

Order Expanding NY-Sun Program Overview

May 10, 2022



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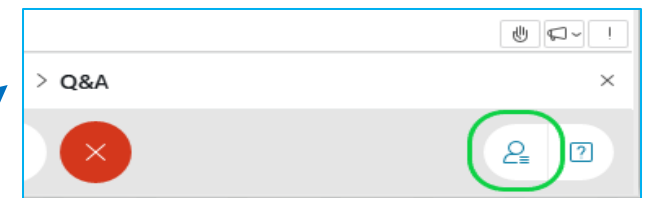
Meeting Procedures

Before beginning, a few reminders to ensure a smooth discussion:

- > Today's webinar is being recorded
 - A copy of the recording and presentation slides will be posted to NY-Sun's [Resources for Contractors](#) page
- > Members of the public will be muted upon entry

To ask questions:

- > Questions and comments may be submitted in writing through the Q&A feature at any time during the event. Questions will be answered at the end of the presentation.



If technical problems arise, please contact
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Agenda

- > Overview
- > Implementation Timeline
- > Updated Program Offerings and Incentives
 - > Upstate
 - > Con Edison
 - > Solar Energy Equity Framework
- > Additional Program Details
 - > Prevailing Wage
 - > Project Eligibility
- > Questions and Answers

Overview



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Program Expansion Context

- > By **Spring 2021**, key distributed solar incentives (Community Credit/Community Adder/base Megawatt Block incentive) were mostly allocated. The Department of Public Service (DPS) hosted a 2-day Technical Conference to discuss the state of the market and potential mechanisms to support distributed solar deployment past the 6 GW Climate Act target.
- > In September 2021, Governor Hochul announced a new distributed solar target of at least **10 GW by 2030**. NYSERDA and DPS Staff developed the Distributed Solar Roadmap to chart a pathway to achieve the 10 GW target, filed on **December 17, 2021**.
- > On **April 14, 2022**, the New York Public Service Commission (PSC) approved the *Order Expanding NY-Sun Program*. This Order approved the budget and program design in the Roadmap, with several modifications.
- > NYSERDA will file an updated Operating Plan with DPS by **May 31, 2022**.
- > NYSERDA intends to update the NY-Sun program on **June 1, 2022**, with the changes and additions specified in the Order and Operating Plan, including new incentive offerings and updates to the Program Manuals.

Additional Capacity Breakdown

- > The Order authorizes the following geographical and segment-based breakdown of incentive blocks for the **Incremental 4 GW Target**:

Incentive Group	MW
Upstate MW Block Incentives – C/I	2,943
Con Edison MW Block Incentives - Residential	150
Con Edison MW Block Incentives - Small Nonresidential Projects	50
Con Edison MW Block Incentives - Medium Nonresidential Projects	100
Con Edison MW Block Incentives - Large Nonresidential Projects	150
Subtotal: MW Block Incentives	3,393
Long Island, and Upstate Unincentivized Projects	607
TOTAL	4,000

- > Long Island's share is **560MW**. The Long Island Power Authority (LIPA) has not announced that it will be developing new incentives.

Approved Budget

Budget Item	Approved Additional
Megawatt Block Incentives and Adders	\$954M
Funds to Assist Transition to Prevailing Wage	\$239M
Solar Energy Equity Framework	\$252M
NY Cost Recovery Fee	\$16M
Administration	\$12M
Evaluation	\$1M
TOTAL	\$1,474M

Implementation Timeline



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Implementation Timeline

- > NYSERDA will file an updated Operating Plan with DPS by **May 31, 2022** at the latest.
 - There is no waiting period or formal approval mechanism that needs to occur after the Operating Plan is filed
- > NY-Sun will officially implement the new program changes and incentives on approximately **June 1, 2022**.
 - NY-Sun will post updated Program Manuals, updated MW Block dashboards, and other resources
 - We are already building out the necessary changes to Salesforce “behind the scenes”
 - June 1 is the target launch date, but could theoretically be delayed by technical issues
 - NYSERDA will send out an email announcement to all program participants when the changes go live

Implementation Timeline

- > The June 1 launch will include the new Upstate Commercial/Industrial, Con Edison Nonresidential, and Con Edison Residential incentive blocks, as well as the replenished Community Adder.
- > If more than 800 MW of complete applications are received in the first 2 weeks (by **COB June 15**), projects will be ordered by date of 100% payment, and then date of 25% payment.
 - The first 800 MW of projects would receive the \$0.17/Watt rate, and all others would roll into the next block
- > Please **do not** attempt to submit new project applications before the program revision is officially launched. NY-Sun is **closing the Commercial/Industrial Program** to new applications until launch.
 - New applications can be created and held in **Unsubmitted** status. Users can fill out the full application and attach documents (NY-Sun Staff will not be available to do “pre-reviews”). When the program launches, click through the application wizard to verify information and refresh the incentive rate on the Equipment page before submitting.
- > The Inclusive Community Solar Adder (ICSA) will be released after the other incentives. There will be a stakeholder feedback process in **late May/early June**, and the ICSA Round 2 launch is planned for **Summer/Fall 2022**.

New Program Offerings and Incentives: Upstate



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Upstate Incentives - Base

Incentive	Initial MWs Available	Incentive Amount (\$/Watt)	Notes
First New Commercial/Industrial Block	800	\$0.17	> We anticipate that this will cover all mature projects that will be eligible on Day 1
Second New Commercial/Industrial Block	At least 350	\$0.15	

- > Later blocks will have capacity and incentive rate TBD
- > Required application documents are largely unchanged, and include:
 - Proof of 25% utility upgrade payment
 - Proof of planning and zoning approvals
 - **New Document Requirement:** GIS data file in .shp format of facility area
 - Applications that do not include these documents will be rapidly rejected, **please do not submit incomplete applications, this slows down the process for everyone**

Upstate Incentives – Adders

Incentive	Initial MWs Available	Incentive Amount (\$/Watt)	Notes
Community Adder	800	\$0.07	<ul style="list-style-type: none"> > Future blocks will be announced, up to another 1,260 MW (Rate TBD) > PSC will consider if CCAs can receive full Community Adder in CCA proceedings (public comments on Staff whitepaper due June 6)
Inclusive Community Solar Adder	TBD	TBD	<ul style="list-style-type: none"> > More information forthcoming > Anticipated launch in Summer/Fall 2022
Multifamily Affordable Housing Incentive	N/A	\$1.00	> There is no programmatic MW cap. Replaces the base incentive.
Brownfield/Landfill Adder	N/A	\$0.15	> There is no programmatic MW cap
Prevailing Wage Adder	N/A	\$0.125	> Projects that submit their initial utility application after April 14, 2022 and are ≥1 MW AC must abide by PW requirements, but will receive this incentive adder

New Program Offerings and Incentives: Con Edison



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Con Edison Incentives - Base

Incentive	Initial MWs Available	Incentive Amount (\$/Watt)	Notes
First New Residential Block	150	\$0.20	
First New Small Nonresidential Block	30	\$1.20	<ul style="list-style-type: none"> > Projects 200 kW and smaller > Future blocks will be announced, up to another 20 MW (Rate TBD)
First New Medium Nonresidential Block	40	\$1.00	<ul style="list-style-type: none"> > Projects 1 MW and smaller > Future blocks will be announced, up to another 60 MW (Rate TBD)
First New Large Nonresidential Block	85	\$0.50	<ul style="list-style-type: none"> > Projects greater than 1 MW > Future blocks will be announced, up to another 65 MW (Rate TBD)

- > **300 MW** for Nonresidential, split into three project size categories
- > **450 MW** total in Con Edison

Con Edison Incentives – Adders

Incentive	Initial MWs Available	Incentive Amount (\$/Watt)	Notes
Community Adder	100	\$0.20	> Future blocks will be announced, up to another 210 MW (Rate TBD)
Inclusive Community Solar Adder	TBD	TBD	> More information forthcoming > Anticipated launch in Summer/Fall 2022
Multifamily Affordable Housing Incentive	N/A	\$1.60 (non-CDG) \$2.00 (CDG)	> There is no programmatic MW cap. Replaces the base incentive
Brownfield/Landfill Adder	N/A	\$0.15	> There is no programmatic MW cap
Prevailing Wage Adder	N/A	\$0.20	> Projects that submit their initial utility application after April 14, 2022 and are ≥ 1 MW AC must pay PW or have a labor agreement, but will receive this incentive adder
Parking Canopy Adder	N/A	\$0.20	> There is no programmatic MW cap
Rooftop Canopy Adder	N/A	\$0.20	> There is no programmatic MW cap

New Program Offerings and Incentives: Solar Energy Equity Framework



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Solar Energy Equity Framework (SEEF)

The Solar Energy Equity Framework supports projects serving LMI households, regulated affordable housing, and disadvantaged communities (DACs). The Order provides an additional \$252M to the SEEF.

These existing initiatives are extended under the program expansion with the additional \$252M:

- > **Affordable Solar Residential Incentive** – no changes to incentive rates or eligibility
- > **Multifamily Affordable Housing Incentive** – some changes, details on following slide
- > **Inclusive Community Solar Adder** – some changes, details on following slide
- > **PON 3414: Affordable Solar and Storage Predevelopment and Technical Assistance** – no changes to incentive rates or eligibility
- > **RFP 5037: Expanded Solar for All** – RFP open through 6/16, projects receiving new base incentives are eligible

SEEF: Multifamily Affordable Housing Incentive

- > In accordance with the changes to the Nonresidential incentive in the Con Edison region, the Multifamily Affordable Housing Incentive will also increase in Con Edison:
 - Non-CDG projects (i.e., remote crediting and onsite): **\$1.60/Watt total NY-Sun incentive**
 - CDG projects that will not receive the Community Credit: **\$2.00/Watt total NY-Sun incentive**
- > The **\$1.60/Watt** or **\$2.00/Watt** total incentive levels are maintained as the base NY-Sun incentives step down, providing certainty to customers and developers.
- > Eligible projects receive MAHI up to 200 kW, capacity above 200kW will receive the applicable nonresidential base incentive.
- > The Multifamily Affordable Housing Incentive is not stackable with other adders, including the Community Adder, ICSA, and rooftop/canopy adder.
- > There are no changes to the \$1.00/W incentive for projects in the Upstate and Long Island regions.

SEEF: Inclusive Community Solar Adder

The Inclusive Community Solar Adder is available for CDG solar projects serving low-to-moderate (LMI) subscribers, affordable housing, and other non-profit facilities serving disadvantaged communities (DACs).

ICSA Round 1: **400+ MW** of projects awarded

- > Order directs NY-Sun to expand the ICSA to "further drive distributed solar development that directly benefits LMI customers."

ICSA Round 2: Program will be revised and shared with stakeholders prior to launch

- > Modifications based on Order, Round 1 experience, and stakeholder comments
- > Stakeholder feedback process: Round 2 details shared in late May/early June, ~3 weeks for review and feedback
- > Round 2 launch planned for **Summer/Fall 2022**

SEEF: ICSA Proposed Modifications

- > Incentive Structure
- > Residential/Non-residential Subscriber Mix
- > Eligible Subscriber Target
- > Geo-eligibility requirements
- > Affordable Housing Participation
- > Application Submission Process
- > Marketing and Implementation Plan elements

Additional Program Details



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Prevailing Wage

- > PV projects **≥ 1 MW AC** that submit their initial utility interconnection application after **April 14, 2022** will be required to meet prevailing wage requirements to qualify for the NY-Sun incentive.
- > Such projects are eligible to receive an additional NY-Sun incentive adder
 - Upstate Prevailing Wage adder is **\$0.125/Watt DC**
 - ConEd Prevailing Wage adder is **\$0.20/Watt DC**
 - Adder will be paid out in the same structure as the base incentive (100% at PTO for Nonresidential, 50%/25%/25% for C/I)
- > Projects not required to pay PW do not have the option of voluntarily paying PW to receive the incentive adder.
- > Projects **under 1 MW** that are required to pay PW by statute (public projects) are not eligible for the PW adder.
- > NY-Sun staff are working to finalize PW requirement details and guidance. Details will be included in the Operating Plan.

Eligibility for New Incentives

- > Projects that already received a NY-Sun award are prohibited from cancelling and reapplying to get a new incentive.
- > Projects that received CA, ICSA, or brownfield/landfill adder but not base incentive will be able to receive the new base incentive. NY-Sun staff will reach out to you regarding these projects.
- > Projects that received a base incentive but not Community Adder will not be able to receive the new CA.
- > The Community Choice Aggregation Proceeding (Case Number 14-M-0224) will determine if opt-out CCA projects will be eligible for the Community Adder.
- > ConEd Nonresidential projects that applied to the MW Block after **Dec 17, 2021**, as well as ConEd Nonresidential projects in Block 10, that did not receive the Community Credit, can receive the new block rate. Contractors will cancel the existing project application and re-apply.
- > ConEd projects that have reserved a Community Credit but not yet applied for a NY-Sun incentive will receive the Block 10 rate of \$0.20/Watt and/or the \$1.00/Watt MAHI rate.

Value Stack

- > There are no changes to the structure of the Value Stack.
- > The current E value of **3.103 cents/kWh** is being maintained until at least the mid-term review.
- > Projects that received the previous E value cannot opt into the current E value.

Project Development Headwinds

- > NY-Sun is aware that the industry has been beset by major headwinds over the past 6 months, including high module costs and supply constraints exacerbated by the AD/CVD circumvention trade case.
- > Steel and other component prices have been driven up by supply chain constraints, and economy-wide inflation and interest rate increases are further driving up costs.
- > NYSERDA and DPS are aware of these challenges, are monitoring them closely, and are in frequent discussions with the solar trade groups and individual stakeholders.

Mid-Point Review

- > NYSERDA will coordinate with DPS and conduct a formal program evaluation when the first of these milestones occurs:
 - Half the new Upstate C/I capacity is allocated;
 - Half of the new Con Edison capacity is allocated; or
 - December 31, 2025.
- > The mid-point review will include an analysis and evaluation of:
 - Project costs based on developer-reported data, utility-reported interconnection costs, and international cost trends in modules and other components;
 - The types of projects being developed in response to the incentives offered (i.e., remote crediting versus CDG projects);
 - Market or policy factors that may be driving changes in rate of uptake and/or costs, such as broader adoption of net crediting, opt-out CDG, or other changes to state or federal policy; and
 - Whether any changes to the E Value, base incentives or adders are warranted in response to the previous factors.
- > **The mid-point review will be filed with the PSC and will be open for public comment through a SAPA period.**

Questions & Answers

Please use the Q&A feature in WebEx to submit a question.



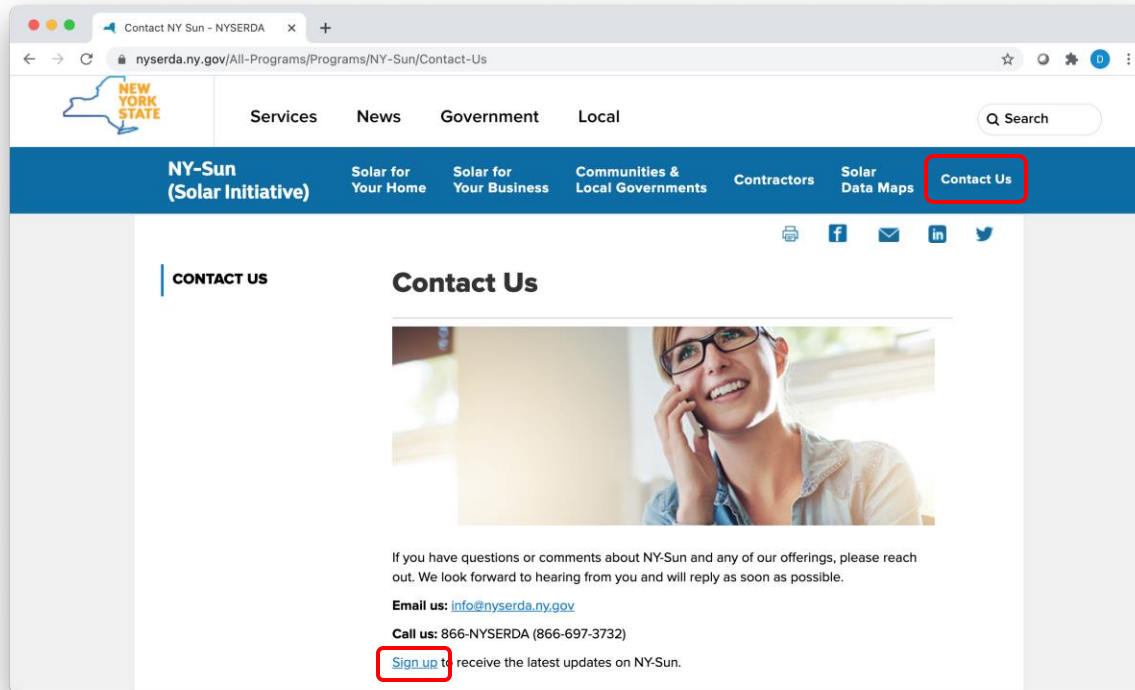
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Thank You

- > If you have questions on this presentation, please email communitysolar@nyserda.ny.gov.
- > On Thursday, May 12, NY-Sun will be hosting an informational webinar on the recently launched Request for Proposals (RFP) 5037: Expanded Solar for All. You may register for the webinar at: <https://nyserdany.webex.com/nyserdany/onstage/g.php?MTID=ebf89ed6740883168561091a3fdb7b3a>
- > As a reminder, this webinar is being recorded and will be posted to NY-Sun's [Resources for Contractors](#) page in the "Stakeholder Meeting Updates" section.

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☑ **Affordable Solar (Low-to Moderate-Income):**

Information and updates on programs serving the low-income population to include Affordable Solar and Affordable Solar Predevelopment and Technical Assistance.

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