Statewide Solar for All (S-SFA) Program Overview

NYSERDA's NY-Sun Team

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Agenda

- Concept Overview
- Opt-in CDG vs. S-SFA
- Background
- May 2024 PSC S-SFA Order Directives
- Solar PV Participation
- Energy Storage Participation
- Provisional Compensation Levels
- Next Steps and Timeline
- Q&A (30 minutes)

S-SFA: Concept Overview

- S-SFA is a newly approved program for low-income utility customers to receive bill credits from participating community solar/storage projects in that utility territory on an opt-out basis.
- It will be available for eligible projects in all investor-owned utilities: Central Hudson, Con Edison, National Grid, NYSEG, Orange & Rockland, & RG&E.
- Eligible technologies include standalone solar PV, standalone storage, and paired PV + storage

S-SFA: Concept Overview

- S-SFA enables low-income households to directly and automatically benefit from distributed solar and storage development.
- S-SFA provides a streamlined method for project developers to remove customer acquisition/management costs, while receiving a single monthly payment directly from the utility.
- The distribution utility aggregates bill credits generated by participating community distributed generation (CDG) projects. This process is referred to as credit pooling.
- The utility then automatically distributes these pooled credits among customers enrolled in the utility's low-income energy affordability program (EAP)
- Customer share of all participating projects are aggregated and distributed evenly among all S-SFA customers as a fixed monthly credit on electric bills.
- Utility is paid an administrative fee, structured as a percentage of the project's VDER/Value Stack credits, and capped at 1%

Next Steps and Timeline

- NYSERDA Initial Compensation Level Schedule Filing: **Nov 1, 2024**
- IOU tariff amendments to effectuate S-SFA programs. Projects can begin opting in: **Dec 1, 2024**
- Deadline for pipeline projects to opt in: **March 31, 2025**
- IOU S-SFA participating project list filing: **April 30, 2025**
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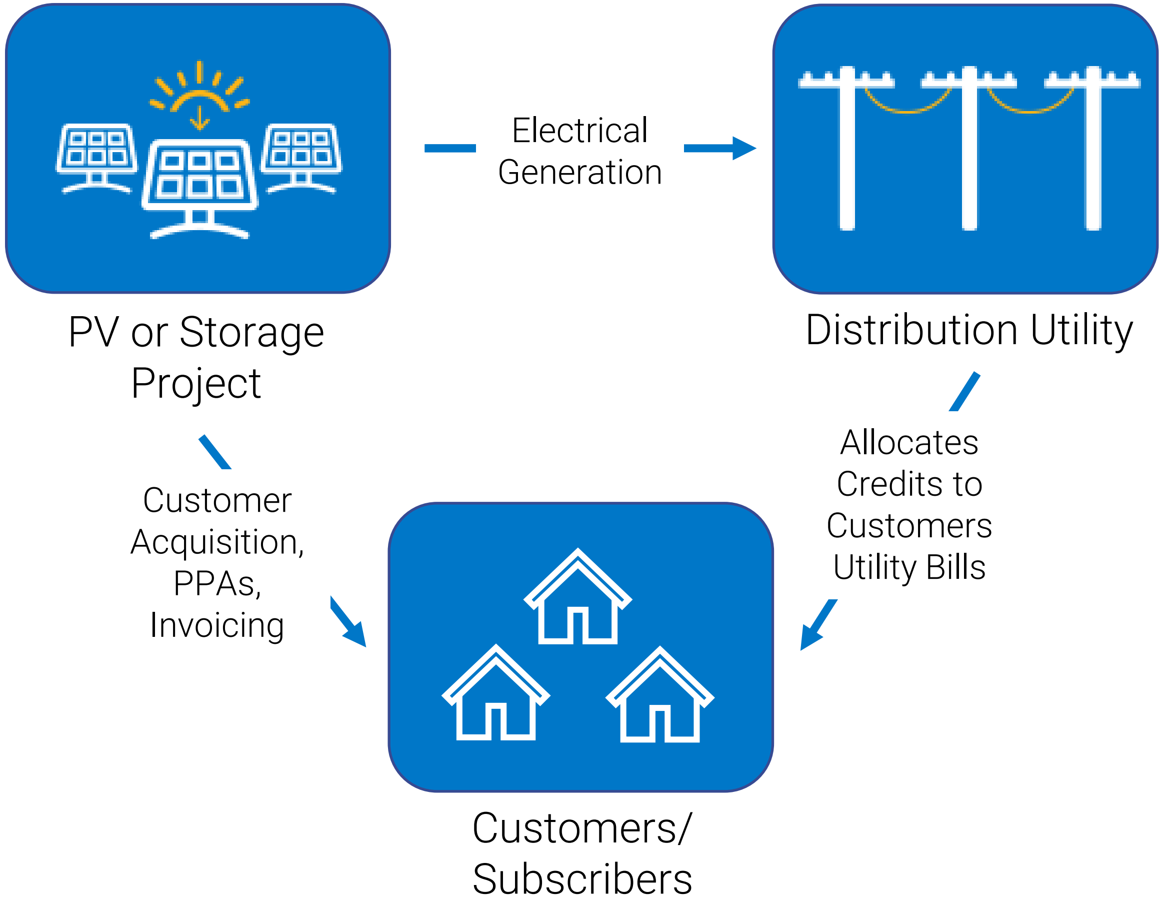
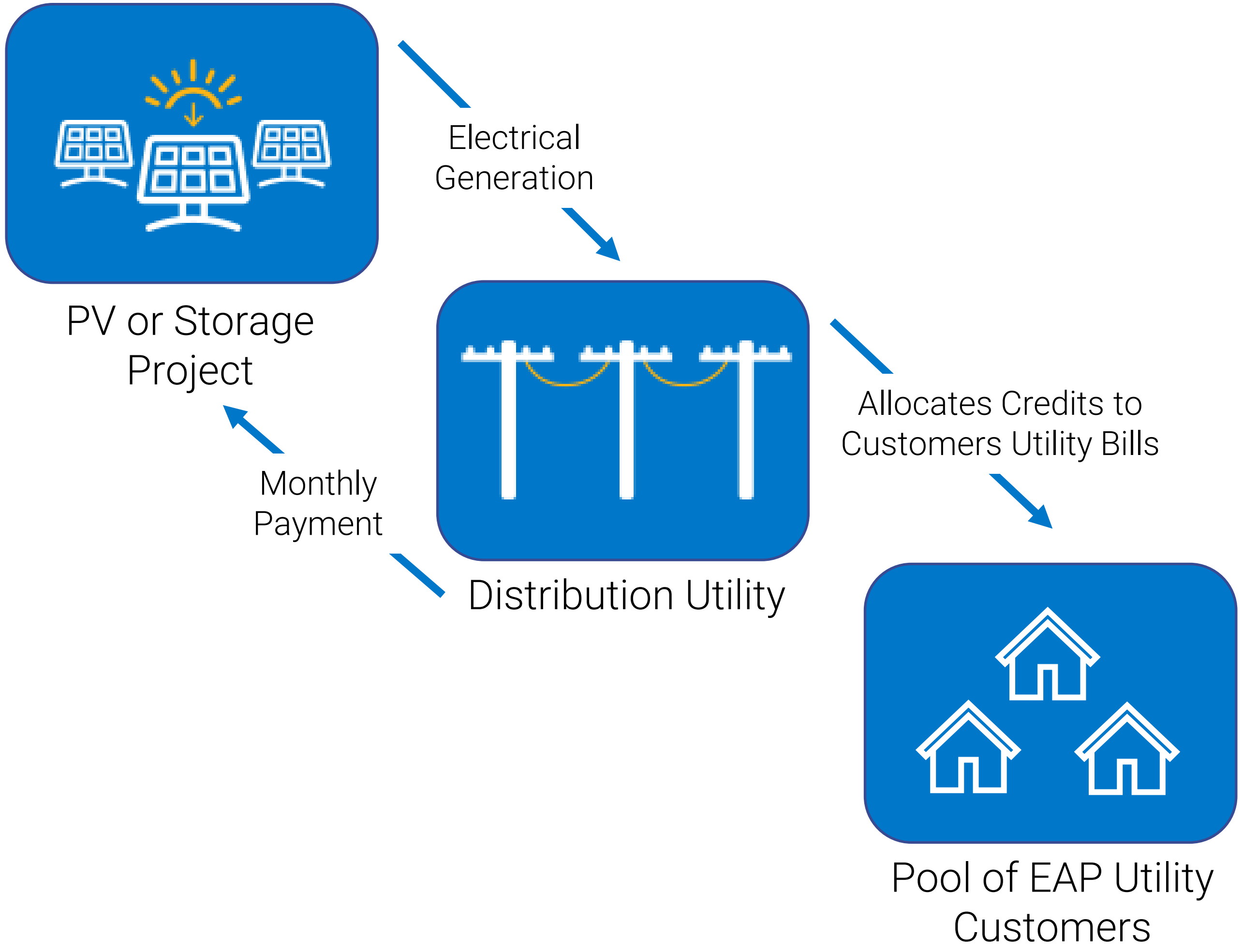
Opt-In CDG: How It Works



Opt-in CDG or Remote Crediting requires a project developer to acquire project subscribers. The project owner is responsible for managing these subscribers, invoicing them under PPAs, and replacing them if they leave the project. There is a high cost associated with this opt-in customer engagement.

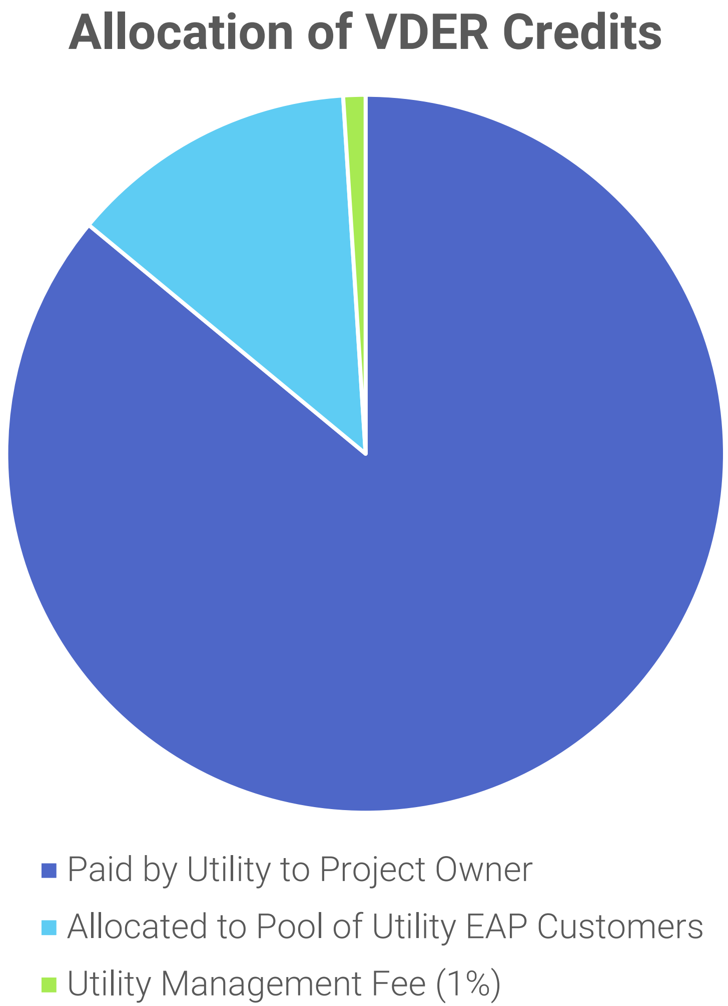
S-SFA: How It Works



S-SFA removes the customer acquisition and management from the DER project owner's responsibilities.

The utility provides a monthly payment directly to the project owner, while allocating a percentage of Value Stack credits to a pool of low-income utility customers.

S-SFA: How It Works



Most of the Value Stack credits will be paid to the project owner as a direct payment from the utility.

A portion of the Value Stack credits will be allocated by the utility to a pool of low-income customers

The utility can charge a management fee (up to 1% of Value Stack credits).

S-SFA: Background

- **2016:** NY PSC adopted an Energy Affordability Policy that set a target energy burden at or below 6% of household income for low-income households; acknowledged necessity of leveraging all available resources including access to clean energy sources
- **2018:** NYSERDA launched Solar for All, a no-cost CDG subscription program for low-income utility customers; enrollment fell short of program goals
- **2020:** PSC, in NY-Sun Expansion Order, encouraged NYSERDA to collaborate with utilities on program to facilitate utility enrollment of LMI customers in CDG projects
- **2021:** NYSERDA and National Grid petitioned PSC to approve Expanded Solar for All (E-SFA) program, which piloted S-SFA concept for NGrid customers; approved in 2022
- **May 2023:** Following successful implementation of E-SFA Round 1, DPS filed a proposal to adopt S-SFA based on E-SFA model
- **May 2024:** PSC adopts DPS S-SFA proposal, with modifications

S-SFA Pilot Program: Expanded Solar For All

- NYSERDA and National Grid jointly ran Expanded Solar For All, procuring ~300 MW of CDG solar projects.
- E-SFA was a precursor to S-SFA and served as a proof-of-concept with valuable lessons learned
- E-SFA was structured as a bid-based program, with projects procured over two RFP rounds.
- Projects are being constructed, and over 160,000 customers have begun receiving bill credits.

May 2024 S-SFA Order: Key Directives

- **Eligible Technologies:** S-SFA is open to standalone and paired CDG PV and Storage
- **Utility-Specific:** Each IOU will implement its own S-SFA program (no inter-utility pooling)
- **Maturity Thresholds:** Projects already in operation will not be eligible to participate in S-SFA
- **Dual Participation:** S-SFA customers may participate in both S-SFA and another distributed generation program like opt-in CDG or remote net metering
- **No Program Capacity Cap:** There is no cap on the number of projects that can participate in S-SFA
- **Customer Eligibility:** Only those EAP customers that reside in a disadvantaged community census tract will be initially eligible for S-SFA
- **No Splitting Credits:** Projects will not be permitted to split their Value Stack credits across multiple programs (S-SFA and Opt-in).

May 2024 S-SFA Order: Key Directives (cont'd)

- **Standard Offer Program:** For each program year, participating projects will be required to provide a pre-specified percentage of VDER credit values as the S-SFA customer share, established by NYSERDA/DPS
  - Based on technology type, territory/geography, and other variables, where relevant (e.g. if receiving federal Low-Income Bonus Tax Credit)
  - Compensation level accepted by a project shall remain with the project for 25 years
  - Compensation level schedule will be reviewed on at least an annual basis
  - Utility admin fee capped at 1% of monthly VDER credit value (delta returned to customer credit pool)
  - For projects receiving NY-Sun incentives, customer share will be a minimum of 10%, plus utility fee
  - Energy storage projects will have a minimum customer share of 5%, plus utility fee
- **Enrollment Process:** Utility will provide projects the option to enroll in S-SFA at the time of 25% interconnection payment (or when IA is executed, if no IX payment is required)
- **Disenrollment:** Operational projects enrolled in SSFA program may disenroll by providing a minimum of 12 months written notice of the project's intent to disenroll to the IOU

S-SFA Program Details

- Projects must receive compensation under the VDER Value Stack tariff to be eligible to enroll and participate in S-SFA
  - Enrollment must occur prior to the project’s interconnection date
  - Value Stack participating in any NYISO/wholesale programs are currently not eligible to participate in S-SFA

S-SFA Program Details: Incentives

- Projects that have already reserved a Market Transition Credit, Community Credit, Community Adder, or any NY-Sun incentive (except ICSA) may keep that incentive and opt into S-SFA.
- Projects that have reserved an ICSA would need to forfeit it to enroll in S-SFA.
- NYSERDA will offer a "S-SFA" incentive moving forwards to Upstate projects that did not receive a MTC, CC, or CA incentive.
  - The S-SFA incentive for Upstate projects will be $0.07/Watt and funded by Solar Energy Equity Framework (SEEF) funds currently in NYSERDA's budget
  - ConEdison projects opting into the S-SFA may receive a S-SFA incentive of $0.20/Watt

S-SFA for Energy Storage

- Energy storage projects receiving VDER credits can participate in S-SFA
- Paired projects, where the storage is charged by PV (PV is greater than or equal to 10% of storage nameplate capacity on an AC basis), and/or if the solar has received NY-Sun funding, will be subject to the solar S-SFA customer discount rates

Provisional S-SFA Compensation Levels: NYSERDA Analysis

- NYSERDA performed analysis to estimate an appropriate required customer discount level for energy storage projects opting into S-SFA.
- The analysis considered the cost of customer acquisition and management costs over a project's 25 year lifetime, and what percentage of a project's Value Stack revenue was equivalent to these costs.
- NYSERDA's analysis included different utility territories, ISO zones, incentive rates, and incentive vintages (MTC, Community Credit, Community Adder, None).

Provisional S-SFA Compensation Levels

Utility	Central Hudson	ConEdison NYC	ConEdison Westchester	National Grid	NYSEG	O&R	RG&E
Energy Storage	94%	94%	94%	94%	94%	94%	94%
Solar	87%	85%	86%	86%	87%	86%	87%
Solar (50% Low Income Communities ITC)	76%	76%	76%	76%	76%	76%	76%

- Projects that already have an MTC, Community Credit, or Community Adder can keep it if they opt into S-SFA by March 31, 2025. Projects need to forfeit their ICSA to participate in S-SFA.
- Projects that did not receive a MTC, CC, or CA may apply for a S-SFA incentive adder. The adder will initially be set at $0.07/Watt for Upstate utilities, and $0.20/Watt in Con Edison territory.

Potential Updates to Compensation Levels in 2024-2025

NYSERDA may update and refile compensation levels during the year in response to:

- A PSC decision on the “Beyond 10 GW” proposal filed by NYSERDA;
- Final U.S. Treasury rules setting the required discount rate for the Low Income Communities Bonus Tax Credit Category 4 at 30%;
- Introduction of an S-SFA Adder tier funded by the federal Greenhouse Gas Reduction Fund.

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