



2016 NYSEIA Solar Outlook

Central Hudson Solar Summit– 3/2/16
Melissa Kemp, NYSEIA Policy Co-Chair



New York Highlights

- New York had around **570 MW installed at the end of 2015**, up from 397 MW at the end of 2014
- Annual investment in solar facilities in New York was estimated at **over \$500 million in 2015**, excluding other positive economic impacts via employment, business expansion, and their associated increases in property tax and sales tax
- New York is estimated to currently have around 700 companies in the solar sector **employing over 8,200 people**

- 2015 marked the full launch of the commercial solar market in New York as well as the start of the community solar market
- It also included the announcement of the Clean Energy Standard, which could mean the opening of a utility scale solar market in New York in 2017
- At the end of 2015, New York's installed solar ranks #7 in the US, but still trails significantly behind other states, with California for example having 10x more solar per person than New York

Trends and Issues in 2016

- **Residential Solar Continues to Succeed**
 - Stable incentive program
 - Expansion of market through community solar
 - Large number of Solarize programs
 - Continued cost reductions
 - Long term private sector financing



- **Update to the NY Uniform Fire Prevention and Building Code (Uniform Code)**
 - Adoption of new building and electrical code proposed
 - Concerns about the actual need for the stringent proposed access pathways and ventilation referenced in the proposed building code (from section 605 of the International Fire Code (IFC) and now deleted section 324.7 of the International Residential Code (IRC))
 - Public hearings the week of January 25th
 - Over 50 solar companies and organizations attended and formal written comments were submitted February 5th

- **Growth of Commercial & Industrial Market**

- With the launch of the C&I market in May 2015 and the stability of the Transition Order, 165 MW of projects have reserved incentives to date
- Activity most in ROS block, only 2.7 MW in ConEd block
- Mix of monetary and some volumetric projects
- Program reported as working for many customers across state, but the economics are not working for large customers in ROS with volumetric crediting going forward and RECS issue
- NYSEIA hosting a call on this issue Tomorrow Thursday 3/3 12pm if interested

- **Successor Tariff (Case 15-E-0751)**
 - Critically important issue in Q1-Q2 2016 with first comments due on 4/18/16
 - Announced in late December as seeking an interim successor to net-metering in 2016 before and as a bridge to the conclusion of REV
 - Following net-metering study and cost/benefit order
 - Requesting “more precise interim methods of valuing DER benefits and costs, as well as the design of appropriate rates and valuation mechanisms before December 31, 2016

- **Interconnection Improvements and SIR Update (Case 15-E-0557)**
 - Work with DPS has been underway since last July
 - Update to the SIR is scheduled for next month, and proposed to include:
 - Introduction of pre-application report on way to host capacity mapping
 - Inclusion of standard screens state-wide in initial review with explicit language that if passed, the project goes directly to execution of interconnection contract with no upgrades and no study
 - Elimination of any blanket upgrade requirements

- After CESIR completion, payment to execute contract reduced from 100% of upgrade costs to 25%
- New requirements for more detail on any upgrades proposed and itemized costs, and limitation of overall contingency to 25-30%
- Additional timelines

– Additional Important Items NOT Included:

- Supplemental review
- Customer name requirement
- Enforcement and rewards for utilities meeting interconnection timelines
- Process for updating initial reviews and CESIRs
- Complete formal que management process
- Cost sharing options

- Best practice standards on technical issues including Substation Level Reverse Power Flow, including 3V0, LTC controllers, Remote Monitoring/Communication Requirements, Control and Protection Issues inc DTT Requirements, Voltage Flicker and Regulation
- Launch of Interconnection Technical Working Group (ITWG) on March 8th to start addressing these issues towards 2nd SIR update in late 2016

- **Community DG (Case 15-E-0082)**

- After July 2015 order and October follow-up order, CDG went live in opportunity zones and for LMI projects across the state in November
- Tremendous opportunity and keys appear to be financing structures and partners for specific models, interconnection, and the zoning/permitting of these projects
- Addition of creditworthiness requirements for Project Sponsors potential issue being further explored

- Upcoming events around the state including the “Community Solar Forum” March 18th in Syracuse sponsored by the Central Regional Planning Board in partnership with NYSERDA and the Energy Democracy Alliance



- **Other Key Issues**

- Zoning and permitting for commercial and community scale projects
 - Best practices and templates
 - Avoiding moratoriums
- Property tax education and economic argument materials for work remaining opted-in to exemption at municipal level
- Recent prevailing wage controversy from DOL for PPA projects for government entities and upcoming NYSEIA call on this March 9th at 1pm

- Serious billing issues for remote net-metering monetary and volumetric customers in several NY utility territories
 - Bills for host meter delayed months
 - Bills do not show any details on how kWhs monetized for satellite accounts or how credits roll forward on host account
 - Some utilities have different more complex interpretation of how volumetric RNM works than expected
 - Bills do not show summary of how RNM delegated to accounts
 - Continued issue of estimated readings at solar host meter
 - Some continued issues with ESCOs and consolidated billing

- **Clean Energy Standard**
 - Potential launch of large scale renewables in NY
 - Workshop last Friday in NYC and comments due 3/14/16
 - Goal 50% renewable electricity by 2030
 - Discussion of targets along entire way and how deal imports
 - Discussion of structure – long-term bundled PPAs vs REC market and Alternative Compliance Payments with long-term contracts and spot market alongside ISO wholesale markets
 - Discussion of carve out for technologies or just let market choose “cheapest”

Questions?

Melissa Kemp

NYSEIA Policy Co-Chair and Board

Director of Government and Utility Affairs, mkemp@renovussolar.com

