January 20, 2017

Via Electronic Filing

TO:
Kathleen H. Burgess, Secretary
New York State Public Service Commission
Empire State Plaza Agency Building 3
Albany, NY 12223-1350

FROM:
Richard Umoff
Regulatory Counsel and Director, State Affairs
Solar Energy Industries Association
Ph: 202-556-2877
Email: rumoff@seia.org

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 comments of the Solar Energy Industries Association in response to Staff's notice for comments concerning community distributed generation for low income customers.

Sincerely,

/s/ Richard Umoff
Richard Umoff
Regulatory Counsel and Director
Solar Energy Industries Association
Ph: 202-556-2877
Email: rumoff@seia.org

Comments of the Solar Energy Industries Association Regarding Staff's Notice Concerning Community DG for Low-Income Customers

On December 5, 2016, the Department of Public Service Staff ("Staff") solicited comments relating to its development of a White Paper concerning Community DG for Low-Income Customers ("Solicitation").[1] The Solar Energy Industries Association ("SEIA") supports New York's efforts to allow all ratepayers, including low-income customers, to access its growing solar market. The Community Distributed Generation ("CDG") program can allow ratepayers who may not otherwise be able to take advantage of New York's renewable energy market to enjoy the local benefits of clean energy development, including environmental, economic, and grid benefits. SEIA reserves comment on the customer disclosure statement and application of the Home Energy Fair Practices Act (HEFPA), and here focuses on the role of utility sponsored CDG projects. SEIA recognizes the importance of consumer protection, and plans to engage with Staff specifically on these issues, and provide comment in response to Staff's whitepaper.[2]

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. SEIA member companies provide solar panels and equipment, financing, and other services to a large portion of New York solar projects.

Staff notes that the Track One Order encourages the development of market solutions to facilitate low-income customer participation, but recognizes that there may be circumstances where there is not a developing market for DER projects and the public interest warrants utility investment.[3] Staff then goes on to state that it is considering utility ownership of Community DG as a venue to facilitate low-income customers' participation in DER.[4]

[1] Case 15-E-0082
[2] The comments herein represent the views of SEIA and not any individual member company
[3] Staff Notice Case 15-E-0082
[4] Id.

Staff's consideration of utility owned CDG to serve low-income customers is premature. Staff's consideration of utility owned CDG for low-income customers suggests the existence of a market failure per the guidance of the Track One Order (e.g. "not a developing market").[5] However, in the case of CDG, there has been no opportunity for a market to develop, let alone sufficient experience in the market to declare a market failure. The CDG program has yet to launch because it is awaiting an order in the Value of Distributed Resources Proceeding, as well as on grandfathering and interconnection rules.[6] If the Commission were to determine that low-income customers should be served by utility owned generation at this early stage in the market, it would set a precedent that erodes confidence in the CDG market and REV markets broadly, as there has been little or no opportunity for third parties to animate the marketplace. The Commission would be sending the signal that regulatory uncertainty is equivalent to market failure, which SEIA does not believe to be the Commission's intent.

While there may be a role for the utility to play in facilitating market development in its capacity as the Distribution System Platform Provider (once operational) at some point in the future, it should only be considered after the market has had the opportunity to be developed and should be limited to a facilitating role subject to the rules set forth in the Track Two Order.[7] To move to utility-owned generation to drive the CDG market would be an extreme step that is premature according to the guidance of the Track One Order and counter to the REV objective of leveraging third party investment to develop DER markets.

SEIA looks forward to working with Staff to ensure that the CDG program is designed in a way that expands access to all ratepayers so that they may enjoy the many benefits delivered by distributed solar. SEIA looks forward to engaging with Staff further on the issues raised in its notice and commenting on Staff's forthcoming whitepaper.

Sincerely,

/s/ Richard Umoff
Richard Umoff
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Solar Energy Industries Association
Ph: 202-556-2877
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[5] See Track One Order at 69 (Case 14-M-0101)
[6] See Value of Distributed Resources Proceeding (Case 15-E-0751)
[7] Case 14-M-0101