

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 24-E-0084 - Petition of New York Power Authority to
Establish the Renewable Energy Access and
Community Help Program.

ORDER IMPLEMENTING RENEWABLE ENERGY ACCESS
AND COMMUNITY HELP PROGRAM

Issued and Effective: October 16, 2024

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on October 16, 2024

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

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BY THE COMMISSION:

INTRODUCTION

The newly enacted Public Authorities Law (PAL) §1005(27-b) authorizes the New York Power Authority (NYPA) to establish the Renewable Energy Access and Community Help (REACH) program to enable low- and moderate-income (LMI)¹ end-use electricity consumers in disadvantaged communities to receive bill credits derived from a portion of the net revenues generated through the production of renewable energy by a

¹ In New York State, low-income residents are defined as individuals residing in a household whose total annual income is less than 60 percent of the State Median Income. Moderate-income residents are those whose total annual income is below 80 percent of the State or Area Median Income, whichever is greater.

renewable energy system planned, designed, developed, financed, constructed, owned, operated, maintained or improved, or contracted for by NYPA as a renewable energy project.² As directed by Public Service Law (PSL) §66-p(8), NYPA filed a petition on January 31, 2024, to establish the REACH program (Petition). By this Order, the Commission approves the implementation of NYPA's REACH program, with modifications.

PETITION

NYPA explains that it is authorized to establish the REACH program to provide bill credits to low- and moderate-income end-use electricity customers in disadvantaged communities. NYPA states its primary source of funding for the REACH program would be a NYPA-determined portion of revenues generated from renewable projects constructed, financed, operated, or contracted by NYPA. NYPA is also anticipating receiving revenues from third parties, such as private developers or charities, seeking to benefit disadvantaged communities by supporting REACH.

NYPA proposes to focus the implementation of REACH to benefit low-income ratepayers first, rather than launching the program for LMI ratepayers. NYPA suggests structuring the initial phase of the REACH program similar to other programs, such as the Energy Affordability Program (EAP) and Statewide Solar for All (S-SFA) program to gain significant administrative efficiencies.³ NYPA notes that as the REACH program matures and more projects commence commercial operation, NYPA and the Commission can address expanding the program to include

² Chapter 56, part QQ, of the Laws of 2023 (REACH Enactment).

³ Case 21-E-0629 et al., Order Approving Statewide Solar for All Program with Modifications (issued May 16, 2024) (S-SFA Order).

moderate-income households in disadvantaged communities. NYPA proposes to tailor the initial phase of the REACH program to provide bill credits to low-income ratepayers but, as initially proposed, argued that the geospatial element of the final disadvantaged communities criteria should not be utilized in determining the eligibility of any particular end-use electricity customer.⁴ NYPA states that when the REACH program is expanded to moderate-income customers, the geospatial component of the disadvantaged communities' criteria should be relevant in determining eligibility for any potential beneficiary with household income between 60 percent and 100 percent of State median income.

NYPA recommends automatic enrollment of all existing EAP beneficiaries into REACH, similar to the S-SFA program, with the ability for newly eligible EAP beneficiaries to be automatically enrolled into REACH. NYPA proposes that the major investor-owned utilities⁵ (Joint Utilities) automatically enroll all EAP customers into REACH, even if the customers are already enrolled in Community Choice Aggregation (CCA), Community Distributed Generation (CDG), or S-SFA programs.

NYPA proposes five program design elements for the implementation of REACH. First, NYPA suggests that the implementation of REACH start with low-income end-use electricity customers. NYPA states that focusing on low-income customers first would provide a more meaningful benefit to those

⁴ As indicated below, NYPA's reply comments suggest requiring the recipients to be both low-income and in a geospatial disadvantaged community.

⁵ The Joint Utilities include Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

who most need assistance. Second, for smaller projects that are planned, designed, developed, financed, constructed, owned, operated, maintained, improved, or contracted for by NYPA that are eligible to participate in the Value of Distributed Energy Resources (VDER) Value Stack (projects with capacity of 5 megawatts [MW] or less), NYPA recommends that bill credits be distributed monthly for all 12 months of the year. NYPA requests that the Commission direct the Joint Utilities to provide a share of VDER Value Stack compensation directly to NYPA to cover project costs using the same mechanism set forth in the S-SFA program. The bill credits from these projects would be allocated to eligible REACH beneficiaries within the utility service territory in which the project is located.

Third, for larger scale projects (capacity greater than 5 MW) that are planned, designed, developed, financed, constructed, owned, operated, maintained, improved, or contracted for by NYPA, NYPA recommends the Joint Utilities distribute the resulting bill credits over the first four months of the year following the program compliance year when NYPA received the revenues.⁶ NYPA argues that the bill credits would provide a more meaningful benefit to low-income ratepayers at a time when energy bills are typically the highest. NYPA proposes to fund the bill credits from a portion of the revenue from large REACH projects to provide benefits to eligible REACH beneficiaries both within the service territory of the utility where the project interconnects and within the Con Edison

⁶ As indicated below, NYPA's reply comments suggest eliminating the seasonality component to align with the S-SFA program to make implementation of the program for the Joint Utilities more efficient.

service territory.⁷ According to NYPA, this approach benefits the upstate communities where the projects are located and the Con Edison service area where there are fewer opportunities to develop large-scale renewables.

Fourth, NYPA proposes that REACH bill credits be aggregated with S-SFA bill credits under a single billing line labeled "Solar for All/NYPA REACH" to lessen ratepayer confusion. Fifth, NYPA proposes that REACH credits be made to the delivery charges of electric customer bills to ensure alignment with S-SFA and with the text of REACH Enactment. This approach includes all major electric utilities but excludes energy service companies (ESCOs) and CCA Administrators.

NYPA proposes to fund REACH bill credits predominately through revenues received from renewable energy generation as well as the proceeds from the sale of its Renewable Energy Certificates (RECs). NYPA plans to develop these renewable projects in accordance with NYPA's biennial Renewable Energy Generation Strategic Plan, with the first plan published in 2025 and biennially thereafter. NYPA states that as of the date of the Petition, NYPA has not decided on the specific renewable energy systems to be developed or the proportion of its new generation portfolio to be allocated to either small or large REACH projects. NYPA expects that the large utility-scale projects will provide more capacity that would generate more revenue to fund bill credits. NYPA states that while smaller-scale projects generate less renewable energy, they provide a higher rate of revenue per MW of capacity and may enter into

⁷ As indicated below, NYPA's reply comments suggest that revenues from large renewable projects, bulk storage projects, and third-party contributions be distributed to each respective member of the Joint Utilities, in an amount that is proportional to that utility's share of all current EAP customers residing in a disadvantaged community.

commercial operation sooner. NYPA proposes to also include energy storage projects to increase capacity and firm intermittent generation.

NYPA expects to use the following funding sources to contribute to funding REACH bill credits: sales of generator outputs in the New York Independent System Operator, Inc. (NYISO) markets; sales of environmental attributes, such as RECs to the New York State Energy Research and Development Authority (NYSERDA); utilization of the VDER Value Stack for distributed energy resource (DER) projects; bilateral sales of electricity and environmental attributes of NYPA's new renewable energy projects to public or private customers; monetization of State and federal incentives and refundable tax credits where NYPA's renewable projects are eligible for such incentives and credits; and payments from third parties such as private renewable energy developers, philanthropic organizations, and charities.

NYPA recommends that the Commission issue an order directing the Joint Utilities to file tariff amendments to implement REACH, adopt necessary accounts and procedures for REACH bill crediting, and enter into agreements with NYPA to administer REACH. For example, NYPA will require agreements with each utility reflecting how payments from NYPA for large projects will be collected and processed by the Joint Utilities and to accommodate different situations that may arise, such as overpayments. NYPA requests that the Commission direct the Joint Utilities to file modifications to their VDER tariffs which should allocate the credits from VDER-qualified projects in a manner like the S-SFA program. NYPA proposes that share percentages or "compensation levels" mirror the utility-specific values established by Department of Public Service Staff (Staff) and NYSERDA in the S-SFA program. NYPA explains that the S-SFA program divides the credits into several components: (1) a

percentage of the Value Stack credits that goes towards providing bill savings to participating S-SFA program customers (the Customer Share); (2) a Utility Administrative Fee that the utilities would be permitted to retain; and (3) the remaining portion of the VDER Value Stack credits, paid by the utilities to the project owner as direct compensation.

NYPA states that the Joint Utilities should file an annual report with the Commission summarizing their compliance with the REACH order and program requirements, including the total number of REACH beneficiaries enrolled, the total value of bill credits provided to REACH beneficiaries, and other pertinent data.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (Notice) was published in the State Register on February 28, 2024 [SAPA No. 24-E-0084SP1]. The time for submission of comments pursuant to the Notice expired on April 29, 2024. Comments were received by the City of New York (the City), Coalition of Community Solar Access (CCSA), Joint Utilities, New York Energy Democracy Alliance (NYEDA), NYPA, New York Solar Energy Industries Association (NYSEIA), Public Power of New York Coalition (PPNY), Public Utility Law Project (PULP), and Renewable New York (RNY), and are addressed below.

SUMMARY OF COMMENTS

The City of New York

The City strongly supports the premise of a REACH program that would provide meaningful bill credits to eligible utility customers. The City encourages additional opportunities for stakeholders to provide feedback on the development of this

complex program. The City's recommendations are largely reliant on the outcome of the S-SFA proceeding.

The City strongly supports using the EAP identification and enrollment structure to reach program beneficiaries. The City recommends that NYPA should minimize administrative costs and capitalize on already-existing synergies with statewide low-income programs to allocate as much revenue to customers as possible. Also, the City suggests implementation costs should be limited to less than one percent of total program costs similar to the S-SFA program. The City supports NYPA's proposal to combine REACH bill credits with the S-SFA credits to lessen customer confusion and streamline administrative efforts. The City recommends that credits be allocated over 12 months for utility-scale projects and not the seasonal crediting concept proposed by NYPA because it is not consistent with the S-SFA bill credit mechanism. The City supports NYPA's request for a portion of the REACH project revenue to flow back to NYPA to pay for the cost to build the project. The City urges the Commission to consider allowing existing projects to enroll in the REACH program and suggests that a program should be designed that creates an administratively efficient process to ensure customers receive bill credits on time.

The City proposes including energy storage facilities in the REACH program as it is an important way to deliver direct cost savings to low-income and moderate-income customers. The City supports NYPA's proposal for the use of inter-utility crediting pooling for utility-scale projects. The City points out it is difficult to develop large-scale projects in New York City where 51 percent of the State's low-income population and 59 percent of its disadvantaged community census tracts are found in New York City. The City recommends that at least 45

percent of the inter-utility credit of REACH large-scale project capacity should be developed in Zone J to encourage participation of downstate developers.⁸ The City adds that the carve out would support the growth of solar projects in densely populated areas. If 45 percent of the REACH project capacity cannot be built in Zone J, the City supports 45 percent of the revenues received from large-scale REACH projects across the State should flow back to Con Edison customers. The City recommends implementation of an ongoing review, at least annually, to address unforeseen issues with inter-utility credit pooling. The City argues that this would provide the Commission the opportunity to analyze the program in conjunction with related initiatives like the Build Public Renewables Act and potential rule changes to the Federal Investment Tax Credit.⁹

Coalition for Community Solar Access

CCSA argues that it is premature to evaluate the REACH proposal before NYPA has developed its Strategic Plan for renewable development. CCSA asserts that without a sense of the types of projects that would participate in the REACH program, it is difficult to evaluate whether NYPA has proposed an appropriately targeted set of beneficiaries. Further, CCSA adds that developing a new mechanism or customer outreach strategy may not be efficient if the number of participating projects is very small. However, CCSA says that it may be appropriate if there are sizeable revenues from the REACH program to expand the

⁸ Zone J is the NYISO load zone encompasses the five boroughs of New York City.

⁹ The Build Public Renewables Act requires NYPA to provide only renewable energy and power to customers; requires such authority to be the sole provider of energy to all state owned and municipal properties; requires certain NYPA projects; and that programs pay a prevailing wage and utilize project labor agreements.

number of LMI customers participating in clean energy programs. CCSA argues that if NYPA targets large-scale projects, more work needs to be done on how the revenues would be shared with customers. CCSA recommends that the Commission provide an opportunity for NYPA to refine its REACH proposal and provide more information after its first biennial Strategic Plan and allow for stakeholders to comment.

CCSA argues that there is no market failure in the DER segment so NYPA's efforts in supporting renewable projects should be focused on large-scale resources about 5 MWh. CCSA adds that there are over 5 gigawatts (GW) of distributed solar operating in New York and several more GW in the pipeline while large-scale solar has faced significant challenges. CCSA recommends that the REACH program should focus on the large-scale renewable segment in order to address existing gaps in the market rather than create a duplicate or redundant program to the distributed generation programs. CCSA suggests that NYPA partner with third party developers and solar companies wherever feasible to avoid redundancies with the private market. CCSA maintains that third party solar developers have extensive expertise that has been built up over decades. Further, CCSA adds that renewable development is not a core competency for NYPA and argues that it would be more cost effective and expeditious for NYPA to issue requests for proposals and create partnerships with third party developers rather than internalize these abilities itself. CCSA recommends that NYPA describe how its experience managing large hydropower will translate to its ability to operate projects of different technologies and scales.

CCSA suggests that guardrails should be established to ensure that NYPA does not have an unfair competitive advantage over third party solar developers and strongly opposes the use

of NY-Sun incentives in the REACH program. CCSA adds that NY-Sun incentives are designed to encourage private investment in the State's distributed solar market. CCSA proposes that the REACH program utilize only resources above 5 MW, which would nullify NYPA's access to NY-Sun incentives. CCSA suggests that if NYPA requires additional funding to build, develop, own, or operate projects participating in REACH, that it utilize funding sources other than already approved budget-limited State programs. CCSA notes that NYPA did not propose a required level of shared revenues from large-scale projects that it would pass on to customers through the REACH program but that its Board of Trustees would have discretion over what share of the past year's revenues from NYPA renewable energy projects to contribute to REACH beneficiaries. CCSA proposes that NYPA should be required to commit, in advance, to a minimum threshold for a percentage of revenues to customers, in line with what private Expanded Solar for All and S-SFA providers must offer. CCSA argues that without the requirement to make a minimum commitment to REACH beneficiaries, NYPA could use its competitive advantage to underbid relative to the fair market price of Tier 1 RECs and artificially suppress the Tier 1 REC price and negatively impact private developers.

CCSA recommends that the beneficiaries of the REACH program should be LMI customers within disadvantaged communities. CCSA is concerned with NYPA's proposal to utilize the EAP enrollment process for establishing eligibility for REACH bill credits. CCSA argues that by adding the S-SFA program serving customers already enrolled in EAP, the REACH program becomes redundant to S-SFA rather than additive. CCSA adds that EAP uptake is already very low among eligible households and that EAP-eligible customers only represent a portion of households within disadvantaged communities. CCSA

recommends that the Commission and NYPA explore ways to truly expand the breadth and depth of clean energy through the REACH program. CCSA argues that NYPA could partner with third party community solar providers to identify and enroll these customers in REACH bill discounts, recognizing customer outreach is a core competency of the existing segment of the private market.

CCSA suggests that NYPA should work with the Long Island Power Authority (LIPA) during the initial phase of the program rather than the secondary effort. CCSA notes that LIPA customers do not have access to S-SFA and incentives, so serving LMI customers on Long Island is a simple way the REACH program can be additive to existing programs. CCSA supports NYPA's proposal that REACH bill credits be able to be stacked with community solar savings, CCAs, S-SFA credits, and energy assistance programs.

CCSA proposes that REACH bill credit should be separately itemized and labeled from S-SFA credits, opt-in CDG credits, or on-site net metering credits. CCSA argues that it is important for ratepayers to understand the impacts of the State's programs.

Joint Utilities

The Joint Utilities generally support the Petition but offer programmatic recommendations for consideration. The Joint Utilities agree with NYPA that expanding REACH program eligibility to moderate-income customers through a phased approach would help New York achieve the Climate Leadership Community Protection Act (CLCPA) goals and deliver clean energy benefits to other customer segments. The Joint Utilities support implementing the REACH program and the S-SFA program together to streamline benefits and avoid complex administration. Further, the Joint Utilities suggest that the credits generated from the REACH and S-SFA programs could be

consolidated into a REACH/S-SFA funding pool at each utility and provided as one value stream, incremental to the EAP credits that the utilities already provide low-income customers.

The Joint Utilities recommend that the REACH program benefits be pooled with S-SFA benefits at the beginning of the program year and then divided by the estimated number of recipients resulting in one combined credit for all eligible recipients each month. The Joint Utilities argue that the calculation of the REACH program dollars generated from the small projects should be done in the same way as would be done in the S-SFA program. The Joint Utilities suggest that the agreed upon compensation level would be set during the standard offering and the portion identified for eligible beneficiaries would be entered into the utilities' REACH/S-SFA funding pool.

More specifically, the Joint Utilities would forecast the participating REACH projects' VDER Value Stack credits and the associated EAP customer share of those Value Stack credits, less the NYPA payment. The REACH portion of the funding pool would be combined with the S-SFA funding pool, then divided by the number of EAP customers at the end of the previous year, divided by the number of months in the upcoming year for which the credit will be applied. Unlike the smaller Value Stack REACH projects where the utilities have insight into the size and production capacity, the Joint Utilities state that they are unable to forecast the amount of additional funding from large-scale REACH projects or the additional funding source. Therefore, the Joint Utilities propose no forecasting for large REACH projects or additional funding sources in the annual credit pool calculation.

The Joint Utilities argue that NYPA should direct dollars generated from large-scale REACH projects to other utilities where geographic constraints hinder the development of

large-scale projects. The Joint Utilities recommend that eligibility for the program should extend to existing renewable energy projects to expand REACH program benefits, offering one of the fastest routes to providing clean energy bill savings to eligible beneficiaries. The Joint Utilities suggest that any customer communications regarding the REACH program be coordinated with the communications to EAP and S-SFA customers and argue that it will reduce customer confusion and simplify program administration. In addition to the proposed cost recovery, the Joint Utilities support an initial one percent utility administration fee for the small-scale VDER-qualified projects in the program. Also, the Joint Utilities recommend that billing system programming of the REACH program should be completed in conjunction with S-SFA programming. The Joint Utilities note that S-SFA and REACH programming cannot start until after the completion of current CDG crediting and billing automation efforts.

New York Energy Democracy Alliance

NYEDA supports the REACH program and suggests a mix of larger scale projects and a vast quantity of smaller scale projects should be fast-tracked to completion in order for NY to reach its CLCPA objectives. NYEDA asserts that labor protections mandated by the Build Public Renewables Act, including project labor agreements, protection of existing union contracts, and preferential hiring for workers displaced by the energy transition, must be enforced for all NYPA projects, particularly smaller scale community-based projects. NYEDA believes the REACH program should be structured to maximize benefits to communities that agree to host new generation projects. NYEDA recommends that projects specifically serve low-income residents of host communities by concentrating bill discounts in the same zip code and offer discounts that amount

to 50 percent of the overall electricity bill of each household, with some amount offered to these residents prior to the construction and operation of each project based on anticipated revenue and availability of funds from bond financing or other sources. NYEDA notes the importance of a partnership between the REACH program and anchor institutions such as hospitals, City University of New York, State University of New York, New York Community Housing Authority buildings, and other facilities to increase the visibility of projects.

NYEDA recommends that NYPA should lease roof space from landlords in disadvantaged communities and distribute credits to tenants, ensuring both owners and renters receive benefits. NYEDA suggests that REACH program implementation should mimic California's Solar on Multifamily Affordable Housing model in which credits are linked to meter numbers rather than utility account numbers to prevent loss of credits when tenants move, and also exempt these bill savings from income calculations when determining eligibility for other benefit programs. NYEDA advocates for REACH program co-development with Thermal Energy Networks. NYEDA states that the Commission should work with NYPA, the utilities, and other relevant stakeholders within and beyond the Utility Thermal Energy Network Jobs Act proceeding to accommodate adding generation with storage elements in conjunction with the pilots contemplated therein. NYEDA emphasizes the need for outreach and education funding coordinated by the Commission, NYSEIDA, and NYPA to ensure that information about the program reaches the communities that the program is intended to serve.

New York Solar Energy Industries Association

NYSEIA broadly supports the intent of the REACH program. NYSEIA appreciates NYPA's efforts to ensure that participants in the REACH program can also participate in

community solar. NYSEIA maintains that allowing participation in multiple programs expands the support available to low-income households and provides a safety net against rising energy costs.

Since the REACH program and S-SFA program are almost identical, NYSEIA's concerns are similar. NYSEIA notes that the State is proposing multiple parallel utility-administered programs to provide bill credits to low-income households and argues that coordination between these two programs is essential to avoid redundancy and maximize their impact. NYSEIA emphasizes the importance of ensuring that resources and funding are effectively allocated to avoid duplicative administrative costs and streamline efforts in advancing clean energy accessibility.

NYSEIA finds it challenging to provide feedback to the Commission without a clear understanding of what kind of projects NYPA plans to own. NYSEIA recommends that the Commission solicit additional input on the REACH proposal in combination with NYPA's Strategic Plan for the Build Public Renewables Act.

NYSEIA supports preserving the integrity and growth of the opt-in community solar market and asserts that the legislative intent of the NYPA REACH program of additionality extends beyond the bill savings for individual participating customers and also applies to the distributed solar market. Moreover, NYSEIA argues that REACH, S-SFA, and any other opt-out programs should complement rather than compete with opt-in community solar to avoid negatively impacting opt-in CDG programs. NYSEIA states that opt-in programs provide deeper monthly bill savings to subscribers.

NYSEIA adds that REACH projects should not be eligible for NY-Sun incentives because NY-Sun incentives play a key role

in incentivizing private investment in solar energy projects. NYSEIA notes that the NY-Sun incentives could be fully allocated by the end of 2025, and redirecting the funding to REACH projects could accelerate the timeline. Further, redirecting NY-Sun incentives to REACH projects will hinder growth opportunities for community solar providers who have helped grow the community solar market.

NYSEIA recommends that the State consider directing NYPA to participate directly in the S-SFA program and argues that NYPA REACH's participation in the S-SFA program provides an opportunity for the program to further its goals to reach LMI households. According to NYSEIA, NYPA can leverage its expertise and resources to provide greater benefits to households in need. NYSEIA notes that pooling the resources of the two programs can maximize their respective initiatives ensuring no community is left behind.

Public Power of New York Coalition

PPNY is concerned that only focusing on enrollment of EAP customers will inadvertently exclude eligible individuals and families not enrolled in EAP for various reasons. PPNY argues that this could lead to inequitable access to the REACH program. Instead, PPNY proposes implementing the REACH program through multiple pathways and suggests implementing a dedicated application process for households that meet income and community criteria, but not part of EAP. PPNY adds that California has implemented a similar process and that this approach would help in capturing a broader segment of eligible beneficiaries. PPNY notes that some individuals and families facing high energy burdens or living in areas with poor environmental conditions, but not officially recognized as disadvantaged communities, may be excluded. PPNY recommends that the REACH program's criteria for eligibility should also

include vulnerability indices such as energy burden, environmental justice scores, and other indicators of socio-economic and environmental vulnerability. PPNY recommends that the REACH program target customers who face the highest energy burden. Further, PPNY recommends directing revenues to customers in arrears and at risk of service disconnection. PPNY suggests that projects specifically serve the host communities by concentrating the project revenues through bill discounts in the same zip code, when practicable, with some amount offered to these residents prior to construction and operation of each project based on anticipated revenue and availability of funds from bond financing or other sources. PPNY proposes directing 50 percent of project revenues toward customers grappling with energy burdens (with 25 percent allocated to those in arrears and the remaining 25 percent to individuals facing significant energy burdens but not in arrears), and the remaining 50 percent of project revenue benefits would be allocated to other eligible customers. PPNY notes that prioritizing customers in financial hardship will also address the issue of "bad debt." PPNY notes that utilities or Load Serving Entities often impose fees and penalties particularly through disconnection and reconnection fees and accordingly supports a forgiveness program. PPNY suggests an innovative approach that would bridge the REACH program with other clean energy programs which could involve linking customers seeking debt relief with incentive initiatives aimed at encouraging participation in energy efficiency or demand side management programs. PPNY adds that a customer could opt to have their debt forgiven as an upfront incentive for enrolling in an approved energy efficiency or demand side management program. PPNY recommends that revenues from REACH projects should be used towards a forgiveness program that benefits local communities where applicable. Further, PPNY

recommends that outstanding debts be divided between utility shareholders and REACH credits.

PPNY states that funding for REACH program credits depends heavily on the performance of renewable energy projects and market conditions which will lead to variability of credits provided to beneficiaries. To enhance the stability and predictability of the REACH programs benefits, PPNY recommends diversifying the sources of funding for NYPA projects beyond market-dependent revenues. PPNY supports NYPA exploring additional funding sources such as state budget allocations, federal grants, and establishing partnerships with private entities. PPNY advocates for swift implementation of the REACH program to alleviate the burden of unaffordable utility bills on ratepayers at the earliest opportunity.

Public Utility Law Project

PULP strongly supports NYPA's approach to "stack" REACH program credits on top of other renewable energy and affordability programs. PULP emphasizes the importance of effective coordination among various State agencies and affordability programs. PULP supports the creation of an Office of Energy and Equity within the Department of Public Service to help coordinate this essential integration. PULP supports NYPA's proposal to automatically enroll existing and future EAP customers into the REACH program to leverage existing infrastructure but is concerned that using the EAP as the sole determinant of eligibility could limit access for underserved groups. PULP recommends that the Commission consider the inclusion of alternative pathways for REACH enrollment that do not rely on EAP participation. PULP proposes the development of a streamlined application for REACH, modeled after the self-certification process for EAP, that would be applicable across all electric utilities and accessible via NYPA's website and

social media platforms. PULP adds that the streamlined application process could also be used to enroll customers in EAP and Solar for All. While PULP supports "stacking" REACH program credits on top of affordability programs, it cautions that doing so could result in net credits on accounts, which could undermine the long-term sustainability of the benefits by allocating resources beyond the needs of consumers.

PULP is concerned with the fairness and equity in the allocation of benefits, particularly for low-income customers outside the Con Edison service area. PULP points out that NYPA proposes to provide REACH program credits to EAP participants automatically and this could result in an inequitable advantage for downstate ratepayers and potentially skew the fair distribution of credits. Therefore, PULP recommends that the Commission implement a benefit distribution model that adequately compensates project host communities.

PULP argues that implementation of the REACH program should also ensure low-income tenants receive equitable benefits. PULP argues that these households typically do not have the same level of control over their energy sources or efficiency as homeowners.

PULP maintains that outreach and public education efforts are essential for success and accessibility of the REACH program and suggests that the REACH program design include comprehensive and active monitoring, reporting, and evaluation mechanisms to ensure the program adequately meets the needs of LMI consumers. PULP adds that the investor-owned utilities should report monthly, similar to the EAP reporting requirements, regarding indicators such as enrollment figures, credit distribution, the impact of credits on recipients' utility costs, and administrative costs. Additionally, PULP supports NYPA submitting a separate petition for the development

of the moderate-income REACH benefit. At this time, PULP notes that it cannot comment of the addition of the moderate-income REACH program benefits because the Petition is solely focused on low-income benefits. Lastly, PULP recommends that NYPA participate in the EAP working group.

Renewable New York

RNY states concerns with the intermittency of wind and solar, and suggests that non-carbon nuclear generation could provide dependable REACH program credits since nuclear is firm and dispatchable generation. RNY states that geothermal baseload power is distinguished from solar or wind by the virtue of its potential for continuous generation. RNY notes that the NYISO reported that 20,000 MW of renewable generation is needed to prevent system reliability issues between now and 2030. Further, RNY adds that it would take 120,000 MW of solar or 160,000 MW of wind to replace the output of fossil fueled plants.

New York Power Authority

NYPA submitted reply comments noting that most commenters support the NYPA REACH proposal and aligning the program with the S-SFA. To maintain alignment between REACH and S-SFA, NYPA proposes to modify its REACH proposal to further align the REACH program with the S-SFA Order.

NYPA disagrees with NYSEIA and CCSA comments that REACH projects should not be eligible for NYSERDA's NY-Sun incentives. However, because the S-SFA Order states that while S-SFA projects are not eligible for the NY-Sun Community Adder and the NY-Sun Inclusive Community Solar Adder, they could be eligible for the NY-Sun base incentives, the Brownfield/Landfill Adder, and the Prevailing Wage Adder, NYPA argues that it should be eligible to receive the same financial incentives, including NY-Sun incentives, offered to other renewable energy developers.

NYPA asserts that it is eligible for NY-Sun base incentives under current directives of the Commission and explains that the Clean Energy Standard Framework Order stated that "partial pay" NYPA customers that do pay the Clean Energy Fund (CEF) surcharge are entitled to full services under the CEF.¹⁰ NYPA argues that the Commission's eligibility determination should not be re-interpreted to prevent NYPA REACH projects from receiving NY-Sun incentives that are available to projects participating in the S-SFA program. NYPA recommends that the Commission align the REACH program with the S-SFA program and allow NYPA REACH projects to receive NY-Sun incentives to preserve their economic viability, should they otherwise be eligible.

NYPA asserts the REACH Enactment supports the position that NYPA REACH projects should be eligible for NY-Sun incentives because it states that the REACH Enactment bill credits include any incentive payments for CDG projects serving a disadvantaged community. NYPA notes that PSL §66-p(8) requires the Commission to consider these enhanced incentive payments in the context of the REACH program. NYPA argues that its enhanced participation in the renewable energy marketplace will not "crowd out" private investment and adds that it intends to explore opportunities to work in partnership with private sector renewable developers to accelerate activity. NYPA requests that the Commission continue to align the REACH program with S-SFA and confirm NYPA's eligibility to receive NY-Sun incentives (not including the Community Adder or the Inclusive Community Solar Adder) for DER projects developed under the REACH program. NYPA adds that the incentives will help bring

¹⁰ Case 15-E-0302 et al., Clean Energy Standard, Order Approving a Clean Energy Standard (issued August 1, 2016) (Clean Energy Standard Framework Order).

down the costs of the project allowing NYPA to increase the amounts it has available to invest in renewable energy projects.

NYPA notes that the Joint Utilities, PULP, and the City support NYPA's initial focus on low-income beneficiaries with later focus on moderate-income beneficiaries. NYPA adds that PPNY recommends that NYPA expand the REACH program to include "vulnerability indices such as energy burden, environmental justice scores and other indicators of socio-economic and environmental vulnerability." NYPA recommends adopting the Commission's decision in the S-SFA proceeding requiring that S-SFA recipients must be 1) low-income, and 2) reside within the geospatial boundaries of a disadvantaged community. While the original NYPA proposal did not require recipients to be in a disadvantaged community, NYPA now proposes to align with the S-SFA program and require the recipients to be both low-income and in a geospatial disadvantaged community. NYPA further recommends that the REACH program be expanded to all low-income EAP customers when the issue is later revisited by Staff and the Commission.

Regarding implementation of the REACH program, NYPA notes the Joint Utilities' recommendation that the REACH program be implemented in parallel with S-SFA, only after they have completed their current efforts to streamline and enhance the CDG billing systems. NYPA also points out that NYEDA urges NYPA to move quickly on implementation, while NYSEIA suggests that the Commission solicit additional comments in conjunction with NYPA's forthcoming Strategic Plan. In response to these comments, NYPA urges the Commission to require the Joint Utilities to implement the REACH program billing adjustments in tandem with ongoing S-SFA efforts. NYPA adds that comments advocating that the Commission delay action on the Petition should be rejected.

NYPA originally proposed that the Joint Utilities would distribute credits from non-DER projects, including large-scale renewable project revenue, bulk storage, and third-party contributions in the first four months of the calendar year. In response to comments from the Joint Utilities and the City, NYPA now proposes to eliminate the seasonality component of non-DER revenues and align with the S-SFA program to make implementation of the program for the Joint Utilities more efficient.

Further, NYPA notes that the Joint Utilities and the City both commented that the REACH program should adopt the annual credit calculation approach originally utilized under the E-SFA program whereby National Grid would annually project the monthly bill credit amount for the forthcoming calendar year, with a static bill credit applied to all EAP customer bills in each month of the following calendar year. NYPA states that the Commission declined to adopt such a process for the S-SFA program in the S-SFA Order and instead adopted an approach whereby credits will be paid to the project owner the month after they are generated and to eligible customers in an annualized amount based upon a year's worth of aggregated credits that are pooled together from all S-SFA projects and then equally distributed to S-SFA recipients the year after they are generated. NYPA argues that the REACH program should utilize the same credit calculation and distribution approach approved by the Commission in the S-SFA Order so as to further align the two programs and increase program efficiency and impact.

In its reply comments, NYPA proposes adoption of a formulaic distribution methodology whereby revenues from large-scale renewable projects, bulk storage projects, and third-party contributions are distributed to each respective member of the Joint Utilities, in an amount that is proportional to that

utility's share of all current EAP customers residing in a disadvantaged community. NYPA argues that this approach would enhance NYPA's original proposal and recommends that the Commission adopt the equitable distribution methodology approach as described above.

In response to comments from PULP and PPNY that the EAP program appears to be undersubscribed, thus recommending that NYPA create a standalone enrollment pathway aside from the existing EAP process, NYPA notes that the REACH Enactment directs that REACH program beneficiaries be automatically enrolled in the program with the ability to opt-out. NYPA asserts that a separate individual enrollment effort for the REACH program would be inconsistent with this requirement and duplicate the existing EAP enrollment processes of the Joint Utilities and the S-SFA Order. NYPA recommends that the Commission require the Joint Utilities to work the REACH program into the S-SFA Enrollment and Awareness Plan requirement context. In addition, NYPA states it could place links on its website to information on how to subscribe to EAP, a description of EAP benefits such as S-SFA and REACH bill credits, and information encouraging dual participation in opt-in CDG.

In response to comments from the Joint Utilities and the City noting that the Petition does not address the ability of existing renewable energy projects to participate in REACH, NYPA agrees that participation of existing projects is advantageous to the REACH program and notes that under its proposal existing projects may elect to participate in the REACH program by making voluntary contractual commitments to NYPA to provide funding, on a one-time or annual basis for a given term of years to be distributed to the Joint Utilities to fund REACH bill credits. Based on comments received, NYPA confirms that the enactment authorizes NYPA to partner with existing

renewables and is actively seeking opportunities to work with or acquire existing, in-development projects.

Responding to both the NYEDA comments suggesting that NYPA lease roof space from landlords in these communities and distribute credits to tenants, and the PULP comments that these benefits should also be provided to low-income renters, NYPA states that rooftop leasing is not in the REACH Enactment, but that NYPA intends for the REACH program to provide bill credits to both homeowners and tenants in addition to other credits they receive.

In response to comments from PULP suggesting that the Joint Utilities report monthly to the Commission for transparency and accountability, NYPA recommends that the Commission adopt an annual reporting requirement for the REACH program to maintain alignment with the S-SFA Order.

Regarding comments from the City and the Joint Utilities recommending that costs be recovered by a one percent administrative fee on DER projects, NYPA notes that the S-SFA Order adopted a one percent utility fee cap with a requirement to distribute unused funds back to S-SFA program recipients. NYPA indicates that it defers to the Commission on the issue of utility compensation and agrees with the Commission's indication in the S-SFA Order that REACH should be aligned with the S-SFA program.

Finally, NYPA notes that many commenters submitted comments that appear relevant to NYPA's expanded authority for renewable development but are outside the scope of the REACH Petition. NYPA states that it values the important stakeholder feedback which is relevant to NYPA's forthcoming Strategic Plan and will be given due consideration.

LEGAL AUTHORITY

The Commission has the authority to direct the treatment of DERs by electric corporations, pursuant to, inter alia, PSL §§5(2), 66(1), 66(2), and 66(3). Pursuant to the PSL, the Commission determines what treatment will result in the provision of safe and adequate service at just and reasonable rates consistent with the public interest. Furthermore, the Commission has the responsibility pursuant to PSL §66-p(5) to ensure that 6 GW of distributed solar generation is procured by 2025, and pursuant to PSL §66-p(7) to design programs in a manner to provide substantial benefits for disadvantaged communities, including LMI consumers. Finally, PSL §66-p(8) directs the Commission to commence "necessary proceedings to enable the power authority of the state of New York to provide bill credits from renewable energy generating projects under the renewable energy access and community help program, or "REACH", ... to low-income or moderate-income end-use electricity consumers in disadvantaged communities.

DISCUSSION

NYPA's REACH program will enable low-income and moderate-income electricity consumers to receive bill credits through the production of renewable energy from projects developed by or for NYPA in New York, making electricity more affordable for more New Yorkers while helping to decarbonize the State's electric grid. NYPA's REACH Petition is adopted with the modifications described herein.

Coordination with Other Programs

The REACH program is designed to align with the recently adopted S-SFA program. Coordination of these two programs is key to providing meaningful bill credits to low-income customers while avoiding administrative redundancies.

Coordinating implementation of these two programs is discussed further below. Additionally, the Commission agrees with CCSA and NYSEIA, who stress that the REACH program should complement, not compete, with opt-in community solar projects. The REACH program bill credits are intended to be incremental to any other program or benefit the recipient receives. The Commission has spent considerable time and effort supporting the opt-in community solar market and seeing it thrive in New York. The Commission affirms that the REACH program is intended to complement existing opt-in CDG programs and that REACH program recipients can still participate in opt-in CDG.

Eligibility

In general, all commenters support the intent of the REACH program to provide bill credits to low-income households and, eventually, moderate-income households. Commenters support aligning the REACH program with the rules and requirements of the S-SFA program to significantly streamline program implementation and administrative efficiencies. Aligning the two programs will allow NYPA to leverage the existing infrastructure and process for enrollment. NYPA proposes to tailor the initial phase of the REACH program by providing bill credits to all recipients of the EAP program. However, in their reply comments, NYPA proposes limiting the REACH program recipients to EAP customers within a disadvantaged community in order to align the program with the S-SFA eligibility rules and provide a more meaningful benefit to those greatest in need of assistance.

The majority of commenters agree that EAP enrolment should be the identifying factor for program eligibility. PPNY and PULP express concerns that the EAP should not be the sole determinant for program participation and suggest that NYPA should explore other pathways for enrollment. PPNY recommends

looking at other factors for eligibility, such as environmental justice scores or customers that are in arrears with the utility. PULP argues that NYPA did not distinguish REACH program recipients who are building owners as opposed to tenants.

The Commission finds that using EAP recipients within disadvantaged communities as the identifying factor for REACH eligibility is the most efficient and streamlined approach for program implementation and will avoid duplicate processes for the REACH and S-SFA programs. While the Commission understands PPNY and PULP's concerns about missing eligible participants, we expect that the customer outreach by the Joint Utilities for the S-SFA program, and by NYPA for the REACH program, will bring attention to the EAP program and boost enrollment. Further, as NYPA states in its reply comments, it intends to provide bill credits to homeowners and tenants, which the S-SFA crediting process will enable.

REACH Bill Credits

The intention of the REACH program is to be an incremental program or benefit such that being a participant will not affect a recipient's participation in any other renewable energy or affordability program. Several commenters support "stacking" the bill credits on top of credits from CDG or S-SFA programs. Further, NYPA and several commenters support aggregating the REACH program credits with the S-SFA program and displaying the credits on one line on the bill labeled "S-SFA/REACH" credits. CCSA recommends that the REACH program should be separately itemized from S-SFA credits, opt-in CDG, or on-site metering credits so ratepayers understand the impacts of the program.

Lines on a customer's utility bill are very limited and itemizing the REACH program from other programs could cost

more in billing system upgrades. In an effort to implement the REACH program as quickly and efficiently as possible, the Commission directs the Joint Utilities to aggregate the bill credits from the REACH and S-SFA programs together and display them on one line item as "S-SFA/REACH" credits of the electric customer's delivery portion of the utility bill. This will streamline the administrative efforts of the utilities while minimizing program costs and aligning the REACH program with the S-SFA program. Opt-in CDG and on-site metering credits should remain a separate line-item on customer bills so that customers can distinctly see the impacts of such voluntary programs separate and aside from the credits associated with the REACH and S-SFA programs. Additionally, S-SFA/REACH program credits shall be applied to customer bills in the same manner as low-income credits associated with utility energy affordability programs, including processes for rolling over credits to the following month and treatment of customers who leave the program.

The Commission believes that the "stacking" of REACH and S-SFA program credits will help to further drive energy affordability for vulnerable New Yorkers and notes that these credits will be applied to customer bills along with monthly EAP credits, which will collectively advance the Commission's Energy Affordability Policy that sets a goal for low-income customers to pay no more than six percent of their annual income towards utility bills. At the early stages of the REACH and S-SFA programs, the Commission expects that the combined value of these credits will provide more meaningful benefits to recipients. At this stage, it is difficult to ascertain the collective impact of monthly REACH, S-SFA, and EAP credits on low-income customer's bills; however, it is imperative that these resources are optimized to have the greatest impact for as

many low-income customers as possible. To provide clarity into the impact that these credits will have on the bills of low-income recipients, the Joint Utilities are directed to report annually on REACH and S-SFA program beneficiaries and the value of credits, as discussed in the reporting section below. Further, Staff is directed to monitor the cumulative impact of EAP, S-SFA, REACH, and other potential bill credits on the energy burden of low-income customers on an annual basis and seek opportunities to optimize the impact of these collective resources to reduce energy burdens for the greatest number of low-income customers. Based on this monitoring, if modifications to crediting methodologies for REACH, S-SFA, or EAP are warranted, Staff can propose necessary modifications to the Commission for consideration.

Sources of Funding for REACH Credits

A. Small Scale Projects

The REACH program calls for development of both smaller DER projects of 5 MW or less and large-scale projects greater than 5 MW. For smaller DER projects that are eligible under the VDER Value Stack tariff and that are planned, designed, developed, financed, constructed, owned, operated, maintained, improved, or contracted for by NYPA, NYPA requests that the Commission align the credit calculations with the S-SFA program. Specifically, the Joint Utilities would aggregate VDER Value Stack credits that are pooled together from all projects during the previous year and then distribute equalized monthly credits during all 12 months of the subsequent year, based on the previous year VDER credits generated. With the pooling of S-SFA credits and NYPA REACH credits concurrently, the sum of these credits would be used to determine the monthly credits on each EAP participant's utility bill. NYPA recommends distributing these bill credits to eligible recipients within

the utility territory in which the project was constructed. NYPA also requests that the Commission direct the Joint Utilities to provide a share of the Value Stack compensation directly to NYPA to cover project costs using the same streamlined mechanism set forth in the S-SFA Order.

The Commission approves this approach for projects of 5 MW or less that are part of the REACH program. REACH projects receiving VDER Value Stack compensation shall have a portion of the value of those credits diverted to the Joint Utilities for crediting to customers, with a one percent administrative fee provided to the utility and the remainder going to NYPA to cover the costs of developing the project. As proposed by NYPA, REACH projects will utilize the Standard Offer compensation levels developed by NYSERDA pursuant to the S-SFA Order to determine the amounts going to the credit pool (the customer share) and the amounts provided to NYPA.¹¹ More specifically, each utility will calculate the Value Stack credits associated with a participating project's generation using existing Value Stack tariff compensation mechanisms. Each utility will be required to comply with their Value Stack compensation mechanism and credit the NYPA project with the Value Stack compensation amount calculated by the utility for the project for the previous month, in accordance with Value Stack rules, multiplied by their assigned Standard Offer compensation level percentage. Standard Offer payments shall then be made monthly to NYPA, less the one percent administrative fee retained by the utility and the balance being paid into the credit pool for low-income beneficiaries. The Commission expects that NYPA will need to execute pro-forma agreements with each of the Joint Utilities that will confirm: utility implementation of the REACH program;

¹¹ S-SFA Order, pp. 35-40.

that the utilities will provide necessary reporting described herein to both NYPA and Staff; and the provision of payments and the corresponding timing of payments described herein to NYPA. Similar "participation agreements" are utilized in the Expanded Solar for All and S-SFA programs and NYPA and the Joint Utilities are directed to collaborate on the development of such an agreement for the REACH program and execute such an agreement by January 1, 2025. If NYPA and the Joint Utilities are unable to develop a mutually acceptable agreement due to a disagreement on specific contract terms, Staff will be available to mediate such disputes.

The Joint Utilities shall aggregate VDER Value Stack credits that are pooled together from all REACH projects and then distribute equalized monthly benefits during all 12 months of the year, based on the VDER Value Stack credits earned during the 12-month period ending September 30 of the previous year. The Joint Utilities shall begin providing eligible customers with credits from these smaller scale projects by January 1, 2026. These credits will be provided to eligible REACH program participants in the utility service territory where the project is located.

B. Large Scale Projects

For the large-scale projects greater than 5 MW, NYPA originally recommended that the Joint Utilities distribute the bill credits over the first four months following the program compliance year (calendar year), when the revenues or contributions were received by NYPA. The Joint Utilities and the City commented that the seasonality of non-DER revenue streams should be eliminated, noting the administrative burden and potential for customer confusion. Subsequently, in their reply comments, NYPA agreed with these commenters and now recommends the elimination of the seasonality component in light

of the administrative burden on the Joint Utilities and to further align the REACH program with the S-SFA program. The Commission supports this approach and directs the Joint Utilities to distribute REACH bill credits from large-scale project revenues to REACH recipients on a monthly basis. These revenues from large-scale projects should be distributed monthly, concurrent with the distribution of bill credits for the smaller (5 MW or less) projects through the VDER Value Stack. We direct NYPA and the Joint Utilities to coordinate this effort and reflect such in the participation agreement so that one set of benefits is received monthly encompassing both large-scale renewable and smaller projects.

NYPA is directed to distribute the revenues from large-scale projects accumulated over a calendar year to the utilities by October 1 of the following year, in order to align with the annual EAP credit calculation which is filed by the utilities with the Commission on November 1 of each year. Specifically, during the first year of the REACH program, NYPA shall accumulate 12 months of large project revenues (January 1, 2025, through December 31, 2025) before allocating and submitting those amounts to the Joint Utilities on or before October 1, 2026, for the Joint Utilities to begin applying those bill credits to customer bills beginning January 1, 2027. The bill credits from large-scale project revenues will therefore be distributed on an approximate two-year lag.¹² In subsequent years, NYPA's REACH program shall accumulate a full year of large project revenues before allocating those revenues to the Joint Utilities by October 1 of the following year for them to begin applying those credits to their respective REACH program participants on a monthly basis, beginning on January 1, of the

¹² NYPA stated it will need several months after the close of the calendar year for the settlement process.

subsequent year. The Commission agrees and adopts the approach described above as it will equitably benefit customers statewide. To effectuate the transfer of revenue generated by large projects, including third-party contributions, from NYPA to the Joint Utilities, an agreement will need to be executed by the parties providing for the transfer and processing of those dollars. NYPA and the Joint Utilities are directed to coordinate on the development of such an agreement, which can be done in connection with or separately from the agreement necessary to implement credit transfers for small projects discussed above, and execute such an agreement by January 1, 2025. If NYPA and the Joint Utilities are unable to develop a mutually acceptable agreement due to a disagreement on specific contract terms, Staff will be available to mediate such disputes.

In its Petition, NYPA proposed that revenue from large-scale renewable projects be distributed to REACH participants in two ways: (1) in the service territory where the project interconnects; and (2) in the Con Edison territory where there are fewer opportunities to develop large-scale renewables. The City notes that 51 percent of the State's low-income residents reside in New York City and recommends that 45 percent of the large-scale revenues should flow back to Con Edison customers. The Joint Utilities and PULP argue that there are other areas of the State, in addition to New York City, that have difficulty developing large-scale renewable projects. PULP cautions against disproportionately favoring downstate customers. In its reply comments, NYPA supports a formulaic approach whereby revenues from the large-scale projects, along with revenues from bulk energy storage and third-party contributions, are distributed to each utility in an amount proportional to that utility's share of all current EAP electric

and combined gas/electric customers residing within the boundaries of a disadvantaged community.

The Commission finds that the distribution of large project revenues, as proposed by NYPA and modified in its reply comments, will provide meaningful bill credits to those customers with the greatest need in the initial stages of the program. The Commission recognizes that there may be other areas of the State that, like downstate, face challenges with renewable generation development and siting, but believes that focusing on ensuring benefits to the region of the State where these issues have been most prominent is appropriate for the initial phase of the REACH program. The Commission also recognizes the significant challenges associated with developing large-scale renewable energy in certain service territories and that some customers have had fewer opportunities to benefit from renewable energy. Moreover, as discussed by the City, more than half of the State's EAP customers are located in New York City, an area particularly impacted by limited availability of renewable development. That said, as pointed out by the Joint Utilities, there are other areas of the State that have experienced the same difficulties with renewable energy development as downstate. Thus, the distribution of revenues derived from large scale projects to all the Joint Utilities based on their pro-rata share of EAP customers that reside within a disadvantaged community, as described, is fair and equitable and is therefore adopted. In order to effectuate this distribution, the Joint Utilities will need to provide NYPA with a snapshot of REACH program eligible customers on an annual basis. The Joint Utilities shall, by July 1 each year and beginning in 2026, file the total number of EAP customers residing in a disadvantaged community, broken out by service type (i.e., combined gas and electric, gas only, or electric

only). The pro-rata shares of EAP customers that reside within a disadvantaged community shall be determined based on the number of such customers at the time of this filing by the Joint Utilities on July 1 each year.

The Joint Utilities and the City argue that the NYPA Petition does not address partnering with existing projects to provide bill credits to REACH program participants. NYPA agrees that participation of existing projects is advantageous to the REACH program and will jump start the REACH program while NYPA develops new renewable projects. Under PAL §1005(27-a)(f), NYPA is authorized to enter into public-private partnerships or obtain a majority ownership interest in existing projects that could be leveraged into additional revenue to fund REACH program bill credits. The REACH Enactment clearly authorizes NYPA to work with existing projects and the Commission expects NYPA to seek opportunities to do so, whether through a request for proposal process or directly through power purchase agreements.

NY-Sun Incentives

Several commenters are opposed to NYPA receiving NY-Sun incentives stating that the incentives are meant to spur private investment in the distributed solar market. NYPA argues that they should be able to receive the same incentives as other DER projects noting the Commission clarified in the CEF Framework Order that "partial pay" NYPA customers that do pay the CEF surcharge are entitled to receive full services under the CEF.¹³ NYPA continues that the utility "partial pay" customers are entitled to NY-Sun incentives. The Commission agrees in part. The Commission determined in the S-SFA Order that the S-SFA projects are eligible for the NY-Sun base

¹³ Case 14-M-0094, et al., Clean Energy Fund, Order Authorizing the Clean Energy Fund Framework (issued January 21, 2016), p. 63 (CEF Framework Order).

incentives but not the Community Adder and the Inclusive Community Solar Adder since there are no customer acquisition costs associated with S-SFA. Similarly, we adopt the same restrictions for the NYPA REACH projects to only be eligible for the NY-Sun base incentives, the Brownfield/Landfill Adder, and the Prevailing Wage Adder.

Implementation Schedule

NYPA requests that the Commission issue an order to implement REACH program as soon as possible, ideally by the third quarter of 2024, to allow for the REACH program to be established prior to calendar year 2025 when NYPA's Strategic Plan will be finalized. CCSA suggests that evaluation of the REACH program is premature before the release of the Strategic Plan to gain more information on NYPA's plan for renewable development. NYSEIA recommends that the Commission solicit additional comments in conjunction with the Strategic Plan. The Joint Utilities support implementing the REACH program in parallel with the S-SFA program, but only after the utilities have completed their current efforts to enhance the CDG billing systems. The Joint Utilities assert that parallel implementation would reduce the costs associated with utility system billing upgrades.

While the Commission supports implementing the REACH program without delay, we must ensure that the utilities are prepared to issue the bill credits to REACH program recipients in an accurate and timely manner. According to recent reports filed in the Department's Document Matter Management system by the utilities, the majority of the utilities have completed

their CDG automation efforts.¹⁴ To that end, the Commission directs the Joint Utilities to file, within 60 days of the effective date of this Order, an implementation plan that includes: (1) the process to automatically enroll or un-enroll customers in the REACH program once the utility receives notification of the customer's eligibility for EAP enrollment/un-enrollment; (2) a customer outreach and education plan; and (3) estimated costs for customer information system and billing system modifications upgrades required for REACH program implementation. As part of the estimated costs provided, the Joint Utilities shall indicate if any of these costs are incremental to the costs related to S-SFA implementation.

Administrative Costs

In its Petition, NYPA states that Joint Utilities should be able to recoup their incremental costs related to REACH implementation but did not include a proposed value or cap on such expenses. Commenters suggest a one percent administrative fee on REACH VDER projects, similar to the administrative fee approved for S-SFA program. The Commission agrees and adopts a one percent utility administrative fee on VDER and large-scale projects, with a requirement to distribute unused funds back to the REACH program recipients via contribution of such funds to the next annual credit pool.

It is understood that the utilities will incur administrative expenses in ramping up the REACH program at least a year in advance of receiving the one percent administrative fee. To address this timing mismatch, the utilities will be

¹⁴ Con Edison, National Grid, Central Hudson, and Orange and Rockland have completed their automation efforts. NYSEG and RG&E expect to complete automation in the first quarter of 2025.

permitted to defer the revenue requirement impacts of prudent, necessary, and incremental costs incurred before billing starts for customer information system and billing system upgrades/modifications needed to be able to execute the REACH program, and the ongoing incremental costs to track various elements of the utility's billing system as required by this Order. No other administrative costs may be included in the deferral amount. Amounts deferred in accordance with this Order shall accrue interest at the utility's "other customer provided capital rate," unless the utility rate plan currently in effect specifies a different rate. Recoveries through the one percent administrative fee should be used to offset such deferrals. These provisions are consistent with the approach in the S-SFA Order, as clarified by the Commission,¹⁵ which was based on the CDG Consolidated Billing Order.¹⁶ To the extent that a utility incurs implementation costs in excess of what it would be able to recover through the one percent Utility Administrative Fee, the utility may file a separate petition for Commission consideration to modify the one percent Utility Administrative Fee and/or to otherwise address the excess deferred cost balances.

The Joint Utilities are directed to file an annual report with the Commission detailing the amount of the one percent administrative fees collected by each utility and the costs to implement the REACH program. The initial report shall be filed beginning March 1, 2025, with subsequent reports filed

¹⁵ Case 21-E-0629 et al., Order Providing Clarification (issued September 24, 2024).

¹⁶ Case 19-M-0463, Consolidated Billing for Distributed Energy Resources, Order Regarding Consolidated Billing for Community Distributed Generation (issued December 12, 2019).

annually, on or before March 1, until they are discontinued as directed by the Commission.

Reporting Requirements

NYPA proposes that the Joint Utilities file annual reports with the Commission summarizing compliance with REACH program requirements, including the total number of REACH program beneficiaries enrolled, the total value of bill credits provided to the beneficiaries, and other pertinent data. PULP argues that the Joint Utilities should file monthly reports, similar to the EAP reporting requirements, on indicators such as enrollment figures, the extent of credit distribution, the impact of the credits on the recipient's utility costs and any administrative costs the utility seeks to recover from its ratepayers.

The Commission finds that monthly reporting would add an unnecessary administrative burden on the Joint Utilities. The monthly reporting requirements PULP suggested will add more costs, time, and require additional system upgrades in order to implement the REACH program. However, the Commission finds it reasonable to adopt an annual reporting requirement as proposed by NYPA. The Joint Utilities are directed to file annual reports to the Commission accounting for the total number of REACH program beneficiaries enrolled, the total value of bill credits provided to beneficiaries for the calendar year (January-December), as well as the capacity and generation in operation, broken out by utility service area, by March 1 of the following year, beginning on March 1, 2026. The Joint Utilities shall also track and report on instances where customer bills are reduced to \$0 as a result of REACH/S-SFA credits, including the number of such instances and the total dollar value associated with rollover credits that are carried forward and applied to a customer's bill in the following billing period.

NYPA and the Joint Utilities shall coordinate reporting efforts to ensure that the Joint Utilities have access to the necessary information to complete their reports.

Tariffs

Under current effective VDER tariffs, renewable generation is compensated via bill credits. NYPA requests that the Commission direct the Joint Utilities to file modifications to their VDER tariffs. Specifically, such modifications would allocate the credits from NYPA developed VDER-qualified projects in a manner similar to the S-SFA program by directing that: (1) a share of the credits go directly to eligible REACH program beneficiaries; (2) a share of the credits go to NYPA to pay for the project costs; and (3) that one percent administrative fee be retained by the Joint Utilities to cover their administrative expenses to implement the REACH program. NYPA proposes that share percentages mirror the utility-specific values to be set by NYSERDA and Staff, as set forth in the S-SFA program through the Standard Offer process administered by NYSERDA. In addition, NYPA requests that REACH program bill credits be aggregated with S-SFA bill credits. A majority of commenters agree that the REACH bill credits should be aggregated with the S-SFA bill credits. The Joint Utilities state that the bill credits should be consolidated into the S-SFA funding pool to provide one value stream to beneficiaries. The Commission finds that NYPA's request to modify the VDER tariffs in a manner similar to the S-SFA program is appropriate and therefore adopted.

To effectuate the REACH program, the Joint Utilities are directed to file tariff amendments incorporating the directives of this Order. The tariff amendments shall be filed on not less than 30 days' notice, to become effective on January 1, 2025, on a temporary basis. As this Order was the subject of

substantial public process, the requirements related to newspaper publication of the tariff amendments are waived.

CONCLUSION

The implementation of the NYPA REACH program is approved with modifications described above. The Commission finds that the REACH program fits within a balanced community solar policy that is prioritizing benefits for low-income households and driving the growth of DER across the State. With the prioritization of energy affordability and equitable access to clean energy for the State's low-income customers, New York is in a better position to meet its clean energy mandates.

The Commission orders:

1. The New York Power Authority's Renewable Energy Access and Community Help Program that provides benefits to low-income end-use electricity customers within disadvantaged communities is adopted, with modifications, as discussed in the body of this Order.

2. For smaller projects of 5 megawatts or less, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall aggregate Value of Distributed Energy Resource Value Stack credits that are pooled together and distribute monthly benefits during all 12 months of the year, based on the Value Stack credits earned during the 12-month period ending September 30 of the previous year, beginning January 1, 2026, as described in the body of this Order.

3. For large-scale projects greater than 5 megawatts, the New York Power Authority shall utilize a formulaic approach

whereby a portion of revenues from a large scale renewable project, along with a portion of revenues from bulk energy storage and third-party contributions, are distributed to Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation in an amount proportional to each utility's share of all current major electric investor-owned utility Energy Affordability Policy electric and combined gas/electric customers residing within the boundaries of a disadvantaged community, as discussed in the body of this Order.

4. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall, by July 1 each year and beginning in 2026, file the total number of Energy Affordability Program customers residing in a disadvantaged community, broken out by service type (i.e., combined gas and electric, gas only, or electric only), as discussed in the body of this Order.

5. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall apply credits on customer bills associated with the revenues received pursuant to the Renewable Energy Access and Community Help Program adopted by this Order beginning January 1, 2027, as discussed in the body of this Order.

6. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation are authorized to recover their incremental costs related to Renewable Energy Access and Community Help Program through implementation of a one percent administrative fee as discussed in the body of this Order. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall, on March 1, 2025, and annually on that date thereafter, file an annual report detailing the funds used to recover the implementation costs associated with Renewable Energy Access and Community Help Program implementation, as discussed in the body of this Order.

7. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation are permitted to defer the revenue requirement impacts of prudent, necessary, and incremental costs incurred before billing starts for customer information system and billing system upgrades/modifications needed to be able to execute the Renewable Energy Access and Community Help Program, and the ongoing incremental costs to track various elements of the utility's billing system as required by this Order. No other administrative costs may be included in the deferral amount and amounts deferred in accordance with this Order shall accrue interest at the utility's "other customer provided capital rate," unless the

utility rate plan currently in effect specifies a different rate. Recoveries through the one percent administrative fee should be used to offset such deferrals, as discussed in the body of this Order.

8. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall, within 60 days of the effective date of this Order, file an implementation plan which outlines the full implementation of the Renewable Energy Access and Community Help Program, as described in the body of this Order.

9. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall aggregate the bill credits from the Renewable Energy Access and Community Help Program and State Wide Solar for All together and display them on one line of the electric customer's delivery charges indicated as "S-SFA/REACH" credits.

10. The New York Power Authority, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall coordinate on the development of one or more agreements necessary to implement the Renewable Energy Access and Community Help Program adopted by this Order, as discussed in the body of this Order. In the event that these parties are unable to develop a mutually acceptable agreement, Department of Public

Service staff shall be available to mediate disputes regarding agreement terms and conditions.

11. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file tariff amendments effectuating a Renewable Energy Access and Community Help Program, on not less than 30 days' notice to become effective on January 1, 2025, on a temporary basis, as discussed in the body of this Order.

12. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720.8.1, as to newspaper publication for the tariff modifications in Ordering Clause No. 11, are waived.

13. The New York Power Authority may only receive the NY-SUN base incentives, the Brownfield/Landfill Adder and the Prevailing Wage Adder, but not the Community Adder or Inclusive Community Solar Adder, consistent with the Statewide Solar For All Program and consistent with the discussion in the body of this Order.

14. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall, by March 1, 2026, and annually on that date thereafter, file an annual report to the Commission accounting for the total number of Renewable Energy Access and Community Help Program beneficiaries enrolled, the total value of bill credits provided to program beneficiaries, the capacity and generation in operation, broken out by utility service area, and the number of instances and the total dollar value associated with rollover credits that are

carried forward and applied to a customer's bill in the following billing period, as discussed in the body of this Order.

15. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

16. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary