



For Immediate Release: 04/18/19

John B. Rhodes, Chair

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19034/15-E-0751

## PSC Accelerates Community Solar Development

### *Enhanced Credits and Greater Certainty Will Encourage Development of Renewable Energy Projects, Reduce Cost and Hasten Progress to Meet the State's Clean Energy and Carbon Goals to Combat Climate Change*

**ALBANY** —The New York State Public Service Commission (Commission) acted today to improve the overall value, predictability, and certainty for community solar project development. Specifically, the improvements to the Commission's nationally-recognized renewable energy policy known as the Value of Distributed Energy Resources (VDER) will create the potential for more than 1,000 megawatts (MW) of additional community distributed generation (CDG) projects beyond the 500 MW of projects already in the pipeline. By accurately compensating distributed energy to maximize grid benefit and reduce costs for distributed energy providers and consumers, this policy will advance the State's renewable energy industry, including the burgeoning CDG market.

VDER 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, thereby reducing cost shifting while still providing good returns to solar and other renewable projects.

"Distributed clean energy resources are critical to building an energy system that will provide 70 percent clean and renewable energy in New York by 2030, as put forward by Governor Cuomo's Green New Deal," **said Commission Chair John B. Rhodes**. "Smarter, clearer compensation for these projects will assure that these markets are developed in a robust, cost-effective and sustainable way. In anticipation of Earth Day, today's order recognizes the necessity to refine and advance compensation for distributed energy to encourage investment in New York's clean energy economy."

VDER is an innovative successor policy to net metering and was implemented because net metering was a blunt compensation method that did not encourage projects to maximize grid benefits and over time will cause unfair impacts on ratepayers. Instead, under this new structure, VDER manages the potential costs of each solar project to the state and to utility customers maximizing the overall opportunity for distributed solar in New York state without imposing unreasonable costs on nonparticipating ratepayers.

In December, Department of Public Service staff issued two white papers that were the result of vigorous public input and stakeholder engagement. Today's order reflects feedback received on these white papers from active parties to the VDER proceeding and other stakeholders.

Specifically, the order implements several recommendations, which will serve as important next steps in the evolution of the state's VDER policy. The Order:

- Establishes expanded opportunities for electric customers to benefit from CDG projects in their utility territories;
- Provides for 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;
- Improves the process for calculating and compensating for the distribution value of clean and renewable generation through more predictability and financeability; and
- Expands 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. Because the rate designs are applicable only to these customers, expanding net metering to them will not shift significant costs to other customers.

The order will provide additional opportunity for customers to participate in CDG projects within utility territories where previously authorized MTCs have been fully subscribed. This includes Orange & Rockland and Central Hudson, where more than 190 megawatts (MW) of CDG are already in service or in advanced stages of development. Existing funds will be used to provide upfront incentives to about 100 megawatts of new projects split between Orange & Rockland and Central Hudson, to nurture continued market growth while managing overall costs.

Additionally, new projects outside of O&R and Central Hudson receive "Community Credits in place of an MTC." These new credits are enhanced and standardized to both provide a greater opportunity for clean energy projects to lower financing costs and enable additional electric customers in upstate utility territories to meet their energy needs by participating in a CDG project. These Community Credits will be available to more than 700 megawatts of new projects, thereby creating robust CDG opportunity for New Yorkers across the state. Furthermore, 400 MW of Community Credits will be available in Con Edison for new CDG projects.

The installation of distributed energy resources in New York has already resulted in lower carbon emissions, economic activity, ratepayer savings, and increased grid resiliency. Currently, there are nearly 4,200 solar projects in development across New York contributing to New York's statewide solar growth of nearly 1,500 percent since 2011. This includes about 880 megawatts DC of CDG in the pipeline, more community solar than was installed in all states in 2018. 2018 was New York's most successful year ever for PV deployment on New York State, with over 281 megawatts of State-supported solar installed. The VDER revisions approved today will 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.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 15-E-0751 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.

### **New York State's Green New Deal**

Governor Andrew M. Cuomo's Green New Deal, the nation's leading clean energy and jobs agenda, will aggressively put New York State on a path to economy-wide carbon neutrality. This initiative will provide for a just transition to clean energy, spurring the growth of the green economy and

mandating New York's power be 100 percent clean and carbon-free by 2040, one of the most aggressive goals in the U.S. The cornerstone of this newly proposed mandate is a significant increase of New York's successful Clean Energy Standard to 70 percent renewable electricity by 2030. As part of the unprecedented ramp-up of renewable energy, New York has already invested \$2.9 billion into 46 large-scale renewable projects across the state as it significantly increases its clean energy targets, such as: quadrupling New York's offshore wind target to a nation-leading 9,000 megawatts by 2035; doubling distributed solar deployment to 6,000 megawatts by 2025; and deploying 3,000 megawatts of energy storage by 2030. To support this ambitious work, NY Green Bank intends to use its expertise in overcoming financing gaps to foster greater environmental impacts per public dollar by raising over \$1 billion in third party funds to expand climate financing availability across New York and the rest of North America.

### **Reforming the Energy Vision**

The Green New Deal builds on Governor Andrew M. Cuomo's landmark Reforming the Energy Vision 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. Already, REV has driven growth of nearly 1,500 percent in the statewide solar market, improved energy affordability for 1.65 million low-income customers, and has led to more than 150,000 jobs in manufacturing, engineering, and other clean tech sectors across New York State.

To learn more about the Green New Deal and REV, visit [rev.ny.gov](https://rev.ny.gov), follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).