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DPS Report Details Plans to Spur Community Distributed Solar Generation

— Enhanced Market Credits and Greater Certainty Would Encourage Development of Renewable Energy Projects, Reduce Cost and Accelerate Progress to Meet the State’s Clean Energy and Carbon Goals to Combat Climate Change —

ALBANY —New York State Department of Public Service (Department) issued two reports today recommending that the Public Service Commission (Commission) enhance value-based compensation under its nationally-recognized renewable energy policy known as the Value of Distributed Energy Resources (VDER). This policy seeks to advance the state’s renewable energy industry, including the growing community distributed generation (CDG) market, by accurately and efficiently compensating distributed energy to maximize grids benefit and reduce costs for distributed energy providers and consumers.

“Distributed energy resources, such as CDG, are critical to building out an energy system that will meet half of New York’s electricity needs with clean and renewable energy by 2030,” **said Department CEO John B. Rhodes**. “Smarter, forward-thinking compensation for these projects will assure that these markets are developed in a robust, cost-effective and sustainable way. Today’s reports recognize the necessity to refine and advance compensation policy for distributed energy in order to encourage investment in New York’s clean energy economy.”

Value of Distributed Energy Resources compensates owners of solar and other distributed and renewable energy projects for the values they provide to society and the grid, including carbon-free power and more resilient energy infrastructure.

Specifically, the reports detail several recommendations, which would serve as important next steps in the evolution of the state’s VDER policy.

- Establishment of enhanced and additional opportunities for electric customers to receive market transition credits in areas of the state that have experienced suboptimal market development of CDG;
- Alternative incentive mechanisms for community solar in the Central Hudson Gas & Electric and Orange and Rockland utility regions, where CDG development has already been robust;
- Improvements in calculating and compensating the distribution value of clean and renewable generation through more predictability and financeability; and
- Extension of net energy metering to systems up to 750 kW in size in cases where onsite energy generation is primarily used to satisfy a customer’s demand.

The white papers issued today are the result of ongoing public input and stakeholder engagement and have been submitted to stimulate further deliberations. Active parties to the VDER proceeding

and other stakeholders will have ample opportunity to provide feedback prior to any consideration by the Commission.

In the first [report](#), Department staff recommends additional opportunity for customers to participate in CDG projects within utility territories where previously authorized market transition credits have been fully subscribed. This includes Orange & Rockland and Central Hudson, where more than 190 megawatts of CDG are already in service or in advanced stages of development. Staff proposes making increased upfront incentives available to about 100 megawatts of new projects split between Orange & Rockland and Central Hudson, in order to nurture continued market growth while managing overall costs.

Additionally, the report recommends that existing market transition credits be enhanced and standardized across upstate utility territories in order to ensure that additional electric customers in these territories are afforded viable opportunities to meet their energy needs through participation in a CDG project. These enhanced credits would be available to more than 700 megawatts of new projects, thereby creating robust CDG opportunity for New Yorkers across the state. Furthermore, the proposal also recommends adjustments to market transition credits available in Con Edison for almost 400 MW of new CDG projects.

In the second [report](#), Department staff addresses aspects related to the predictability and bankability of compensation related to the distribution value of energy technologies. Staff recommends a menu of options to refine compensation in a manner that would allow project developers and customers to better calculate and realize grid value as they seek to finance and install distributed energy technologies. The report also addresses compensation for medium-sized commercial and industrial customers who desire to invest in distributed energy to help satisfy their on-site energy demands. Specifically, staff proposes to expand net metering, currently available for residential and small commercial customers, to these larger customers in order to encourage New York businesses to invest in the benefits of the growing clean energy economy and to help the state realize its climate goals.

The installation of distributed energy resources in New York has already resulted in lower carbon emissions, economic activity, ratepayer savings, and increased grid resiliency. Empowering consumers and communities while aligning utility business models with distributed energy development will remain central to the State's commitment to transform its energy system in a way that will maximize the benefits of clean and renewable forms of energy. VDER is at the heart of this effort as it recognizes the importance of focusing policies and regulations that can encourage distributed energy development for the benefit of New York's consumers and grid.

There are currently over 4,600 solar projects in development across NY State. This includes nearly 800 megawatts of CDG in the pipeline, more community solar than what was installed in all states in 2017. The proposals submitted today would help stimulate an additional 1,000 megawatts of new CDG, thereby helping to fulfill the intent of this policy to expand access to clean energy for all New Yorkers.

Following the issuance of today's reports, the Commission will solicit public comment, and Department staff will continue to work with all interested stakeholders in developing final recommendations for Commission consideration.

About Reforming the Energy Vision:

Reforming the Energy Vision is Governor Andrew M. Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency and requiring 50 percent of the state's electricity needs from renewable energy by 2030. Already, REV has driven growth of more than 1,000 percent in the statewide solar market, improved energy affordability for 1.65 million low-income customers, and created thousands of jobs in manufacturing,

engineering, and other clean tech sectors. REV is ensuring New York reduces statewide greenhouse gas emissions 40 percent by 2030 and achieves the internationally recognized target of reducing emissions 80 percent by 2050. To learn more about REV, including the Governor's \$5 billion investment in clean energy technology and innovation, visit rev.ny.gov, follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).

Today's white papers may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-E-0751 [In the Matter of the Value of Distributed Energy Resources] in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.