

Upstate Inclusive Community Solar Adder Tier for non-Community Adder projects

NY-Sun

May 6, 2024

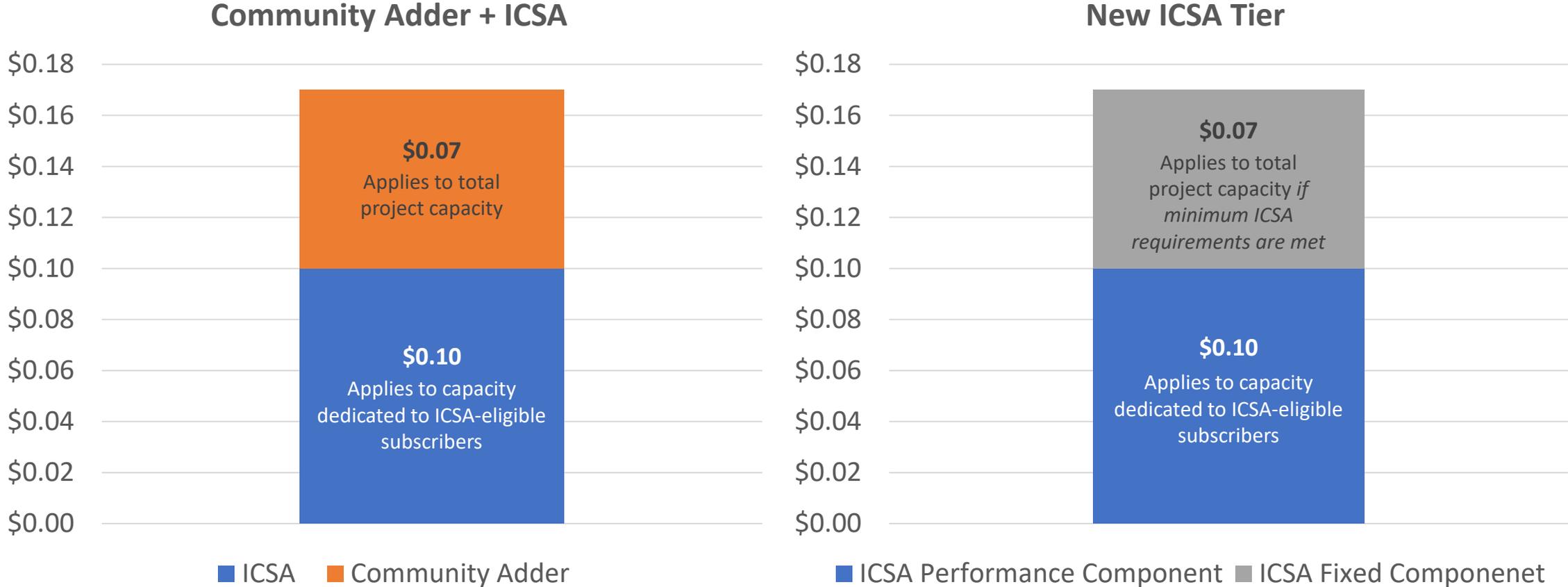


NYSERDA

New ICSA Tier Details

- > New ICSA tier will open for applications on May 7.
- > The current ICSA has different incentive tiers for Community Credit and Community Adder projects, the new tier is for Upstate projects that have neither.
- > All projects will draw from the currently open 860 MW Upstate ICSA tranche.
- > Projects continue to be eligible for the base MW Block and Prevailing Wage Adder incentives.
- > The new ICSA tier will have two components:
 - > "fixed" incentive that applies to the full project capacity, set at \$.07/W
 - > "performance" incentive that applies to the capacity dedicated to ICSA-eligible subscribers, set at \$.10/W
- > The "fixed" incentive is paid in full as part of the first ICSA payment, but the project *must* meet the minimum ICSA requirements (40% minimum ICSA-eligible capacity, etc.) to receive it.

CDG Incentive Comparison



CDG Incentive Comparison

Example Total Incentive Payment for 7.5 MW CDG project

Scenario	0% DAC Achieved	40% DAC Achieved (minimum requirement for ICSA)	100% DAC Achieved
Last Upstate CA Block + Current ICSA	\$525,000	\$825,000	\$1,275,000
New ICSA Tier	\$0	\$825,000	\$1,275,000

Funding Examples

ICSA Funding Amount

- > The "fixed" incentive of \$.07/W is applied to the full project capacity and is paid in full during the first ICSA payment.
- > The "performance" incentive of \$.10/W is applied to the capacity dedicated to ICSA-eligible subscribers and is paid out over 3 payments. Each approved ICSA application is contracted with a 40-60% Eligible Subscriber Target for the "performance" incentive.
 - Award Letter Funding Amount Calculation: $(\text{ICSA "fixed" incentive rate} * \text{CDG project's total capacity}) + (\text{ICSA "performance" incentive rate} * 60\% \text{ of the CDG project's total capacity})$
- > Contracted Projects that allocate more than 60% of their project capacity to Eligible Subscribers are eligible to receive additional funds at the ICSA rate for the applicable project type for that additional capacity, pending fund availability.

Project Funding Example

An Upstate project allocates 40% to 60% of the project capacity to eligible subscribers.

- > At least 50% of those eligible subscribers are Eligible Residential Subscribers.
- > Project did not receive the Community Credit or Community Adder and is eligible for the New ICOSA Tier.



Project Funding Example (Continued)

Award Amount:

$$(5,000,000 \text{ Wdc} * \$0.07/W) + (5,000,000 \text{ Wdc} * \$0.10/W * 60\%) = \$650,000$$

Invoice Payout:

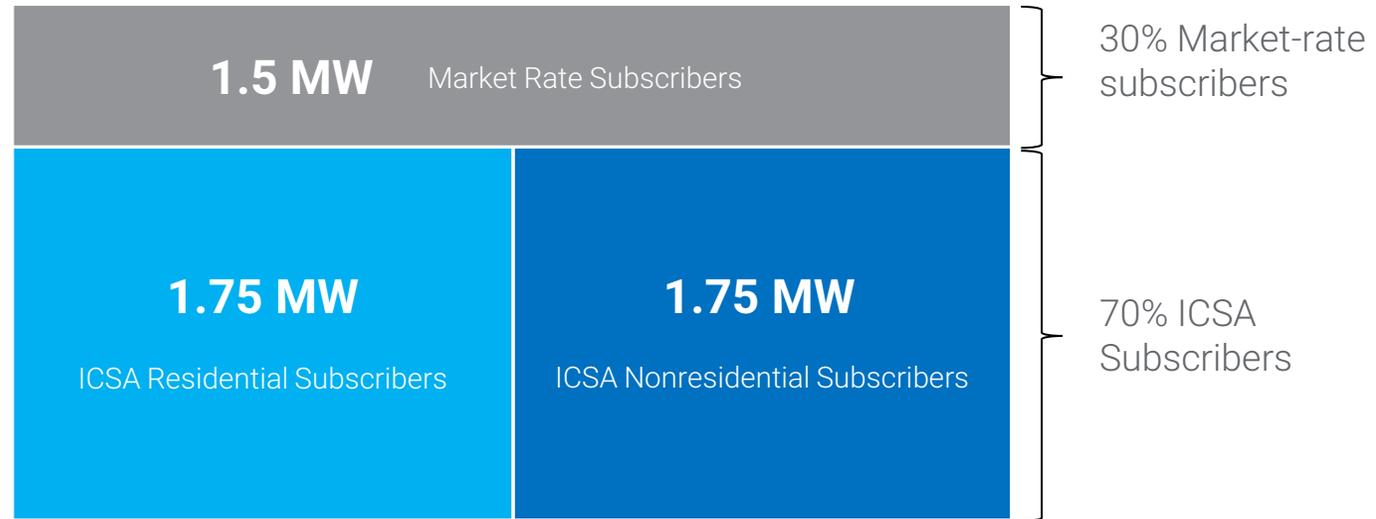
> Project will be paid based on the **actual allocation** to eligible subscribers.

	Payment 1	Payment 2	Payment 3
% of Eligible Subscribers	55%	55%	55%
Calculation	$(5,000,000 \text{ Wdc} * \$0.07/W) + (5,000,000 \text{ Wdc} * 55\% * \$0.10/W * 50\%)$	$5,000,000 \text{ Wdc} * 55\% * \$0.10/W * 25\%$	$5,000,000 \text{ Wdc} * 55\% * \$0.10/W * 25\%$
Dollar Payout	\$487,500	\$68,750	\$68,750

Project Funding Example: EST > 60%

An Upstate project allocates more than 60% of the project capacity to eligible subscribers prior to **commercial operation**.

- > At least 50% of those eligible subscribers are Eligible Residential Subscribers.
- > Project did not receive the Community Credit or Community Adder and is eligible for the New ICSA Tier.



Funding Adjustments for High Performance

- > Contracted Projects that allocate more than 60% of their project capacity to Eligible Subscribers are eligible to receive additional funds at the ICSA rate for the applicable project type for that additional capacity, pending fund availability.
- > If a project allocates >60% with Eligible Subscribers, NYSERDA will increase the project's overall award to the next higher band of eligible subscriber target. The project will then be eligible to get up to what that higher band is for the rest of the project. Project can only receive this award increase if they achieve the higher allocation at commercial operation.
- > In the event that there are no additional funds available for projects that allocate more than 60% of their capacity to eligible subscribers and a project achieves that, NYSERDA will pay for the actual allocation of dedicated subscribers until the award is exhausted.

Project Funding Example: EST > 60% (Continued)

Award Amount Adjustment:

- > Projects are eligible to receive additional funds at the ICSA rate for the applicable project type for that additional capacity, pending fund availability.
- > Because this project allocated >60% with Eligible Subscribers, NYSERDA will increase the project's overall award to the next higher band of eligible subscriber target.
 - In this example, the project EST will go from 40-60% to 60-80% because 70% of the project is filled with Eligible Subscribers.
- > The award amount would be adjusted in the NYSERDA portal and in the award letter.

Original Award Amount (40-60% EST)

$$(5,000,000 \text{ Wdc} * 60\% * \$.10/W) + (5,000,000 \text{ Wdc} * \$.07/W) = \$650,000$$

Updated Award Amount (60-80% EST)

$$(5,000,000 \text{ Wdc} * 80\% * \$.10/W) + (5,000,000 \text{ Wdc} * \$.07/W) = \$750,000$$

Project Funding Example: EST > 60% (Continued)

Award Amount:

$$(5,000,000 \text{ Wdc} * \$0.07/W) + (5,000,000 \text{ Wdc} * \$0.10/W * 80\%) = \$750,000$$

Invoice Payout:

> Project will be paid based on the actual allocation to eligible subscribers.

	Payment 1	Payment 2	Payment 3
% of Eligible Subscribers	70%	70%	70%
Calculation	$(5,000,000 \text{ Wdc} * \$0.07/W) + (5,000,000 \text{ Wdc} * 70\% * \$0.10/W * 50\%)$	$5,000,000 \text{ Wdc} * 70\% * \$0.10/W * 25\%$	$5,000,000 \text{ Wdc} * 70\% * \$0.10/W * 25\%$
Dollar Payout	\$525,000	\$87,500	\$87,500

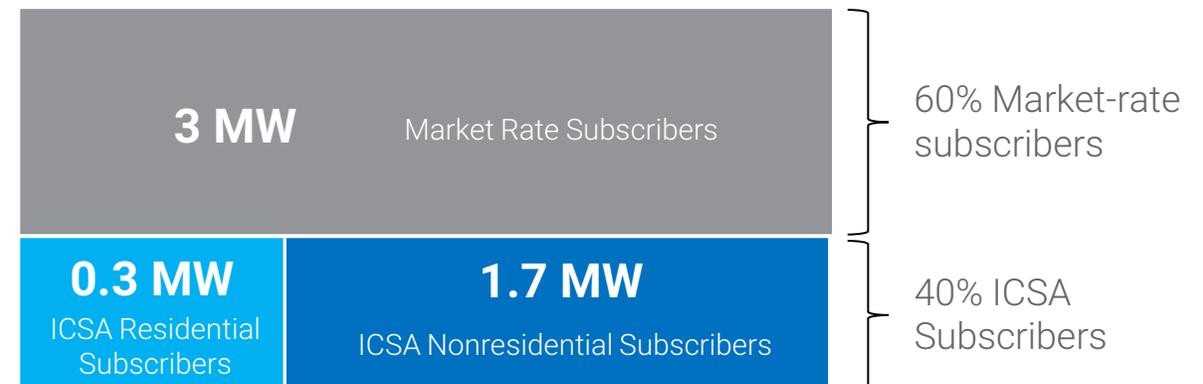
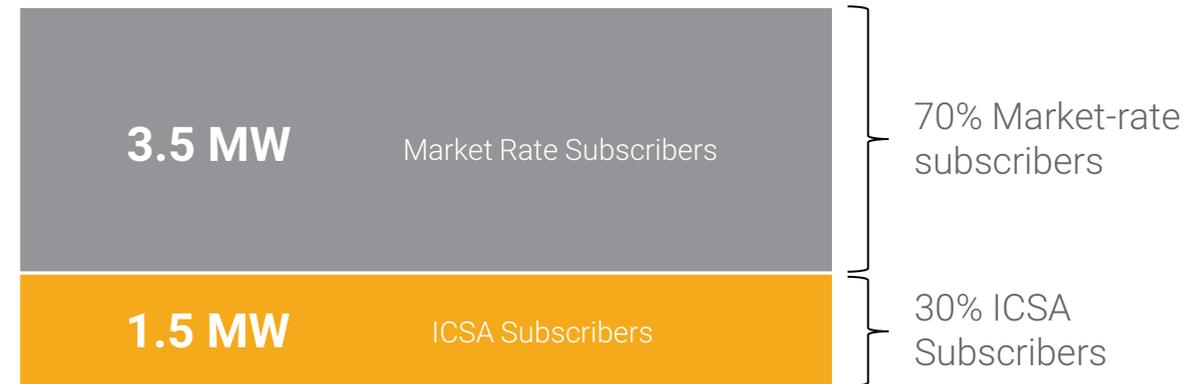
Project Funding Example: Min ICSA Reqs Not Met

A project allocates less than 40% of project capacity to eligible subscribers; or less than 20% of project capacity to eligible residential subscribers.

- > Project did not receive the Community Credit or Community Adder and is eligible for the New ICSA Tier.

Payout:

- > If a project is unable to achieve the minimum eligible subscriber target of 40% it would be deemed ineligible for the ICSA and **would not be paid**.
- > The "fixed" incentive set at \$.07/W **would also not be paid**.



Questions & Answers

Please use the Q&A feature of WebEx.

Thank You!

