

Subject:
NY-Sun Program Updates

To view this email as a web page, click here.

**Upstate MW Block Incentives
& Other NY-Sun Program Updates**



New York State Energy Research and Development Authority

Dear NY-Sun Stakeholders,

NYSERDA and the NY-Sun team value our successful public-private partnership with the distributed solar industry in New York. Our collaboration has resulted in record-breaking distributed solar deployment year-over-year, and 2022 is shaping up to be our best year ever. We have learned many lessons along the way together, and the NY-Sun program has maintained the ability to be flexible and react to changing market needs while providing transparency to solar developers and installers.

Over the course of the last year, there have been several developments that have affected project economics, both positively and negatively. Among these developments, the passage of the Inflation Reduction Act (IRA) has provided great certainty by extending and expanding the federal Investment Tax Credit (ITC) at a time when we are seeing historic economy-wide inflation, supply chain shortages and workforce challenges. The NY-Sun team has conducted thorough outreach and engagement sessions with stakeholders to gather data and intelligence on the impact of the above-mentioned developments on current project economics and market dynamics.

As you may be aware, NYSERDA recently temporarily suspended the [Community Adder](#) in the Upstate and Con Edison territories until federal guidance on the ITC “bonus” adders is published, which is expected by February 2023. This decision was made because the ITC adders for projects serving low-income communities are likely to overlap with the Community Adder and the [Inclusive Community Solar Adder](#) in purpose and function. Our goal is to ensure that the federal ITC adders can be maximally leveraged to benefit New York’s

underserved communities and the level of public funding a project receives is commensurate with the benefits it provides to customers. NYSERDA intends to re-launch an adjusted Community Adder and Inclusive Community Solar Adder once the ITC guidance is published and make the adjusted Community Adder retroactively available to projects submitted during the pause.

Finally, based on our analysis and industry input, once the Upstate Region Commercial Block 20 is fully allocated, NYSERDA will open a [Block 21](#) at a rate of \$0.05/Watt with 350 MWdc of capacity. While we believe that the base incentive rate will be sufficient to support those projects that qualify for a 30% ITC and are not required to pay Prevailing Wage (as a result of expected Internal Revenue Service (IRS) safe-harbor provisions), it may not be sufficient to support projects subject to incremental costs associated with the payment of Prevailing Wage and apprenticeship requirements under anticipated U.S. Treasury guidelines. To address this issue, NYSERDA plans to file a petition to the Public Service Commission, along with other proposed program adjustments, to make funds available in addition to the base incentive for projects that pay Prevailing Wage, regardless of the date of their initial interconnection application. This petition will also include information to serve as the “Mid-Point Review” of the relaunched NY-Sun program, necessitated by the Public Service Commission’s April 2022 Order approving the 10 GW Distributed Solar Roadmap. Upon filing the Mid-Point Review, the NY-Sun team will host a technical conference webinar to review key findings and recommendations and answer any stakeholder questions. The petition will be followed by a 60-day comment period allowing the industry to respond to the filing.

We understand that these critical and necessary adjustments may result in some short-term uncertainty, but we are confident that the solar industry will continue to thrive in partnership with NY-Sun and NYSERDA. By aligning our program structure with the IRA, we will add more long-term certainty to the market, maintain accountability to New York’s ratepayers, continue supporting high-quality jobs, and better serve our Disadvantaged Communities. We appreciate your continued support and engagement as we work through these issues. Thank you for your continued commitment to New York’s distributed solar market. Together, we hope to continue scaling new heights and growing this crucial pillar of New York’s decarbonized economy.

David Sandbank

Vice President, Distributed Energy Resources & Transportation

NYSERDA

CONNECT WITH US



About NY-Sun

NY-Sun is New York State's \$1.8 billion initiative to advance the scale-up of solar and move the State closer to having a sustainable, self-sufficient solar industry. Since 2011, solar in New York State has grown over 2,100 percent, leveraged \$5.3 billion in private investments and decreased the cost of solar by 69 percent. There are approximately 12,000 people engaged in solar jobs across New York.

About NYSERDA

NYSERDA, a public benefit corporation, offers objective information and analysis, innovative programs, technical expertise, and support to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels. NYSERDA professionals work to protect the environment and create clean energy jobs. NYSERDA has been developing partnerships to advance innovative energy solutions in New York State since 1975. To learn more about NYSERDA's programs, visit nyserdera.ny.gov or follow us on [Twitter](#), [Facebook](#), [YouTube](#), or [Instagram](#).

To stop receiving email messages from NYSERDA related to this topic, unsubscribe.