STATE OF NEW YORK PUBLIC SERVICE COMMISSION

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

Comments of Clean Energy Advocates on the 10 Gigawatt Distributed Solar Roadmap: Policy Options for the Continued Growth of Distributed Solar

Scenic Hudson, Natural Resources Defense Council, Sierra Club, The Nature Conservancy, New York League of Conservation Voters, New Yorkers for Clean Power, Citizens for Local Power, Association for Energy Affordability, and Hudson River Sloop Clearwater (Clean Energy Advocates) submit these comments concerning the whitepaper issued by New York State Energy Research and Development Authority (NYSERDA) and the New York State Department of Public Service (DPS) on December 17, 2021 entitled "10 Gigawatt Distributed Solar Roadmap: Policy Options for the Continued Growth of Distributed Solar" (Roadmap).¹ The Roadmap's proposed expansion of the successful NY Sun program is an important step toward reaching New York's ambitious climate and clean energy goals. For this reason, Clean Energy Advocates recommend that the New York Public Service Commission (Commission) approve the Roadmap as soon as possible to allow continued progress toward meeting these critical goals.

Specifically, Clean Energy Advocates support expansion of the NY-Sun distributed solar program target from 6 GW by 2025, which has nearly been achieved already, to 10 GW by 2030.

¹ New York State Energy Research and Development Authority/New York State Department of Public Service, "10 Gigawatt Distributed Solar Roadmap: Policy Options for the Continued Growth of the Distributed Solar," December 17, 2021, https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B4C42AAFF-0EB9-4890-AA0D-21C70B088F4B%7D.

We further support continued efforts to promote community solar and projects benefiting Low and Moderate Income (LMI) households, affordable housing, environmental justice (EJ) communities, and Disadvantaged Communities (DACs) through NY-Sun. As it considers alternative procurement structures, pricing models and funding mechanisms to achieve the incremental 4 GW target, the Commission should be planning for the elimination of up-front incentives and the establishment of a self-sustaining distributed solar market. In addition, we urge the Commission to consider several broader policy considerations that should factor into its determination: geographic equity, LMI and DAC benefits, and farmland protection. We also propose that several of the recommendations contained in the Climate Action Council's Draft Scoping Plan to facilitate distributed generation, clean energy siting and community acceptance be implemented immediately because they are critical to the NY-Sun expansion. Finally, we support the Roadmap's new prevailing wage requirements for projects greater than 1 MW in size.

I. The Expansion of the NY Sun Program Proposed in the Roadmap Will Avoid Significant Amounts of Greenhouse Gas Emissions and Will Make Progress Toward CLCPA Goals

New York's landmark Climate Leadership and Community Protection Act (CLCPA) tasks the power generation sector with achieving 70% carbon-free electric generation by 2030 and 100% renewable generation by 2040. The expansion of the NY Sun program proposed in the Roadmap will continue further progress toward these important goals. The recommendation by NYSERDA and DPS to continue the NY Sun incentives will result in 4,937 gigawatt hours (GWh) of annual generation, which will reduce carbon emissions by an estimated total of over 64 million short tons over the lifetime of these deployed projects.² As NYSERDA/DPS estimate in the Roadmap, these emissions reductions could be worth as much as \$4.5 billion in avoided costs linked to greenhouse

 $^{^{2}}$ *Id*. at 5.

gas emissions.³ This needed clean electricity will help the state make progress toward the CLCPA's goals, and will help avoid the worst impacts of climate change.

II. DPS and NYSERDA Should Coordinate the NY-Sun Program and Solar Energy Equity Framework with Existing Efforts to Address Barriers to LMI and DAC Access to Distributed Solar Resources

Clean Energy Advocates support the NY-Sun Program goals of increasing access to solar energy to help address household energy burden, improve resilience in affordable housing, and advance equity as part of the clean energy transition through Solar Energy Equity Framework (SEEF) incentives. As discussed in the Roadmap, "significant barriers to the early-stage planning and predevelopment of projects serving communities prioritized by the SEEF continue to exist."⁴ And as noted in the Roadmap, to help address these barriers, NYSERDA offers an Affordable Solar and Storage Predevelopment Technical Assistance Program (PON 3414) that provides funding for community organizations, housing providers, and other eligible entities.⁵ The Roadmap acknowledges that while it focuses primarily on higher incentive levels and/or capacity targets for projects that provide benefits in accordance with the SEEF, other components should also be prioritized, such as technical assistance, predevelopment funding, and programmatic support for community-led solar projects with stakeholders representing DACs and EJ communities, and these efforts should be extended.⁶

To that end, Clean Energy Advocates urge NYSERDA to work to ensure that the impacts of SEEF Incentives and PON 3414 funding are maximized through efforts to connect NY-Sun participating contractors with eligible multi-family housing providers, community organizations,

³ *Id*. at 34, Table 9.

⁴ *Id*. at 25.

⁵ *Id. See also* <u>https://portal.nyserda.ny.gov/CORE_Solicitation_Detail_Page?SolicitationId=a0rt000000QnFIAA0</u> (describing PON 3414).

⁶ *Id*. at 41.

and technical service providers to help incubate projects. Particular emphasis should be placed on matching community solar developers with those seeking PON 3414 funding, since as noted in the Roadmap, "a key premise of SEEF is that community solar, primarily through C/I distributed solar, offers the greatest opportunity to benefit LMI households and DACs."⁷ In addition, as the definition and identification of DACs under the CLCPA is finalized, it should be specifically included under PON 3414 to increase distributed solar access for these communities along with LMI households. The recently announced co-design effort to create a program that supports community-led and owned solar development in underserved communities should similarly focus on bringing together the developer community and SEEF communities in this way.

III. DPS and NYSERDA Should Begin Work on VDER Reforms and Convene Stakeholder Working Groups to Consider Proposals

Clean Energy Advocates are glad to see that the 6 GW NY-Sun distributed solar program target has nearly been achieved and support the expansion to a 10 GW by 2030 target in accordance with Governor Hochul's 2021 Climate Week announcement. We agree this step will provide investor certainty and transparency to construct distributed solar and provide important associated benefits in the form of greenhouse gas emission reductions, bill savings, jobs and grid resiliency. Continuing to promote distributed solar capacity will play a large and critical role in meeting renewable energy targets under the CLCPA.

We also recognize the goal to minimize ratepayer impacts while taking advantage of existing programmatic infrastructure through the proposal that is outlined in the Roadmap, *i.e.*, expansion of the NY-Sun MW Block program funding with a stable E Value. To achieve the 4 GW incremental target, NYSERDA requests a total \$1,474 million budget with the majority going

⁷ *Id.* at 26.

toward up-front incentives to drive development.⁸ We support such additional funding to continue to build the distributed energy market in New York. Even as the Commission considers this proposal, it should develop a long range plan for establishment of a self-sustaining distributed solar industry rather than relying on such incentives, especially since the goal is to reach a point where they are no longer needed in the market and can be phased out.

The NY Sun incentives will likely be allocated quickly and NYSERDA and DPS will once again be faced with difficult decisions. To avoid a slow-down of distributed solar deployment, and progress toward the CLCPA goals, NYSERDA and DPS should start planning for another round of improvements to the Value of Distributed Energy Resources (VDER) tariff. In general, the VDER tariff should be used to compensate solar projects for the value they bring to the grid. In several previous Orders, the PSC has stated that the methodology for the VDER tariff should continue to be improved and ensure it provides the most accurate and effective price signals. Much the work on improving the VDER tariff, however, ground to a halt after the 2019 reforms were approved by the Commission. Clean Energy Advocates agree with the comments filed by the Clean Energy Parties and others that DPS and NYSERDA should convene stakeholder meetings in the near term on VDER improvements that provide more accurate price signals via an improved VDER tariff.

IV. The Commission Should Ensure that Funding is Equitably and Effectively Distributed Among Regions in the State to Achieve NY-Sun Targets and Meet CLCPA Requirements

As noted in the Roadmap, most of the progress to date toward the 6 GW by 2025 target has been in the Upstate Region for C/I onsite and community solar projects, with the C/I block fully allocated in May 2021.⁹ Meanwhile, capacity remains to be filled in Con Ed territory. As the

⁸ *Id.* at 5, 73.

⁹ *Id.* at 15-16, Figure 2.

Roadmap itself notes, while this region "represents almost 40% of utility energy sales in New York, only 14% of distributed solar completions have occurred there."¹⁰ "This discrepancy between distributed solar development in Con Edison and the rest of the state is primarily driven by siting constraints, particularly in New York City."¹¹ The Roadmap also notes that "many of New York State's [disadvantaged communities, or DACs] (as identified in the State's interim criteria for DACs) are located in the Downstate region, raising equity concerns about the geographic distribution of projects."¹² At the same time, increased distributed solar in Con Ed territory promises significant benefits, including contribution to reducing fossil fuel use and grid resilience.

The Roadmap proposes a total of procurement target for Con Ed territory of 450 MW of incentives broken into 150 MW each of residential, small, and large projects.¹³ In considering this proposal, the Commission should ensure that the overall geographical distribution and segment mix and associated incentive levels throughout the regions of the state are distributed equitably, and will effectively achieve both the incremental 4 GW target and align with the CLCPA's requirement that DACs receive at least 35% of the overall benefits of clean energy programs, with a goal of 40%. In particular, given the siting constraints in this area, we suggest that NYSERDA consider increasing the 150 MW amount for residential and small projects. In addition, NYSERDA should evaluate whether the adder for rooftop and parking lot projects is sufficient and consider raising it.

¹⁰ *Id.* at 36.

¹¹ *Id*. at 37.

¹² *Id.* at 35.

¹³ *Id.* at 38.

V. Distribution System Investments Should Take Environmental Impacts and Local Land Use Priorities into Account

The Roadmap acknowledges that hosting capacity constraints and upgrade costs are challenges impacting the growth trajectory of distributed solar deployment in New York. The Roadmap outlines policy actions for the Commission's consideration to address these issues and enable achievement of the incremental 4 GW target, including:

- Periodic evaluation of necessary additional hosting capacity in utility planning processes;
- Investment in areas of high distributed solar market interest through utility Capital Investment Plans; and
- Acceleration of utility investment in hosting capacity upgrades.¹⁴

The Commission should assess these policy actions to support distributed solar in the context of the ongoing Coordinated Grid Planning Process (CGPP).¹⁵ This utility-led statewide coordinated planning process focuses on least-cost system-wide investments in the grid necessary to achieve CLCPA targets. However, this planning should not be done in a vacuum and focus only on economic criteria. Because they are key to project viability, any grid upgrades must be assessed against the potential impacts to ecological and agricultural resources as well as the feasibility under local zoning law of distributed (and large-scale) solar projects anticipated to take advantage of such increased interconnection opportunity. It would make little sense to invest in increased hosting (and transmission) capacity if the renewable energy projects they are meant to accommodate are poorly sited, would have significant environmental and agricultural impacts, and cannot be built under local law anyway. The Commission should require utility engagement with municipalities and community stakeholders to develop expanded hosting capacity plans.

¹⁴ *Id.* at 42-43.

¹⁵ See Case 20-E-0197: Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act.

VI. The NY-Sun Expansion Should Include an Incentive Adder for Agrivoltaics

The Roadmap acknowledges the fact that properties currently used, or which could be used, for agriculture are also favorable locations for ground-mounted arrays of 20-25 acres anticipated in the Upstate Region.¹⁶ Clean Energy Advocates recognize that such projects can be sited to avoid and minimize impacts to agricultural production and soils, leaving the balance of solar sites in agricultural production while providing a steady income stream to farmers and landowners. We also note that for distributed solar projects under NY-Sun located in Agricultural Districts, requirements are in place to minimize impacts through compliance with Department of Agriculture and Markets guidelines.¹⁷

In order to build on these protections and do more than just avoid and minimize impacts, the NY-Sun program should include measures that go further toward enhancement of the agricultural economy and achievement of renewable energy targets at the same time. To do so, NY-Sun should include an incentive adder, similar to those for landfill, brownfields and parking canopy projects, that provide additional up-front funding to support design and development of projects that include agrivoltaics, which is the co-location of solar-powered projects and agriculture. Such incentives can be used towards the costs of construction of solar arrays that can accommodate co-location, development of business plans to accommodate co-location, and/or research to further understand the viability and develop best practices for agrivoltaics in New York. Providing such incentives in the NY-Sun program will have several benefits, including achieving distributed solar targets, supporting the agricultural economy, and promoting community

¹⁶ Roadmap at 43.

¹⁷ These guidelines are available at https://farmlandinfo.org/law/new-york-department-of-agriculture-markets-guidelines-for-agricultural-mitigation-for-solar-energy-projects/.

acceptance of projects in rural and farming communities that might otherwise object to projects as a threat to farmland and community character.

VII. The Commission Should Immediately Implement Scoping Plan Recommendations that Support the NY-Sun Expansion

The New York State Climate Action Council's Draft Scoping Plan (Scoping Plan) includes several recommendations and strategies to help facilitate distributed generation, clean energy siting and community acceptance that should be implemented immediately. Many of these are in direct alignment with the Roadmap itself and the recommendations in our comments on the policy considerations above. These include:

- The State should make proactive and timely investments in local transmission and distribution infrastructure, and associated cost-sharing/allocation associated with the utilities in these upgrades;
- The State should speed up the pace of processing interconnection applications;
- The State should target incentives to stimulate high-benefit DER projects, including dual use solar/ag, multi-family housing, collective solar projects;
- The State should address resistance and concerns to siting of ground-mounted solar projects;
- The State should research and incentivize the viability of agrivoltaics to integrate solar into agricultural communities;
- The State should develop a Clean Energy Mapping tool to help municipal representatives and local communities make informed land use decisions and communicate local wants to developers;¹⁸
- The State should develop incentives to encourage rooftop and parking lot solar paired with storage; and
- The State should provide resources/support to local governments to streamline permitting/zoning for renewables. In particular, NYSERDA should incentive communities to adopt NREL's automated solar permitting software, which would greatly speed up this process.

¹⁸ New York State Climate Action Council Draft Scoping Plan, December 30, 2021, Chapter 13. Electricity: <u>https://climate.ny.gov/Our-Climate-Act/Draft-Scoping-Plan</u>.

As noted in the Roadmap, C/I projects can "efficiently make use of land parcels and interconnection sites that are not of sufficient size to host larger parcels."¹⁹ The Roadmap states that NYSERDA anticipates 70% of a total 2,943 MW, or over 2,000 MW, of C/I projects in the form of community solar will be developed in the Upstate Region under the incremental 4 GW target – meaning it will contribute prominently to achieving the target.²⁰ And as discussed above, the Roadmap proposes additional focus on incentivizing project development in Con Ed territory.

These distributed solar projects incentivized under NY-Sun must undergo local environmental, land use and permitting review. To continue to help reduce the soft costs of projects involved in local land use review, it is critical that support be provided to municipalities to plan for and adopt local laws that reflect local values and maximize the benefits of solar while avoiding and minimizing impacts. A statewide Clean Energy Mapping tool will help both municipalities and developers identify suitable sites for such projects and will be instrumental in reaching the 4 GW incremental target. Such a tool can be rapidly created based on the model provided by Scenic Hudson's Solar Mapping tool, which covers the Hudson Valley.²¹ The Solar Mapping Tool was specifically designed as a replicable model, and Scenic Hudson has provided a Replication Guide with instructions on how to recreate the Solar Mapping Tool for other regions.²²

¹⁹ Roadmap at 18.

²⁰ *Id.* at 73.

²¹ Scenic Hudson's Solar Mapping Tool is a web-based interactive tool that combines mapped information with education and guidance to help your community proactively plan for smart solar energy development. *See* <u>http://HowtoSolarNow.org</u>.

²² See <u>https://www.scenichudson.org/wp-content/uploads/2020/11/solar-mapping-replication-guide.pdf</u>.

VIII. Clean Energy Advocates Support the Roadmap's New Prevailing Wage Requirements for Projects Greater than 1 MW in Size

The Roadmap proposes applying prevailing wage requirements to all solar projects that are equal to or greater than 1 MW in size.²³ In addition, the Roadmap budget includes \$239 million to offset the cost of these new requirements.²⁴ Furthermore, the Roadmap recognizes that many projects in advanced stages of development before the proposal was released had not accounted for the increased labor costs associated with prevailing wage. Therefore, the Roadmap proposes applying the new prevailing wage requirement only to projects that have submitted an interconnection application after the Roadmap release date.²⁵

Clean Energy Advocates support the Roadmap's approach to applying prevailing wages, which provide family-sustaining wages, benefits, a career path, and a safe work environment for works in the rapidly growing clean energy sector. Prevailing wages also help to revitalize communities that often have struggled from underinvestment, discrimination and exploitation. We appreciate the thoughtful application of these new requirements and support the proposal to apply the prevailing wage requirements on a prospective basis given that projects that had already submitted interconnection application documents prior to the Roadmap publication would have a difficult time absorbing new costs and thus could be at risk of not being able to move forward.

²³ Roadmap at 45.

²⁴ *Id*. at 46.

²⁵ *Id*.

Respectfully submitted on March 7, 2022,

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