April 7, 2015

*Via Electronic Mail*

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
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**Re: Proceeding on Motion of the Commission as to the Policies, Requirements, and Conditions for Implementing a Community Net Metering Program (Case 15-E-0082)**

Dear Secretary Burgess,

Please find the attached comments of the Solar Energy Industries Association in regards to the Community Net Metering Program straw proposal put forth by the Department of Public Service.

Regards,
/s/Katie Bolcar Rever
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**STATE OF NEW YORK**
**PUBLIC SERVICE COMMISSION**

Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program

Case 15-E-0082

## COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION ON STAFF'S COMMUNITY NET METERING PROGRAM STRAW PROPOSAL

The Solar Energy Industries Association (SEIA)[1] submits the following comments in response to the Community Net Metering straw proposal put forth by the Department of Public Service on February 10, 2015.[2]

SEIA appreciates the opportunity to comment on Staff's proposed program design, and supports New York's efforts to encourage Community Solar. The Community Net Metering (hereafter referred to as both Community Net Metering and Community Solar) program will increase ratepayer access to New York's burgeoning distributed solar market, while moving New York closer to its stated goal of 3GW of installed solar capacity by 2023.

Established in 1974, SEIA is the national trade association of the United States solar energy industry and is a broad-based voice of the solar industry in New York. Through advocacy and education, SEIA and its 1,000 member companies are building a strong solar industry to power America. There are 70 SEIA member companies in operation in New York working in all market segments – residential, commercial, and utility-scale – many of which engage in Community Solar project development throughout the United States. In addition, SEIA member companies provide solar panels and equipment, financing and other services to a large portion of New York solar projects.[1]

In its Straw Proposal for a Community Net Metering program, Staff laid out its program design and specific policy questions for comment. As a general comment, SEIA supports Staff's proposal and encourages the Commission to approve the Community Net Metering program in an expedient manner. This will allow New York ratepayers to begin taking advantage of the benefits of solar energy as soon as possible, will advance the Commission's goal of strategic deployment of distributed energy resources to benefit the grid, and will move New York closer to its solar energy goals under NY-Sun.

[1] The positions expressed herein are the positions of SEIA and not the positions of any individual member company.
[2] Notice Instituting Proceeding, Soliciting Comments, and Providing for Stakeholder Meeting Issued February 10, 2015
[1] The comments herein express the views of the SEIA and not any individual member company.

In addition to supporting the comments of the Shared Renewables Coalition, SEIA submits specific comments on the program design and policy questions, both in response to questions posed by Staff and other items.

## I. SEIA's ADDITIONAL COMMENTS ON QUESTIONS POSED BY STAFF

1. <u>Staff Question 1: No Special Conditions or Requirements are Needed for Demand and Non-Demand Hosts</u>

SEIA sees no reason to restrict participation to non-demand metered host sites and no special conditions, requirements, or considerations seem necessary for demand metered hosts.

2. <u>Staff Question 2: The Commission Should Set a Percentage Goal rather than a Mandate for Low and Moderate Income (LMI) Customers</u>

SEIA recognizes that many stakeholders are interested in a Community Net Metering program as a means of allowing LMI customers to take advantage of the benefits of solar energy. SEIA strongly supports this objective and recognizes its importance. In order to support flexibility and overall program success, SEIA recommends that the Commission set a goal matched with performance-based incentives, rather than a mandate, for LMI participation.

A goal for LMI participation, tied with price support, would help ensure that LMI customers are incented to sign up for the program. This model is preferred to a mandate, which may have the unintended effect of limiting ratepayer participation by non-LMI customers. If a mandated percentage of LMI subscriptions is not met, the program may close, leaving a number of non-LMI ratepayers unable to access the program. Additionally, a mandate that risks halting the program or otherwise creates uncertainty in program continuity may hinder the overall success of the Community Net Metering program. Providing clear goals for LMI participation, matched with adequate funding, will best serve all Community solar participants.

3. <u>Staff Question 3: The Commission Should Set a Minimum of Two and No Maximum Number of Participants</u>

The Commission should not institute requirements that prescribe a maximum number of participants, as this may lead to a situation in which a project with many small investors reaches its investor number limit before it reaches its project size limit, which in turn would shut out other small investors from the project. Such a result would run counter to the intent of the Commission's objectives of increasing access to solar through its program.

4. <u>Staff Question 4: Program Design Signals that No Restrictions are Needed on the Proportion of Generation Output in Excess of Host Load</u>

In practice, SEIA supports restricting members to no more than 100% of their annual load. In the case of this straw proposal, the proposed program design which says that all credits should be distributed within one year of accumulation sends a powerful incentive to developers to limit member subscribers to no more than 100% of their load, but in a way that is minimally restrictive to market participants' ability to craft solutions for their particular circumstances. Therefore, no additional restrictions related to size of load are needed or advisable.

5. Staff Question 5: Should Consumer Protection Issues Specific to Community Net Metering be Identified, SEIA is Open to Working on Appropriate Solutions

SEIA recognizes that consumer protection is of the utmost importance. It is vital that consumers are protected and able to make informed purchasing decisions. However, SEIA believes that sufficient consumer protections are already in place or are currently under development. First, SEIA recommends that DPS Staff review the current consumer protections already provided under state law. Additionally, SEIA notes that the Commission discussed the need for regulation of DER providers in its Phase I REV Order, stating that the Commission would take an active role in establishing and enforcing consumer protections related to DER providers as it has with ESCOs. Furthermore, the REV Track One Order directed Staff to issue a Consumer Protection proposal by July 1, 2015. In its Order, the Commission also notes that it is necessary to avoid overly broad and unworkable extensions of regulatory authority over private transactions. NYSERDA also provides consumer protections, both in terms of the technical sophistication of installers participating in the program and the contractual requirements of the program. To the extent that the Community Net Metering model is innovative and consumer protection issues are identified that are not covered by the aforementioned consumer protections, SEIA would be open to working with the Commission to develop appropriate protections.

6. Staff Question 6: Locational Benefits Should be Considered for Community Net Metered Projects

Locational benefits of distributed solar projects can be significant. Any mechanisms developed through the Reforming the Energy Vision proceeding should be applied to Community Net Metered projects.

## II. SEIA ADDITIONAL COMMENTS ON OTHER ITEMS

1. The Commission Should Clearly State Whether Community Net Metered Projects will Receive Volumetric or Monetary Crediting

The Commission should clearly state how Community Net Metered projects will be compensated from the start of the program. This will give developers the certainty needed to begin developing projects and signing up customers for the program.

2. The Commission Should Clearly Communicate how the Community Net Metering Program and MW Block Program will be Integrated

The Commission should make it clear how the Community Net Metering program and MW Block program will be integrated, and should continue to coordinate with NYSERDA on this issue.

## III. CONCLUSION

SEIA appreciates the opportunity to comment on the design of New York's Community Net Metering program. Overall, SEIA supports Staff's proposal and encourages the Commission to adopt SEIA's recommendations herein and those in the comments of the Shared Renewables Coalition, and implement the program as expediently as possible. Timely implementation will bring solar to more ratepayers, help New York achieve its solar goals, and advance the Commission's goal of strategic deployment of distributed energy resources to benefit the grid.

Regards,

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