



STATE OF NEW YORK | EXECUTIVE CHAMBER

ANDREW M. CUOMO | GOVERNOR

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## **GOVERNOR CUOMO ANNOUNCES HISTORIC COMMITMENT TO SOLAR POWER**

### ***\$1 Billion Commitment to NY-Sun to Support Widescale Private Investment in New York's Solar Industry***

Governor Andrew M. Cuomo today announced a nearly \$1 billion commitment to NY-Sun, which will significantly expand deployment of solar capacity throughout the state and transform New York's solar industry to a sustainable, subsidy-free sector. The NY-Sun initiative provides long-term funding certainty that will boost existing businesses and attract new investments to New York from global solar companies for greater economic growth. NY-Sun is part of the Governor's commitment to protect the environment and lower energy costs for all New Yorkers by improving the efficiency and reliability of the electric grid.

"This \$1 billion investment underscores New York's commitment to growing the clean energy economy," Governor Cuomo said. "By providing long-term funding certainty, the State is attracting private sector investment, creating new economic opportunities and supporting sustainable development. As we celebrate Earth Week, we are once again reminded how initiatives such as NY-Sun can work to provide innovative solutions, create a more resilient and flexible power grid, lower the state's carbon footprint and promote a cleaner and healthier environment for all New Yorkers."

"The NY-Sun Initiative coupled with our determination to modernize the utility industry moves New York to a market-based, decentralized approach in advancing energy policy," said Richard Kauffman, Chairman of Energy and Finance for New York. "By developing innovative market solutions, Governor Cuomo is transforming our energy industry into a more resilient, healthy, affordable, and dynamic system. Today, New York becomes a true leader in developing clean energy policies in the United States."

New York now has more than 400 solar companies operating across the State from Long Island to Buffalo. Combined, this market employs more than 5,000 highly skilled jobs and continues to grow.

To accompany the NY-Sun Initiative, the Public Service Commission (PSC) today also approved an order to dramatically change NYSERDA's current incentive-based solar programs by creating

a long-term roadmap to transition from government-sponsored energy programs to market-based sustainable solutions for the solar industry.

These initiatives are part of New York's move to a more market-based, decentralized approach that is shaping the State's energy policy. This new approach will help preserve the environment, decrease utility bills and create opportunities for economic growth. By developing innovative market solutions, Governor Cuomo is transforming the energy industry into a more resilient, clean, cost-effective, affordable and dynamic system. New York is rapidly becoming a first-mover in developing clean energy policies in the United States.

"The Commission recognizes the substantial opportunities that solar power offers residential and commercial customers to reduce electricity bills and improve the environment," said PSC Chair Audrey Zibelman. "I applaud Governor Cuomo for his tremendous vision and support to strengthen the development of our solar energy resources and our solar energy industry. NY-Sun is a key building block in the State's efforts to build a vibrant, clean energy economy in New York State."

New York State Solar Energy Industries Association President Shaun Chapman said, "Governor Andrew Cuomo's NY-Sun program has created the greatest market opportunity for solar anywhere in the United States without exception. For more than a decade NYSEIA and its member companies have advocated for a strong solar program. In just a single term, Governor Cuomo has shown the kind of bold leadership the industry and New York State needs. NYSEIA and its more than 100 member companies stand ready to provide private capital, good jobs, and clean energy to all New Yorkers. We thank Governor Cuomo and the State's Public Service Commission for making this the most significant day in the history of NY Solar."

To drive market penetration on a large-scale basis, the PSC order provides long-term, stable funding over a 10-year period to support photovoltaic (PV) projects throughout the state. In doing so, the PSC approved a transition to a "Megawatt Block incentive structure" that allocates MWs to specific regions of the State; breaks those regional MW targets into blocks to which incentives are assigned; and awards incentives based upon the block in effect at the time. This new structure will provide allocations on a regional basis in three categories: residential photovoltaic (PV) projects up to 25 kilowatts (kW); non-residential PV projects up to 200 kW; and systems greater than 200 kW. The allocations will be based on historic demand, market potential, installed cost per watt, and equity.

The key to the MW Block model is to enable the market to grow at its own pace, enabling a self-sustaining industry in the long run. As the blocks are fulfilled, incentives will decline at the rate the market will bear.

The MW Block approach provides certainty and transparency regarding incentive levels to the industry, accounts for regional market differences, provides a clear signal to industry that New York intends to eliminate cash incentives in a reasonable timeframe and allows for the elimination of those incentives sooner in regions where market conditions can support it, based on market penetration, demand and payback.

The new funding commitment also provides \$3.5 million for a consumer education effort on the benefits of PV systems; to improve the public's understanding about the various PV contract types, such as direct ownership, leases and power purchase agreements; and other opportunities, such as community solar and energy storage.

To support the continued success of the solar industry on Long Island, and to support the industry's transition from the Long Island Power Authority to PSEG Long Island, NYSERDA will more than double the proposed allocation for the Long Island region from \$28 million to \$60 million, increase the maximum size of the PV system eligible for incentives up to 200 kW, and will partner with PSEG Long Island to locally implement the statewide NY-Sun program.

In his 2012 State of the State Address, Governor Cuomo launched the NY-Sun initiative to greatly increase the amount of installed solar capacity throughout the state. Since that time, under NY-Sun, a total of 316 MWs of solar photovoltaic capacity have been installed or is under development in the past two years, which will result in the avoidance of approximately 116,000 tons of greenhouse gas emissions each year. Through the new Megawatt Block policy, the deployment of solar installations across the state will be significantly increased beyond even the previous years' achievements.

In addition, Governor Cuomo has continued to demonstrate his commitment to supporting the growth of the solar industry and lower project costs through such efforts as Community Solar NY, including K- Solar, which will demonstrate PV in schools and aggregate solar projects to "solarize" entire neighborhoods.

Governor Cuomo's Administration is committed to developing innovative market solutions to help shape the future of energy for all New Yorkers. Governor Cuomo is determined to protect and ensure a clean environment for current and future generations. By fostering and facilitating innovative market solutions, New Yorkers will have a resilient, sustainable, clean, cost-effective and dynamic energy system. By advancing new energy systems and solutions, we can ensure New Yorkers will have improved energy affordability without sacrificing their right to live in a cleaner, resilient and more sustainable environment.

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