

# **RENEWABLE PORTFOLIO STANDARD**

## **Customer-Sited Tier Program**

### **Operating Plan Addendum**

**(2014-2023)**

August 2014

New York State Energy Research and Development Authority  
(NYSERDA)

## **INTRODUCTION**

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This Operating Plan Addendum (August 2014 Addendum) supplements the Renewable Portfolio Standard Customer Sited Tier Operating Plan (2012-2015) June 2012 (June 2012 Operating Plan) submitted by NYSERDA to the New York State Public Service Commission (Commission) on June 29, 2012 and is submitted in response to the *Order Authorizing Funding and Implementation of the Solar Photovoltaic MW Block Programs*, issued and effective April 24, 2014 (April 2014 Order). This August 2014 Addendum provides a description, budget and performance expectations for the Megawatt (MW) Block Program, including residential systems up to 25 kilowatts (kW) and non-residential systems up to 200kW in nameplate capacity, which is part of the incentive component of NY-Sun and represents a transition of the Solar Photovoltaic (PV) Program currently administered by NYSERDA under the Renewable Portfolio Standard (RPS) Customer Sited Tier (CST.)

Also included in this Operating Plan is information on addressing the needs of Low-to-Moderate Income (LMI) customers and the Consumer Education Initiative authorized in the April 2014 Order. This August 2014 Addendum supersedes the description, budget and performance expectations of the Solar Photovoltaic (PV) Program for calendar years 2014 and 2015 as described in the June 2012 Operating Plan; and extends the term of the Operating Plan through 2023, only as it relates to NY-Sun. The June 2012 Operating Plan and August 2014 Addendum will be further updated when the MW Block program design including on-residential systems larger than 200kW is complete. Note that content of this August 2014 Addendum will also result in changes to other sections of the June 2012 Operating Plan, which will be reflected in the next update to that plan, to be submitted later in 2014.

## **ADDENDUM TO SECTION 3: PROGRAM-SPECIFIC GOALS AND FUNDING BUDGET**

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### **NY-SUN**

NY-Sun, a comprehensive initiative established by Governor Andrew M. Cuomo in 2012 to develop a sustainable and subsidy-free solar photovoltaic (PV) industry in New York State, consists of numerous components to be implemented by NYSERDA in collaboration with the New York Power Authority (NYPA) and the Long Island Power Authority (LIPA.) Components of NY-Sun include a PV incentive program, consumer education, Community Solar NY and K-Solar, initiatives to improve access to PV by LMI households, training, and reduction of other soft costs of installation. This Operating Plan will describe those components funded through the CST. Additional information regarding NY-Sun can be found on the web site, <http://ny-sun.ny.gov/>.

### **BACKGROUND**

The Commission issued the April 2014 Order in response to NYSERDA's January 6, 2014 Petition "NY-Sun 2016-2023 Funding Considerations and Other Program Implementation Considerations" (January 2014 Petition), in which NYSERDA requested approval of the MW Block PV incentive program design criteria, as well as the budget for the MW Block program, Consumer Education initiative, and program implementation and administration. In the April 2014 Order, the Commission authorized NYSERDA to allocate funds which will be used to support, implement and administer eligible PV programs currently under the CST during the term 2016 through 2023; approved initial design criteria for the MW Block program; and authorized NYSERDA to use 1.5% (not to exceed \$13 million) of program funds for projects to help advance participation by LMI income customers.

The MW Block program will be administered by NYSERDA as a single, coordinated statewide program. The program will be offered to customers in all relevant sectors on a standard-offer, first come-first served basis. Funding for customers of the investor-owned utilities who pay into the SBC/RPS will be provided through the CST, while funding for customers of LIPA and NYPA will be provided by NYSERDA through the Regional Greenhouse Gas Initiative (RGGI.) The Program will be managed by NYSERDA with local administration of the program provided on Long Island by PSEG Long Island, the LIPA System Operator.

Ongoing planning and coordination will be executed for: (a) systematic identification and breaking down of barriers, including those related to LMI households, (b) effective planning and communication with markets, including meeting the financing needs of the industry and participants, (c) effective consumer education, (d) continuous installed cost reduction, including reducing customer acquisition costs through community-based approaches (e.g, through the

Community Solar NY and K-Solar initiatives) and (e) harmonization with the Competitive PV program, which will transition to the MW Block program early in 2015.

### **MW BLOCK PROGRAM DESCRIPTION**

The MW Block approach provides certainty and transparency regarding incentive levels to the industry, accounts for regional market differences, provides a clear signal to industry that New York intends to eliminate cash incentives in a reasonable timeframe, and allows for the elimination of those incentives sooner in regions where the market conditions can support it, based on market penetration, demand, and payback. The ultimate goal of the MW Block Program, in combination with other components of NY-Sun, is to facilitate a self-sustaining PV industry in New York.

NYSERDA has held stakeholder outreach meetings and webinars in support of program development, and has received and considered comments from stakeholders on incentive and block design. The design criteria initially approved by the Commission in the April 2014 Order, as well as incentive and block designs have evolved in response to those comments, and the design presented in this Operating Plan reflect the stakeholder input process and consultation with New York State Department of Public Service (DPS) Staff. This process will continue as other components of NY-Sun are developed.

The program has established a capacity goal of 3,000 MW to be achieved with the RPS-funded incentives. The MW Block approach allocates MW targets to specific regions of the State and sectors within those regions; breaks those targets into blocks to which incentives are assigned; awards incentives to applications based on the block in effect at the time of application submission; and then moves to the next block and incentive level when a MW block is fully subscribed. Once all of the blocks within a region/sector are fully subscribed, an incentive is no longer offered in that region/sector. The regions established for the program are as follows:

- The region served by Con Edison (“Con Ed”);
- The region served by PSEG Long Island as the LIPA System Operator (“Long Island”); and
- The balance of the state (“Upstate”).

Sectors established for the program are as follows:

- Residential systems (up to 25kW in nameplate capacity);
- Small non-residential systems (up to 200kW in nameplate capacity); and
- Large non-residential systems (larger than 200kW in nameplate capacity).

Incentives for NYPA customers will be based on their sector and the region above in which they are located.

Incentives offered through the MW Block program will be capacity-based for residential and small non-residential systems, and performance-based for large non-residential systems. Incentive applications, including those for customers of LIPA and NYPA, will be submitted through a central database managed by NYSERDA. Information required in the application includes the address and electric utility service provider, which will enable NYSERDA to ensure the appropriate funding source (RPS or RGGI) is applied to the incentive payment. As required in the April 2014 Order, NYSERDA will provide clear reporting to identify the RGGI funds that are used to support the MW Block Program, and to distinguish such funds from RPS funds being used to support the program.

NYSERDA will track the subscription status of MW blocks by region on its website, indicate the date that each block was initiated and closed, and also indicate the incentive level for each block. The market will be in a position to monitor block status, will have improved information regarding the likely timing for incentive changes, and will know what the next incentive level will be in advance of the change. Each region and system size category will be tracked separately, and regional demand will drive the rate at which each block is subscribed. Applications for residential and small non-residential systems received by NYSERDA after January 1, 2014 but prior to the launch of the MW Block program will be counted toward Block 1 of the relevant region and sector. As the number of MW actually installed from each block will differ from the original allocation due to cancelations or project reductions after the block is closed, NYSERDA will also track and update the number of MW installed in each block on the web site.

To encourage the installation of PV systems that are cost-effective, and to make PV available to a greater number of households, NYSERDA will offer other means to stimulate the growth of the industry, such as facilitating access to financing while cash incentives are reduced and eliminated. For example, customers can access financing for PV through Green Jobs-Green New York<sup>1</sup> and installers are encouraged to explore means for improving financing options through the New York Green Bank<sup>2</sup> in coordination with investors and financial institutions. NYSERDA will also provide consumer education on PV systems and their characteristics, as well as information on the variety of purchase and leasing options in the market. These activities, along with others, are expected to reduce the “soft costs,” which are the non-module costs, of PV systems. The program will also include an electric energy efficiency audit as a component of the program and encourage energy efficiency as part of the means to cost-effectively meet the energy needs of households and businesses, including LMI households.

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<sup>1</sup>Public Authorities Law, Title 9-A, sections 1890-1899-a, “Green Jobs-Green New York Act of 2009.”

<sup>2</sup> Case 13-M-0412, Order Establishing New York Green Bank and Providing Initial Capitalization, issued and effective December 19, 2013.

**MW BLOCK INCENTIVES AND STRUCTURE**

Initial regional MW targets are provided in Table 3-13. Note that incentive and block designs have been completed, at this time, only for residential and small non-residential systems. This Operating Plan will be updated when the incentive and block design is completed for large non-residential systems.

**Table 3-13. MW Targets by Region and Sector<sup>a</sup>**

<b>Region</b>	<b>Residential (up to 25kW)</b>	<b>Small Non-Residential (up to 200kW)</b>	<b>Large Non-Residential (greater than 200kW)</b>	<b>Total</b>
Con Ed	302.0	303.0	TBD	TBD
Upstate	444.0	451.0	TBD	TBD
<b>Subtotal RPS</b>	<b>746.0</b>	<b>754.0</b>	<b>1,500.0</b>	<b>3,000.0</b>
Long Island	122.0	58.0	-	180.0
<b>Total</b>	<b>868.0</b>	<b>812.0</b>	<b>1,500.0</b>	<b>3,180.0</b>

<sup>a</sup> There are no targets established by sector for NYPA customers. MW acquired for NYPA customers will be over and above the targets in this chart and will depend on the demand within each sector.

Residential incentives are offered at a fixed amount per DC Watt of nameplate capacity, up to 25kW. Non-residential incentives are offered at a fixed amount per DC Watt nameplate capacity for the first 50kW, and at another fixed amount per DC Watt nameplate capacity for each Watt beyond 50kW, up to a total of 200kW. This results in a blended incentive for non-residential systems that varies based capacity.

To establish a budget for each block, the total MW assigned to the block is multiplied by the incentive assigned to that block. In the case of non-residential blocks, an average incentive must be estimated, as the incentive varies by system size. NYSERDA used historic data to determine an average non-residential system size and identified the associated incentive/Watt for each block based on the new incentive structure. The average incentive/Watt was then increased by approximately 5% to make it a more conservative estimate. The incentive budget for each block was then calculated based on that conservative average incentive/Watt, also referred to as the “design” incentive in the non-residential charts below. The block structure (MW targets and associated incentives) are provided in the Tables 3-14 through 3-19.

**Table 3-14. Con Ed Residential Block Structure**

Block	MW	Incentive/Watt
1	14	\$1.00
2	6	\$0.90
3	9	\$0.80
4	12	\$0.70
5	15	\$0.60
6	18	\$0.50
7	38	\$0.40
8	70	\$0.30
9	120	\$0.20
<b>Total</b>	<b>302</b>	

**Table 3-15. Con Ed Non-residential Block Structure**

Block	MW	Incentive/Watt for first 50kW	Incentive/Watt for each additional Watt up to 200kW total	Average ("Design") Incentive/watt
1	6	1.00	.60	\$0.85
2	4	.90	.55	\$0.77
3	6	.80	.50	\$0.69
4	8	.70	.45	\$0.61
5	10	.60	.40	\$0.53
6	15	.50	.35	\$0.44
7	35	.40	.30	\$0.36
8	45	.30	.25	\$0.28
9	73	.20	.20	\$0.20
10	101	.15	.15	\$0.15
<b>Total</b>	<b>303</b>			

**Table 3-16. Upstate Residential Block Structure**

Block	MW	Incentive/Watt
1	40	1.00
2	15	0.90
3	19	0.80
4	22	0.70
5	24	0.60
6	31	0.50
7	70	0.40
8	75	0.30
9	148	0.20
<b>Total</b>	<b>444</b>	

**Table 3-17. Upstate Non-residential Block Structure**

Block	MW	Incentive/Watt for first 50kW	Incentive/Watt for each additional Watt up to 200kW total	Average ("Design") Incentive/watt
1	35	1.00	.60	\$0.85
2	8	.90	.55	\$0.77
3	10	.80	.50	\$0.69
4	12	.70	.45	\$0.61
5	18	.60	.40	\$0.53
6	23	.50	.35	\$0.44
7	28	.40	.30	\$0.36
8	77	.30	.25	\$0.28
9	95	.20	.20	\$0.20
10	145	.15	.15	\$0.15
<b>Total</b>	451			

The incentive and block structures for Long Island are included below to provide a more complete picture of the Statewide program.

**Table 3-18. Long Island Residential Block Structure**

Block	MW	Incentive/watt
1	37	\$0.50
2	15	\$0.40
3	20	\$0.30
4	50	\$0.20
<b>Total</b>	122	

**Table 3-19. Long Island Non-Residential Block Structure**

Block	MW	Incentive/Watt for first 50kW	Incentive/Watt for each additional Watt up to 200kW total	Average ("Design") Incentive/watt
1	7	.50	.50	\$0.50
2	6	.45	.43	\$0.45
3	7	.40	.36	\$0.40
4	9	.35	.30	\$0.35
5	15	.25	.23	\$0.25
6	14	.15	.15	\$0.15
<b>Total</b>	58			

As previously stated, NYPA customers will be eligible to receive the incentive associated with their sector and the region in which they are located. Because a realistic allocation of incentives

among NYPA residential, small non-residential and large non-residential customers would be difficult to determine based on a lack of previous significant participation in this market, MW goals have not been established in a block structure for those funds. Instead, NYPA customers will be served on a first-come, first-served basis across all regions and sectors. The MW associated with a project will be counted toward the appropriate MW block, based on sector and region, but the incentives will be paid with RGGI funds. If, as a result, any RPS or RGGI (Long Island) funds remain uncommitted in a block after the block has been fully subscribed based on MW, those uncommitted funds will be used in a later block, as described below in “REVISIONS TO THE BLOCK STRUCTURE.”

### **REVISIONS TO THE BLOCK STRUCTURE**

Ideally, the block structures will not require modification over the course of the program. However, NYSERDA will monitor market conditions and MW block subscription and as allowed in the April 2014 Order, will make adjustments to the MW block design, but only if necessary. Because limited data currently exists regarding demand for some sectors, the initial allocation of funds may or may not prove most effective and NYSERDA may re-allocate funds between regions or sectors if warranted. Stakeholders will be notified at least one full block in advance of any planned changes. The following conditions may precipitate adjustments to the MW block design:

- Where applicable, the program design is intended to offer a set incentive through a large MW block for a significant period of time immediately following the planned reduction or loss of the federal tax credits in 2017. The purpose of this strategy is to enable the industry to adjust to the change in project economics. If the demand for incentives is significantly faster or slower than anticipated, resulting in a projected misalignment of the larger 2017 block, NYSERDA may, in consultation with DPS Staff, adjust the size of blocks, to achieve realignment while still accomplishing the overall MW goal. Stakeholders will be notified of the realignment.
- If there is a relevant change in federal law regarding the tax credits, meaning the rate at which the credits are eliminated, NYSERDA may make adjustments in the blocks to better reflect the law revisions. Changes will be made in consultation with DPS Staff and the PV stakeholders, and will also be designed in a manner that still enables the overall MW goal to be achieved.
- Small non-residential systems are eligible for incentives on a sliding scale based on the size of the system. The budget must be established for each block, and the total of all blocks cannot exceed the program incentive budget. As described above, a conservative incentive/Watt within each block was used as the “design” incentive for purpose of calculating the block budget. If the actual average incentive for a block is larger than estimated, the budget for that block will be exceeded. While project cancellations may provide adequate funding to make up small differences in budget, if NYSERDA sees that

a trend is developing that results in actual commitments exceeding budget by more than 10% (the anticipated cancellation rate), NYSERDA may need to adjust the MW in future blocks to ensure the program stays within budget, and to avoid a possible need for a significant early curtailment of the program in the final block. NYSERDA will adjust the design incentive, re-calculate the MW for remaining blocks to fit the budget constraints, and notify stakeholders of the change.

- Based on program experience, it is likely that some projects, even though under contract, will be canceled or reduced in size after the application is submitted and after the associated block is closed. In addition, it is possible that a block could be fully subscribed through MW, but uncommitted funds still remain in the block budget. In these cases, the uncommitted funds will be reassigned to make up a shortfall in another block as described above, or reassigned to a future block with a MW addition calculated based on the incentive assigned to that future block. While these scenarios may occur on an on-going basis, NYSERDA will minimize the number of block adjustments made and will notify stakeholders when reprogramming has occurred and when future block sizes have been adjusted as a result.
- As stated above, NYPA customers will be served on a first-come, first-served basis across all regions and sectors. The MW associated with a project will be counted toward the appropriate MW block, based on sector and region, but the incentives will be paid with RGGI funds. If, as a result, any RPS CST or RGGI (Long Island) funds remain uncommitted in a block after the block has been fully subscribed based on MW, those uncommitted funds will be assigned to a future block. While these scenarios may occur on an on-going basis, NYSERDA will minimize the number of block adjustments made and will notify stakeholders when reprogramming has occurred and when future block sizes have been adjusted as a result.

It is possible that within a region, applications for a particular sector may stall after a period of time. It is likely that interventions other than, or in addition to, incentives would be needed to increase market activity. Under these circumstances, NYSERDA would approach the issue in a more holistic manner, gathering market intelligence, consulting with stakeholders, and developing a comprehensive approach to overcoming existing barriers, which may or may not include adjustments to the MW block structure.

NYSERDA will provide continuous feedback to stakeholders regarding program progress and market conditions by making data and analysis publically available on an on-going basis. In this way, all stakeholders can monitor the market and receive early indications of potential changes in market response. At a minimum, NYSERDA staff will conduct a program review, in consultation with DPS Staff and with input from stakeholders, in mid-late 2017 to assess program progress and determine whether any MW Block Program adjustments or additional initiatives are needed. The review will also consider the potential impact of regulatory or other

changes and initiatives related to Commission Case 14-M-0101, Reforming the Energy Vision (REV). NYSERDA will strive to minimize program changes.

### **MW BLOCK PROGRAM ELIGIBILITY CRITERIA**

Systems must meet the following criteria:

- All system components must meet applicable UL, IEEE and Commission standards;
- New or existing homes and buildings are eligible for incentives;
- 5-year system warranties will be required;
- Each PV system must have the ability to record system production in kWh. The contractor has the option of providing this information from either a hard wired PV production meter, on-line monitoring system, inverter display recorded production or other approved method.

As the quality of the installation is important to consumer safety and system performance, NYSERDA requires that installers meet one of three installer certification options:

- North American Board of Certified Energy Practitioners (NABCEP) entry-level qualification, followed by certification;
- Journeymen Electrician, with documented International Brotherhood of Electrical Workers (IBEW)-National Electrical Contractors Association (NECA) PV training and experience, such as that provided by the National Joint Apprenticeship and Technical Committee (JATC) apprenticeship program; or
- Underwriters Laboratories (UL) PV System Installer certification.

Additional certification paths may become available, and if so, will be identified on NYSERDA's website. Installers must describe their experience and provide references. Additionally, the local authority having jurisdiction may have requirements, such as the services of a Master Electrician. Installers and installations must meet all local requirements, including those of the utility service provider.

### **QUALITY ASSURANCE/QUALITY CONTROL**

The program is designed to ensure that customers receive properly installed, reliable solar photovoltaic systems that produce the expected amount of energy. Design reviews are performed at time of application to ensure good design practices and Program compliance. Field inspections are performed for the first three systems installed by new installers with limited program experience, and 15% - 30% random inspections are scheduled for projects completed by experienced installers as determined by NYSERDA based on installer quality performance. Customers will also be able to request inspections from NYSERDA. Competitively-selected third party technical experts, under contract with NYSERDA, will perform such reviews and

inspections with detailed guidance from NYSERDA, and may provide technical assistance as the need arises.

Each PV system must have the ability to record system production in kWh, and the recorded production output must be provided to NYSERDA as required. The contractor has the option of providing this information from either a hard wired PV production meter, on line monitoring system, inverter display recorded production or other approved method.

To facilitate QA/QC and customer participation, NYSERDA will maintain a contract to support annual costs and fees associated with the use and maintenance of the Program Database used by program staff, installers and QA/QC contractors to review applications and status of installations. Services also include use and maintenance of a web-based tool that can be used by contractors and consumers to evaluate current market costs and benefits of PV and other related costs, and to estimate expected system output taking into account equipment, shading, and orientation losses, etc.

### **LOW-TO-MODERATE INCOME (LMI) CUSTOMER ACCESS**

NYSERDA has established the Low-to-Moderate Income (LMI) PV Working Group which has met four times since March 2014 to identify barriers to access for LMI households and potential solutions. NYSERDA has also directly engaged stakeholders in affordable housing, local government, and community-based organizations, and will continue to do so. This process has highlighted several opportunities for pursuing the goal of making solar energy accessible for LMI New Yorkers as part of the sustainable, self-supporting solar market envisioned by NY-Sun. These options include, but are not limited to, incentive enhancement when PV is integrated with energy efficiency, competitive funding opportunities for projects that demonstrate replicable strategies to serve LMI customers, financing options, shared solar options, customer aggregation, and outreach/training for affordable housing developers.

As options are further developed, NYSERDA will work in coordination with DPS Staff on program solicitations and other means to pilot the initiatives, and then deploy them on a wider scale. It is envisioned that some of the interventions will be deployed in concert with Community Solar NY and K-Solar, the MW Block Program, and other NY-Sun or energy efficiency programs.

## **CONSUMER EDUCATION**

While demand for PV is relatively strong, PV companies report that the cost of customer acquisition is a significant barrier to future industry growth. Many potential customers lack an understanding of the risks and benefits of the various ownership, leasing or power purchase options; many consumers are unaware of PV system operational limits during a grid outage; and many consumers have not stayed current on the improving cost-effectiveness and attractive payback associated with PV systems that are offsetting high electric rates.

The goal of this initiative is to address these and other market barriers through education and awareness. This initiative will directly support LMI projects, Community Solar NY and K-Solar, as well as improve awareness and understanding of PV options within the general marketplace.

With interest in PV growing rapidly, it is important to reach consumers now to ensure they have the information needed to make the best decisions. As allowed by the Order, NYSERDA requests approval on \$850,000 of funding to move forward starting in August 2014 with the development and launch the consumer education program. The recommended components include:

- Conducting research to understand the audiences, perceptions, motivators, barriers, decision points and messages necessary to support solar adoption across the State to inform the LMI efforts.
- Development of the initial Consumer Education Plan.
- Implementation of the first year of the program.

This recommendation is based on the need to front-load the investment as the market grows substantially and will be coordinated with the DPS Staff.

NYSERDA will update the NY-Sun web site to serve as a resource of information for consumers, enabling them to better understand options, risks and rewards of having a PV system installed at their home or business.

## **NY-SUN BUDGET AND PERFORMANCE EXPECTATIONS**

Inherent in the design of the MW Block structure, and as acknowledged in the April 2014 Order, is the ability to operate without the constraints of annual budgets previously set for the years 2014 and 2015 for solar PV program incentives<sup>3</sup>. The program budgets reflected in the tables below include the 2014 and 2015 solar PV program incentive funding levels of \$108.000 million per year. While the April 2014 Order did not explicitly state that the 2014 and 2015 annual

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<sup>3</sup> Order Authorizing the Expansion of the Solar Photovoltaic and Geographic Balance Programs from 2012 through 2015 and the Reallocation of Main-Tier Unencumbered Funds, issued April 24, 2012.

budget limits were removed, this Operating Plan reflects funding for the MW Block structure beginning January 1, 2014, through 2023, without any annual budget constraints, as described in the January 2014 Petition.

As required in the April 2014 Order, the MW Block program must maintain the requirement for achieving geographic balance for Independent System Operator zones G-H-I-J<sup>4</sup>. NYSERDA will accomplish this by ensuring that at least \$300 million in incentives are spent in the Con Ed region over the course of the MW Block program, across all sectors. Budget allocations for the specific program elements are outlined in Table 3-20, and include budgets for 2014 through 2023. Program incentives by region are provided in Table 3-21. Table 3-3 exhibits expectations for energy production by region. In addition to the program budget, the Order authorized \$38.706 million for program administration, \$2.500 million for evaluation, and \$19.250 million for the cost recovery fee.

The tables below do not include the RGGI funds allocated by NYSERDA for or performance expectations associated with customers served by PSEG Long Island (\$60 million for residential and small non-residential systems) and NYPA (\$20 million for residential, small non-residential and large non-residential systems.)

Note that for residential and small non-residential systems, this section includes the budget and performance expectations for all PV applications received by NYSERDA on or after January 1, 2014. The program design for large non-residential systems are under development and some information will therefore be provided in a subsequent update to the June 2012 Operating Plan and August 2014 Addendum.

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<sup>4</sup> April 2014 Order page 20

**Table 3-20. NY-Sun CST Program Budget (\$ millions)**

<b>Program<sup>a</sup> Budget Element</b>	<b>Budget</b>
Incentives – residential and small non-residential <sup>b</sup>	\$533.500
Incentives – large non-residential <sup>c</sup>	533.500
LMI Customer Access	13.000
Consumer Education	3.500
Implementation and Quality Assurance	32.600
<b>Total</b>	<b>\$1,116.100</b>

<sup>a</sup> "Program" funds as defined in the April 2014 Order only included incentive funds.<sup>5</sup> As presented in this table and NYSERDA's January 2014 Petition<sup>6</sup>, Program budget elements also include separately approved funding for consumer education and program implementation. Budgets for evaluation, administration and the cost recovery fee are not included above, and will be included in the update of the full RPS CST Operating Plan to be submitted to DPS Staff later in 2014.

<sup>b</sup> This Table includes budgets for years 2014-2023 as described above. The budget for the MW Block program may increase over time due to disencumbrance and reprogramming of CST Solar PV Program funds from previous years.

<sup>c</sup> This Table includes budgets for years 2014-2023 as described above, and provides funds for the 2014 Competitive Bid Program Opportunity Notice (PON) 2956 (proposals submitted July 17, 2014.) The budget for the MW Block program will be adjusted after award of contracts for PON 2956 is complete and after accounting for any unspent Zone I-J funds from 2013; and may increase over time due to disencumbrance and reprogramming of CST Competitive Bid PV Program funds from previous years.

**Table 3-21. Initial Allocation of NY-Sun CST Program Incentive Budget (\$ millions)<sup>a</sup>**

<b>Region</b>	<b>Residential</b>	<b>Small Non-Residential</b>	<b>Total</b>
Con Ed	\$113.2	\$84.1	\$197.3
Upstate	\$194.1	\$142.2	<u>\$336.3</u>
<b>Total</b>	<b>\$307.3</b>	<b>\$226.2</b>	<b>\$533.5</b>

<sup>a</sup> Allocations for Large Non-residential systems are under development and will be provided in a subsequent update to the June 2012 Operating Plan and August 2014 Addendum.

<sup>5</sup> April 2014 Order, page 6.

<sup>6</sup> January 2014 Petition, pages 3-5.

**Table 3-22. NY-Sun Program Expectations**

<b>Region - Sector</b>	<b>Capacity in MW Encumbered by 12/31/2023</b>	<b>Total Annual Generation in MWh Encumbered by 12/31/2023</b>
Con Ed Residential	302	354,500
Con Ed Non-residential	303	355,674
Upstate Residential	444	521,185
Upstate Non-residential	451	529,402
<b>Total</b>	<b>1,500</b>	<b>1,760,761</b>
<sup>a</sup> Allocations for Large Non-residential systems are under development and will be provided in a subsequent update to the June 2012 Operating Plan and August 2014 Addendum.		

It is anticipated that in order to meet program cash flow needs, including those of the Consumer Education initiative described above, NYSERDA will need to borrow from existing, unencumbered RPS or other program sources. Under separate cover, NYSERDA will submit a compliance filing, after consultation with DPS Staff, describing the proposed transactions.