

NY-Sun Program Updates

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Central Hudson Solar Summit
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NYSERDA

Agenda

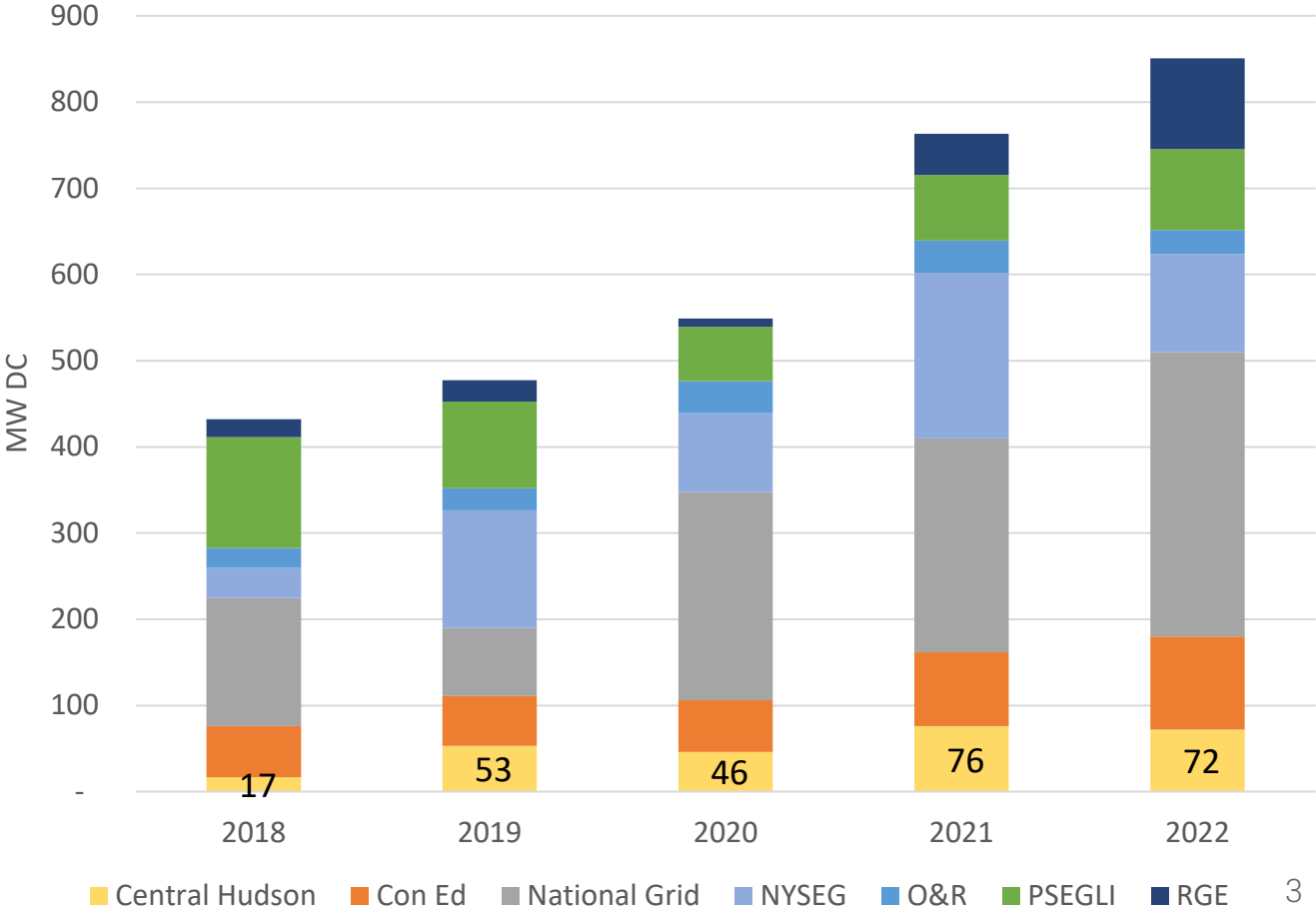
- > Industry Update
- > Recap: Mid-Point Review and Comment Period
- > Q&A

Industry Update – 2023 Completions

2023 was a record year for PV deployment

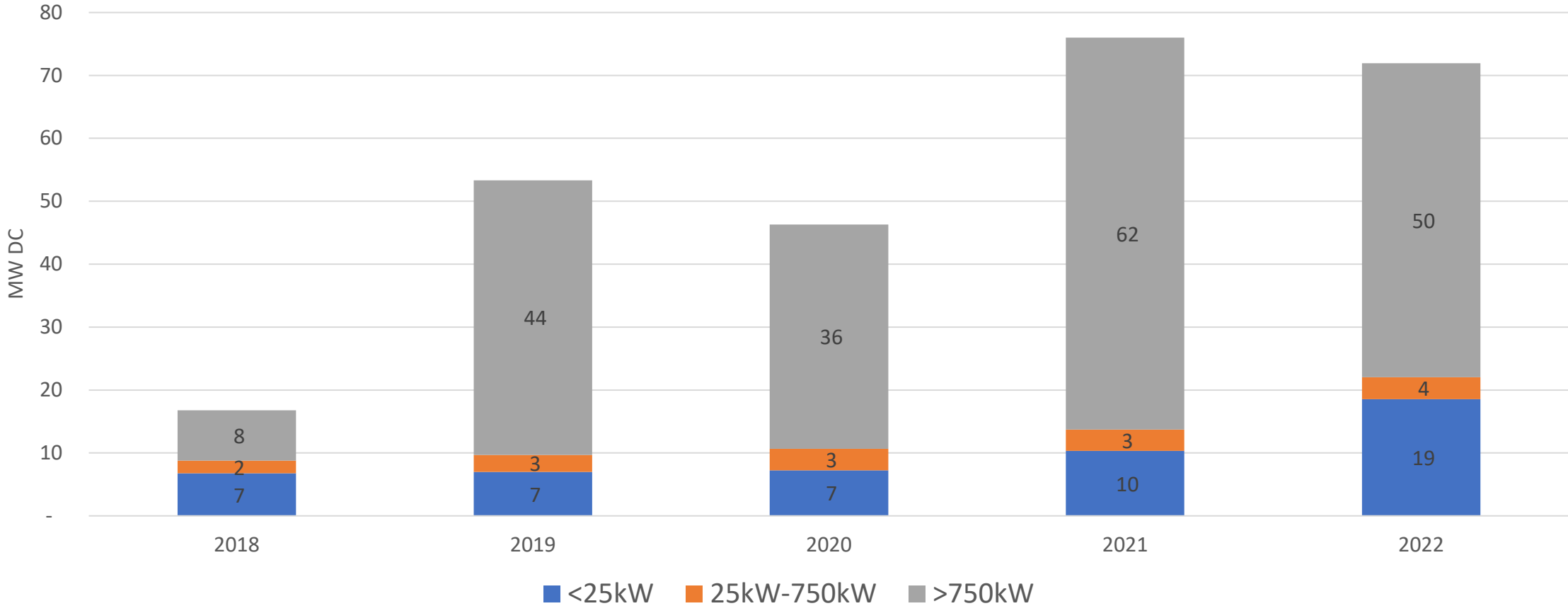
- 851MW were installed in NY last year
- Total NY Distributed Solar is now 4,460 MW
 - In good shape for 6GW by 2025, 10GW by 2030
- 8.5% of NY’s 2023 deployment was in Central Hudson territory

MW Interconnected Annually



Industry Update – 2023 Completions

Central Hudson PV Deployment by Project Size



Industry Update - CBC Rates

- > The CBC was implemented on 1/1/2022 for new residential and non-demand small commercial PV projects. Updated rates went into effect 1/1/2023

2023 CBC Rate by Utility

Utility	2023 Final Residential CBC Rate \$/kW-mo.	2023 Final Small Commercial CBC Rate \$/kW-mo.
Central Hudson	\$1.18	\$1.18
Con Edison	\$1.09	\$1.26
LIPA	\$0.59	\$0.61
National Grid	\$1.18	\$1.33
NYSEG	\$0.70	\$0.81
Orange & Rockland	\$1.07	\$1.03
RG&E	\$0.84	\$0.74

Industry Update - February IRA Guidance

- > On February 13, Treasury/IRS released **initial** guidance on the environmental justice bonus tax credits
 - Guidance fell short of expected level of detail, states that “forthcoming guidance” will provide more information on key topics such as project maturity requirements and customer benefit criteria

> Key Takeaways:

- For 2023, the total 1,800 MW capacity allocation will be broken up per the table below
- Applications for categories 3 & 4 will open Q3 2023, followed by category 1 & 2
- A lottery will be used if the program is oversubscribed, but unselected projects may reapply the next year
- CDG wi

Category 1: Located in a Low-Income Community	700 megawatts
Category 2: Located on Indian Land	200 megawatts
Category 3: Qualified Low-Income Residential Building Project	200 megawatts
Category 4: Qualified Low-Income Economic Benefit Project	700 megawatts

CSA requirements

NYSERDA Mid-Point Review

- > NY Public Service Commission (PSC) issued “10 GW Order” on April 14, 2022, and NYSERDA opened new blocks on June 7, 2022. Upstate C/I uptake was rapid after a year without available incentives, with over 1 GW submitted within two months.
- > Half of the new Upstate C/I MW Block capacity was allocated as of **November 17, 2022**, triggering a Mid-Point Review, which was filed on **January 17, 2023**.
- > The 10GW Order directed NYSERDA and DPS to host a **technical conference** for stakeholders to provide responses. This was held **January 31, 2022**.
- > Public comments on the MPR are due **April 10, 2023**, and can be filed on the [DPS website](#) (Case Number: 21-E-0629).

MPR Findings

- > New York State is well on its way to achieve the 10GW by 2030 goal. NY-Sun has \$1.3B in funding remaining to produce the remaining 2.1GW of MW Block capacity. Over 77% of the 10 GW Goal is either built or at a mature stage of development.
- > During the review period from April 14th 2022 to November 17, 2022, over **1.9 GW** of project applications were submitted to NY-Sun, most of which were Upstate CDG projects (~1 year backlog).
 - Upstate C/I attrition rate is 2.6% due to high project maturity requirements to secure NY-Sun incentive.
- > Solar Energy Equity Framework (SEEF) is on track: **over \$200 million** in SEEF adders and leveraged incentives have been committed, in line with 2025 goal.
- > Residential project applications in 2022 were approximately double that of 2021.
- > While the IRA provides enormous support to distributed PV, its impact is blunted by high and volatile component and labor costs.

MPR Recommendations

The MPR makes six requests for Public Service Commission Approval:

1. Provide NYSERDA **flexibility to adjust to changing economic and policy conditions** the Con Edison Community Adder and ICSA incentive rates from the values specified in the 10 GW Order.
2. Make **no changes to the Value Stack** at this time.
3. Authorize a change in the **eligibility for the Prevailing Wage Adder** approved in the 10 GW Order whereby all projects greater than 1 MWac in size that submit applications to Upstate C/I Block 21 or later, or to the second Con Edison Nonresidential >1 MW Block or later that commit to pay prevailing wage will be eligible for the Prevailing Wage Adder.

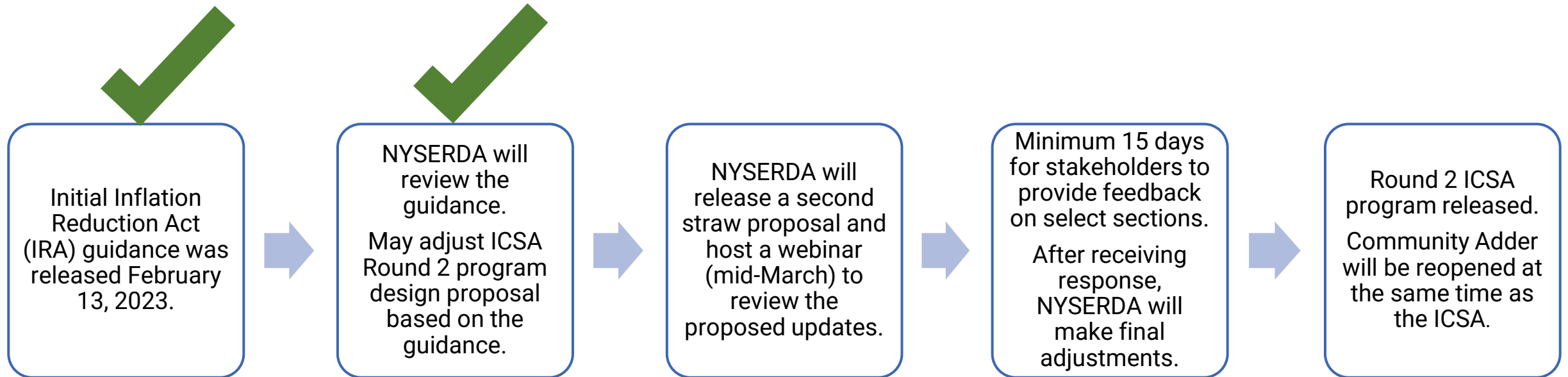
MPR Recommendations

4. Expand the Landfill/Brownfield Adder to include **Floating PV**.
5. Authorize the **removal of system production adjustments** from the NY-Sun Commercial/Industrial incentive payment structure. Give projects option of 100% at PTO, or 50%/25%/25% with no performance verification. Rationale: PV technology and business practices have, and project owners are already motivated to maximize generation.
6. Amend the rules set in the Consolidated Billing Order to allow **multiple Net Member Credit rates** within a single CDG project. For instance, a 5% customer discount rate for market rate customers and a 10% discount for LMI offtakers.

Next Steps

1. The Mid-Point Review is posted [to DPS's DMM page](#).
2. Comments on the Mid-Point Review must be submitted by April 10, 2023.
3. NY-Sun will release round 2 of the ICSEA and reopen the Community Adder after a stakeholder process (see next slide).
4. Department of Public Service Staff and the Public Service Commission will review all comments, and the PSC could then issue an Order acting on any or all of the MPR's recommendations.
5. NYSERDA staff will then update program documentation to reflect a PSC Order.

Inclusive Community Solar Adder process



Thank You

- > If you have questions on this presentation, please contact luke.forster@nyserda.ny.gov.
- > The Mid-Point Review is open for public comments through **April 10, 2022**. Comments can be filed on the [Department of Public Service's website](#) under Case Number **21-E-0629**.

Questions?

