June 13, 2025

Hon. Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

RE: PETITION FOR REHEARING OF THE NEW YORK PUBLIC SERVICE COMMISSION'S APRIL 24, 2025 ORDER APPROVING NY-SUN PROGRAM MODIFICATIONS (CASE 21-E-0629)

Dear Secretary Phillips,

Please file the attached supplemental comments under Case 21-E-0629, In the Matter of the Advancement of Distributed Solar.

Thank you,

Noah Ginsburg
Executive Director
New York Solar Energy Industries Association

NYSERDA NY-Sun Budget Cut: Supplemental Impact Analysis

Introduction

On April 24, 2025, the New York Public Service Commission (PSC) issued an Order eliminating $271M of funds from the authorized budget of NY-Sun; NYSERDA's program that supports rooftop and community solar projects across the State. On May 19, 2025, New York Solar Energy Industries Association (NYSEIA) filed a petition for rehearing, citing new circumstances due to US Congress' active consideration of eliminating federal clean energy tax credits. These new circumstances were codified a few days later (May 22, 2025) when the US House of Representatives passed H.R.1 (the "One Big Beautiful Bill Act"); a budget reconciliation bill that would eliminate certain clean energy tax credits within 60 calendar days of enactment. NYSEIA's petition also asserts that the Order was made in violation of the State Administrative Procedures Act (SAPA) and the Climate Act. On June 2, 2025, New York Independent System Operator (NYISO) published its 2025 Power Trends Report, providing updated information about New York's rising electricity demand, and the urgent need to add more generating capacity to meet projected load growth. On June 9, 2025, in accordance with the April 24th PSC Order, NYSERDA filed an updated Clean Energy Fund cash flow projection to incorporate updated annual cost estimates for NYSERDA's NY-Sun program.

This filing compares NYSERDA's estimate of the annual cost of the NY-Sun program from NYSERDA's March 2025 Clean Energy Fund Cash Flow with the revised projections filed earlier this week, now reflective of the NY-Sun funding cut. This analysis also estimates the reduction to solar capacity additions that will result from the funding cut to New York's distributed solar program. The reduced capacity addition is presented in the context of NYISO's June 2025 report, which highlights the need to add capacity quickly in order to preserve electric system affordability and reliability at a time of rapid load growth and resource retirement.

Budget Comparison and Analysis

NYSERDA NY-Sun Annual Program Cost ($M)

	2025	2026	2027	2028	2029	2030	2031	2032	TOTAL ($M)
Original	245	245	279	320	318	303	127	18	$ 3,096
Revised	311	255	242	234	227	222	76	16	$ 2,825
DELTA	**66**	**11**	**-38**	**-86**	**-91**	**-80**	**-51**	**-2**	**$ (272)**

Source: NYSEIA analysis of NYSERDA's 2025 Clean Energy Fund Cash Flows (Case 21-E-0629, Case 14-M-0094)

Observations

- The Revised forecast includes higher costs than previously forecast for 2025 and 2026 due to the fact that New York's solar industry is outperforming expectations with annual deployment, i.e., distributed solar is being constructed faster than previously projected so reserved incentives are being paid out for completed projects sooner.

- Projected cost savings in 2027 and 2028 are largely attributable to the fact that New York's solar industry is deploying capacity ahead of schedule, with projects that NYSERDA previously assumed would be completed in 2-3 years being built sooner.

- Forecast savings in 2028-2031 correspond to the Commission's April 2025 $271M funding cut, which will eliminate the opportunity for new projects to reserve NY-Sun incentives immediately, reducing solar development and deployment, eliminating jobs, and eliminating bill savings opportunities for participating and nonparticipating customers.
- While Clean Energy Fund programmatic savings will accrue to ratepayers starting in 2028, solar industry job losses will hit starting in 2025, as new development will be impacted immediately.

- The NY Public Service Commission could achieve cost savings without any job losses or reductions in clean energy deployment through interconnection reforms and rate design improvements; two matters that are before the Commission and which could be acted upon proactively in order to reduce reliance on capacity-based incentives like NY-Sun. NYSEIA urges the Commission to take rapid action to lower costs through interconnection reforms and to improve the Value of Distributed Energy Resources (VDER) compensation to more accurately compensate distributed solar and energy storage for the value created, including avoided transmission and distribution upgrades and reduced emissions of greenhouse gases and co-pollutants that harm New Yorkers' health. These interconnection and rate design improvements would enable additional cost-effective distributed solar capacity additions.

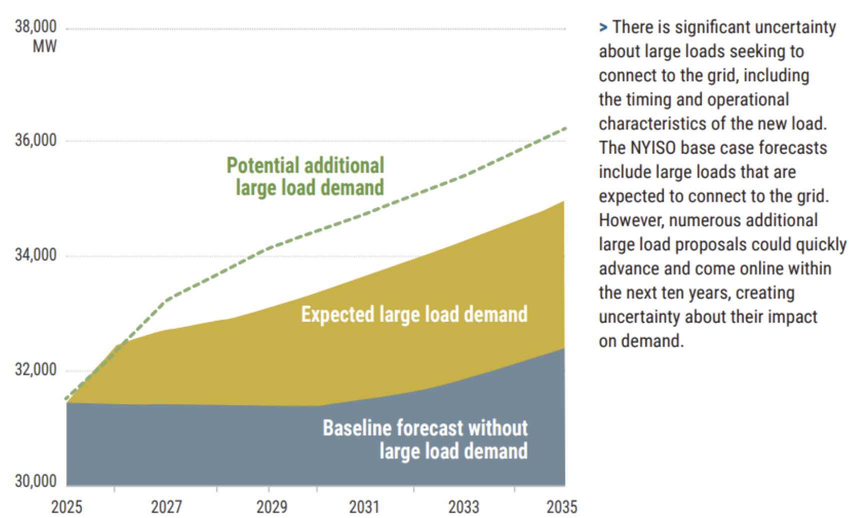
Discussion

- In addition to considering direct programmatic costs, the Commission must consider the broader impact of the NY-Sun program on affordability and reliability for New York electricity customers as well as the State's legislatively mandated Climate Act goals.

- According to the NYISO's 2025 Power Trends Annual Grid and Market Report, summer peak demand is expected to increase by 2-4 gigawatts over the next decade.

Demand Trends

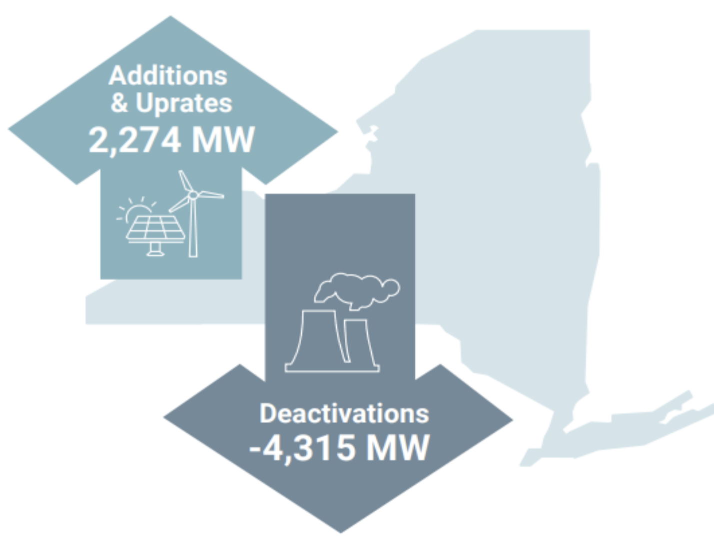
FIGURE 17: LARGE LOAD SUMMER DEMAND UNCERTAINTY



Source: NYISO. Power Trends Report. June 2025.

- The NYISO report highlights New York's dwindling capacity reserve margins and the fact that since 2019, we have retired resources faster than we've added new resources, and we're not on track to add new resources fast enough to keep up with demand growth.

FIGURE 8: ADDITIONS AND DEACTIVATIONS SINCE 2019



Source: NYISO. Power Trends Report. June 2025.

- If demand outstrips supply, this will negatively impact affordability by increasing supply charges for all ratepayers and decrease system reliability by further reducing our reserve margins and extending reliance on aging fossil fuel assets. These facts, in combination with those outlined in NYSEIA's petition for rehearing, further emphasize that it would be imprudent for the Commission to eliminate funding from NYSERDA's NY-Sun program; a program that has a demonstrated track record of quickly and reliably adding clean generating capacity to the system in New York.

- The NYISO's June 2025 report notes that New York had more than 6,400 megawatts of BTM[1] solar capacity supplying customers by the end of 2024 and that BTM solar energy production reduces the amount of energy the NYISO system must dispatch to supply the grid.

- **NYSEIA estimates that restoring the full NYSERDA NY-Sun program budget could support up to 1,459 MW of additional solar PV capacity**, leveraging more than $2 billion in private capital, supporting more than 2,000 additional good jobs (the majority of which will pay Prevailing Wages), lowering electricity bills for participating and nonparticipating customers, and supporting New York's grid reliability by increasing supply to meet load growth:

Distributed Solar Annual Deployment (MW-DC) Forecast

	2025	2026	2027	2028	2029	2030	2031	2032
Approved Budget (NYSEIA)	7,624	8,475	9,406	10,473	11,534	12,542	12,965	13,024
Reduced Budget (NYSERDA)	7,574	8,175	8,981	9,760	10,517	11,258	11,511	11,565
DELTA	**(50)**	**(300)**	**(425)**	**(713)**	**(1,017)**	**(1,284)**	**(1,454)**	**(1,459)**

Source: NYSEIA analysis

- The NYISO report suggests that accelerating distributed energy resource deployment in the near-term will contribute positively to the reliability and affordability of the electric power system in New York State. Historically, transmission-level and distribution level resource planning has occurred in silos. NYSEIA recommends a collaborative discussion among NYISO, DPS Staff, NYSERDA and DER stakeholders to consider and advance policies and programs to accelerate DER deployment in areas where it can most effectively address the projected electric load growth highlighted in NYISO's June 2025 report.

Conclusion

NYSERDA's recently filed revised Clean Energy Fund cash flow demonstrates that the PSC's April 24, 2025 decision will not provide any ratepayer savings until 2028, however, the funding cut will cause immediate job losses in New York's solar industry and eliminate billions of dollars of future bill savings for customers. Cutting the NY-Sun program budget will also reduce near-term capacity additions in the New York Control Area at a time of rapid load growth and dwindling reserve margins. By granting a rehearing and restoring the NY-Sun budget, the Commission can protect New York's solar workforce from federal policy risk and support up to 1,459 MW of additional clean power generating capacity, protecting affordability and reliability for New York customers by increasing the State's energy supply to help meet electric load growth.

[1] BTM stands for "behind-the-meter", NYISO shorthand for resources that are connected to the distribution system rather than the transmission system.