $/W basis). The Roadmap proposes $239 million for prevailing wage-related incentives and $165 million for Community Adder incentives.

The City is concerned that the Roadmap contains no guardrails to prevent most of the prevailing wage and Community Adder dollars from going to upstate projects. More specifically, the $239 million in prevailing wage incentives are proposed to be available only for projects > 1

41 NYSERDA Open Data.

42 Inclusive Community Solar Adder reservation data is available at https://www.nyserda.ny.gov/All-Programs/NY-Sun/Contractors/Dashboards-and-incentives/Inclusive-Community-Solar-Adder.

43 Data is not publicly available to definitively identify whether a project receiving the ICSA also received the Community Credit. However, given that the ICSA became available several months before the Community Credit was exhausted, and projects applying for the incentive initially were only allowed to reserve the ICSA when they had made their 75% interconnection payment (well beyond the 25% interconnection payment deadline to reserve the Community Credit), it is likely that many projects receiving the ICSA also received the Community Credit.

MWac,[44] which are disproportionally likely to be located upstate given size constraints in New York City. The $165 million in Community Adder incentives are also likely to flow disproportionally upstate, as these incentives are based on project size and project sizes are larger upstate.

Thus, while the base incentive funding is about equal between upstate and downstate, without guardrails the nearly $400 million in statewide funds for prevailing wage and Community Adders ultimately are likely to tilt the total spend heavily in favor of upstate projects.

To address this concern, the Commission should adopt dedicated blocks of prevailing wage and Community Adder dollars for projects in the Con Edison service territory. The City recommends specifically that 239 MW of Community Adder funding be reserved for projects in the Con Edison service territory. This would be equivalent to approximately 70% of the proposed non-residential solar capacity under the City's proposal and would provide 60% of Community Adder incentives to Con Edison. Such an allocation is justified in that: (i) no statewide funding has been provided for Community Adders to date in the Con Edison service territory; (ii) Con Edison contributes 40% of Clean Energy Fund receipts; and (iii) New York City alone accounts for 60% of DAC census tracts according to the draft criteria.

In addition, the City recommends that 209 MW of the prevailing wage adder be reserved for projects in the Con Edison service territory, which would be approximately equivalent to the amount of capacity dedicated to Large Non-Residential projects (>1 MW).[45] Under this proposal, approximately 17% of prevailing wage funds would be dedicated to Con Edison projects.

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[44] As noted in Recommendation 5 below, however, the City proposes to extend these incentives to any projects that pay prevailing wages, regardless of size.

[45] Projects > 1 MWac are eligible for the prevailing wage adder, but the Large Non-Residential block is reserved for projects > 1 MWdc. Therefore, some projects in the Large Non-Residential block may not be subject to prevailing wage requirements as they fall between 1 MWdc and 1MWac in size. However, as described in

Finally, the City notes that its proposals for the Community Adder and prevailing wage adder seek to balance the designated incentives equitably and proportionately throughout the State.

Recommendation 4: Opt-Out CDG Should be Eligible to Receive the Community Adder and Other Incentives

The Roadmap requests input on whether opt-out community solar projects developed under Community Choice Aggregation ("CCA") programs should be eligible to receive the Community Adder. CCA programs are created by municipalities on behalf of their residents. The Commission requires CCAs to engage in multiple complementary activities besides the procurement of low-income community solar, such as community engagement and education. For example, Sustainable Westchester's CCA was able to identify over 25,000 households through proxy information that were not enrolled in utility discounts for which they were likely to be eligible. Opt-out CDG has only recently been enabled and likely will require additional start-up costs before administrative efficiencies are achieved. As such, allowing opt-out CDG to access the Community Adder and other incentives will be instrumental in supporting innovative and locally-controlled CCA models while supporting the goal of expanding access to renewable energy.

However, projects in the Expanded Solar For All program, wherein an upstate utility and NYSERDA are procuring community solar to support low- and moderate-income ("LMI") bill discounts, should be limited to base incentives because they have reduced customer acquisition costs and the utility is able to achieve additional profit by administering said program. The State should not set a precedent whereby incentive funds intended for communities and DACs go towards utility profits.

Recommendation 5, the City aims to allow projects smaller than 1 MWac that use a Project Labor Agreement or pay prevailing wage to be eligible to receive this incentive. The City assumes that these additional small prevailing wage projects will roughly make up for the capacity of Large Non-Residential projects that are not required to pay prevailing wage.

Recommendation 5: Projects of Any Size that Pay Prevailing Wages Should be Able to Access the Prevailing Wage Incentives

The City supports the State's commitment to creating well-paying jobs and therefore supports the Roadmap's proposal to set aside an additional $239 million in NY-Sun incentives to defer the incremental costs associated with the proposed prevailing wage/project labor agreement requirement. The City disagrees, however, that the prevailing wage incentives should only be available to projects sized at 1 MWac and above. The commitment to creating well-paying jobs should not be constrained by project size. Many entities, the City included, require prevailing wages and/or Project Labor Agreements ("PLA") for their own distributed solar projects which, in light of space constraints in New York City, often do not reach 1 MWac.

The City therefore recommends that the Commission allow projects of any size to access the prevailing wage incentives if the project commits to pay prevailing wages or executes a PLA. NYSERDA could readily implement such a provision by requiring proof of the prevailing wage requirement, for example through an executed PLA or signed contract with the project developer that obligates the developer to pay prevailing wages. By allowing projects of any size to access the prevailing wage incentives, the Commission would further encourage project developers to create well-paying jobs. It also would address geographic realities in the downstate region that typically demand smaller-scale projects that otherwise would be unable to access these incentives under the Roadmap's proposal.

Recommendation 6: The Commission Must Clarify How the SEEF Funds Will be Used and Not Leave This Determination to the Implementation Phase

The City is encouraged by the Roadmap's recommendation that at least 1,600 MW of new incentives be directed toward LMI residents, regulated affordable housing, DACs, and environmental justice ("EJ") communities in order to comply with the CLCPA's DAC

requirement. The City also supports the recommendation to target 1,357 MW of the 1,600 MW towards an expanded SEEF. These recommendations will further State and City goals of expanding access to the benefits of the renewable energy economy to the most vulnerable groups and communities, including those that may have been disproportionately burdened by fossil fuel infrastructure.

The foregoing support notwithstanding, the City has several concerns with the Roadmap's SEEF-related proposal that the Commission must address in acting on the Roadmap. The City's concerns center in large part on the Roadmap's lack of detail on how SEEF funds will be utilized. The City prefers to have as many implementation details resolved as possible at this stage, rather than defer those important decisions to a future implementation phase.

(1) The Roadmap's SEEF-Related Proposal May be Inconsistent with the CLCPA's DAC Requirement

The CLCPA establishes a goal for DACs to receive 40% of the overall benefits of spending on clean energy programs, and it is explicit that DACs "shall receive no less than thirty-five percent of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments…."[46] As the State begins implementation of this requirement, the precedents set now may have long-lasting impacts. The Commission should therefore thoughtfully consider whether the Roadmap complies with both the letter and the spirit of the CLCPA and prioritize input from DACs.

The Roadmap defines "benefits" to DACs as utility bill discounts. While utility bill discounts are an essential tool for addressing energy cost burden, they may not always address the

[46] Chapter 106 of the Laws of 2019 of New York § 2 (amending N.Y. Envtl. Conserv. Law § 75-0117). The CLCPA defines DACs as "communities that bear burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate- income households…." *Id.* (amending N.Y. Envtl. Conserv. Law § 75-0101(5)).

root causes of environmental injustices and may not build community wealth effectively. The City provides recommendations to address the issues of ownership and wealth-building in Recommendation 6, Part 4.

The Roadmap proposes to allocate 40% of solar capacity to LMI households, EJ communities, affordable housing, and DACs. While there may be significant overlap between the groups included in the CLCPA's definition of DACs and the groups itemized in the Roadmap, the Roadmap's expanded definition may dilute the total funding directed specifically to DACs under the CLCPA's explicit mandates, thus resulting in a proposal that is inconsistent with the CLCPA's DAC requirement. The City strongly supports solar for important customer groups that may fall outside the definition of DACs, such as affordable housing or homeowners at or below 80% of Area Median Income ("AMI"). These projects have meaningful benefits, even if those benefits are not those counted towards CLCPA equity goals. The City recommends against removing such groups from the Roadmap in order to comply with the CLCPA. Instead, the Commission should consider a larger allocation of funding and benefits to the SEEF programs to ensure that DACs receive at least 40% of benefits while also enabling equity-focused projects that do not count towards the CLCPA's DAC requirements.

Specifically, to ensure that benefits do, in fact accrue to DACs and SEEF-covered entities, the Commission should specify that at least 40% of the proposed base incentives (either within the block with the highest incentive level or 40% per block) should be reserved for SEEF projects. This is necessary because SEEF incentives are designed to be used in conjunction with the base incentives but SEEF projects compete for the same base incentive dollars as non-SEEF projects. Although SEEF projects are eligible for incentive adders from the SEEF funding pool, there is a risk that non-SEEF projects will out-compete them and the Expanded MW Block program will fail

to adequately support the SEEF projects. The Commission should consider whether Community Adder funds should similarly be reserved for SEEF projects.

Specifically, base incentives and the Community Adder are available in finite amounts and are allocated on a first-come, first-served basis. It is possible that base and Community Adder incentive dollars could be largely or fully allocated to market-rate projects before SEEF projects are ready to reserve their incentives. NYSERDA aims to prevent certain equity-focused projects from competing against market-rate projects for first-come, first-served incentives by providing a constant total incentive level for projects. For example, today's Affordable Housing adder is $1.00/W, regardless of the base incentive available at the time of application. Given the current non-residential block of base incentives, $0.20/W of the $1.00/W incentive comes from a pool of funds allocated to base incentives and $0.80/W comes from the SEEF funding pool. In the previous block, the base incentive was $0.30/W, meaning the SEEF was funding $0.70/W for Affordable Housing Projects. If SEEF projects are developed only in later (and lower-value) base incentive blocks, a larger portion of the incentive funding will need to come from the SEEF funding pool as opposed to base incentive funding pools. This could result in a scenario where fewer total MWs are available for SEEF projects because more SEEF dollars are needed per-project to maintain a fixed incentive level.

Reserving at least 40% of base incentives and Community Adder dollars for SEEF projects as the City recommends would help to avoid this outcome. Assuming the SEEF programs are designed to drive demand for 40% of projects, these programs should have no difficulty utilizing a 40% set-aside of incentives for SEEF projects. Moreover, in the event that SEEF-specific base and Community Adder incentives are not being utilized at an appropriate pace, this will provide a

signal that program modifications may be needed in order to incentivize more robust development of SEEF-specific projects.

(2) The Commission Should Reallocate 40% of the Savings From the Reduced Con Edison Base Incentives to SEEF Programs

One readily available option for increasing SEEF funding, particularly in Con Edison's territory, is to reallocate some funds from the base incentive programs to SEEF programs. As explained in Recommendation 2 above, the City recommends reducing Con Edison base incentives by approximately $120 million and reallocating 60% of these dollars to create a higher Con Edison Community Adder. The City recommends that the remaining 40% of this funding be directed to Con Edison SEEF programs. This would provide a readily available source of funding that can bolster the proposed SEEF budget and help improve compliance with the relevant CLCPA requirements.

(3) The Roadmap Does Not Provide Enough Details on What SEEF Funding Will Be Utilized For

The Roadmap includes a review of NYSERDA programs that have been authorized and/or implemented under the SEEF, including Solar For All, MW Block and Community Adder funds supporting projects serving low-income communities, the Inclusive Community Solar Adder Program, the Affordable Solar Residential Incentive, the Multifamily Affordable Housing Added Incentive, support to the New York City Housing Authority's Solar Access Initiative, and various technical assistance programs.

To be clear, the City fully supports SEEF-related programs and funding. The Roadmap does not, however, identify which of these programs will receive additional funding from the SEEF-related funding request nor does it identify how the total SEEF-related funding will be allocated among the eligible programs. Without these details, the City is concerned that rules for

the use of SEEF funding will be left to NYSERDA without the proper level of stakeholder input and involvement.

The City has three preliminary recommendations for the utilization of SEEF funds. First, the Commission should specify that more than 50% of SEEF funding can be utilized for direct incentives to individual households. Of the 1,357 MW of capacity proposed for the SEEF, the Roadmap proposes that half of this capacity "be targeted specifically to providing LMI residential customers with direct, guaranteed electric bill cost savings,"[47] with the remainder available for institutions serving DACs (such as public housing or schools). The City agrees it is important to provide institutional incentives but it is concerned that funding may be easier to allocate to institutions at the expense of direct individual bill savings, which should be a critical focus of SEEF funding utilization. As such, the City requests clarification that more than 50% of SEEF funding ultimately can provide guaranteed bill savings to LMI customers.

Second, the Commission should expand eligibility for the Multifamily Affordable Housing Incentive to more than just the first 200 kW of a project. The City supports the Roadmap's recommendation to "continue offering the Affordable Solar Residential Incentive and the Multifamily Affordable Housing Incentive" as part of the SEEF budget. The Multifamily Affordable Housing Incentive, in particular, has been an important component of solar development on public and affordable housing within the City. The 200 kW limitation on this incentive, however, artificially limits project sizing, particularly for community solar projects that may be eligible for the enhanced Affordable Housing Incentives by offering minimum bill credits of 20%. The Commission should promote these types of projects to the greatest extent possible,

[47] Roadmap at 40.

and removing the size threshold on the Multifamily Affordable Housing Incentive is one available option that the Commission should pursue.

Third, the Commission must implement mechanisms to ensure that SEEF funding is being allocated, spent, and benefitting DACs. A funding allocation to DACs under the SEEF is not the same as an expenditure or benefit, and some programs that are intended to serve LMI customers and DACs may need modification if they do not serve their intended population sufficiently. As an example, according to open data on the Affordable Solar Residential Incentive, since the incentive's inception until the end of 2021, 851 completed projects used this incentive out of a total of 111,000 residential solar projects statewide.[48] This indicates that either less than 1% of all residential solar projects are serving households under 80% AMI, or those households are missing out on an incentive for which they are eligible. Either way, the Commission must dedicate resources to identify and remedy what impedes spending on SEEF projects and whether communities are, in fact, reaping the intended benefits from the SEEF framework. At a minimum, NYSERDA should include all adders in its Open Data portal to allow for the public to understand how and where incentives are being used successfully. Open Data and other mechanisms to share information about incentive spending and benefits can enhance NY-Sun program accountability. NYSERDA should leverage the requested Program Evaluation budget to focus on the benefits accruing to DACs under these programs and identifying mechanisms to increase participation and enhance benefits. At Annual and Mid-Program Reviews, NYSERDA also should discuss progress made in each SEEF program and present results of the Program Evaluation.

(4) The Roadmap Fails to Address How the State Will Support Equitable Ownership of Community or Rooftop Solar Assets and Solar Businesses

[48] NYSERDA Open Data.

The CLCPA specifically calls on NYSERDA to promote ownership models for distributed solar projects by DACs and facilitate a just transition. The Roadmap, however, is silent on any incentives or mechanisms to support equitable ownership of community or rooftop solar assets or ensure that the benefits of solar development accrue to traditionally excluded or underrepresented groups.

The Commission should require NYSERDA to track incentives that are paid to minority- and/or women-owned business enterprises ("M/WBE") and the diversity of the solar workforce. NYSERDA could collect this information by requiring firms that receive NY-Sun support for a minimum number of projects or minimum number of MW to report whether the firm applying for incentives is an M/WBE and the amount of work subcontracted to M/WBEs. NYSERDA may also require firms that receive a certain amount of NY-Sun support to perform a diversity survey of their part-time and full-time staff and independent contractors.[49] This information would provide a clearer understanding of how NYSERDA funds are disbursed and who is benefitting directly from those incentives. It also would enable NYSERDA to adjust its programs to promote diversity and wealth-building within communities of color.

Questions of ownership should be essential to the future of incentives and should not be determined independently by NYSERDA outside of this Roadmap. This matter in particular requires rigorous stakeholder engagement. A program developed without public comment and/or separate from discussions about the future of solar incentives runs counter to the spirit of the CLCPA and seems likely to yield a sub-optimal result at best.

[49] In this proposed survey, workers may be required to answer questions relating to race, gender, ethnicity, location within a DAC or outside of a DAC, and other criteria. However, workers should always have the option of stating that they prefer not to identify with a particular group or identity.

To ensure that community ownership is realized to the maximum extent possible, NYSERDA should consider reserving or carving out incentives for rooftop and community solar that may be used according to ownership criteria determined through a collaborative design process organized by NYSERDA. Additional mechanisms to promote ownership could include financing products at deeply concessionary rates where a group or individual household in a DAC owns the solar directly, providing funding to community development financial institutions or credit unions to finance community-owned solar, or providing deeper NY-Sun incentives for projects owned by DAC communities or households. Regardless of the method(s) chosen, the Commission should not lose this opportunity to promote community ownership models in accordance with the CLCPA.

Recommendation 7: The Commission Should Clarify that the Various Adders Can be Stacked on Top of Each Other

The Roadmap proposes a suite of base MW Block incentives, a Community Adder for community solar projects, rooftop and parking canopy adders in Con Edison's territory, a landfill/brownfield adder, and a number of other incentive programs through the SEEF.

The Roadmap is silent on how the various adders work in conjunction with each other and with the base MW Block incentives. NYSERDA's current program rules, however, indicate that projects may be limited to one incentive adder.[50] The City recommends modifying these rules such that projects can stack all available incentive adders for which they are eligible. For example, a rooftop or parking canopy project developed as a community solar project on affordable housing should be eligible to take advantage of all applicable adders. Canopies can create viable spaces for solar, such as small roofs with many obstructions and parking lots, where solar otherwise could

[50] Adders may not be combined, with the exception of the Inclusive Community Solar Adder. *See* NYSERDA NY-Sun Con Edison Program Manual v.14 (December 2021) at 8 (stating that: "No array or solar panel can have more than one incentive adder.").

not be developed. As we unlock these spaces for renewable development, we should ensure that their ability to serve their communities is recognized by enabling them to take advantage of all Adders they might be eligible for, such as the Community Adder and the ICSA.

NYSERDA and Staff correctly have determined that the types of projects for which incentive adders are proposed either require or deserve enhanced compensation based on the unique characteristics of these projects. Projects that combine more than one of these unique characteristics should be promoted and eligible to receive incentive dollars that were designed to promote each of the unique characteristics.

Recommendation 8: The Commission Must Start Planning the Next Phase of Solar Incentives and/or Compensation as Soon as Possible

The City applauds the 10 GW distributed solar deployment goal and agrees that the recommendations advanced in the Roadmap should achieve it. However, 10 GW should not be viewed as a ceiling on distributed solar development in New York State. The Commission must therefore be mindful of the next phase of distributed solar compensation and, in light of past experiences where solar development has approached funding 'cliffs,' the City recommends that Staff and NYSERDA begin planning immediately for the future of solar in New York State after the forthcoming Commission decision on the Roadmap.

The Roadmap's recommendation to utilize the NY-Sun incentive structure may be the best solution for now given the ease of implementation. This structure may not, however, represent the ideal long-term solution to ensure a robust and stable solar market. Specific concerns with this structure include: upfront incentives do not necessarily alleviate financing challenges for developers and may under-compensate the actual value of renewable generation; incentives are paid to solar installers rather than solar clients, which may not align with the CLCPA goals; and

limited incentive blocks can be prone to development 'cliffs' when those incentives run out without sufficient advance planning for how they will be succeeded.[51]

The Commission should therefore plan to initiate a proceeding for a long-term successor program within ninety days after the Commission issues an Order on the Roadmap. Sufficient lead time is required to avoid unnecessary disruption to the solar market, provide the opportunity for meaningful involvement by (and benefits for) DACs, and allow for a comprehensive balancing of statewide ratepayer impacts.

The City supports the Roadmap's call for a mid-program review. The City cautions, though, that program review ideally should be driven by incentive usage as opposed to establishing a mid-point deadline, with additional annual reviews to allow for program adjustments as needed to address any looming incentive cliffs and other issues.[52] The City also recommends that the mid-program review serve as a reasonable deadline to finalize a proposal for the next phase of solar incentives and compensation.

One option for a long-term solution is to modify the Environmental ("E") Value of the Value Stack, or its other components. The City has supported, and continues to support, exploring an E Value that accurately values the environmental benefits of renewable generation based on the timing and location of that generation, its ability to address environmental justice concerns, and its ability to minimize the ratepayer impacts for the most energy cost-burdened ratepayers. The

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[51] *See, e.g.*, Case 15-E-0751, *supra*, Joint Petition of the City of New York et al. Regarding Community Credit Compensation (filed March 10, 2021).

[52] Relatedly, the City recommends that as part of any near-term annual reviews, NYSERDA and Staff examine whether additional support is required for residential solar. The Customer Benefit Contribution ("CBC") charge only recently became effective and industry stakeholders have raised legitimate concerns about the CBC's impact on new residential solar development. Residential solar, especially in DACs, must be part of the State's solar strategy. While it may not result in a large number of megawatts, it provides numerous social, resiliency, and other benefits that should not be lost in the broader effort to deploy larger-scale community solar developments. As such, the Commission should set a near-term deadline for NYSERDA and Staff to study the impacts of the CBC and identify whether additional up-front incentives are required now that the CBC is effective.

next phase of solar compensation should therefore balance the "missing money" approach utilized in the Roadmap with a compensation scheme that accurately values the benefits of the generation.

Recommendation 9: The Commission Should Exempt Projects Serving LMI Customers and Affordable Housing from the CBC Charge

The City repeatedly has advocated for an exemption from the CBC charges for LMI customers and affordable housing projects. The City noted that applying the CBC in the context of the power purchase agreement ("PPA") model, specifically, would disproportionately affect LMI customers.[53] The Commission briefly addressed this concern in its July 16, 2020 *Order Establishing Net Metering Successor* ("Order") in Case 15-E-0751, but deferred the matter to the Rate Design Working Group, where it has not yet been adequately addressed.[54] The City continues to support this exemption and, in acting on the Roadmap, again urges the Commission to approve it.

The CBC charges disproportionally affect LMI customers, and can be considered regressive. The impact of the CBC charge on a customer who purchases a rooftop solar array outright is mitigated by the fact that all of the project's benefits accrue to the owner. By contrast, under a PPA model, a residential customer would still be subject to the entire CBC charge but would only retain a portion of the project's benefits (after making the PPA payment to the third-party project owner). This suggests that the CBC charge will have an outsized impact on PPA projects and, by extension, LMI customers who may not have the means to purchase a solar array outright. Non-profit affordable housing may also employ third party ownership models like PPAs in order to access tax incentives. As it stands, the customer segments that may benefit the most

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53 Case 15-E-0751, *supra*, Comments of the City of New York (filed June 14, 2021), pp. 3-4.

54 Case 15-E-0751, *supra*, Order Establishing Net Metering Successor Tariff (issued July 16, 2020) at 24-25 ("Order").

from distributed solar because of the energy affordability benefits may also be the most impacted by the CBC charge.

The City emphasizes that the CBC charges must be balanced against the City's and State's equitable decarbonization objectives. Moreover, Staff has not yet performed the economic impact analysis necessary to ensure that the CBC charge does not have a disparate impact across different business models.[55] The LMI and non-profit affordable housing customer segments, which already have lower distributed solar adoption rates, should not face additional barriers to participating in and sharing in the benefits of greater solar deployment. Early adopters did not pay a CBC and tended to be higher income. Lower-income customers, who began adopting solar later, therefore are put at an inequitable disadvantage compared to their wealthier counterparts. Moreover, the CBC is intended to provide an equitable source of funding for LMI programs from all customers but collecting this charge from LMI customers runs counter to that goal. Accordingly, the City reiterates its recommendation that LMI customers and affordable housing projects should be exempted from the CBC charges.

Recommendation 10: The Commission Should Direct NYSERDA to Work with NYPA, NYPA Customers, and Other Stakeholders to Support Public Sector Projects

The Roadmap acknowledges the contributions from New York Power Authority ("NYPA") customers (like the City) in achieving the State's distributed solar goals. The Roadmap also sets forth an expectation that NYPA customers will continue to help the State achieve the 10 GW distributed solar goal. Notwithstanding these contributions, because certain NYPA customers (the City included) do not pay into the Clean Energy Fund, these customers will not be eligible for the incentive funding proposed in the Roadmap. Instead, support for these customers will come

[55] Whitepaper at 31-32.

from $29 million in Regional Greenhouse Gas Initiative ("RGGI") funding that was previously set aside for such customers, of which only $7.3 million remained available as of the date of the Roadmap.

The City, through its Department of Citywide Administrative Service, is working to expand distributed solar across the City's portfolio of buildings. The City has set a goal of installing 100 MW of solar PV on City-owned buildings by 2025. To date, over 16 MW of solar have been installed, with another 30-45 MW in procurement. A majority of installations are located on New York City Public Schools. The City is also examining the feasibility of adding energy storage to its solar pipeline and is currently advancing solar and storage systems on fire houses and other facilities, providing much-needed resiliency for the City's buildings and first responder services.

Public sector projects cannot directly access tax incentives, and also have development timelines and financing structures that differ from private-sector projects. To address the unique needs of public sector solar customers, the Commission should initiate a proceeding focused on the continued growth of public sector solar. This proceeding could look at incentive reservation timelines for public sector projects, funding sources for incentives, and other matters specific to public sector projects.

Finally, the Commission should exclude RGGI-funded projects from the capacity that counts towards Con Edison's MW block allocations.[56] The MW blocks instead should focus on accounting for projects supported with incentives from the NY-Sun program, and capacity developed with support from RGGI should be accounted for separately. This is necessary to avoid artificially inflating the amount of capacity apparently filling the incentive block and prematurely

[56] "In order to receive the RGGI incentive, these customers are served on a first-come, first-served basis, subject to availability of funds and the capacity associated with a project will be counted toward the appropriate MW block, based on sector and region." NY-Sun Operating Plan, p. 6.

shifting Con Edison customer projects to lower-value incentive blocks, which happens when the MW Block program fails to distinguish between projects that can and cannot receive program incentives.

Recommendation 11: The Commission Should Allow Behind-the-Meter Projects to Receive Value Stack Compensation for Both Self-Consumed and Exported Energy

The Commission has recognized that "reducing consumption from the grid by one kWh in a particular location at a particular time through consumption of on-site generation offers identical values to the system as injecting one kWh in the same location at the same time."[57] Although the Commission previously has declined to allow BTM systems to receive Value Stack compensation for both self-consumed and exported energy, the City respectfully urges the Commission to consider this program modification. Notably, the deployment of AMI and series metering could potentially allow utilities to make the calculations needed to avoid double-counting project costs or benefits.

There are several reasons to enable Value Stack compensation for BTM projects. First, requiring projects to interconnect in FTM and not be connected to load often imposes material interconnection and system upgrade costs that can exceed 15% of project costs and undermine project economics/viability. This is problematic in the Con Edison service territory, where the dense urban setting makes projects more likely to be sited on or near a building. Second, as energy storage becomes more widespread, BTM systems may be preferred to allow for back-up power, particularly at public and Community-based Organizations' buildings that may play roles in emergency response and sheltering. However, such BTM installations would be prohibited from

[57] Case 15-E-0751 *et al.*, *supra*, Order on Net Energy Metering Transition, Phase One Value of Distributed Energy Resources, and Related Matters (issued March 9, 2017), p. 93.

participating in CDG in sunny day conditions given current interconnection rules. Also, allowing BTM projects to be developed in this virtual FTM configuration would further the CLCPA and City clean energy goals by enabling such projects to be credited for serving and benefitting LMI customers in surrounding EJ communities.

CONCLUSION

For the reasons set forth herein, the City respectfully urges the Commission to adopt the Roadmap in accordance with the recommendations and modifications contained in these comments.

Respectfully submitted,

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Attachment 1 to NYC's Comments on the Solar Roadmap

[see attached]

Attachment
Summary of NYC Proposals

High Level Summary of NYC's Proposals in Response to the Solar Roadmap

Base Incentives	$/W	# MWs
Residential	0.30	150
Small Non-resi (0-200kW)	1.10	70
Medium Non-resi (200kW-1MW)	0.75	139
Large Non-resi (1-5MW)	0.30	209
Total		**568**

Stackable Adders	$/W above base
Community Adder	$0.60
LMI residential	$1.00
ICSA	$0.60
Affordable Housing	$0.60
Prevailing wage	$0.20
Canopy	$0.20

Allocation of Adders	ConEd	Upstate
Share of Community Adder Roadmap Funding	63%	37%
Share of Prevailing Wage Adder Roadmap Funding	17%	83%
Share of SEEF Roadmap Funding	53%	47%

SEEF Allocations	NYC Proposal	Increase compared to Roadmap Proposal
% of total funds allocated to SEEF	18%	4%
% of DAC households served in ConEd	3%	1%

Total Allocations	ConEd	Upstate
Share of all incentive funds	47%	53%

Attachment
Comparison of Proposals, 1 of 2

Detailed Summary of NYC's Proposals in Response to the Solar Roadmap

Incentive Comparison

Base Incentives	Alternative Proposal		NYSERDA proposal	
	$/W	# MWs	$/W	# MWs
Residential	0.30	150	0.15	150
Small Non-resi (0-200kW)	1.10	70	1.30	150
Medium Non-resi (200kW-1MW)	0.75	139		
Large Non-resi (1-5MW)	0.30	209	0.75	150
Total		**568**		**450**

Stackable Adders	Alternative Proposal		NYSERDA proposal	
	$/W total	$/W above base	$/W total	$/W above base
Community Adder	-	$0.60	-	$0.10
LMI residential	1.30	$1.00	$0.80	$0.65
ICSA	-	$0.60	-	$0.10-$0.20
Affordable Housing	-	$0.60	$1.00	unclear
Affordable Housing CDG*	-	-	$2.00	unclear
Prevailing wage	-	$0.20	-	$0.20
Canopy	-	$0.20	-	$0.20

* In lieu of an affordable housing CDG adder, we propose that a project can stack the Community and Affordable Housing Adders

Attachment
Comparison of Proposals, 2 of 2

Regional Equity

Total Funding Allocation ($)	Alternative Proposal		NYSERDA proposal	
	ConEd	Upstate	ConEd	Upstate
Base Incentives	288,833,333	400,303,283	407,144,000	400,303,283
Community Adder	104,573,600	60,633,400	21,000,000	144,207,000
Reallocated base funding	70,986,400	-	-	-
% of statewide funding	63%	37%	13%	87%
Prevailing wage	41,800,000	197,575,000	30,000,000	209,375,000
% of statewide funding	17%	83%	13%	87%
SEEF Incentives*	109,986,133	97,013,867	59,200,000	142,800,000
Reallocated base funding	47,324,267	-	-	-
% of statewide funding	53%	47%	29%	69%

* Alternative Proposal excludes predevelopment program. Percentages may not add up to 100%.

Disadvantaged Communities

SEEF Allocations	Alternative Proposal		NYSERDA proposal	
	$ Total	MW	$ Total	MW
Allocation to SEEF statewide	254,324,267	1,357	207,000,000	1,357
% allocated to SEEF statewide	18%	34%	14%	34%
ConEd dedicated base incentives for SEEF	143,636,867	222	0	0
Percent of ConEd base dedicated to SEEF*	50%	39%	0%	0%

* The total dollar amount is higher than the MW allocation because of the assumption that SEEF projects are more likely to be smaller projects with higher base incentives.

Attachment
Alternative Proposals, 1 of 3

Assumptions are indicated. Results may vary based on assumptions used.

Details of NYC's Alternative Proposals in Response to the Solar Roadmap

ConEd Base Incentive Levels	$/W	Total $	MW	Notes
Residential	0.30	45,000,000	150	$22.5M reallocated from existing non-resi ConEd block
Small Non-resi (<200kW)	1.10	76,633,333	70	
Medium Non-resi (200kW-1MW)	0.75	104,500,000	139	
Large Non-resi (1-5MW)	0.30	62,700,000	209	
SUM All Funding	**-**	**288,833,333**	**568**	
New funding only	-	266,333,333	-	
Difference from Roadmap	-	**(118,310,667)**	**118**	Saves $118M, additional 118 MW in ConEd

Community Adder	$/W	Total $	MW	% of Roadmap adder funding	Notes
Upstate	0.07	60,633,400	866	37%	40% of Roadmap funds set aside for upstate CDG.
Upstate E-SFA	-	-	300	0%	PSC approved 300 MW of Expanded Solar For All in National Grid territory. Together allows for 1166 MW of CDG upstate.
ConEd	0.60	175,560,000	293	63%	60% of Roadmap funds set aside for ConEd CDG, excluding the reallocated base funds.

CA Allocations	Percentage	Total $
Roadmap funding	-	165,207,000
Reallocated Base Funding	60%	70,986,400
Total CA Funding Available	-	236,193,400

Prevailing Wage Adder	$/W	Total $	MW	% of total adder funding	Notes
Upstate	0.125	197,575,000	1,581	83%	Over 80% of PW funds are still going upstate.
ConEd	0.20	41,800,000	209	17%	
Total	**-**	**239,375,000**	**1,790**	**-**	Roadmap proposed 1550-1850 MW. Chose a value in that range.

Attachment
Alternative Proposals, 2 of 3

Stackable SEEF Incentives	Total incentive value ($/W)	Adder Value ($/W)	Total $	MW	Notes
LMI residential	1.3	$1.00	60,000,000	60	Assumed 40% of resi projects are LMI.
ICSA	-	$0.60	70,224,000	117	Assumed 40% of ConEd CDG is in the SEEF.
Affordable Housing	-	$0.60	27,086,400	45	Made assumptions about the addressable affordable housing market in NYC.
Predevelopment Grants	-	-	5,000,000	-	Made an assumption about allocation to predevelopment grants: 25 predevelopment grants at $200k each.

SEEF Allocations	Percentage	Adder Value ($/W)	Total $	MW	Notes
Reallocated Base Funding	40%	-	47,324,267	-	40% of reallocated base funding goes to the SEEF
New SEEF Total Statewide	-	-	254,324,267	1,357	
Total ConEd (incentives only)	53%	-	157,310,400	222	Percentage based on original $207M allocation, not including reallocated base funding.
Total Upstate (incentives only)	47%	-	97,013,867	1,135	Percentage based on original $207M allocation, not including reallocated base funding. Did not estimate how much $/W is needed for upstate SEEF incentives, MW were kept constant at 1357.

DAC Households	Values	% of DAC households served	Notes
CDG Subscription (kW per Household)	3	-	Note- this section excludes upstate LMI residential projects, which were not explicitly addressed in the Roadmap.
Upstate Households Served	378,272	31.1%	Geographic and income-based DAC households, excluding LMI resi. This may be an overestimate, as it assumed a constant statewide SEEF capacity of 1357MW, without accounting for the lower amount of funding available for upstate SEEF projects in this proposal.
ConEd Households Served	54,061	2.5%	Geographic and income-based DAC households, excluding LMI resi.
Downstate LMI Resi Rooftop Households	12,000	0.6%	Assuming 5kW average system size
Total ConEd DAC Households Served	66,061	3.1%	

Attachment
Alternative Proposals, 3 of 3

SEEF-Dedicated Base Incentives

SEEF-dedicated base	MW allocation	Base incentive	Total $	Notes
LMI Residential	60	$0.30	18,000,000	
ICSA	117	$0.72	83,878,667	Non-weighted average of all non-resi incentives
Affordable Housing	45	$0.93	41,758,200	Non-weighted average of all non-resi incentives
Total ConEd	**222**	-	**143,636,867**	

Total Incentive Spending (Base and Adders)	MW	MW (%)	Total $	Total $ (%)	Notes
Total ConEd Incentives	568	14%	663,503,733	47%	ConEd + Upstate MW is less than 100% because some MW with will be constructed in Long Island without Roadmap funding. Canopy and brownfield adders were not included.
Total Upstate Incentives	2,825	71%	755,525,550	53%	
SEEF Statewide	1,357	34%	254,324,267	18%	

Attachment
NYSERDA-DPS Proposals, 1 of 2

Assumptions are indicated. Results may vary based on assumptions used.

Details of NYSERDA and DPS' Proposals within the Solar Roadmap

ConEd Base Incentive Levels	$/W	Total $	MW	Notes
Residential	0.15	22,500,000	150	Reallocation from existing non-resi ConEd block
Small Non-resi (<1MW)	1.30	230,786,000	150	
Large Non-resi (1-5MW)	0.75	153,858,000	150	
SUM All Funding	-	**407,144,000**	**450**	
New funding only	-	**384,644,000**	**300**	

Upstate Base Incentive Levels	$/W	Total $	MW
C&I	0.17	400,303,283	2,943

Community Adder	$/W	Total $	MW	% of total adder funding
Upstate	0.07	144,207,000	2,060	87%
ConEd	0.10	21,000,000	210	13%
Total	-	**165,207,000**	**2,270**	-

Prevailing wage adder	$/W	Total $	MW	% of total adder funding	Notes
Upstate	0.125	209,375,000	1,675	87%	
ConEd	0.20	30,000,000	150	13%	
Total	-	**239,375,000**	**1,825**	-	Roadmap proposed 1550-1850 MW, chose a number in that range that aligns w/$239M budget.

Attachment
NYSERDA-DPS Proposals, 2 of 2

SEEF Incentives	Total incentive value ($/W)	Adder Value ($/W)	Total $	MW	Notes
LMI Residential	$0.80	$0.65	39,000,000	60	Assumed 40% of resi projects are LMI.
ICSA	-	$0.10 to $0.20	12,600,000	84	Assumed 40% of CDG is in the ICSA. Total $ is the average of $0.10 and $0.20 cents.
Affordable Housing	$1.00	$0.30	12,600,000	42	Per Roadmap, no more than half of total SEEF MW are supposed to go to affordable housing. For base incentives above $1, it is unclear how the affordable housing incentive (previously fixed at $1/W) would be applied. We assumed a $0.30/W affordable housing adder on average and made assumptions about the addressable affordable housing market in NYC.
Predevelopment Grants	N/A	N/A	5,000,000	N/A	Made an assumption about allocation to predevelopment grants. = 25 predevelopment grants

SEEF Allocations	% of SEEF adder funding	% of SEEF MW	Total $	MW	Notes
Total ConEd	31%	14%	64,200,000	186	180 = 40% of total megawatts in ConEd, percentage is total of all funds allocated to the SEEF statewide.
Total Upstate	69%	86%	142,800,000	1,171	13% of SEEF MW are in ConEd, despite it being home to ~60% of DACs.
Total Statewide	-	-	**207,000,000**	**1,357**	

SEEF Households	Values	% of DAC households served by region	Notes
CDG Subscription (kW per Household)	3	-	Note- this section excludes upstate LMI residential projects, which were not explicitly addressed in the Roadmap.
Upstate Households Served	390,333	32.1%	Geographic and income-based DAC households
ConEd Households Served	42,000	2.0%	Geographic and income-based DAC households
Downstate LMI 1-4 family	12,000	0.6%	Households, Assuming 5kW average system size
Total ConEd DAC households Served	54,000	2.5%	

Incentive allocations	Total ($)
Upstate Base incentive	400,303,283
Residential	22,500,000
Small Non-resi (<1MW)	230,786,000
Large Non-resi (1-5MW)	153,858,000
Rooftop canopy adder*	800,000
Parking canopy adder*	12,000,000
Community Adder	165,207,000
Brownfield adder*	13,918,500
Prevailing wage adder	239,375,000
SEEF	207,000,000
Total	**1,445,747,783**

* Note - canopy and brownfield adders are roughly the same incentive allocations and are likely to go to ConEd and Upstate respectively.

Total Incentive Spending	MW	MW (%)	Total $	Total $ (%)	Notes
Total ConEd incentives	450	11%	522,344,000	37%	ConEd + Upstate MW is less than 100% because some MW with will be constructed in Long Island without Roadmap funding. Canopy and brownfield adders were not included.
Total Upstate Incentives	2,943	74%	896,685,283	63%	
SEEF statewide	1,357	34%	207,000,000	14%	

Assumptions are indicated. Results may vary based on assumptions used.

DAC Households by Region (Dec 2021 Draft Criteria)

All Households in NY	4,754,000

Geographic DAC Households		**Notes**
Households in Geographic DAC	2,540,031	
Geographic DAC Households in NYC (%)	59%	
Geographic DAC Households in NYC (#)	1,524,528	
Mid-Hudson/ConEd Geographic DACs (%)	7%	Assuming 50% of Mid-Hudson DACs are in ConEd territory
Mid-Hudson/ConEd Geographic DACs (#)	186,878	Assuming 50% of mid-Hudson DACs are in ConEd territory
Total ConEd Geographic DACs (%)	**66%**	
Total ConEd Geographic DACs (#)	**1,711,406**	
Long Island Geographic DACs (%)	5%	
Long Island Geographic DACs (#)	**123,890**	
Upstate Geographic DACs (%)	**29%**	
Upstate Geographic DACs (#)	**704,735**	

Geographic + income-based DAC Households		**Notes**
All DAC households	3,586,208	
All DAC Households in NYC (%)	53%	
All DAC Households in NYC (#)	1,915,505	
Mid-Hudson/ConEd DACs (%)	6%	Assuming 50% of mid-Hudson DACs are in ConEd territory
Mid-Hudson/ConEd DACs (#)	220,413	Assuming 50% of mid-Hudson DACs are in ConEd territory
Total ConEd DACs (%)	**59%**	
Total ConEd DACs (#)	**2,135,918**	
Long Island DACs (%)	6%	
Long Island DACs (#)	233,407	
Upstate DACs (%)	**35%**	
Upstate DACs (#)	**1,216,883**	

Attachment
DACs 2 of 3

Where are the additional lower-income households?

Of all HHs in DACs (~2.5M), 59% live in NYC

Of all HHs in DACs + add'l low-income (~3.5M), 53% live in NYC

43% of all households live in NY, so 53-59% is more than proportional

Region	HHs in Geographic DAC (35% scenario)	HHs added through Individual Criteria (<200% FPL)	HHs in DAC *or* added by Individual Criteria	Regional share of Geographic DACs	Regional share of Additional HHs	Regional Share of All Eligible Households	COMPARISON: All Households in NY State
New York City	1,524,548	390,957	1,915,505	59%	38%	53%	43%
Long Island	123,890	109,517	233,407	5%	11%	6%	13%
Mid-Hudson	373,756	67,070	440,826	14%	7%	12%	11%
Western NY	142,715	109,012	251,727	6%	11%	7%	8%
Finger Lakes	140,000	78,435	218,435	5%	8%	6%	7%
Capital Region	85,865	68,389	154,254	3%	7%	4%	6%
Central NY	100,249	46,689	146,938	4%	5%	4%	4%
Southern Tier	41,696	67,421	109,117	2%	7%	3%	4%
Mohawk Valley	30,041	48,456	78,497	1%	5%	2%	3%
North Country	26,600	44,849	71,449	1%	4%	2%	2%
TOTAL	2,540,031	1,046,177	3,586,208	100%	100%	100%	100%

[a] Household counts are from 5-year ACS data so may appear slightly lower than current Census counts.
[b] Agencies would implement as <60% of State Median Income. 200% Federal Poverty Line is ~$6,000 lower than 60% of State Median Income, so more households than shown here would be added.

Region contains greater-than-proportional share of households

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Attachment
DACs 3 of 3

Income-based individual criteria could fill gap in low-income households included in DAC designation

35% DAC Scenario	Number of Households (Estimate)[a]		Percentage of Households	
	Not in DAC	In DAC	Not in DAC	In DAC
All Households in New York	4,754,000	2,589,000	65%	35%
Households with income <80% Area Median Income	1,649,000	1,584,000	51%	49%
Households with income <200% FPL (Proxy for 60% State Median[b])	1,031,000	1,121,000	48%	52%
Households with income <100% Federal Poverty Line	436,000	584,000	43%	57%

[a] Household counts are from 5-year ACS data so may appear slightly lower than current Census counts.
[b] Agencies would implement as <60% of State Median Income. 200% Federal Poverty Line is ~$6,000 lower than 60% of State Median Income, so more households than shown here would be added.

Because low-income households live throughout the state, including moderate and high income areas, **no geographic definition can capture all low-income people or households**

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