

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

Case 19-E-0735 - Petition of New York State Energy Research and Development Authority Requesting Additional NY-Sun Program Funding and Extension of Program Through 2023.

Case 14-M-0224 - Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs.

ORDER APPROVING STATEWIDE SOLAR FOR
ALL PROGRAM WITH MODIFICATIONS

Issued and Effective: May 16, 2024

Table of Contents

INTRODUCTION.....	1
BACKGROUND.....	2
Energy Affordability	2
Low-Income CDG Participation and Expanded Solar for All	4
New York’s 10 GW Distributed Solar Goal	8
Beyond New York’s 10 GW Distributed Solar Goal	9
New York’s 6 GW Energy Storage Roadmap	10
Community Choice Aggregation	11
S-SFA Staff Proposal	12
E-SFA Phase 1 Report	13
Renewable Energy Access and Community Help Petition	14
NOTICE OF PROPOSED RULE MAKING.....	16
LEGAL AUTHORITY.....	16
DISCUSSION.....	16
Statewide Solar for All Implementation Framework	16
Customer Enrollment and Awareness	24
Inclusion of Distributed Energy Storage	30
NY-Sun Incentives	32
Procurement Approach and Compensation Levels	35
Project Enrollment Process	44
Capacity Caps	47
Utility Credit Pooling and Reconciliation	51
Targeted Distribution of EAP Credits	55
Utility Compensation	59
Utility Reporting	62
Implementation Timeline	64
CONCLUSION.....	68
APPENDIX	

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

COMMISSIONERS PRESENT:

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

CASE 21-E-0629 - In the Matter of the Advancement of Distributed
Solar.

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BY THE COMMISSION:

INTRODUCTION

On May 19, 2023, Department of Public Service Staff
(Staff) filed a proposal for a Statewide Solar for All (S-SFA)
program in Cases 14-M-0224 and 19-E-0735 (S-SFA Proposal).¹

¹ Cases 19-E-0735 and 14-M-0224, Department of Public Service
Staff Proposal on a Statewide Solar for All Program (filed
May 19, 2023).

Under the S-SFA Proposal, investor owned utilities (IOUs)² would aggregate bill credits generated by participating community distributed generation (CDG) projects (referred to as credit pooling) and distribute them among customers automatically enrolled in the utility's low-income energy affordability program (EAP).

Pursuant to this Order, the Public Service Commission (Commission) adopts, with modifications, the recommendations set forth in the S-SFA Proposal for a Solar for All program to be administered at each of the IOUs that serve electric EAP customers. This Order also discusses the required controls to promote a balanced community solar market, as well as program design elements that each utility must apply when administering a Solar for All program.

BACKGROUND

Energy Affordability

On May 20, 2016, the Commission issued an order adopting an Energy Affordability Policy that set a target energy burden at or below six percent of household income for all low-income households in New York State.³ To advance this goal, new low-income bill discount programs were established for each of the major investor-owned electric and gas distribution utilities. Key directives set out by the policy include the standardization of utility energy affordability programs

² The IOUs include Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), Orange and Rockland Utilities, Inc. (O&R), New York State Electric & Gas Corporation (NYSEG), and Rochester Gas and Electric Corporation (RG&E).

³ Case 14-M-0565, Energy Affordability, Order Adopting Low Income Program Modifications and Directing Utility Filings, (issued May 20, 2016) (Affordability Order).

statewide to reflect best practices where appropriate, streamlining of rate cases, and greater consistency between the programs and the Commission's statutory and policy objectives. The Affordability Order acknowledged that, in order to reach the target six percent energy burden for low-income New Yorkers, it is necessary to coordinate and leverage all available resources at the State's disposal, including multiple sources of financial assistance to lower customers' bills, energy efficiency measures to reduce usage, and access to clean energy sources - such as Community Distributed Generation - in order to lower the cost of the energy itself.

In 2018, the New York State Energy Research and Development Authority (NYSERDA) launched its Solar for All program, a no-cost CDG subscription program for low-income utility customers in the National Grid, Central Hudson, NYSEG, and O&R service territories. Solar for All, sometimes referred to as legacy Solar for All, is a New York State utility bill assistance program that ties energy affordability and CDG together to provide low-income customer bill savings through the development of CDG. Through the program, eligible New Yorkers can sign up to receive benefits of clean energy while lowering their energy cost. However, the potential to provide clean energy access and associated savings to low-income households remains untapped as the rate of customer enrollment in NYSEDA's Solar for All program has fallen short of program goals. For that reason, NYSEDA and National Grid addressed this lack of low-income CDG participation within their Expanded Solar for All Proposal (E-SFA Proposal).⁴

⁴ Case 19-E-0735, Joint Petition for Approval of an Expanded Solar for All Program for Providing Community Solar to Low-Income Customers (filed April 23, 2021) (E-SFA Proposal).

Low-Income CDG Participation and Expanded Solar for All

In 2019, the New York State Legislature enacted the Climate Leadership and Community Protection Act (CLCPA), which codified and expanded several statewide clean energy and climate goals, including that New York develop 6 gigawatts (GW) of distributed solar projects by 2025, and that 70% of New York's electricity come from renewable energy sources, such as wind and solar, by 2030.⁵ Recognizing that the inclusion of low- to moderate-income (LMI) customers and disadvantaged and environmental justice communities in New York State's clean energy programs is crucial both to the programs' success and to their fairness, the CLCPA also created a requirement that disadvantaged communities receive at least 35% of the benefits of clean energy programs.⁶

On December 12, 2019, the Commission issued an order adopting the use of a net crediting model for CDG project consolidated billing.⁷ In the Net Crediting Order, the Commission expressed an openness to innovative proposals, including from the utilities, to increase low-income participation in, and benefits from, the CDG program. In addressing a proposal offered by National Grid, the Commission found that the proposal was not sufficiently limited to avoid unreasonably encroaching on market segments outside of low-income customers, but specifically encouraged National Grid to work with stakeholders, as well as Staff and NYSERDA, to consider a modified proposal focused entirely on low-income

⁵ See Chapter 106 of the Laws of 2019. The CLCPA became effective on January 1, 2020.

⁶ Environmental Conservation Law §75-0117.

⁷ Case 19-M-0463, Consolidated Billing for Distributed Energy Resources, Order Regarding Consolidated Billing for Community Distributed Generation (issued December 12, 2019) (Net Crediting Order).

customers. Thereafter, in 2020, the Commission issued an order expanding the NY-Sun program towards achieving the 6 GW goal and authorizing \$573 million in additional funding for NYSERDA to administer the expanded NY-Sun program.⁸ As part of that funding, the Commission authorized \$200 million in funding for a Solar Energy Equity Framework (SEEF) dedicated to increasing solar opportunities for LMI customers, affordable housing, and environmental justice and disadvantaged communities. In the 6 GW Order, the Commission specifically encouraged NYSERDA to collaborate with one or more utilities on a program to facilitate utility enrollment of LMI customers in CDG projects.

On April 23, 2021, NYSERDA and National Grid filed a Joint Petition requesting approval of an E-SFA program in National Grid's service territory, based on the original Solar for All concept.⁹ Under the proposed program, National Grid would aggregate Value of Distributed Energy Resource (VDER) "Value Stack" bill credits generated by participating CDG projects (referred to as credit pooling) and evenly distribute them among customers automatically enrolled in National Grid's EAP. NYSERDA and National Grid proposed sizing the program to provide each participating customer with \$10 per month in bill credits, which they estimated would require approximately 600 megawatts (MW), direct current (MWdc) of participating CDG projects. NYSERDA and National Grid also proposed utilizing previously authorized SEEF funds to provide additional incentive adders as needed for some participating solar projects and allowing National Grid to retain an administrative fee.

On January 20, 2022, the Commission issued the E-SFA Order, finding that the proposed program "represents a near-term

⁸ Case 19-E-0735, Order Extending and Expanding Distributed Solar Incentives (issued May 14, 2020) (6 GW Order).

⁹ See E-SFA Proposal.

opportunity to accelerate the benefits of distributed solar to LMI customers consistent with the CLCPA's mandates and the [6 GW Order]."¹⁰ Specifically, the Commission authorized a general framework whereby NYSERDA would competitively solicit eligible CDG projects to participate in the E-SFA program, National Grid would separately, automatically enroll all of its EAP customers into the E-SFA program (subject to certain exceptions), and participating projects would inject their generation into National Grid's system and be compensated by National Grid through the Value Stack, similar to the existing compensation methodology for CDG projects. Value Stack credits produced by a participating CDG project would be split into three portions: (1) a Customer Share to be used for participating customers' benefit, based on the project's bid that was accepted during the NYSERDA solicitation process; (2) a Utility Administrative Fee for National Grid, capped at 1%; and (3) the remainder, which would be paid directly to the project owner. Through credit pooling, the Customer Share of all participating CDG projects would then be aggregated and distributed evenly among all E-SFA customers as a fixed monthly credit on electric bills.

The Commission also established a phased approach for the program, with the first phase aiming to achieve an initial target of \$5 in monthly bill credits and capped at 300 MW of CDG project capacity. The Commission further authorized NYSERDA to create a SEEF incentive for a subset of participating CDG projects that may need the incentive to achieve the program goals for savings across the full E-SFA customer pool, but capped the maximum spending of SEEF dollars on the E-SFA incentives at \$41 million. NYSERDA and National Grid

¹⁰ Case 19-E-0735, Order Approving Expanded Solar for All Program with Modifications (issued January 20, 2022) (E-SFA Order), p. 19.

subsequently filed an E-SFA Implementation Plan¹¹ and E-SFA Tariff,¹² and implemented a competitive solicitation process.¹³

The Commission initially ruled in the E-SFA Order that “[t]o maintain consistency with the existing CDG framework, customers that participate in the E-SFA program will not be permitted to simultaneously participate in another CDG project, or to simultaneously enroll in a remote crediting or remote net metered project.”¹⁴ Subsequently, in response to a petition for rehearing, on September 19, 2022, the Commission issued the E-SFA Modification Order, modifying the E-SFA program to allow EAP customers to simultaneously participate in the E-SFA program and in another distributed solar program.¹⁵ The Commission reasoned in the E-SFA Modification Order that customers are prohibited from participating in multiple CDG projects (the One Subscription Rule) in part to enable a greater number of customers to participate in Distributed Energy Resources (DER), and to avoid situations where large customers subscribe to multiple CDG projects and leave a smaller amount of solar capacity to be allocated to smaller customers. However, the Commission found enough distinct differences between the E-SFA

¹¹ The latest iteration of the E-SFA Implementation Plan was filed on October 3, 2023; Case 19-E-0735, Expanded Solar For All Program Implementation Plan (filed October 3, 2023).

¹² The tariffs were filed on February 18, 2022, and approved, with modifications, on November 18, 2022; Case 19-E-0735, Order Approving Tariff Amendments with Modification on a Permanent Basis (issued November 18, 2022).

¹³ Case 19-E-0735, E-SFA Initial Report (filed October 17, 2022).

¹⁴ E-SFA Order, pp. 30-31. E-SFA participants were permitted to voluntarily exit the E-SFA program and enter their Community Choice Aggregation’s (CCA) CDG program (if one is available), independently subscribe to another CDG project, or to not participate in community solar at all.

¹⁵ Case 19-E-0735, Order Modifying Expanded Solar For All Program (issued September 15, 2022) (E-SFA Modification Order).

program and CDG such that the One Subscription Rule was inapplicable to E-SFA. For example, the E-SFA program's credit pooling mechanism means that E-SFA participants are not actually subscribed to any single CDG project. Moreover, large customers and non-EAP residential customers cannot participate in the E-SFA program, therefore negating the One Subscription Rule's goal of limiting the amount of CDG capacity allocated to such customers. Finally, the Commission reasoned that allowing for dual participation would avoid competition between the E-SFA program and traditional CDG projects and preserve customer choice.

New York's 10 GW Distributed Solar Goal

The NY-Sun program remains a critical component of New York's pursuit of a distributed, dynamic, and carbon-free energy grid. For the past ten years, the NY-Sun program has supported distributed solar installations by providing the distributed solar industry with the incentive certainty and transparency needed to forecast project economics and attract investment. Building on these efforts, in December 2021, Staff and NYSERDA jointly filed New York's 10 GW Distributed Solar Roadmap: Policy Options for Continued Growth in Distributed Solar, which offered policy options to continue the rapid development of distributed solar in New York towards achieving a goal of 10 GW of statewide distributed solar by 2030.¹⁶ The Commission subsequently issued the 10 GW Order approving the Solar Roadmap, with adjustments.¹⁷ Specifically, the 10 GW Order, among other things, expanded the NY-Sun program goal to 10 GW of distributed solar deployed by

¹⁶ Case 21-E-0629, New York's 10 GW Distributed Solar Roadmap: Policy Options for Continued Growth in Distributed Solar (filed December 17, 2021) (Solar Roadmap).

¹⁷ Case 21-E-0629, et al., Advancement of Distributed Solar, Order Expanding NY-Sun Program (issued April 14, 2022) (10 GW Order).

2030, and increased funding for the SEEF by \$251,764,000. Notably, the 10 GW Order contained explicit NY-Sun program measures to ensure that at least 40% of the 4 GW incremental increase benefits those New Yorkers that generally lack access to rooftop solar, including LMI residents, those living in regulated affordable housing, disadvantaged communities, and environmental justice communities.¹⁸

Market uptake of the approved NY-Sun incentive capacity has been rapid, and in November 2022 the program reached the “Mid-point Review Trigger” established in the 10 GW Order. Staff and NYSERDA subsequently filed the NY-Sun Mid-point Review, which highlighted program and market activity since the issuance of the 10 GW Order.¹⁹ In response to the NY-Sun Mid-Point Review, the Commission issued the Mid-Point Review Order directing NYSERDA to file a report detailing the federal guidance that has been issued to-date on the Inflation Reduction Act of 2022 (IRA), its impacts on the NY-Sun program, and NY-Sun program adaptations that have been and will be undertaken in response to that guidance.²⁰ The Mid-Point Review Order also directed NYSERDA to file a report detailing the incremental distributed solar capacity that could be procured within the existing budget authorized for the NY-Sun program.

Beyond New York’s 10 GW Distributed Solar Goal

On January 5, 2024, NYSERDA filed the Impacts of the Inflation Reduction Act and the Potential for Incremental

¹⁸ The 10 GW Order directed NYSERDA to target 40% of the approved programmatic capacity expansion to disadvantaged communities and certain other customer types, such as public and regulated affordable housing providers, under SEEF.

¹⁹ Case 21-E-0629, NY-Sun Mid-Point Review (filed January 17, 2023).

²⁰ Case 21-E-0629, Order Adopting NY-Sun Midpoint Modifications (issued June 23, 2023) (Mid-Point Review Order).

Distributed Solar Capacity Beyond the 10 GW Goal report.²¹ The report details the federal guidance that has been issued to-date on the IRA, its impacts on the NY-Sun program, and NY-Sun program adaptations that have been and will be undertaken in response to that guidance. That report also details the incremental distributed solar capacity that could be procured within the existing budget authorized for the NY-Sun program and requests that the Commission consider authorization to commit and expend the 10 GW Order's approved NY-Sun program budget to include all program funds above and beyond those necessary to achieve the 10 GW goal, within the Solar Energy Equity Framework.

New York's 6 GW Energy Storage Roadmap

To accelerate the deployment of storage and support the transition to a clean electric grid, Staff and NYSERDA have updated New York State's Energy Roadmap to double deployment, achieving at least 6 GW of energy storage deployments by 2030. NYSERDA and Staff filed New York's 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage in December 2022.²² The Roadmap assesses needed market reforms and cost-effective procurement mechanisms to achieve the increased storage target, identifies research and development needs to accelerate technology innovation, particularly for long-duration energy storage, and recommends approaches to storage deployments in a manner that furthers the State's efforts in replacing New York's most polluting fossil fuel facilities.

²¹ Case 21-E-0629, Impacts of the Inflation Reduction Act and the Potential for Incremental Distributed Solar Capacity Beyond the 10 GW Goal (filed January 5, 2024).

²² Case 18-E-0130, Energy Storage Deployment, New York's 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage (filed December 28, 2022) (Roadmap).

To reach the proposed 6 GW deployment goal by 2030, roughly 4,700 MW of new projects would need to be procured and deployed in the coming years. To maximize the feasibility of these procurements, diversify technology options, and take advantage of the unique benefits provided by different market segments, NYSERDA and Staff recommend that new program incentives be developed for bulk, retail, and residential storage projects across the state.

Community Choice Aggregation

On April 14, 2021, Staff filed a whitepaper proposing numerous recommendations to improve the State's Community Choice Aggregation (CCA) Program, including a recommendation that the Commission adopt an opt-out CDG model for integration into existing CCA programs.²³ Staff further expanded upon this recommendation in Staff's Straw Proposal on Opt-Out Community Distributed Generation (Opt-Out CDG Straw Proposal).²⁴ Comments received in response to Staff's Opt-Out CDG Straw Proposal highlighted several areas that require additional examination.

The Opt-Out CDG Straw Proposal proposed to first prioritize enrollment of low-income customers in opt-out CDG projects prior to serving other customer groups. Notably, doing so would limit the benefits of low-income participation to those customers who reside in a municipality conducting an opt-out CCA program. With respect to the impacts generally to the CDG program of permitting an opt-out model, the Opt-Out CDG Straw Proposal anticipated that opt-out enrollment would create efficiencies that reduce soft costs for the CDG host, thus

²³ Case 14-M-0224, Community Choice Aggregation, Department of Public Service Staff Whitepaper on Community Choice Aggregation Programs (filed April 14, 2021).

²⁴ Case 14-M-0224, et al., Department of Public Service Staff Straw Proposal on Opt-Out Community Distributed Generation (filed March 29, 2022).

reducing the need for State incentives to support CDG development. However, several comments received on the Opt-Out CDG Straw Proposal regarding this topic indicated that such projects would require some level of the incentives and State support given to opt-in projects.

S-SFA Staff Proposal

As a potential alternative to opt-out CDG, on January 19, 2023, the Commission sought input on the exploration and feasibility of a scalable statewide Solar for All program.²⁵ Reasoning that if the E-SFA model could be expanded across all investor-owned utilities, all low-income customers, not just those residing in a municipality with a CCA program, would be able to access and receive the benefits of CDG credits without the need for the same State incentives compared to opt-in CDG. The Commission thus directed Staff to file a proposal for the implementation of an S-SFA program.

In May 2023, Staff filed its Proposal for a S-SFA program which assessed the feasibility of such a program, and proposed recommendations for a utility-level implementation framework.²⁶ Developed in collaboration with NYSERDA, the S-SFA Proposal was largely based on the concept of adapting the National Grid's E-SFA program model to be implemented at each of the other IOUs.

Staff recognized that before solar for all programs could be implemented statewide, further federal guidance on the bonus tax credits for projects benefitting low-income

²⁵ Case 14-M-0224, Order Modifying Community Choice Aggregation Programs and Establishing Further Process Opt-Out Program (issued January 19, 2023). The Order directed Staff to file a proposal for the implementation of an S-SFA program.

²⁶ See S-SFA Proposal.

communities was needed,²⁷ as well as the completion of utility-level net-crediting billing automation.²⁸ The S-SFA Proposal also recognized the importance of building upon the experience and information obtained from the E-SFA program in developing a S-SFA Implementation Plan.

E-SFA Phase 1 Report

The E-SFA Order approved the first phase of NYSERDA and National Grid's proposed E-SFA program, permitting NYSERDA to procure 300 MWdc of participating community solar projects and authorizing National Grid to implement a system to distribute the resulting bill credits to all National Grid electric EAP customers. Marking the completion of Phase 1, NYSERDA and National Grid filed the E-SFA Program Phase 1 Lessons Learned Report on April 4, 2024.²⁹ The E-SFA Lessons

²⁷ See Case 21-E-0629, Impacts of the Inflation Reduction Act and the Potential for Incremental Distributed Solar Capacity Beyond the 10 GW Goal (filed January 5, 2024).

²⁸ On October 13, 2022, O&R reported that in the fourth quarter of 2021, O&R automated net crediting for CDG projects receiving Value Stack compensation. On March 29, 2024, National Grid reported their VDER automation programming for the billing and crediting of Value Stack CDG and Net Crediting projects was deployed into their Customer Service System in August 2022 for new projects and, at this time, all interconnected onsite, Remote Crediting, and CDG/Net Crediting Value Stack projects have been transitioned into automation. On April 1, 2024, NYSEG and RG&E reported implementing automation of Value Stack CDG billing on December 9, 2023. On April 1, 2024, Central Hudson reported that they have transitioned all CDG hosts to fully automated billing processes. On April 10, 2024, Con Edison reported that all existing projects are now fully automated in their Customer Care and Billing system, and new projects are automatically enrolled in automation when they come online. These reports are filed in Case 19-M-0463.

²⁹ See Case 19-E-0735, Expanded Solar For All (E-SFA) Program Phase 1 Lessons Learned (filed April 4, 2024) (E-SFA Lessons Learned Report).

Learned Report discusses strategic adjustments made after the Phase 1, Round 1 competitive procurement yet prior to the Phase 1, Round 2 procurement. The Report also describes the opt-in CDG market impact due to the E-SFA program, the program's inclusion of affordable housing residents, and the program's customer responses regarding participation. The Report also provides National Grid's implementation cost and informs on their operational successes regarding customer credit allocation and billing. Details of the Report are discussed further within this Order's applicable sections.

Renewable Energy Access and Community Help Petition

As a part of the 2023-2024 Enacted State Budget, the Power Authority Act was amended to give the New York Power Authority (NYPA) enhanced authority to implement a Renewable Energy Access and Community Help (REACH) program.³⁰ Specifically, NYPA was authorized to: (1) build renewable energy generating projects to help the State of New York meet its climate change energy targets; (2) provide or maintain an adequate and reliable supply of electric power and energy in the State, and (3) establish and support a REACH program by contributing funding for bill credits for low-income or moderate-income end-use electricity consumers in disadvantaged communities from the operation of new renewable energy generating projects.

On January 31, 2024, NYPA submitted a petition to Establish the REACH program.³¹ The Petition requested that the Commission commence a proceeding and, following public notice

³⁰ Chapter 56 of the Laws of 2023, Part QQ.

³¹ Case 24-E-0084, Petition of New York Power Authority to Establish the Renewable Energy Access and Community Help Program (filed January 31, 2024) (REACH Petition).

and comment, issue an order establishing and implementing the REACH program.

The REACH Petition requests that the Commission require the State's jurisdictional IOUs serving electricity customers to: (1) file tariff modifications necessary to implement the REACH bill crediting mechanism; (2) create and adopt accounts or procedures necessary to implement REACH bill crediting; (3) enter into agreements with NYPA to implement REACH bill crediting; and (4) file tariff modifications that allow for the credits generated from DERs to be shared amongst REACH beneficiaries, NYPA, and the IOUs in a manner described within the petition. The statute enacting the REACH program authorizes bill credits to be provided to low-income or moderate-income end-user electricity consumers in disadvantaged communities unless such eligible recipients opt-out of REACH and elect to not receive bill credits. Like Solar for All, the REACH bill credits are intended to be an additional benefit to any other program or benefit low-income or moderate-income end-user electricity consumers in disadvantaged communities already receive, including from renewable energy facilities or programs.

NYPA proposes to focus implementation of REACH on benefiting low-income ratepayers first, rather than all low-income and median-income ratepayers, and expanding the program in the future as resources allow. NYPA proposes that to provide a more meaningful benefit to REACH beneficiaries, significant administrative efficiencies would be gained by structuring the income requirement of the initial phase of the program to mirror the Commission's Energy Affordability Policy and the proposed S-SFA program. The REACH Petition asserts that this approach would allow REACH and the proposed S-SFA program to complement each other and provide the IOUs a more uniform and streamlined billing process, minimizing the program's implementation costs.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (Notice) regarding the S-SFA was published in the State Register on June 21, 2023 [SAPA No. 14-M-0224SP29]. The time for submission of comments pursuant to the Notice expired on August 21, 2023. Sixteen comments were received in response to the SAPA Notice and are addressed below. A list of commenters and a full comment summary is provided in an Appendix.

LEGAL AUTHORITY

The Commission has the authority to direct the treatment of Distributed Energy Resources 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.

DISCUSSION

Statewide Solar for All Implementation Framework

Staff's S-SFA Proposal laid out the potential implementation framework for expanding the E-SFA model, discussed above, to be adopted at each of the IOUs. Specifically, Staff proposed that the National Grid E-SFA Tariff be adopted by the other IOUs without major revisions, including provisions permitting dual participation (i.e., participation in both the S-SFA program and another distributed generation

program like CDG or remote net metering). Additionally, the same is true of National Grid's overall credit pooling and operational approach, which effectively uses minor adaptations to the existing net crediting process for project compensation, and minor adaptations to the existing EAP process for customer crediting. With credit pooling, the Value Stack credits produced by a participating CDG project are split into three portions: (1) a Customer Share to be used for participating customers' benefit, based on the project's compensation level; (2) a Utility Administrative Fee and (3) the remainder, which would be paid directly to the project owner.

Comments

NineDot, NY-BEST, the New York Solar Energy Industries Association (NYSEIA), the Solar Energy Industries Association (SEIA), the Coalition for Community Solar Access (CCSA) (collectively, the Solar Parties), the Joint Utilities,³² Green Street Power Partners (GSPP), the City of New York (City), Good Energy, L.P. (Good Energy), and others support a statewide expansion of the E-SFA program, acknowledging the program's potential to support New York in accomplishing its clean energy targets codified in the CLCPA. Many of these parties recommend modifications to the proposed program's implementation framework, which are discussed further below. While these parties support the intent of the S-SFA proposal, many specifically call out the need to structure the program to ensure S-SFA is an additive to the nation leading opt-in community solar model.

The Opt-Out CDG Coalition urge the Commission to adopt a "Yes-And" strategy; "Yes! to Opt-in CDG, Yes! to Statewide

³² The Joint Utilities are the same utilities as those previously referenced as IOUs; see footnote 2, supra.

Solar-For-All, and Yes! to community-led Opt-Out CDG.”³³ The Opt-Out CDG Coalition asserts that this strategy is the only one that can allow for the full array of benefits and efficiencies of CDG for all New Yorkers.

Arcadia Power, Inc., Ampion, Perch Energy, Inc, PowerMarket, Inc., and Solar Simplified, LLC (collectively, the Joint Subscribers) recognize S-SFA’s objective of offering bill relief to LMI customers.³⁴ However, they are very concerned that the S-SFA program will severely hinder innovation in the market, decrease CDG competition, decrease utility accountability, reduce consumer protection, and remove the role of customer acquisition companies who provide a relationship between the subscriber and the opt-in CDG program. The Joint Subscribers’ comments include a description of additional benefits that result from customers who sign up for CDG, claiming that opt-in CDG helps facilitate engaged customers to make additional electrification choices. The Joint Subscribers believe the S-SFA program will drive project developers to a utility-administered S-SFA program as S-SFA will have no customer acquisition cost or long-term subscriber management.

Ampion does not believe S-SFA is an alternative to opt-out CDG and opposes the S-SFA program as proposed by Staff. Joule Assets, Inc. (Joule) acknowledges the merit intended with a S-SFA program, noting that the program’s administrative processes will take time and resources to implement. Joule believes that until there is an operational opt-out CDG program

³³ Opt-Out CDG Coalition comments on S-SFA Proposal, p. 2.

³⁴ These parties jointly represent a coalition of the country’s leading subscriber management organizations in the community solar industry. In New York, this group represents the vast majority of the market, managing over 80% of all community distributed generation projects and subscribers currently active.

in place, the State will need to provide LMI customer acquisition subsidies. To that point, Joule requests that the Commission approve opt-out CDG via the CCA model as the “at scale solution” that can be operated now using the existing utility net-crediting and billing processes.

Mid-Hudson Energy Transition (MHET) believes a version of Statewide Solar for All could offer bill discounts to EAP customers where CCA is not enacted. MHET also believes that S-SFA and CCA with opt-out CDG have the potential to be complementary and more effective than either program on their own, recognizing the benefits of dual participation. MHET supports and joins WE ACT for Environmental Justice, who stated that “the only benefit being accounted for and attributed to disadvantaged communities is bill discounts. The benefits of distributed solar are plentiful and bill discounts are one very small piece of that pie. Solar energy is an asset, which produces income and generates wealth. In addition to profits, solar energy also generates tax benefits, jobs, clean energy, and greenhouse gas reductions, all of which are benefits that deserve to be distributed equitably, and at the very least, in line with the statutory obligation set forth in the CLCPA.”³⁵

The NRG Retail Companies³⁶ believe the S-SFA should “not be run by monopoly utilities”, but instead be established by stakeholders and administered and implemented by third-party

³⁵ Case 21-E-0629, We Act for Environmental Justice Comments on the Solar Roadmap (filed March 7, 2022).

³⁶ The NRG Retail Companies include Reliant Energy Northeast LLC d/b/a NRG Home and d/b/a NRG Business Solutions, Green Mountain Energy Company, Energy Plus Holdings LLC, Energy Plus Natural Gas LLC, Independence Energy Group LLC d/b/a Cirro Energy, XOOM Energy New York, LLC, Stream Energy New York, LLC, Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, and Gateway Energy Services Company.

providers who currently run these programs and have experience serving community solar customers.

Determination

As tremendous efforts are being made in the State to ensure the success of opt-in CDG, including significant amounts of money being invested via NYSEERDA's NY-Sun program, such as the Community Adder (CA) and the Inclusive Community Solar Adder (ICSA), and the VDER Value Stack compensation mechanisms, it is vital that the S-SFA model operates collectively with the opt-in CDG market. In addition, investments and efforts are ongoing related to the automation of utility's net-crediting and billing processes, development of Negative Revenue Adjustments,³⁷ and consideration of the multi-discount net crediting proposal.³⁸ Together, with the opportunity for EAP S-SFA customers to also participate in opt-in CDG (dual participation), the Commission realizes the significant opportunity a balanced community solar market will offer low-income customers, allowing for additional community solar savings on top of their EAP S-SFA bill discounts.

The Joint Subscribers comment that opt-in CDG customers may elect to engage with additional clean energy opportunities once aware and fully engaged in their energy choices. While the Commission agrees with this assertion, opt-in CDG is not the only way to achieve the goal of increased customer engagement with energy choices. The Commission finds

³⁷ Case 19-M-0463, et al., supra, Department of Public Service Staff Proposal on Community Distributed Generation Billing and Crediting Performance Metrics and Negative Revenue Adjustments (filed January 16, 2024).

³⁸ The Commission is contemporaneously addressing the multi-discount net crediting proposal with this Order. Case 21-E-0629, Order Approving Multiple Savings Rates for Community Distributed Generation Subscribers (issued May 16, 2024).

that the S-SFA program, along with the EmPower+ program, will, similarly, connect their participating customers to additional clean energy opportunities.³⁹ As discussed further in the following section, utilities will be required to train their call center representatives on the S-SFA program and, further, help low-income customers sign up for opt-in CDG by directing them to tools established for the purpose of making CDG subscriptions with savings more accessible to households participating in government-run low-income support programs. In addition, the ratepayer funded energy efficiency and clean energy programs have extensive outreach and education efforts that together, with clean energy market participants, must work collaboratively for our State to meet its renewable energy goals.⁴⁰

As the Solar Parties stated, "the State has spent the last seven years carefully creating the DER compensation mechanisms, incentives and regulatory framework to support the largest community solar market in the nation through a successful opt-in model."⁴¹ Recognizing that these efforts and investments are in place, along with the adoption of New York's statewide Solar for All initiative, the Commission validates that the State, is in fact, pursuing a "Yes-And" strategy right

³⁹ Empower+ is a New York State Program administered by NYSEERDA that helps low- and moderate-income households save energy and money toward energy improvements made to their primary residence.

⁴⁰ Programs such as the NYSEERDA-administered EmPower+ and NY-Sun, as well as utility-administered rebate and New York State Clean Heat conduct outreach to customers and communities through various means including working with the Regional Clean Energy Hubs to make residents aware of available programs, web-based tools such as the NY Energy Advisor website, and conducting of campaigns to increase adoption of clean energy solutions within communities.

⁴¹ Solar Parties' comments, p. 7.

now with the addition of the S-SFA Program to the State's nation leading opt-in model.

To date, approximately 2,123 MWdc of community solar have been built statewide, with an additional 3,404 MWdc of community solar in advanced development having been awarded NY-Sun incentives. Approximately 850 MWdc more is already in mid-stage development⁴² but has not yet been awarded NY-Sun incentives, with many more projects in early-stage development.⁴³ Together, these projects represent a full construction pipeline through 2030 and beyond that will make a major contribution to the State's 10 GW of distributed solar by 2030 goals. Offering a portion of the significant public and private investment represented by this pipeline to S-SFA's low-income customers fits within a balanced community solar policy that is prioritizing benefits for low-income households and providing equitable access to community solar.

In response to comments that the S-SFA program will be run by utilities, or that the program is handing over control to the utilities, the Commission reminds market participants, and the public in general, that CDG in New York State has always been, and will continue to be, a market-based program with very active third-party project development. Currently, there is no existing utility control of the CDG program and the adoption of S-SFA will not change that. Fundamentally, any program, including opt-in CDG, opt-out CDG, S-SFA, and onsite net energy metering (NEM), that involves utility bill credits also involve administrative and implementation activities by the utilities.

⁴² Mid-stage development is defined as when a project has made the 25% interconnection deposit but has not yet applied for NY-Sun incentives.

⁴³ <https://www.nyserda.ny.gov/All-Programs/NY-Sun/Solar-Data-Maps/NYSERDA-Supported-Solar-Projects>.

It is disingenuous to assert that S-SFA reflects a qualitative change in utility control or involvement compared to traditional opt-in CDG, EAP assistance, or onsite NEM.

Pertaining to Joule's request that the Commission approve the CCA opt-out CDG "at scale solution," the Commission finds the objective of the Statewide Solar for All and "Opt-Out CDG" proposals equivalent, as both policies seek to promote enrollment of low-income customers into a program to receive solar credits. The Commission considers National Grid's E-SFA model an "at scale solution" fully operational right now and, for that reason, is authorizing the scalable solution to be administered at each major electric IOU. Moreover, under an S-SFA program, the value of participation in the program could accrue to low-income customers across the State, instead of only to low-income customers in municipalities that have a CCA program, as would be the case under an opt-out CDG program as described by Joule.

For the reasons discussed above, the Commission adopts, with modifications described below, the recommendations set forth in the S-SFA Proposal for a Solar for All program to be administered at each of the major IOUs that serve electric EAP customers. The S-SFA program will deliver bill savings to low-income customers through a cost-effective community solar model. S-SFA monthly bill discounts will be in addition to any other bill credits for which a low-income customer may qualify. Thus, the S-SFA program will remain consistent with the EAP eligibility criteria and improve the equitable distribution of solar benefits to low-income customers, all while providing additional assistance above the existing State's Energy Affordability Program benefits. The following sections address

the implementation framework for New York's S-SFA program to be administered at each IOU.⁴⁴

Customer Enrollment and Awareness

Staff's S-SFA Proposal did not recommend any changes to the E-SFA program's EAP customer enrollment processes which gives all automatically enrolled EAP customers the option to opt-out of E-SFA at any time. Further, as directed in the E-SFA Order, E-SFA bill credits are required to appear as a separate line item on customer bills, instead of being combined with other line items like EAP bill credits or Home Energy Assistance Program (HEAP) payments. Additionally, consistent with the E-SFA Modification Order, EAP customers would be able to simultaneously participate in S-SFA and in an opt-in CDG program.

Comments

The Joint Utilities believe that the opt-out requirement of the E-SFA is not necessary for the S-SFA program, stating that participating EAP customers have previously consented to participate in the EAP program, and that S-SFA discounts will be added to the EAP bill discount those customers already receive. Further, the Joint Utilities believe that a statewide mailing campaign to all program participants is unnecessary, resource intensive, and could potentially slow down the distribution of credits to EAP customers.

The Joint Subscribers are concerned that the S-SFA program would risk interferes with several federal and state programs. They claim that U.S. Department of Housing and Urban Development (HUD) assistance to EAP participants will decrease

⁴⁴ The S-SFA Proposal sought comments on an inter-utility credit pooling mechanism option which later received opposition from stakeholders. Therefore, this option will not be considered by the Commission at this time.

if they are enrolled in S-SFA, and that the implementation of S-SFA before IRA guidance is finalized for 2024 and beyond raises substantial risk of limiting New York's access to federal dollars.

The Solar Parties are concerned about customer confusion and their eligibility to participate in opt-in CDG if they see a line item on their bill for a solar program. For that reason, they propose that S-SFA bill credits be included in the existing line item for EAP discounts on the customer bill. Further, they recommend that if S-SFA discounts are listed separately, they should be clearly described and labeled as something other than "Community Solar" to minimize customer confusion.

Joule, Nexamp, and the Solar Parties flag the importance of ensuring that utilities have the proper customer service staff and resources in place so that they can accurately explain and educate EAP customers on their bills' S-SFA credits. These commenters assert that utility customer service staff should be properly trained to distinguish the differences between S-SFA and opt-in CDG, and to clearly inform and promote EAP customers of their opportunity to also enroll in opt-in CDG to provide households with deeper bill savings. The Solar Parties identify the development of the Department of Energy (DOE) Low-Income Clean Energy Connector tool that, once in place, could be readily sourced and promoted by utilities as part of their EAPs.⁴⁵

Nexamp suggests that the Commission require the Joint Utilities, in coordination with NYSERDA, to develop a mechanism to proactively encourage dual participation. The Solar Parties recommend further collaboration among NYSERDA, the utilities,

⁴⁵ Available at: <https://www.energy.gov/communitysolar/low-income-clean-energy-connector>.

municipalities, CCA Administrators, the DOE, and the solar industry to jointly identify, engage, educate, and enroll the most energy burdened customers into opt-in CDG projects.

Determination

As initially determined in the E-SFA Order, the Commission continues to find it reasonable and appropriate for the S-SFA enrollment process to operate in parallel to the utility EAP verification process, and to automatically enroll eligible customers in the S-SFA program once the utility receives notification of the customer's eligibility for EAP enrollment. However, as discussed further below, the Commission is directing that S-SFA credits be distributed only to a subset of EAP customers; those that reside in a disadvantaged community. To maintain consistency between the two programs, customers that are no longer EAP eligible should be simultaneously unenrolled from the EAP and the S-SFA programs. As customer choice remains a key feature of the community solar market in New York, customers are free to unenroll from the S-SFA at any time, either online or via telephone.

With that, EAP bill discounts will continue to be calculated without the inclusion of S-SFA credits, and therefore EAP discounts should not be affected by the S-SFA. Bill credits received through the S-SFA program should be applied to a customer's bill after all other bill credits (e.g., HEAP payments) are applied. To avoid customer confusion and promote awareness, S-SFA bill credits should appear as a separate line item on customer bills labeled "Solar for All Credit" instead of being combined with other line items like HEAP payments.

In response to the Joint Utilities' statement regarding the Commission not adopting a statewide mailing campaign to all program participants, the Commission agrees that the resources required to mail customer opt-out letters would be

better utilized by advancing utility-level program implementation, notably, in consideration of the utility's role and relationship with their customers. The success of National Grid's E-SFA implementation, specifically, in relation to customer responses as documented within the E-SFA Phase 1 Lessons Learned Report, highlights the important role each utility's call center representative will have with facilitating and ensuring that customers are properly informed of the benefits the S-SFA program offers. As of April 4, 2024, only 394 of the 164,192 eligible customers have opted out of the E-SFA program. National Grid confirms that many of their customers who called their call center to opt-out of the program eventually choose to not opt-out after their representatives explained the program in detail and answered the customer's questions.

The Commission recognizes that it is critical that customers be fully educated about the program, its benefits and limitations, and how it interacts with other programs (e.g., opt-in CDG and the EAP). Recognizing the fact that utilities are in a prime position to utilize their billing and messaging systems, their web-based customer account platforms, and their EAP specific webpages, each utility will submit within their S-SFA Enrollment and Awareness Plans a customer outreach and awareness plan that also includes utility S-SFA program training materials.

Each member of the Joint Utilities, including National Grid, is directed to file a S-SFA Enrollment and Awareness Plan by June 15, 2025. This plan shall include the dual participation plan and training materials described below, as well as how each utility will notify all qualified customers of their automatic registration in the S-SFA using the same informational and educational communications as used by the EAP.

To further educate and inform customers about the S-SFA program, separate information and educational materials shall be provided by each utility to eligible customers for the first year of the S-SFA program. Additionally, each year new customers will become EAP customers and may be eligible for automatic enrollment in the S-SFA program. The S-SFA Enrollment and Awareness Plan shall contain an updated outreach plan that outlines procedures that each utility will follow to notify and educate newly eligible customers on an annual basis moving forward beyond the first Program Year.

With respect to National Grid, the company's S-SFA Enrollment and Awareness Plan shall be supplemental to the Customer Outreach section of their E-SFA Implementation Plan and include an updated outreach plan that outlines procedures National Grid will follow to notify and educate newly eligible customers on an annual basis moving forward as E-SFA transitions to S-SFA, as well as the dual participation plan, described below.

Turning to the comments filed by the Joint Subscribers regarding the potential impacts of S-SFA participation on other utility allowances for low-income customers under federal law, in 2022, NYSERDA sought and received a determination letter from HUD stating that E-SFA credits would be excluded from the calculation of utility allowance and annual income for residents of affordable housing regulated under applicable programs. This letter ensured that affordable housing residents would be able to fully participate in E-SFA without risking an increase in housing costs commensurate with their utility bill savings.⁴⁶

⁴⁶ U.S. Department of Housing and Urban Development, Treatment of Community Solar Credits on Tenant Utility Bills (July 15, 2022), available at: https://www.hud.gov/sites/dfiles/Housing/documents/MF_Memo_Community_Solar_Credits_signed.pdf.

Further, in 2023, HUD provided guidance that effectively extended these exclusions to community solar more generally nationwide.⁴⁷ The HUD guidance provides that community solar credits that appear on a household's electricity bill as an amount credited from the total cost of the bill will not be counted towards household income for determining eligibility HUD assistance.

The Commission agrees with the Solar Parties' and Nexamp's positions that utilities' customer service personnel must be properly trained on S-SFA and understand the differences between S-SFA and opt-in CDG. Additionally, utilities are in a leading position to proactively encourage EAP customers to dual participate in opt-in CDG. Appropriate customer awareness relating to an EAP customer's involvement in S-SFA should serve as an effective way for connecting these EAP customers to additional statewide programs and opportunities, including dual participation via opt-in CDG participation. Thus, the Commission directs the Joint Utilities to work together to develop a shared dual participation resource plan to be used by each utility that includes training material for utilities to proactively encourage dual participation, and include, but not be limited to, a utility-sided S-SFA EAP webpage with links to Energy Advisor,⁴⁸ DOE's Low-Income Clean Energy Connector tool,⁴⁹ and NYSERDA's Find a Community Solar Project tool.⁵⁰ This shared

⁴⁷ U.S. Department of Housing and Urban Development, Treatment of Community Solar Credits on Tenant Utility Bills (August 8, 2023), available at: <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-09hsgn.pdf>.

⁴⁸ Available at: <https://energyadvisor.ny.gov/>.

⁴⁹ Available at: <https://www.energy.gov/communitysolar/low-income-clean-energy-connector>.

⁵⁰ Available at: <https://www.nyserda.ny.gov/All-Programs/NY-Sun/Solar-for-Your-Home/Community-Solar/Community-Solar-Map>.

dual participation resource plan will be included within each utility's S-SFA Enrollment and Awareness Plan.

Inclusion of Distributed Energy Storage

As discussed in the S-SFA Proposal, siting constraints relating to the development of community solar in Con Edison's service territory significantly limit the potential savings range for Con Edison's EAP customers, the territory with, by far, the highest number of EAP customers. With the Con Edison territory expected to represent the largest share of future distributed, front-of-the-meter, standalone energy storage development in the State, along with the fact that both standalone storage and storage paired with solar are CDG-eligible technologies compensated under the Value Stack, Staff proposed the inclusion of these technologies into the S-SFA program. Staff noted that, if the recommendation is approved by the Commission, consideration would need to be given to the appropriate percentage of a storage project's total Value Stack compensation that would be added to the customer credit pool.

Comments

The Joint Utilities comment on the difficulty of forecasting Value Stack credits generated by a storage project as those credits depend on the operating decisions of the project operator. The City, NineDot, NY-BEST, and the Solar Parties all agree with Staff's recommendation that expanding project eligibility to include distributed energy storage projects will help address the disparity in clean energy cost savings available to low-income New Yorkers in Con Edison territory. NineDot and NY-BEST comment that, unlike solar projects, there are currently no incentives or programs available for standalone energy storage projects to provide clean energy savings to residential service classes or low-income households. Both parties agree that the S-SFA program

represents an efficient and immediate way for energy storage projects to pass on cost savings to the low-income customers while providing reliable electricity supply.

NineDot, NY-BEST, and the Solar Parties support expanding the inclusion of energy storage to all utility SFA programs, identifying that CDG for energy storage is a complex concept to sell to mass market customers on an opt-in basis. By allowing these projects to participate in S-SFA, the parties agree that the Commission will allow for a simple offtake strategy that will increase the development of energy storage projects, provide meaningful benefits to the grid, all while delivering bill savings to low-income customers.

Determination

The Commission agrees with Staff's recommendation to include standalone storage and storage paired with solar, both CDG-eligible technologies compensated under the Value Stack, within each utility's S-SFA program. The need for a storage specific compensation level will be discussed later in this Order.

As intermittent renewable power sources, like wind and solar, are expected to provide the main portion of New York's electricity to meet our CLCPA mandates, storage will be deployed to store and dispatch energy when and where it is most needed. Storage also adds resiliency and reliability by providing backup power to the electric system in the event of utility outages, reducing the impact of outages. Allowing storage to participate in S-SFA, as commenters indicated, will allow for a simple offtake strategy that, in addition to providing bill savings to low-income customers, has the potential to increase the development of energy storage projects and provide meaningful benefits to the grid.

New York's 6 GW Energy Storage Roadmap proposed that, for the retail energy storage sector, declining incentive block structures be developed for regional-specific areas of the State. If adopted by the Commission, those incentive structures may be available for energy storage projects that choose to participate in S-SFA. Moreover, storage projects not yet in operation with existing NYSERDA Retail Energy Storage incentives will be permitted to participate in S-SFA. Similar to the base NY-Sun incentives, discussed in the following section, NYSERDA's Retail Energy Storage incentives provide funding for storage deployment in general.

NY-Sun Incentives

The E-SFA Order directed that participating projects be allowed to retain a NY-Sun CA award from NYSERDA, but not an ICESA award. For an S-SFA program, Staff proposed disallowing both the CA and ICESA, NY-Sun incentives previously authorized for opt-in CDG, to ensure that the program will be additive to the community solar market overall and, ultimately, offer a cost-effective transition away from NY-Sun incentives. With that, Staff proposed that S-SFA projects still be eligible for base NY-Sun incentives such as the Brownfield/Landfill Adder (or other siting-related incentives), the Prevailing Wage Adder, and/or a specific S-SFA incentive from approved SEEF funds. Staff proposed that the level and configuration of such S-SFA incentives be developed by NYSERDA, in consultation with Staff, in a way that complements the larger program design and goals while making cost-effective use of ratepayer funds. The Staff Proposal did not envision any new collections to support NY-Sun incentives or other program components.

Comments

The Joint Subscribers, the Solar Parties, and others agree with Staff that the NY-Sun incentives intended to support

opt-in CDG (i.e., the Community Adder and Inclusive Community Solar Adder) should not be available to S-SFA projects. Further, both the Joint Subscribers and the Solar Parties oppose the use of SEEF funding for S-SFA projects. The Solar Parties, identifying the limitations of SEEF funding, reason that the SEEF funding will be better utilized if allocated to programs that reach low-income customers who qualify but do not participate in utility EAP assistance program, and/or reach customers in disadvantaged communities.

Joule submitted comments clarifying a misinterpretation discussed with the S-SFA Proposal relating to customer acquisition costs needed for opt-in and opt-out CDG. Joule claims that opt-in projects serving low-income customers require two subsidies, the CA for customer acquisition and the ICOSA to ensure a 10% discount. Joule believes S-SFA and opt-out CDG only require those subsidies to ensure low-income customers receive a higher discount. Joule sees SEEF funding available to S-SFA projects as a backstop, and without a clear understanding on how SEEF funds will be used, believes it is difficult to compare the costs of S-SFA to Opt-out CDG.

Recognizing the unique challenges New York City projects face, the City believes that New York Independent System Operator, Inc. (NYISO) Zone J projects participating in S-SFA should be allowed to receive the CA. The City justifies its position by noting that it has long maintained the position that the Con Edison Community Adder must be higher to properly reflect the value provided by CDG in New York City. Further, the City recommends that S-SFA projects located in Zone J disadvantaged communities be eligible for both the Community Adder and the ICOSA, subject to a requirement that projects offer higher bill savings to subscribers.

Determination

To offer a cost-effective transition away from NY-Sun incentives, as proposed by Staff, the S-SFA program will prohibit participating projects from receiving the CA and the ICSCA, incentives authorized to increase community solar access for opt-in customers.⁵¹ S-SFA projects may still be eligible for base NY-Sun incentives, such as the Brownfield/Landfill Adder (or other siting-related incentives), and the Prevailing Wage Adder until those NY-Sun incentives are exhausted.

As the Commission stated in the NY-Sun Expansion Order, the inclusion of LMI customers and disadvantaged and environmental justice communities in New York State's clean energy programs is both crucial to the programs' success and to their fairness.⁵² In expanding the NY-Sun program, the Commission directed that \$200 million be dedicated to LMI customers, affordable housing, and environmental justice and disadvantaged communities, including \$135 million specifically for "additional incentives for projects benefiting LMI customers, affordable housing, and environmental justice and disadvantaged communities"⁵³ Like the E-SFA program, the S-SFA program specifically aims to solicit projects to provide CDG benefits to low-income customers, and the Commission therefore finds it both reasonable and appropriate for NYSERDA to utilize

⁵¹ Although the S-SFA Proposal referenced the CA and ICSCA awards, several CDG projects which previously received the Community Credit (CC) or the Market Transition Credit (MTC) awards are not yet interconnected. Thus, these projects are eligible to participate in S-SFA, however, the S-SFA program will prohibit these projects from keeping the value of these awards as described later in this Order.

⁵² Case 19-E-0735, Order Extending and Expanding Distributed Solar Incentives (issued May 14, 2020) (NY-Sun Expansion Order).

⁵³ Id., p 23.

SEEF funds to provide a utility territory specific S-SFA solar incentive for participating projects, to the extent necessary.

The Commission initially found it appropriate to limit the amount of SEEF funding used by NYSERDA for the E-SFA program's incentives at \$41.0 million, based on National Grid's allocation of Clean Energy Fund costs, because the E-SFA program was limited to a single utility territory and SEEF funds were collected from customers statewide. That concern is no longer applicable with respect to a statewide program. As such, the Commission finds that the SEEF funding earmarked for additional incentives for projects benefiting LMI customers, affordable housing, and environmental justice and disadvantaged communities shall be available for the S-SFA program and, consequently, include all uncommitted National Grid approved SEEF funding. Thus, the SEEF funded S-SFA solar incentive will be available on a statewide basis with the Standard Offer compensation levels differing by each utility and NYISO load zone. This will allow for flexible use of the S-SFA solar incentive to be used where the incentives can be leveraged most. The application of SEEF funding and the development of Standard Offer compensation levels are discussed in the following section.

Procurement Approach and Compensation Levels

In light of lessons learned during the E-SFA program's Phase 1 competitive procurement, Staff recommended that a Standard Offer approach be used for an S-SFA program.⁵⁴ The Standard Offer would take the form of a specified percentage of a project's total Value Stack compensation that would be paid to the project for its monthly generation via the net crediting

⁵⁴ The offer would be "Standard" only within an individual utility territory (or potentially individual utility/zone combination) for projects that enroll during a pre-designated time period.

mechanism (termed "Compensation Level" in the E-SFA request for proposals), with the remaining portion added to the customer credit pool, less utility administrative fees. As proposed, any project that meets project maturity requirements, such as the payment of an interconnection deposit, could elect to participate in S-SFA for the Standard Offer compensation level through the applicable utility S-SFA tariff.⁵⁵ Staff also proposed that prior awards of NY-Sun incentives would not be a condition for enrollment.

Staff proposed that the Standard Offer compensation levels, like the MW Block incentive levels, be determined by NYSERDA and Staff, in consultation with the applicable utility, solar developers, and other stakeholders. The Standard Offer compensation level(s) would be reviewed by NYSERDA and Staff on at least an annual basis to balance the need for predictability for solar developers with flexibility to adjust the Standard Offer level based on market conditions.

Comments

The Joint Utilities, the Solar Parties, Good Energy, the City, GSPP, NineDot, and others agree with Staff's proposal to use a Standard Offer for procurement with transparent compensation levels. According to these parties, this method will permit greater market certainty when projects consider which program to participate in; S-SFA, market rate opt-in CDG, ICSA opt-in CDG, or remote net-crediting.

The Joint Utilities, the Solar Parties, Good Energy, the City, and NineDot support having the compensation levels set by Staff and NYSERDA, in consultation with stakeholders, in a

⁵⁵ The 25% deposit is one of the main eligibility thresholds for a NY-Sun application, with the other being the receipt of all local approvals.

transparent method that is predictable for participating projects. GSPP states that before they can agree to the model, NYSERDA should provide transparency of the projections through 2025 so that developers can be informed on the compensation levels throughout the review processes.

To maintain the viability of CDG markets, Good Energy understands that for the S-SFA program to succeed, it will need to consistently attract solar projects, but not all solar projects. Good Energy believes that S-SFA compensation levels should not surpass compensation levels available to other CDG projects as a way to preserve the opt-in CDG market. Good Energy's comments identified the two levels of compensation available to S-SFA projects that can be modified to allow for consistent investment into S-SFA projects as (1) the percentage of VDER compensation paid to the S-SFA project, and (2) the level of NY-SUN incentives.

Similar to its comments on S-SFA NY-Sun incentives, the City proposes that a higher Standard Offer compensation level be required for S-SFA projects in Zone J to incentivize developers to prioritize investments in New York City. GSPP urges Staff to maintain a minimum 89% compensation level and provide a detailed explanation of how the 89% compensation level was determined. The Solar Parties recommend setting compensation levels for solar with Category 4 Bonus Tax Credit, solar without Category 4 Bonus Tax Credit, and Standalone Energy Storage.

The Joint Utilities state that, unlike the Value Stack being a solar project's only compensation mechanism, there are many storage compensation mechanisms currently in existence and

under development.⁵⁶ For that reason, the Joint Utilities suggest that storage project owners be required to make a long-term commitment to participate in a S-SFA program and recommend that instead of a percentage of revenue generated through the Value Stack, the credits should be tied to a \$/kilowatt that increases over time. NineDot states that once a compensation level for a project is set, it should not be modified for a S-SFA term of 25 years, to be consistent with the VDER term.

Determination

During Phase 1 of National Grid's E-SFA program, NYSERDA conducted two rounds of project procurement. In the first round, projects were required to bid a compensation level of no greater than 80% of the project's Value Stack credits, resulting in at least 19% of credits going to participating customers and up to 1% to National Grid for administration costs. However, these projects could also request additional SEEF funding and, as a result, NYSERDA committed \$15,464,848 of National Grid's \$41.0 million SEEF cap during the initial round.

Prior to launching the second round's RFP, NYSERDA conducted an analysis to estimate the potential range of compensation level bids that could be received based on project economics assumptions and pipeline information derived from publicly available sources such as the VDER Calculator, NY-Sun

⁵⁶ Federal Energy Regulatory Commission (FERC) Order No. 841 and Order No. 2222 provide a path to dual participation in wholesale market and distribution programs with signals more closely calibrated to wholesale market and distribution needs than in Value Stack.

Open NY pipeline data, and Utility Interconnection Queue data.⁵⁷ In the second round, the maximum allowable compensation level bid was increased to 89%, with the additional SEEF funding option eliminated.

Based on each round's results, NYSERDA concluded that the second round's procurement method was more effective. Noting that, although the first round's procurement structure may ultimately yield greater customer savings on a "per MW" basis, that increase in customer savings is offset by the second round's reduced need for additional SEEF funding, as well as the overall simplicity of the bid process of the second round.⁵⁸

Therefore, in consideration of lessons learned during the E-SFA program's project procurements, the Commission adopts a Standard Offer Procurement approach for the S-SFA program. The Standard Offer accepted by a project shall remain with the project for 25 years, consistent with the VDER compensation term.⁵⁹

The Commission directs NYSERDA to develop a process for determining the program's compensation levels for solar and storage projects, which will likely differ. NYSERDA shall also develop a process for determining the program's compensation levels: for projects that received the Low-Income Community Bonus Tax Credit (LICBTC) adjustments; for projects that

⁵⁷ This "missing money" analysis used the same methodology as previous NYSERDA analyses used to assess incentive rates and capacity targets. See Solar Roadmap and Case 21-E-0629, NY-Sun Program: Impacts of the Inflation Reduction Act and the Potential for Incremental Distributed Solar Capacity Beyond the 10 GW Goal (filed January 5, 2024).

⁵⁸ See E-SFA Lessons Learned Report, pg. 2.

⁵⁹ A maximum term of 25 years is consistent with existing Value Stack rules. To the extent the Commission alters the Value Stack rules in the future, the participation term for the E-SFA program may also be adjusted.

previously received the CA, CC, or MTC; and for compensation adjustments within specific service territory/NYISO load zone - as discussed in the City's comments. NYSERDA shall, in consultation with Staff and the utilities, use a similar process for analysis and determination of S-SFA tariff Standard Offer compensation levels, as well as SEEF-funded S-SFA incentives, that has been used for NY-Sun incentives and other administratively set values under the framework established by the Commission's April 2022 Order Expanding NY-Sun Program. The compensation levels will set the specific VDER Value Stack percentage that each project will receive, and ultimately the percentage of the VDER Value Stack that will be committed to the S-SFA credit pool (Customer Share). The resulting customer share may vary by utility, NYISO load zone, technology type, or other factor listed above. For projects that receive NY-Sun incentives, the customer share shall be set at a minimum of 10%, plus any utility fee. The Standard Offer compensation level(s) will be reviewed by Staff on at least an annual basis to balance the need for predictability for project developers with flexibility to adjust the Standard Offer compensation levels based on market conditions.

NYSERDA will set the Standard Offer compensation level(s) by analyzing the compensation level needed based on project economics assumptions and pipeline information. When necessary, the SEEF funded S-SFA solar incentive will provide a subset of participating CDG projects an incentive to achieve the Standard Offer compensation level's Customer Share. This incentive will be calculated by NYSERDA for each program year and for participating utility service territory to determine the additional incentives that will be available for projects in each territory that need additional funding to proceed to construction. NYSERDA shall post these incentive levels on its

NY-Sun Dashboard.⁶⁰ An S-SFA program year will run from December 1 to November 30. As existing NY-Sun incentive components are exhausted, the S-SFA solar incentive will be adjusted accordingly, in line with the general approach used by NYSERDA to determine all NY-Sun incentive rates.

The Commission directs NYSERDA to develop and file S-SFA SEEF Criteria which includes, but is not limited to, the process projects must undertake to apply for specific S-SFA solar incentives. NYSERDA's SEEF Criteria will be included in their Solar for All Project Framework, filed as an update to its NY-Sun Operating Plan and discussed later in this Order.

Pursuant to its NY-Sun Operating Plan, NYSERDA remains obligated to report on metrics for energy savings and clean energy market penetration in the LMI market including, but not limited to, future S-SFA solar incentives and to post such information on its website.⁶¹

The Standard Offer compensation levels and program design should be designed to maximize the ability for developers to leverage federal funding, without guaranteeing or relying on the federal source. Therefore, for projects that received the LICBTC adjustments, utilities shall adapt and incorporate the LICBTC adjustment that is included within National Grid's Expanded Solar for All Participation Agreement into their own S-SFA tariffs and agreements. This provides for an automatic adjustment to a minimum 20% contribution to the customer credit pool for any project that receives a Category 4 allocation of the LICBTC. NYSERDA will provide guidance on processes for LICBTC adjustments within their S-SFA Project Framework.

⁶⁰ Available at: <https://www.nyserda.ny.gov/All-Programs/NY-Sun/Contractors/Dashboards-and-incentives>.

⁶¹ <https://www.nyserda.ny.gov/About/Publications/Program-Planning-Status-Reports/Clean-Energy-Fund-Reports>.

The Commission finds that allowing projects that have already made interconnection payments or executed a Standard Interconnection Contract, and received NY-Sun awards, but that are not yet in operation, to participate in the S-SFA program fits within the balanced community solar policy given that the 3.4 GW pipeline represents approximately the next three years of community solar construction. To do so, a specific process is required for those CDG projects that been awarded certain NY-Sun incentives. Along those lines, the S-SFA program will allow for a one-time election process whereby non-operational projects awarded NY-Sun incentives (the CA, CC, MTC, and/or ICESA) can elect to participate in S-SFA within 120 days of the effective date of the utility tariffs directed by this Order (i.e., by March 31, 2025). However, in order to be eligible for this one-time election process, the non-operational project must have received its NY-Sun incentives award at any point prior to March 1, 2025. This limitation will provide certainty for the market regarding project eligibility. Current projects in operation will not be eligible to participate in the S-SFA program.

The one-time election process will allow projects to keep their CA, CC, or MTC, however, that project's CA, CC, or MTC value will be discounted via a reduced Standard Offer compensation level, calculated by NYSERDA and filed with the Commission, that takes into consideration the project's CA, CC, or MTC. The Commission finds this approach beneficial for several reasons. First, the full value of the incentives will be translated into additional low-income customer benefits. Meaning project owners that choose to enroll in S-SFA will commit both their project's CA, CC, or MTC value and their Standard Offer's VDER Value Stack Customer Share to the utility program's credit pool. This process will also reduce the

administrative efforts necessary to remove, or have a project give back, their award. Because the Upstate CA capacity, approved by the Commission in the 10 GW NY-Sun Order, is exhausted and due to the Commission's Mid-Point Review Order's directive that all new CDG capacity must meet disadvantaged community requirements, the option of recycling the removed CA back into a new CA block is not aligned with post 10 GW policy.⁶² Additionally, removing the CA from many projects is administratively burdensome for NYSERDA. As the CA is incorporated into the primary NY-Sun incentive award contract, each contract would need to be redone by NYSERDA, resulting in a time-intensive process. Similarly, removing the CC or MTC from many projects would be administratively burdensome for NYSERDA and the utilities, therefore the reduced Standard Offer compensation level is the most efficient approach for these one-time elections.

In contrast to the CA, CC, and MTC incentive award contracts, the ICSA is a separate contract that can easily be cancelled in the event a project opts into the S-SFA's one-time election process. In line with NYSERDA's existing process for projects that convert from opt-in CDG with ICSA to E-SFA, ICSA NY-Sun awarded projects will be required to give up their ICSA award upon enrolling in S-SFA.

The one-time election process will be monitored in a transparent manner using the comparison of the OpenNY monthly solar electric reports against the utility's reported list of

⁶² Case 21-E-0629, Mid-Point Review Order, as part of its review of the potential to procure solar beyond the 10 GW target, NYSERDA should include a requirement that any additional capacity must consist only of CDG projects that commit at least 40% of project capacity to residential subscribers within DACs.

projects that enrolled during the one-time election period.⁶³ Therefore, following the conclusion of the one-time election period's end date each utility shall file a report by April 30, 2025, listing all projects that elected to participate in S-SFA, including indications for which of those projects previously received the CA, CC, MTC, and/or ICSA awards. Projects are required to indicate, when the one-time election is made, whether they have previously received a CA, CC, or MTC award. NYSERDA and the utilities shall coordinate information-sharing to ensure that each project receives the correct compensation level from the utility based on their award status, and that ICSA awards are cancelled by NYSERDA for projects that make the election with the utility.

To ensure a transparent program enrollment process, the Commission directs NYSERDA to file, within 90 days of the effective date of this Order, an update to its NY-Sun Operating Plan that includes a Solar for All Project Framework that details project enrollment criteria, along with the criteria for the use of SEEF funding for specific S-SFA solar incentives. Similarly, NYSERDA shall file within 90 days of the effective date of this Order, an update to its Energy Storage Market Acceleration Incentives Implementation Plan that details project enrollment criteria and the application of storage incentives to S-SFA projects.

Project Enrollment Process

Within the context of the Standard Offer approach described above, the process for projects to enroll in an S-SFA program would differ from the competitive procurement

⁶³ The OpenNY monthly solar electric reports are available at: https://data.ny.gov/Energy-Environment/Solar-Electric-Programs-Reported-by-NYSERDA-Beginn/3x8r-34rs/about_data; and <https://www.nysesda.ny.gov/All-Programs/NY-Sun/Solar-Data-Maps/NYSERDA-Supported-Solar-Projects>.

solicitation process used by National Grid and NYSEDA in the E-SFA program. With the Standard Offer, each utility would provide CDG projects with the option to enroll in the utility's Solar for All tariff at the time of the project's initial (25%) interconnection deposit payment. Staff proposed this milestone in recognition of the fact that the Commission has consistently used this milestone as the appropriate point at which to establish a project's compensation under the Value Stack tariffs.

Comments

The Solar Parties agree that the 25% interconnection deposit is the appropriate milestone for Solar for All tariff enrollment, but suggest modifying the milestone slightly to align with the NY-Sun incentive reservation project maturity requirements. The Solar Parties recommend that program participants be granted a one-time option to disenroll from S-SFA prior to the commercial operation date and that the final SFA Implementation Plan outline a process for projects to disenroll from the Solar for All tariff in the future.

The City, aware of the capital raising challenges faced by developers, specifically in Zone J, requests that the Commission clarify that projects will be eligible to enroll in the S-SFA program upon payment of the initial interconnection deposit.

NineDot suggests that the S-SFA program offer the flexibility to sell a percentage of the project's total Value Stack credits into the S-SFA program (e.g., 25%, 50%, 75%), giving developers the ability to keep a portion for opt-in participants of CDG or Remote Crediting. NineDot notes that this option will be particularly important in Zone J, as New York City's Climate Mobilization Act, Local Law 97, allows energy storage project remote subscribers to offset carbon

penalties with battery energy storage system project subscriptions.

Determination

Unlike NYSERDA's role with the competitive solicitation procurement process of the E-SFA program, projects will enroll with the utility under the S-SFA Standard Offer determined by NYSERDA and stated in the utility tariff. Each utility will provide CDG projects with the option to enroll in the utility's Solar for All tariff at the time of the project's initial 25% interconnection deposit payment or when a Standard Interconnection Contract has been executed, if no such payment is required. This milestone is significant as it aligns with one of the main eligibility thresholds for a NY-Sun application and will allow CDG projects greater market certainty when projects consider which program to participate in. Projects that have not previously received a CA, CC, MTC, or ICSA NY-Sun incentive will also be eligible to enroll in the S-SFA program up until the project's operational date.

Like the E-SFA program, S-SFA projects will have a disenrollment process that requires a minimum 12-months' notice for a project to disenroll. This is meant to balance the program need for year-ahead visibility with the need for providing an exit option.

Regarding the comment from NineDot regarding the ability for a project to sell a percentage of the project's total Value Stack credits into the S-SFA program, reserving a portion for opt-in CDG or other programs, the Commission rejects this request as introducing administrative complexity without corresponding low-income customer benefits. Thus, individual projects will need to elect whether or not to fully participate in S-SFA, and projects will not be permitted to split their Value Stack credits across multiple programs.

Capacity Caps

The E-SFA Order placed a cap on the total capacity (300 MWdc) that could be included in Phase 1 of the E-SFA program. However, under Staff's S-SFA Proposal, Staff did not envision a need to cap the amount of capacity participating in any utility's Solar for All program via a Standard Offer. Staff noted that since market-rate remote crediting and opt-in CDG projects are not subject to any capacity caps and, under the S-SFA Proposal, S-SFA projects would not impose any different or greater ratepayer costs than those project types, artificially limiting the amount of capacity that can enroll in an S-SFA program would create inequities between the different market segments and may limit the benefits that low-income customers receive from distributed solar development.

Comments

Nexamp believes that capacity caps are needed and will act as a policymaking tool to ensure S-SFA is not a replacement for opt-in CDG, but rather an additional program to the opt-in CDG program. Nexamp also states that without knowing how the E-SFA program is working in practice, there is no justification for Staff's recommendation. The Solar Parties are concerned about the detrimental impacts the SFA program will have on the opt-in CDG market if SFA is uncapped. They recommend establishing appropriate utility-level caps, based upon the number of eligible EAP customers, and having S-SFA roll out in conjunction with additional Community Adder Capacity. Further, they recommend the S-SFA capacity allocation be capped at no more than 50% of the new Community Adder capacity available for reservation through the NY-Sun program statewide. The Solar Parties comment that the additional Community Adder capacity could potentially leverage New York's promising Cap & Invest program or new federal funding available through the EPA

Greenhouse Gas Reduction Fund, which would limit the impact on ratepayer funding. NineDot does not recommend any capacity caps on a program within Con Edison territory.

Determination

With many of the projects within the 3.4 GW pipeline already having contracts in place for construction with opt-in customer acquisition, it is unlikely that a significant portion of the CDG pipeline to be completed through 2025 will participate in S-SFA. This can be seen in the E-SFA Phase 1 Lessons Learned Report. Each round of the E-SFA procurement allowed project owners, who previously submitted ICOSA applications, the option of submitting E-SFA bids. Out of the 113 projects within National Grid's service territory with ICOSA applications, only nine submitted E-SFA bids, with five of those nine projects choosing to enroll in E-SFA rather than ICOSA. As the E-SFA Lessons Learned Report finds, "[t]his indicates that the E-SFA Program can successfully co-exist with other programs serving disadvantaged communities, and New York residents in general, where community solar remains uncapped and receives balanced compensation levels and incentives."⁶⁴ Directly relating to the CDG market impact due to the addition of the E-SFA program, since the time the E-SFA Order was approved, over 1,350 MW of community solar projects in National Grid's service territory received NY-Sun awards. This illustrates a high degree of market activity outside of E-SFA, and signifies continued opt-in CDG growth while also demonstrating that multiple community solar markets can exist.

⁶⁴ E-SFA Lessons Learned Report, p. 3.

In the period between 2021 and 2023, there was an average of 500 MWdc of community solar installed annually.⁶⁵ Given the growth in distributed solar installations each year, and the size of the current CDG pipeline, the Commission does not see a reason to cap the amount of capacity participating in any utility's Solar for All program via the Standard Offer's compensation level procurement model.⁶⁶ The Commission declines to impose a cap on S-SFA capacity given that the appropriate program compensation levels will be set, and adjusted when necessary, to safeguard a balanced community solar market that, with ICSA opt-in projects, will drive savings to low-income customers. Additionally, review and adjustment of these compensation levels and potential S-SFA solar incentives will serve to ensure that the S-SFA program is additive to the opt-in CDG market. Furthermore, the expected efficiencies of the S-SFA program will continue to reduce the need for ratepayer funded programs and, consequently, putting a cap on a community solar

⁶⁵ Solar Electric Programs Reported by NYSERDA: Beginning 2000, available at: https://data.ny.gov/Energy-Environment/Solar-Electric-Programs-Reported-by-NYSERDA-Beginn/3x8r-34rs/data_preview.

⁶⁶ As of March 31, 2024, the current NY-Sun CDG pipeline of 3,404 MWdc by utility was: Central Hudson with 104 MWdc; Con Edison with 168 MWdc; National Grid with 2,155 MWdc; NYSEG with 840 MWdc; Orange and Rockland with 113 MWdc; and Rochester Gas and Electric with 24 MWdc. See Department of Public Service, SIR Inventory Information; Utility Interconnection Queue Data, available at: <https://dps.ny.gov/distributed-generation-information>; Over the next six years, from 2024 to 2030, NYSERDA estimates that 600 MWdc of community solar could potentially be built annually based on the breakdown of the current NY-Sun inventory. NYSERDA's estimated annual community solar potential by utility are as follows: Central Hudson 19 MWdc per year; Con Edison 31 MWdc per year; National Grid 379 MWdc per year; NYSEG 147 MWdc per year; Orange and Rockland 20 MWdc per year; and Rochester Gas and Electric 4 MWdc per year.

program, when all other community solar programs remain uncapped, is not in the interest of the State's ratepayers. For the State to reach its current goals of 3 GW of storage (which may potentially increase to 6 GW) by 2030 and 10 GW of distributed solar by 2030, the Commission remains responsible for adopting effective policies that continue to drive the growth of distributed energy resources at the lowest cost to ratepayers. Therefore, the Commission sees no value imposing a cap on a program that will help the State meet its overarching environmental and energy affordability goals.

NYSERDA's ICSA dashboard indicates the uncommitted Round 2 ICSA capacity available for opt-in CDG projects for Upstate and Con Edison Community Solar Projects.⁶⁷ Currently, only 4% of each of the Upstate total block size and the Con Edison total block size has been committed. To be specific, 824 MW of total Upstate CDG capacity and 96 MW of Con Edison CDG capacity is currently available, with funding approved by the SEEF budget.⁶⁸ The Commission's approval of S-SFA will not reduce this funding, or available capacity, that a CDG project owner could use to pursue opt-in CDG for disadvantaged communities with the ICSA. The Commission foresees that project owners will decide which situation-specific business model to pursue with their CDG project - S-SFA, market-rate opt-in CDG, ICSA opt-in CDG, or remote net crediting. These business decisions will yield a diversified market where opt-in CDG continues to play a major role.

⁶⁷ Available at: <https://www.nyserda.ny.gov/All-Programs/NY-Sun/Contractors/Dashboards-and-incentives/Inclusive-Community-Solar-Adder>.

⁶⁸ Note that this capacity is only for the ICSA portion (60%) of a given project. Therefore, this translates into 1,373 MW of total Upstate CDG and 160 MW of Con Edison CDG in projects that can receive ICSA awards.

Utility Credit Pooling and Reconciliation

Staff's S-SFA Proposal recommended that the S-SFA program adapt the credit pooling mechanism developed and implemented for National Grid's E-SFA model. Hence, projects participating in the S-SFA program would inject their generation into utility service territory's systems and be compensated by that utility through its Value Stack tariff, similar to the existing compensation methodology for opt-in CDG projects. Each utility would calculate the Value Stack credits associated with a participating project's generation using its existing Value Stack tariff. The Value Stack credits would be split into three portions: (1) a Customer Share to be used for participating customers' benefit, based on that project's compensation level; (2) a Utility Administrative Fee; and (3) the remainder, which will be paid directly to the project owner.

Comments

Although the S-SFA Proposal did not discuss the reconciliation process used for the E-SFA program, the Joint Utilities, within their comments on the S-SFA Proposal, described the process National Grid uses to forecast a Credit Pool. The comments state:

Within the E-SFA program, National Grid uses a forward-looking methodology for developing customer credits, where the utility forecasts a Credit Pool that is used to determine the Customer Credit for the upcoming program year. The Credit Pool forecasts the participating projects' Value Stack credits and the associated EAP customer share of those Value Stack credits, less the utility administration fee. The Credit Pool also includes a forecasting 'buffer' which may be used to reduce the forecasted customer share up to 10% to avoid over-crediting EAP customers in the event Value Stack credits were overestimated. The utility may vary the buffer percentage applied each year up to the 10% limit as forecasting experience is gained and the program experiences increased project enrollments.

Enrolled CDG projects receive payment of their portion of the actual Value Stack credits each month based on the agreed-upon compensation percentage. The utility calculates the actual customer share and actual utility administration fee based on the actual Value Stack credits and compares it to the forecasted amounts. At the end of the program year this over/under reconciliation balance, including carrying charges, is also included in the forecasted Credit Pool for the next year's EAP customer credit calculation. The EAP customer credit for the next program year is determined by dividing the forecasted Credit Pool by the number of E-SFA customers enrolled at the end of the previous year (or the number of EAP customers if projecting for the first program year) and divided by the number of months in the upcoming program year for which the credit will be provided.⁶⁹

The Joint Utilities comments did not propose any changes to the actual credit pooling methodology; however, they did propose that individual utilities be allowed to propose individual 'buffer' limits that could be greater than 10%, based on actual experience with CDG projects, Value Stack forecasting, or other unique circumstances within each utility's service territory.

Many parties voiced concern about the billing challenges utilities have faced since the initiation of net-crediting and caution against approving S-SFA, with its credit pooling mechanism, before National Grid can successfully and accurately put E-SFA credits on EAP customer bills. NineDot is afraid that the S-SFA program will not have the same level of vested interest and stake as the opt-in CDG market has and is concerned as to who will hold the utilities accountable for timely, accurate project compensation payments and pooled crediting. For that reason, NineDot recommends that utility buy

⁶⁹ The Joint Utilities comments on the S-SFA Proposal, p.6.

credits the month they are generated by participating projects and include certifications that they are being correctly allocated. NineDot also suggests that, to reenforce utility accountability, publicly available monthly allocation reports should be filed with the Department of Public Service. As parties recognized that the billing mechanisms for both "opt-in" CDG and "opt-out" SFA will need to work in parallel during process improvements and the programs' long-term operations, the Solar Parties requests that the Commission implement performance metrics for CDG billing & crediting and allow for multiple discounts rates before launching S-SFA.

Determination

Unlike the E-SFA program where National Grid, on an annual basis prior to the start of each Program Year, estimates the upcoming Program Year's available credit pool based on the capacity of all projects enrolled in E-SFA, the S-SFA program will differ and adopt a backwards-looking methodology, where each utility will first procure projects and pool the Customer Share of the Value Stack credits for those participating projects in operation. This method will remove the need for a buffer to the credit pool calculation, which was established to prevent the E-SFA from over-estimating the credit pool for a Program Year. 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 S-SFA CDG 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 the S-SFA project.

On an annual basis, the pooled Customer Share aggregated dollars associated with those Value Stack credits will then be distributed among S-SFA customers as a monthly credit on electric bills the following program year. Each utility's Customer Share will be adjusted, or trued up, on an annual basis prior to the start of the following program year to account for changes in participating customer levels throughout the program year. This method will remove the need for a buffer to the credit pool calculation, which was established to prevent the E-SFA from over-estimating the credit pool for a Program Year. In recognition of this adjustment, National Grid shall address any changes it will make to the E-SFA estimated crediting approach as they transition to S-SFA within the "S-SFA Transition Plan," discussed later in this Order.

As described in the Joint Utilities' comments, Value Stack credits generated by a storage project are harder to forecast and depend on the operating decisions of the project operator. The Commission's decision to allow each utility to first procure projects, then build-up its credit pool, and, lastly, distribute credits among S-SFA customers on electric bills, addresses the Joint Utilities concerns with forecasting storage projects, as such forecasting would no longer be necessary.

As reported within the E-SFA Phase 1 Lessons Learned Report, National Grid utilized similar protocols and procedures implemented with their Net Crediting Program for their E-SFA credit pooling and billing and have found the customer credit allocation for E-SFA to be a relatively simple process which was implemented successfully. With that, the Commission directs each utility to begin implementing the customer information system and billing system modifications needed to enable seamless customer enrollment, unenrollment, and billing for the

S-SFA program. To promote transparency into program costs, each utility is required to report, within 30 days of the effective date of this Order, their estimated costs for customer information system and billing system modifications for S-SFA implementation. Each utility is also directed to track its incremental administrative costs associated with implementing the S-SFA, and to annually report such costs to the Commission.

Advances and improvements for both opt-in and S-SFA billings will be warranted, and all billing will be monitored. The Commission recognizes that there is a current proposal pending before the Commission regarding the adoption of CDG billing and crediting performance metrics and associated negative revenue adjustments (Staff CDG Billing Proposal).⁷⁰ While not all the metrics proposed may apply to the S-SFA model, the Commission will consider the application of the proposed metrics to billing under the S-SFA program in the context of a decision on the Staff CDG Billing Proposal.

Targeted Distribution of EAP Credits

The E-SFA model includes identical monetary savings, in the form of a bill credit, to each National Grid EAP customer who does not opt-out of the E-SFA program. In other words, the Customer Share of all participating CDG projects is aggregated and distributed evenly among all E-SFA customers as a fixed monthly credit on electric bills. Although the E-SFA program's credit distribution was supported by Staff in the S-SFA Proposal, Staff did propose that utilities have the flexibility to propose more targeted credit distributions in alignment with the State's goals for residential electrification.

⁷⁰ Case 19-M-0463, et al., Department of Public Service Staff Proposal on Community Distributed Generation Billing and Crediting Performance Metrics and Negative Revenue Adjustments (filed January 16, 2024).

Specifically, Staff proposed that utilities could propose higher Solar for All credits for EAP customers who have implemented home heating electrification and may thus experience higher electric bills.

Comments

The Joint Utilities, the Solar Parties, Nexamp, and others support the targeted distribution flexibly discussed in the S-SFA Proposal. The Joint Utilities agree that this approach gives the Commission the capability to target savings to supplement energy affordability for certain customer segments and suggest that utilities with high levels of EAP customers relative to anticipated CDG projects propose in their implementation plans the application of credits to a subset of their EAP customers (e.g., those in the higher EAP tiers). The utilities collectively agree that this approach will combine benefits and provide additional relief to the customers with the greatest affordability need, while avoiding diluting the available credits across the full EAP population.

The Solar Parties, NY-BEST, and Nexamp agree that customers enrolled in EAP should be automatically enrolled in S-SFA. The Solar Parties and Nexamp recommend that the Commission direct the utilities to prioritize and enroll the lowest income or most vulnerable customers first, certifying that these customers receive meaningful bill savings as soon as possible. Nexamp recommends prioritizing EAP customers with the lowest incomes, highest electric usage, customers in arrears, or other appropriate metrics for energy burden and financial vulnerability.

NY-BEST supports the Staff proposal to start with ratepayers currently enrolled in EAP and requests that Staff establish a schedule to review and expand the program to ensure that the benefits are accrued to the largest number of

ratepayers. The Joint Utilities agree with this approach and remark that the S-SFA program framework, once demonstrated, could be expanded to all customers to help New York State achieve CLCPA goals.

While other commenters voiced concern about the nominal monthly discount if credits were distributed evenly to all EAP customers, the Joint Subscribers further comment that stakeholders need to have transparency into the presumed program costs and benefits to accurately assess the tradeoffs inherent in the proposal. In addition, the Joint Subscribers believe the implementation of both S-SFA and REACH is administratively redundant and unnecessary.

Determination

The Commission recognizes the S-SFA program as a long-term program design intended to move the State away from the need to incentivize community solar and that, in time, bill credits will continue to increase and reach more customers as programs advance and a cumulative amount of CDG projects elect to participate in S-SFA. Understanding that each service territory includes diverse numbers of EAP customers relative to their CDG pipeline and, in alignment with those parties that support flexibility in distributing credits as a means to avoid reducing monthly credits when credits are distributed evenly to all EAP customers, the Commission agrees that the best approach is to begin with the distribution of credits to a subset of EAP customers.

Acknowledging that both the S-SFA program and NYPA's REACH program, as intended, will be complementary to the State's Energy Affordability Program and, mainly, in consideration that the REACH enactment mandates that bill credits be provided to low-income or moderate-income end-use electricity consumers in disadvantaged communities, the Commission determines that,

during the onset of S-SFA, each utility's Solar for All program shall first enroll and distribute credits to electric EAP participants who reside in disadvantaged communities.⁷¹ The coordinated implementation of the two programs will drive operational efficiencies and deepen bill savings. In fact, NYPA underscores this potential for efficiencies in the REACH Petition in proposing that a coordinated approach between S-SFA and REACH would allow the programs to complement each other and would provide the IOUs a more uniform and streamlined billing process, minimizing the program's implementation cost. Furthermore, the Commission disagrees with the Joint Subscribers' comment pertaining to the implementation of both S-SFA and REACH as being administratively redundant and unnecessary. In contrast, the Commission finds that the two programs have the potential to be complementary with one another given that both programs proposed to utilize similar mechanisms to effectuate the development of CDG and the provision of bill discounts to low-income customers.

Turning to National Grid's E-SFA program, the E-SFA Order directed National Grid to evenly distribute credits to all E-SFA customers as fixed monthly bill credits. With the adoption of a S-SFA program, National Grid shall grandfather all existing EAP customers currently participating in their E-SFA program as National Grid transitions to the statewide program model. In other words, while only those EAP customers that reside in a disadvantaged community will be eligible for S-SFA initially, EAP customers that are already enrolled in National

⁷¹ It may be appropriate to revisit the S-SFA eligibility requirements and the methodology for calculating EAP bill discounts in the future, once the S-SFA program advances. Staff will monitor credit levels throughout the initial years of the program and make a recommendation to the Commission if S-SFA eligibility should be expanded and/or revised.

Grid's E-SFA program shall not be disenrolled from the program when it transitions to S-SFA if they do not reside in a disadvantaged community. If those grandfathered customers lose EAP eligibility, they would be disenrolled from the program and would need to satisfy S-SFA eligibility criteria (i.e., participate in the utility's EAP and reside in a disadvantaged community) to become reenrolled. Moving forward, National Grid shall apply the S-SFA eligibility requirements when customers are newly enrolled in EAP. With the success of E-SFA's Phase 1 CDG procurement and in consideration of the fact that National Grid has the largest CDG pipeline in the State, the concern of nominal bill discounts is lessened once the E-SFA Phase 1 projects are in operation. Accordingly, the Commission foresees S-SFA programs expanding to reach a broader EAP customer base once participating projects are in operation.

Utility Compensation

Staff's S-SFA Proposal recommended that the innovative compensation structure originally proposed by National Grid for the E-SFA program be extended to the S-SFA program. With E-SFA, National Grid retains 1% of the Value Stack generated by participating CDG Projects to cover the cost of administering the E-SFA program.

Comments

The Joint Utilities agree with Staff's recommendation to extend the E-SFA utility compensation structure to the S-SFA program. However, they state that each utility will have different program sizes and implementation processes and the utility compensation should be based on utility-specific costs, rather than capped at a certain percentage. They support an initial 1% cap for program administration and will track the amount collected against the actual cost to administer their programs to inform a fair compensation level.

NineDot agrees that the administrative fee set for the utility should be capped at 1%. To protect customers, they recommend lifetime fixed caps and interest payable on unallocated credits so that the utilities make prompt payments to consumers.

The Solar Parties agree that utility administrative fees should be capped at the lesser of 1% or the true administrative costs incurred. They also recommend that utility administrative fees be capped for the duration of a project's S-SFA term to provide certainty to participating solar and storage companies, and to maximize the bill savings provided to participating EAP customers.

The Joint Subscribers do not believe the utilities are able to administer additional programs, recognizing the challenges utilities have faced with opt-in programs. They are also concerned about the level of accountability for LMI customers enrolled in SFA if the program is not subject to CDG performance metrics or NRAs.

Determination

The E-SFA Order limited the Utility Administrative Fee collected by National Grid to 1% of the monthly value of participating CDG projects' Value Stack credits. National Grid was directed to track its incremental administrative costs associated with implementing the E-SFA, and to annually report such costs to the Commission. The Commission directed that if National Grid's actual annual incremental administrative costs were less than the amount recovered through the Utility Administrative Fee, National Grid is permitted to retain a 50 percent portion of that difference, and the remainder will be returned to customers through a credit to the Value Stack cost recovery, in the same manner that VDER credit costs are collected from National Grid customers.

As Staff's proposal did not speak to whether S-SFA would continue all elements of the E-SFA compensation structure, including that half of the delta between 1% and actual costs go to the utility with the remainder returned to customers through a credit to the Value Stack cost recovery, the Commission finds it reasonable to adopt a 1% Utility Administrative Fee Cap with 100% of the delta going towards the credit pool's Customer Share. This will allow for the utility to collect their true administrative costs incurred, with the delta benefiting the low-income customers the program is designed for. For those projects procured during E-SFA's Phase 1, National Grid shall continue crediting customers half of the delta between 1% and actual costs through a credit to the Value Stack cost recovery with the remainder going to the utility. Each utility is directed to track its incremental administrative costs associated with implementing S-SFA, and to annually report such costs to the Commission.

While the REACH Petition is still pending before the Commission, the proposal to utilize the S-SFA process during the implementation of REACH warrants consideration at this time. The Commission recognizes the efficiencies that could be gained by the adoption of S-SFA through consistencies between the programs. NYPA's REACH Petition proposes that, to provide a more meaningful benefit to REACH beneficiaries, significant administrative efficiencies would be gained by structuring the income requirement of the initial phase of the program to mirror the Commission's Energy Affordability Policy and the proposed S-SFA program. The REACH Petition asserts that this approach will allow REACH and the proposed S-SFA program to complement each other and provide the IOUs a more uniform and streamlined billing process, minimizing the programs' implementation costs. The Reach Petition also proposes to leverage processes of

similar programs, such as S-SFA, so that electric serving IOUs can recover their REACH administrative costs.

Thus, the Commission finds that alignment between the eligibility criteria for the S-SFA program and the eligibility criteria proposed in the REACH Petition may create administrative efficiencies that have the potential to reduce ratepayer impacts as both program's implementation would essentially cover the same administrative costs. Moreover, those efficiencies are advanced further if the Commission adopts the REACH Petition proposal to align REACH crediting and cost recovery mechanisms with those adopted for the S-SFA program. For the S-SFA program adopted in this Order, the S-SFA cost recovery mechanism would be recovered through the 1% utility administration fee.

Utility Reporting

In addition to the reporting requirements set in the E-SFA Order, the Staff S-SFA Proposal recognizes the value of reporting on "dual participation" (customers who participate in both Solar for All and opt-in CDG subscriptions). Utilities would be required to report the number of dual-participation customers and the total annual credits received.

Comments

The City recommends implementation of an ongoing review process, at least annually, to address unforeseen issues with inter-utility credit pooling, including utility enrollment and billing issues. The City asserts that regular evaluations and adjustments to the mechanisms and guidelines can ensure fairness, effectiveness, and transparency. Moreover, these evaluations will provide the Commission the opportunity to analyze the program in conjunction with other related initiatives like the Build Public Renewables Act and potential rule changes to the federal Investment Tax Credit, according to

the City. Implementation of annual reviews, the City continues, would allow for a comprehensive evaluation of the program's overall impact and effectiveness, enable identification of synergies, and ensure a coordinated approach towards renewable energy goals. The City believes that such evaluations will benefit all stakeholders by optimizing outcomes and addressing any potential gaps or overlaps as they arise.

The Solar Parties agree with the Staff recommendation that utilities report upon all metrics included in the E-SFA Order as well as the number of "dual participation customers" that both receive S-SFA credits and participate in opt-in community solar. The Solar Parties further recommend that the Commission require the utilities to report on the timeliness of monthly payments to participating projects as well as the timeliness of monthly credits issued to participating LMI customers.

Determination

The Commission agrees with Staff's proposal and the comments received, recognizing the benefits annual reporting will offer the Commission, Staff, and the CDG market to better evaluate program performance and operation. Thus, each utility's Annual Report shall include:

1. Utility Administrative Cost.
2. The capacity of CDG projects enrolled in program.
3. The capacity of CDG projects in operations.
4. The total number of customers enrolled in program.
5. The amount of bill credits generated and distributed to participating customers per month with an annual total.
6. The number of dual-participation customers and the total annual credits received.

7. An assessment of billing performance, including the number of billing errors and late Value Stack credit payments.⁷² The IOUs are directed to file annual reports following the completion of each S-SFA program year (December 1 through November 30) by March 1 of the following year.

Implementation Timeline

As the S-SFA project compensation process is built on the existing rules and processes for CDG net crediting, Staff recommended that additional utility-level Solar for All programs only be implemented after completion of net crediting automation. Because National Grid is already implementing the E-SFA program, Staff proposed that any adjustments needed to adopt the Statewide SFA model will require significantly less time than for the other utilities and could be fully implemented by the beginning of the 2024-2025 EAP cycle. Staff recommends that the Commission remove the requirement for a "Phase 2" petition set in the E-SFA Order, as the continuation of the National Grid program would be aligned with the S-SFA model, and an additional filing would be duplicative.

Comments

The Joint Utilities agree with Staff's recommendation and note that the automation of volumetric Net Crediting also be included. Utility S-SFA implementation plans may also need to account for timing of regulatory billing system enhancements such as the Electric Vehicle Phase-In Rates, Standby & Buyback Rates, Customer Benefit Charge changes, and billing system conversions. The Joint Utilities recommend that each utility include an implementation timeline as part of its final implementation plan.

⁷² Utility-level billing performance for the Solar for All program may be applicable to potential billing and crediting accuracy metrics for utility Negative Revenue Adjustments.

In respect to the E-SFA program, National Grid urges the Commission not to impose any requirements in this proceeding that may impact the imminent implementation of E-SFA. Good Energy supports the Staff proposal to recommend that additional utility-level Solar for All programs only be implemented after completion of net crediting automation.

GSPP acknowledges the proposed launch of December 2025 but echoes the sentiment of the Solar Parties that a more considered approach might be warranted. GSPP propose a flexible timeline that adjusts based on the lessons learned from the National Grid E-SFA program and its upcoming ESFA Round 2 RFP. The alignment of timelines with utility system upgrades, particularly with regards to crediting concerns faced by opt-in CDG projects and the enactment of Multiple Net Member Credit rates can enhance the effectiveness of the S-SFA initiative.

The Solar Parties concur with the Staff recommendation that S-SFA be launched in December 2025, and only after existing utility crediting issues with opt-in CDG are fully addressed and after the utilities enable Multiple Net Member Credit Rates.

Determination

As the utilities recently reported having completed Value Stack CDG billing automation, newly enrolled S-SFA projects will be billed using that automated process and the S-SFA Proposal's recommended condition of achieving CDG automation prior to implementation of S-SFA has been met.

The E-SFA Order allowed for NYSERDA and National Grid to petition the Commission to authorize an E-SFA Phase Two, after the submission of the Phase 1 report. As the State moves forward with a S-SFA program, this petition will not be necessary. Now that National Grid and NYSERDA completed the Phase 1 project procurement, National Grid shall align their E-SFA program with the S-SFA program. Therefore, National Grid

shall adopt the S-SFA Standard Offer, ensure project enrollment complies with NYSERDA's Solar for All Project Framework and adjust their initial E-SFA participant eligibility requirement, as discussed above. Further, all reporting, tariff revisions, and program designs including, but not limited to, the inclusion of storage, the removal of the E-SFA capacity cap, and the adjustment to Utility Administrator Fees, shall be applied to National Grid's program. Lastly, National Grid shall address any changes it will make to E-SFA's estimated crediting approach as part of a transition plan to S-SFA. In the E-SFA Order, National Grid was directed to file and update its E-SFA Implementation Plan or March 31 of each year. As part of this transition to S-SFA, National Grid shall update their E-SFA Implementation Plan to address the Company's transition to the S-SFA program. The updated E-SFA Implementation Plan shall be filed in lieu of the updated E-SFA Implementation Plan that National Grid would have otherwise filed on March 31, 2025, and should be titled "S-SFA Transition Plan," consistent with the requirements of this Order. For the avoidance of doubt, this Order relieves National Grid of the obligation to file future E-SFA Implementation Plans following the filing of the S-SFA Transition Plan.

With the issuance of this Order, the Commission directs each utility to begin implementing the customer information system and billing system modifications needed to enable seamless customer enrollment, unenrollment, and billing for the S-SFA program.

As discussed above, NYSERDA is directed to update its NY-Sun Operating Plan to include the Solar for All Project Framework discussed above within 90 days of the effective date of this Order. This filing shall include details regarding project enrollment criteria related to the receipt of NY-Sun

incentives and/or the LICBTC, and the process and criteria for the application of SEEF funding in a specific utility territory and for a full program year. Similarly, NYSERDA shall file within 90 days of the effective date of this Order, an update to its Energy Storage Market Acceleration Incentives Implementation Plan that details project enrollment criteria and the application of storage incentives to S-SFA projects. Following these filings, NYSERDA is directed to file the initial S-SFA Standard Offer compensation levels schedules within 120 days of the effective date of this Order. NYSERDA is then directed to review the Standard Offer compensation levels at least annually, and file updated compensation level schedules with the Secretary to the Commission, on or before November 1 of each year, beginning on or before November 1, 2024. The Joint Utilities are directed to make tariff filings updating the Standard Compensation levels on the newly established S-SFA ("SSFA") Statement as provided by NYSERDA, on not less than three days' notice to become effective beginning December 1st of each year, until discontinued by the Commission. The Joint Utilities shall file their initial "SSFA" tariff statements with an effective date of December 1, 2024.

The Joint Utilities are also directed to file tariff amendments effectuating a S-SFA program, as discussed in the body of this order. The tariff amendments shall be filed on not less than 60 days' notice, to become effective, beginning on December 1, 2024. The tariff amendments should include a one-time election period for projects previously awarded NY-Sun Incentives, yet not in operation. The tariff amendments shall also allow for the procurement of projects with the inclusion of Standard Offer compensation level agreements. As this Order was the subject of substantial public process, the requirements related to newspaper publication of tariff amendments are

waived. If a utility's credit pooling mechanism is not fully operational by the effective date of the tariffs, the Joint Utilities are responsible for crediting S-SFA projects on a monthly basis while the credit pools are built up.

The Commission recognizes that it will take time for projects to be developed under S-SFA and for the Customer Share credit pools to be built up and, consequently, in time, credit levels are expected to increase. Thus, while initial customer credits may be small, they are expected to rise as the program advances. For these reasons, the IOUs shall commence credit distribution to customers in December 2025.

CONCLUSION

As the State's ratepayer funded NY-Sun budget comes to an end in 2030, the S-SFA program's streamlined and cost-effective model will guarantee that low-income customers receive the environmental and energy affordability benefits of community solar as New York transforms to a sustainable, self-sufficient solar future. The Commission finds that the S-SFA 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 CLCPA mandates.

The Commission orders:

1. The Department of Public Service Staff Proposal on a Statewide Solar for All Program is adopted, with modifications, as discussed in the body of this Order.

2. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated

Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall commence Statewide Solar for All credit distribution to eligible customers on December 1, 2025, as discussed in the body of this Order.

3. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall, within 30 days of the effective date of this Order, file a report including their estimated costs for customer information system and billing system modifications necessary to implement the directives of this Order, as discussed in the body of this Order.

4. The New York State Energy Research and Development Authority shall, within 90 days of the effective date of this Order, file an update to its NY-Sun Operating Plan to include a Solar for All Project Framework, as discussed in the body of this Order.

5. The New York State Energy Research and Development Authority shall, within 90 days of the effective date of this Order, file an update to its Energy Storage Market Acceleration Incentives Implementation Plan that details project enrollment criteria and the application of storage incentives to S-SFA projects, as discussed in the body of this Order.

6. The New York State Energy Research and Development Authority shall, within 120 days of the effective date of this Order, file initial Solar for All compensation levels schedules to be included within utility Statewide Solar for All tariff statements, as discussed in the body of this Order.

7. The New York State Energy Research and Development Authority is directed to review the Standard Offer compensation

levels at least annually, and file updated Standard Offer compensation levels schedules on or before November 1 of each year, beginning on or before November 1, 2024.

8. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall file tariff amendments effectuating a Statewide Solar for All program, on not less than 60 days' notice to become effective on December 1, 2024, as discussed in the body of this Order.

9. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall make tariff filings updating the Standard Compensation levels on the newly established "SSFA Statement" on not less than three days' notice to become effective beginning December 1st of each year, until discontinued by the Commission, as discussed in the body of this Order. The initial tariff statements shall be filed on not less than three days' notice, to become effective on December 1, 2024, as discussed in the body of this Order.

10. 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 Nos. 8 and 9 are waived.

11. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall, by June 15, 2025, file a

Statewide Solar for All Enrollment and Awareness Plan, as discussed in the body of this Order.

12. Niagara Mohawk Power Corporation d/b/a National Grid shall file, by March 31, 2025, a Statewide Solar for All Transition Plan, as discussed in the body of this Order.

13. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall file a report by April 30, 2025, listing all projects that elected to participate in the Statewide Solar for All Program, including indications for which of those projects previously received the Community Adder, Community Credit, Market Transition Charge and/or Inclusive Community Solar Adder awards, as discussed in the body of this Order.

14. Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall, beginning on March 1, 2026, and every March 1 thereafter, file annual reports including administrative costs, the capacity of Community Distributed Generation projects enrolled in the Statewide Solar for All Program, the capacity of projects in operations, the total number of customers enrolled in Statewide Solar for All Program, the amount of bill credits generated and distributed to participating customers per month with an annual total, the number of dual-participation customers and the total annual credits received, and an assessment of billing performance including the number of billing errors and late Value Stack credit payments, 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. These proceedings are continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

APPENDIX: STAKEHOLDER COMMENT SUMMARY

**Stakeholders that Commented on Staff's Statewide
Solar for All Proposal**

1. The Joint Utilities: 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 & Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).
2. Good Energy, L.P. (Good Energy)
3. City of New York (City)
4. The NRG Retail Companies (NRG): Reliant Energy Northeast LLC d/b/a NRG Home and d/b/a NRG Business Solutions, Green Mountain Energy Company, Energy Plus Holdings LLC, Energy Plus Natural Gas LLC, Independence Energy Group LLC d/b/a Cirro Energy, XOOM Energy New York, LLC, Stream Energy New York, LLC, Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, and Gateway Energy Services Company.
5. Ampion, PBC (Ampion)
6. Arcadia Power, Inc., Ampion, Perch Energy, Inc., PowerMarket, Inc. and Solar Simplified, LLC (Joint Subscribers)
7. NineDot Energy (NineDot)
8. Joule Assets, Inc. (Joule)
9. Mid-Hudson Energy Transition (MHET)
10. Opt-out CDG Coalition
11. Green Street Power Partners (GSPP)

12. The New York Solar Energy Industries Association (NYSEIA), the Solar Energy Industries Association (SEIA), and the Coalition for Community Solar Access (the Solar Parties)
13. Nexamp Inc. (Nexamp)
14. New York Battery and Energy Storage Technology Consortium (NY-BEST)

Comment Summary

Statewide Solar for All Implementation Framework

The Joint Utilities support an expanded S-SFA program that provides benefits to all customers, including EAP customers, as it puts New York State on a path to reach the clean energy targets codified in the CLCPA, including the requirement that disadvantaged communities receive at least 35% of the benefits of clean energy programs.

Good Energy urges the Staff to approve opt-out CDG as a component of CCA programs so that CCA Administrators and solar project developers can establish a track record of operating experience. NRG believes third-party providers are in the best position to execute such a program.

NineDot supports the proposal as it will begin to address the dire need to alleviate the energy affordability crisis in New York State. NineDot applauds the opt-in community solar industry for its success in creating a vibrant market that allows for the benefits of clean energy to be distributed to New York State's residents and low-income communities. Given this success, NineDot believes an S-SFA program should be structured to ensure it is additive to this program.

The Joint Subscribers acknowledge S-SFA's goal of providing bill relief to Low-to-Moderate Income customers, but are extremely concerned that the approval of the S-SFA proposal

will severely hamper innovation in the market, decrease competition in the CDG sector, decrease utility accountability, reduce consumer protection, and remove the role of companies like the Joint Subscribers, who provide a vital nexus between the subscriber and the program. The Joint Subscribers feel that Staff's proposal, if approved, will drive project developers to a utility-administered program because the program has zero cost of customer acquisition or long-term management associated with it. The Joint Subscribers request that Staff provide more analysis on estimated monthly billing credits and perceived cost-savings as a result of utility auto-enrollment and bill credit management.

Joule acknowledges that the Statewide Solar for All as an opt-out program has merit, but it requires new billing processes that will take significant time to implement. Until there is an operational opt-out program, the State will need to continue to provide subsidies for LMI customer acquisition for all LMI customers that will receive solar credits. Joule believes opt-out CDG offers an immediate at-scale solution, using existing infrastructure and funding to swiftly enroll LMI households through the empowerment of local governments. Joule believes it is particularly urgent that the State find an at-scale solution to offer low- and moderate-income residents the benefits of community solar. Joule states there are two at-scale models that can offer an at-scale solution, SFA and opt-out CDG. Joule does not believe there is a need to wait for utilities to address customer service challenges and billing upgrades in preparation for S-SFA. Joule argues that the State should ensure LMI households have access to an at-scale solution in 2023 by authorizing Opt-Out CDG.

Ampion opposes the adoption of the S-SFA in its current form and encourages the Commission to consider alternatives to the S-SFA that would be more effective at reaching residents in disadvantaged communities while also preserving the community solar model. Ampion does not believe S-SFA is an alternative to opt-out CDG and continues to argue that opt-out CDG would be very effective at delivering benefits to Disadvantaged Communities and would require less NY-Sun incentives compared to traditional CDG.

NRG says that the S-SFA should not be run by monopoly utilities, but instead be developed collaboratively by stakeholders and administered and executed by the third-party providers who are already running these programs and have experience serving community solar customers. NRG believes competitive third-party providers are ideal candidates to enroll customers of all income levels into these programs and best suited to serve the role of customer liaison. NRG thinks switching to a S-SFA program will hinder future competitive provider participation and place all the acquisition, education, communication, and operational responsibilities on the utility. Instead, NRG believes a preferred way to implement increased LMI customer participation is via Opt-out CDG programs.

NY-BEST believes the S-SFA has the potential to be a major step forward in achieving the community protection goals mandated in the CLCPA. The cost-savings benefits of shared, local, clean energy generation and energy storage can be harnessed as an immediate, effective tool to help alleviate the needs for our community members least able to afford it.

The Solar Parties support the intent of the S-SFA Proposal, and support Staff's Proposal that the S-SFA program be additive to the existing programs supporting opt-in community

solar. The Solar Parties recommend modifications to build a successful S-SFA without impeding existing opt-in community solar programs.

GSPP stands ready to collaborate on shaping the future of New York's solar landscape by integrating the S-SFA initiative alongside the proven Opt-In model, at a minimum retaining the 89% compensation level, and ensuring a well-timed implementation. GSPP believes the State can collectively amplify clean energy access and pave the way for a greener and more sustainable future for all New Yorkers.

MHET firmly recommends against the continuation of the inherently flawed logic that investor-owned utilities will lead the way in an equitable clean energy transition believing that the small discounts the program affords Disadvantaged Communities are, by themselves, an insufficient measure against the legacy inequities in New York's energy ecosystem and do little to support the growth of these communities in terms of infrastructure, systems, and wealth. MHET supports and joins WE ACT for Environmental Justice which state that "the only benefit being accounted for and attributed to Disadvantaged Communities (DACs) is bill discounts . . . The benefits of distributed solar are plentiful and bill discounts are one very small piece of that pie. Solar energy is an asset, which produces income and generates wealth. In addition to profits, solar energy also generates tax benefits, jobs, clean energy, and greenhouse gas reductions, all of which are benefits that deserve to be distributed equitably, and at the very least, in line with the statutory obligation set forth in the CLCPA." MHET believes a version of Statewide Solar for All can be an approach to fill the gaps where CCA is not enacted, and MHET believes that SSFA and CCA with opt-out CDG have the potential to be complementary

and more effective than either program on their own. MHET also notes that these programs are stackable with the allowance of dual participation.

The Opt-Out CDG Coalition urge the Commission to adopt a "Yes-And" strategy. Yes! to Opt-in CDG, Yes! to Statewide Solar-For-All, and Yes! to community-led Opt-Out CDG. Only this strategy enables the full range of benefits and efficiencies of CDG for all New Yorkers.

Customer Enrollment and Awareness

The Joint Utilities respectfully advocate that the opt-out requirement of the E-SFA program is not needed for the S-SFA program because participating customers have already consented to receiving EAP aid, and S-SFA discounts are simply proposed to be added to the EAP incentives that those customers would otherwise receive. The Joint Utilities believe that a statewide mailing campaign to all EAP customers is unnecessary, would-be resource intensive, and would slow down the distribution of credits to customers.

The Joint Subscribers claim that HUD assistance to EAP participants will decrease if they are enrolled in S-SFA, commenting that the implementation of the S-SFA program before IRA guidance is finalized for 2024 and beyond raises substantial risk of limiting New York's access to federal dollars. They also believe the implementation of both S-SFA and REACH is administratively redundant and unnecessary.

The Solar Parties urge NYSEERDA and the utilities to take proactive steps to encourage dual participation through increased education and outreach designed to minimize LMI customer confusion and increase opt-in participation. The solar industry is concerned that if customers are already receiving

bill credits from a solar program, they may be skeptical that they are eligible to participate in opt-in community solar and receive additional savings. The Solar Parties propose that S-SFA bill credits be included in the existing line item for EAP discounts on the customer bill, or if they are to be listed separately, that they be clearly described and labeled as something other than "Community Solar" to minimize customer confusion. To further mitigate customer confusion, the Solar Parties also recommend providing training for utility customer service staff, so they can accurately explain the credits on customer bills and what solar offerings are available to them. The Solar Parties further recommend that the utilities proactively engage and educate EAP customers regarding the opportunity to enroll in opt-in CDG; an activity that would increase LMI participation in opt-in CDG and provide households with deeper bill savings. The Solar Parties reference the Department of Energy's digital tool, known as the Low-Income Clean Energy Connector, which is being developed to connect eligible households participating in government-run low-income support programs with community solar programs. The Solar Parties recommend further collaboration among NYSERDA, the utilities, municipalities, Community Choice Aggregation administrators, the DOE, and the solar industry to jointly identify, engage, educate, and enroll the most energy burdened customers to deliver additional energy savings.

Nexamp believes NYSERDA and the utilities could market the benefits of the opt-in programs to S-SFA enrollees but could go even further to create data-sharing protocols that allow S-SFA participants to be matched to open capacity on opt-in projects. Nexamp recommends that Staff require the Joint Utilities, in coordination with NYSERDA, to develop a mechanism

to not just facilitate but proactively encourage dual-participation by helping customers find and enroll in opt-in programs which can deliver more savings than S-SFA can feasibly provide. Nextamp believes that dual-participation should not be assumed to be a given result of this program and that a significant amount of coordinated education and outreach must be facilitated to ensure dual-participation succeeds and adequate benefits reach LMI New Yorkers. Joule urges that the utilities must be prepared for an increased customer service need.

Inclusion of Distributed Energy Storage

The Joint Utilities do not support the inclusion of energy storage projects within S-SFA. They assert that Value Stack credits generated by a storage project are harder to forecast and depend on the operating decisions of the project operator. Unlike solar, for which Value Stack is the only compensation mechanism, the Joint Utilities acknowledge the numerous storage compensation mechanisms currently in existence and under development. The Joint Utilities state that further consideration should be given to the potential benefits of such a program as well as the increased complexity in utility-administered community benefit programs.

The City agrees with Staff's Proposal to include retail energy storage in the Con Edison service area recognizing that retail energy storage provides numerous advantages in densely populated and space constrained areas like New York City, such as relieving strain on the grid by storing excess energy during low-demand periods and releasing it back to the grid during peak demand, ensuring a reliable electricity supply.

NineDot strongly agrees with Staff proposal that expanding project eligibility to include distributed energy

storage projects will help address the disparity in clean energy cost savings available to low-income New Yorkers in Con Edison territory. NineDot notes that unlike solar projects, there are currently no incentives or programs available for standalone energy storage projects to provide clean energy savings to mass-market or residential service classes or low-income households. NineDot sees the S-SFA program representing an efficient and immediate way for energy storage projects to pass on cost savings to the low-income customers.

NY-BEST agrees with Staff's proposal that expanding project eligibility to include distributed energy storage projects will help address the disparity in clean energy cost savings available to low-income New Yorkers in Con Edison territory and urge adoption of this program. NY-BEST further encourages the Department to consider expanding the inclusion of energy storage in the program to other utilities and create a schedule for doing so. NY-BEST supports a similar program proposed by NineDot, referred to as the Clean Energy for All (CEFA) Program, noting there are no established incentives or mechanisms in place to pass on the benefits from community storage projects to disadvantaged populations in New York State. NY-BEST states that mechanisms could be put in place to incentivize storage projects to provide economic benefits to low-income communities.

The Solar Parties agree that including energy storage will have the greatest impact in Con Edison territory and suggest that standalone energy storage be eligible to participate in S-SFA statewide for the sake of simplicity and uniformity. The Solar Parties note that CDG for energy storage is a complex concept to sell to mass-market customers on an opt-in basis, but allowing these projects to participate in S-SFA

would provide a simple offtake strategy to increase the development of energy storage projects that provide meaningful benefits to the grid while delivering bill savings to low-income customers.

NY-SUN Incentives

With respect to Zone J, the City disagrees with Staff's proposal and recommends that Zone J projects participating in the S-SFA be allowed to access both the CA and ICESA incentives acknowledging that the Community Adder replaced Con Edison's Community Credit. The City has long maintained that the Con Edison Community Adder must be higher to properly reflect the value provided by community distributed generation in New York City. While the City appreciates that S-SFA participation should reduce customer acquisition costs, projects in NYC face unique challenges that require additional support to overcome, particularly in light of the lost value arising from the transition from the production-based Community Credit incentive to the Community Adder structure. The City further recommends that S-SFA projects located in Disadvantaged Communities in Zone J should be eligible for both the Community Adder and the ICESA, subject to a requirement that such projects offer higher bill savings to subscribers. This dual eligibility can help accelerate the adoption of solar energy and expand access to renewable energy in underserved areas.

Good Energy believes successful S-SFA program should consistently attract solar capacity, but S-SFA incentive levels should not surpass compensation levels available to other CDG projects to maintain the viability of that market.

The Joint Subscribers support NYSERDA's recommendation that utility opt-out CDG projects should not be eligible for the

Community Adder or ICESA and should also be ineligible for additional Solar Energy Equity Framework ("SEEF") funding.

Joule wishes to correct a misunderstanding about the relative costs of opt-in and opt-out customer acquisition, identifying that opt-in projects serving low-income customers require two subsidies, one for customer acquisition and one to ensure a discount above market rate (e.g. 10% over 5%). According to Joule, S-SFA and Opt-Out CDG only require the subsidy to ensure low-income customers receive a higher discount. Joule comments that while the S-SFA proposal notes that the community adder and inclusive community solar adder will not be available to projects participating in S-SFA, there is the backstop of SEEF funding. Joule believes this pool of money can be used at the discretion of NYSERDA to support S-SFA and states that that makes it difficult to compare the cost of Opt-Out CDG and S-SFA. Joule states that there is no obvious reason that developers engaged with Opt-Out CDG should require different financial support than S-SFA to ensure deeper discounts for LMI customers as that cost is set by market conditions.

The Solar Parties agree with Staff that the NY-Sun incentives intended to support opt-in CDG (i.e., the Community Adder and Inclusive Community Solar Adder) should not be available to projects that participate in S-SFA. The Solar Parties also do not favor the use of Solar Energy Equity Framework (SEEF) funding for S-SFA projects. SEEF funding is limited and in the Solar Parties' view, better allocated to programs that can reach low-income customers who are not already receiving energy assistance, and/or to customers in disadvantaged communities in direct alignment with the State's goals and directives under CLCPA.

Procurement Approach and Compensation Levels

The Joint Utilities support the Standard Offer approach, as well as the compensation level to be set by NYSERDA and Staff. Due to the fact that storage developers have numerous options for compensation that have the potential to evolve over time (some of which are not available within the Value Stack mechanism), the Joint Utilities believe that such project owners should be required to make long term commitments to fund low-income bill credits if the Commission approves such a program. Instead of a percentage of revenue generated through Value Stack, the credits should be tied to a \$/kW that increases over time.

The Solar Parties concur with the Staff Proposal that a Standard Offer is preferable to competitive solicitations and will provide greater market certainty to solar and storage developers considering S-SFA as an alternative to traditional opt-in community solar or remote crediting enrollment strategies. The Solar Parties agree that compensation levels may need to vary based on utility territory and underlying project economics, and support that the levels are set by DPS Staff and NYSERDA in consultation with stakeholders. The Solar Parties recommend setting compensation levels for: (1) PV with Category 4 Bon Tax Credit; (2) PV without Category 4 Bonus Tax Credit; and (3) Standalone Energy Storage, and agree that compensation levels be monitored and revised from time-to-time in response to market conditions and program participation.

Good Energy supports the Standard Offer approach instead of a requirement for competitive solicitations noting that the availability of a defined Standard Offer will help increase certainty in the market since the S-SFA monetization

pathway will be known and can be compared to likely CDG monetization options. Good Energy recognizes the two levels of compensation available to S-SFA projects that can be modulated to drive consistent levels of investment into S-SFA projects; the percentage of VDER compensation paid to the SSFA project and the NY-SUN incentives. Good Energy believes a balanced S-SFA market will be characterized by a percentage of VDER credits and NY-SUN incentives that results in the selection of the S-SFA monetization pathway for some, but not all solar projects. Good Energy agrees with Staff's proposal that an annual review is warranted to achieve and maintain the balance described above and adjustments to the compensation formula for S-SFA projects should be communicated transparently so that solar developers can plan and anticipate available compensation levels.

The City proposes that a higher standard offer price requirement for S-SFA projects in Zone J will incentivize developers to prioritize investments in densely populated areas where solar development is more challenging and limited. The City states that a higher price can help offset the higher costs and potential barriers associated with developing solar projects in Zone J, in particular. The City further recommends that actual pricing be developed with stakeholder input during program implementation.

GSPP supports the change of S-SFA to a Standard Offer to help further program expansion. GSPP comments that failure of uptake in previous E-SFA solicitations supports that competitive solicitation has failed to have the participation levels to see programmatic success. However, while the proposal states the intent to continue the use of a specified percentage of the Value Stack, GSPP notes that the proposal does not provide a proposed number but instead requests flexibility

across State/utility territories. GSPP comments that compensation levels under the previous E-SFA solicitation (Phase 1, Round 1) has been one of the major deterrents of developer participation. GSPP urges Staff to maintain a minimum 89% compensation for S-SFA and provide a detailed explanation of how the 89% compensation level was determined. The 89% compensation level, plus the base incentive, is competitive with the current opt-in model inclusive of the community adder in the Upstate territory. Before GSPP can fully stand behind this model, there needs to be future projections from NYSERDA on the value of the community adder and capacity. At a minimum, GSPP believes NYSERDA needs to provide transparency on the projections through 2025 so developers can give informed comments in subsequent S-SFA proceedings.

NineDot agrees with the Staff Proposal recommendation of using the Standard Offer rather than competitive solicitations. A Standard Offer will provide greater clarity and market certainty to solar and storage developers considering S-SFA as an alternative to traditional opt-in community solar or Remote Crediting enrollment strategies. Importantly, NineDot recognizes that compensation levels and program design should be designed to maximize the ability for developers to leverage Federal funding, including but not limited to the low-income adder to the ITC and programs supported by the EPA Greenhouse Gas Reduction Fund. In addition, NineDot proposes that S-SFA should offer the flexibility to sell a percentage of the project's total Value Stack credits into the program (e.g., 25%, 50%, 75%), giving developers the ability to keep a portion for opt-in participants of CDG or Remote Crediting claiming that this will be particularly important in Zone J, as New York City's Climate Mobilization Act (Local Law 97) compliance

commences, given that energy storage project remote subscribers can offset carbon penalties with BESS project subscriptions. NineDot agrees that compensation levels for new project enrollment should be monitored and revised from time-to-time in response to market conditions and program participation, however, once a compensation level for a project is set, it should not be modified for an S-SFA term of 25 years (to be co-terminus with the VDER term). NineDot recommends that this process be transparent and predictable for parties that participate in the program.

Procurement Process

The Solar Parties agree that the 25% interconnection deposit is the appropriate milestone for Solar for All tariff enrollment but suggest modifying the milestone slightly to align with the NY-Sun incentive reservation project maturity requirements. The Solar Parties recommend that program participants be granted a one-time option to disenroll from S-SFA prior to the commercial operation date and that the final SFA Implementation Plan outline a process for projects to disenroll from the Solar for All tariff in the future.

The City's is well aware of the capital raising challenges faced by developers, specifically in Zone J, and requests that the Commission clarify that projects will be eligible to enroll in the S-SFA program upon payment of the initial interconnection deposit.

Capacity Caps

The Solar Parties have significant concerns regarding the potential adverse impacts that an uncapped utility-administered bill credit program could have on New York's

nation-leading opt-in community solar market. To mitigate these impacts, the Solar Parties recommend that the Commission establish appropriate utility-specific caps for the program, and that S-SFA be rolled out in conjunction with additional Community Adder capacity. The Solar Parties believe that additional NY-Sun funding to support opt-in community solar would mitigate this risk. The Solar Parties comment that this additional capacity could potentially be funded with limited ratepayer impact by leveraging New York's nascent Cap & Invest program or new federal funding available through the EPA Greenhouse Gas Reduction Fund. The Solar Parties recommend that new S-SFA capacity allocation be capped at no more than 50% of the new Community Adder capacity available for reservation through the NY-Sun program Statewide. The Solar Parties recommend that this S-SFA capacity be allocated proportionately among New York's utility service territories based upon the number of eligible EAP customers.

NexAmp states that without a complete understanding of how E-SFA in National Grid and S-SFA work in practice, there can be no justification for an uncapped program. Nexamp believes that capacity caps are an essential policymaking tool that the State can use to ensure that S-SFA is successful and that the program is complementary and additional to, rather than a replacement for, opt-in community solar. Capacity caps will also support the utilities in successfully rolling out this new program. NineDot does not recommend any capacity caps on a program within Con Edison territory.

Utility Credit Pooling and Reconciliation

NRG is concerned that the build out of the S-SFA credit pooling mechanism may slow down net crediting process

improvements while utility personnel are focused on setting up these new programs. Both programs will need to work in tandem during process improvement and long-term operations if S-SFA is implemented.

NineDot believes the program should be designed with an appropriate structure and consumer protections to ensure a smooth roll out and program administration by the utilities. NineDot believes it is critical that there are built-in mechanisms that ensure timely and accurate payment to project developers and allocations of bill credits given the ongoing issues experienced by CDG developers and customers in recent years. CDG developers, opt-in customers, and subscriber managers have a vested interest in ensuring that the utilities issue timely and accurate credits, whereas there are no similar interested parties for S-SFA to drive accountability for timely and accurate payment and customer crediting. NineDot recommends that Staff apply lessons learned from the opt-in community solar programs to ensure timely and accurate bill crediting. NineDot recommends that the utility should buy credits the month they are generated by clean energy projects with certifications that they are being correctly allocated, reinforced with publicly available monthly allocation reports to the DPS. According to NineDot, consumer protections could include lifetime fixed caps on administrative fees and interest payable on unallocated credits so that the utilities make prompt payments to consumers. NineDot believes that utilities should also face appropriate penalties for late payment and bill credit allocation.

Joule urges that the utilities must be prepared for an increased customer service need and must have functional billing systems. Joule also states that this same requirement "to protect customers, specifically low-income customers who would

be the first to be enrolled, the Commission must ensure utilities can correctly bill for CDG credits to avoid putting customers at risk of financial hardship," should apply to S-SFA and there are currently no data to suggest this requirement can be met. Given the billing challenges that utilities have had with net crediting and given that credit pooling is based off this same billing infrastructure, Joule believes it seems logical for Staff to wait for National Grid to successfully put credits on customers' bills to ensure the credit pooling billing process functions as expected.

The Solar Parties expect that New York will be able to realize the full benefits of net crediting only after the Commission implements performance metrics for CDG billing & crediting and directs the utilities to allow multiple discount rates for net crediting projects. Multiple discounts rates are a critical step to deliver deeper bill savings to low-income customers in the near-term, before launching S-SFA.

Targeted Distribution of EAP Credits

The Joint Subscribers feel that, in order for the program to maximize potential customer benefit to EAP participants, the entire existing pipeline of New York CDG projects would need to enroll in S-SFA.

The Joint Utilities support flexibility in credit distribution, as this type of crediting program gives the Commission the ability to target savings to further energy affordability for specific customer segments. Further, the program framework established under S-SFA, once proven, could also be expanded to improve the efficiency and customer value of other distributed generation programs, according to the Joint Utilities. While the Joint Utilities recognize delivering clean

energy benefits to low-income customers as the primary objective of an S-SFA program, the Joint Utilities submit that expanding S-SFA eligibility to all customers will help New York State achieve CLCPA goals by efficiently delivering clean energy benefits to additional customer segments.

NY-BEST supports the Department's proposal to begin with ratepayers currently enrolled in EAPs. NY-BEST strongly urges DPS to establish a schedule to review and expand the program to ensure that the benefits are accrued to the largest number of ratepayers.

The Solar Parties concur with Staff that LMI customers enrolled in EAP should be automatically enrolled in S-SFA, and also believe it is appropriate to prioritize the most severely energy burdened LMI customers. If the Commission adopts the recommendation of implementing utility-specific capacity caps for S-SFA, the Solar Parties recommend that the Commission also direct the utilities to prioritize and enroll the lowest income or most vulnerable customers first, thereby ensuring that these customers receive meaningful bill savings as soon as possible.

Nexamp recommends prioritizing EAP customers with the lowest incomes, highest electric usage, customers in arrears, or other appropriate metrics for energy burden and financial vulnerability. The Joint Subscribers comment that the Staff Proposal does not provide any scenario analysis of assumed value of bill credits to customers. The Joint Subscribers state that, like any policy, stakeholders need to have transparency into the presumed program costs and benefits to accurately assess the tradeoffs inherent in the proposal. The Joint Subscribers also argue that if the intent of the program is to maximize bill relief to EAP participants while ensuring no harm to the opt-in market, this proposal cannot achieve both goals, stating that if

S-SFA's goal is to maximize bill discounts to EAP participants, the program will require full participation of the CDG pipeline. The Joint Subscribers also recognize that any increase in EAP enrollment will reduce bill savings. The Joint Subscribers state that EAP is a limited pool of customers whereas opt-in CDG via ICSA expands the universe of customers benefiting from clean energy by moving toward CLCPA goals and beyond income-qualification to Disadvantaged Communities.

Utility Compensation

The Joint Utilities agree with Staff's recommendation to extend the E-SFA pilot utility compensation structure to the S-SFA program. Commenting that while reporting from National Grid may indicate utility implementation costs lower than the 1% of total compensation cap set in the E-SFA Order, the program is still in its early stages and this cost data cannot be reasonably applied to future program years. The Joint Utilities state that each utility will have different program sizes and implementation processes, and the utility compensation should accordingly be based on utility-specific costs rather than set at a certain cap. The Joint Utilities support an initial 1% utility administration fee cap for the program and will track the amount collected against the actual costs associated with implementation and operation of the S-SFA program to inform a fair compensation level.

NineDot agrees that the administrative fee available to the utility should be capped at 1% and recommends consumer protections could include lifetime fixed caps on administrative fees and interest payable on unallocated credits so that the utilities make prompt payments to consumers.

The Solar Parties concur with Staff that utility administrative fees should be capped at the lesser of 1% or the true administrative costs incurred. The Solar Parties recommend that utility administrative fees be capped for the duration of a project's S-SFA term to provide certainty to participating solar and storage companies, and to maximize the bill savings provided to participating EAP customers. The Solar Parties further recommend that the Commission consider creating program-specific performance metrics and Negative Revenue Adjustments for S-SFA to complement the pending proposal for performance metrics and NRAs for opt-in CDG.

Nexamp believes that utilities should not receive any extra financial benefit of incremental administrative costs should be recovered—a flat administrative fee is inappropriate and should be universally removed from the S-SFA program.

The Joint Subscribers believe that the utilities are in no position to effectively administer the proposed S-SFA program. The Joint Subscribers state that the utilities have failed at administering opt-in programs and therefore should not be permitted to administer additional programs. The Joint Subscribers comment that the Joint Utilities have publicly stated they do not want E-SFA projects to be subject to CDG performance metrics or NRAs, which will create even less accountability for LMI customers enrolled in utility opt-out.

Utility Reporting

The City believes that implementation of an ongoing review process will provide the Commission with the opportunity to reflect on program implementation and make necessary adjustments to address potential issues with inter-utility credit pooling, including utility enrollment and billing issues.

An annual review, the City believes, will benefit all stakeholders by providing opportunity to analyze the program in conjunction with other related initiatives like the Build Public Renewables Act and potential rule changes to the federal ITC.

The Solar Parties support Staff's recommendation that the utilities report on all metrics included in the E-SFA Order. They believe that the number of "dual participation customers" or customers that receive both S-SFA credits and are participants in opt-in community solar should also be included in this report. Further, The Solar Parties suggest that the Commission require the utilities to report on the timeliness of monthly payments to participating projects as well as the timeliness of monthly credits issued to participating LMI customers.

Implementation Timeline

The Joint Utilities concur with Staff's belief that full automation of net crediting, including volumetric net crediting, should be completed before the implementation of utility-level Solar for All programs. The Joint Utilities recommend that individual utilities include implementation timelines as part of their implementation plan that account for timing of regulatory billing system enhancements such as the Electric Vehicle Phase-In Rates, Standby & Buyback Rates, Customer Benefit Charge changes, and billing system conversions. National Grid specifically recommends against any actions taken by the Commission that would impact the implementation of E-SFA.

Good Energy agrees with Staff's recommendation and believes that the utilities should demonstrate that their automated net crediting systems are fully stable and dependable before resources are deployed to S-SFA billing and crediting.

GSPP acknowledges the proposed launch of December 2025, but based on lessons learned from the National Grid E-SFA program, suggests a more flexible timeline that better aligns with utility system upgrades related to net crediting.

The Solar Parties agree with Staff's recommended December 2025 implementation, so long as the existing utility crediting issues with opt-in CDG are fully addressed and after the utilities enable Multiple Net Member Credit Rates.