

Alliance for Clean Energy New York, Coalition for Community Solar Access, Natural Resources Defense Council, New York Solar Energy Industries Association, Solar Energy Industries Association, and Vote Solar

Via Electronic Filing

October 26, 2021

Mr. Rory Christian, Chair
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12203

Re: Case 15-E-0751 - In the Matter of the Value of Distributed Energy Resources

Dear Chair Christian:

The New York Clean Energy Parties (“CEP”) would like to congratulate you on your appointment as Chair of the Public Service Commission and Chief Executive Officer of the New York State Department of Public Service (“DPS”). We commend Governor Hochul for recognizing the value of your expertise in the energy sector, combined with your record as an advocate for the transition away from carbon-emitting energy generation for the benefit of the climate and of vulnerable populations at this critical moment in New York’s energy transition as envisioned in the Climate Leadership and Community Protection Act (“CLCPA”).

As you know, the CLCPA’s stated goal of obtaining 70 percent of New York State’s electricity needs from renewable resources by 2030 has been a critical market signal for distributed renewable energy development in New York, including Community Distributed Generation (“CDG”), which is immediately deployable, creates jobs, and results in significant distribution grid benefits. It is with this context that we further commend Governor Hochul for announcing a goal of deploying at least 10 gigawatts (“GW”) of distributed and community solar by 2030, and the work of the New York State Energy Research and Development Authority (“NYSERDA”) and DPS to date on creating a roadmap to realize these benefits for all New Yorkers.

New York has led the nation in creating the market conditions to allow solar to flourish, and we find ourselves at an inflection point in determining how New York will continue to lead in this regard. Of the many issues presently awaiting resolution, distributed solar developers are keenly aware of the proposals that have been put forth by DPS and NYSERDA to address the market conditions created by the faster than anticipated uptake of NY SUN incentive funds. While development activity continues, it is moving forward based on the presumption that some new policy solutions will be enacted to ensure continued commercial viability.

While there are multiple levers for fine-tuning the Value of Distributed Energy Resources tariff, many of these will likely require extensive rulemaking processes, and thus cannot be considered as policy solutions for pressing deployment concerns. An increase to the damages-based

Environmental Value (“E-value”) to reflect an appropriate discount rate in the Social Cost of Carbon (“SCC”) calculation is the best near-term solution.

As you recall, the Department of Environmental Conservation (“DEC”) sets updated calculations and discount rates to establish the damages-based value of an avoided ton of carbon dioxide for policy determinations by state agencies in New York. In its most recent [Value of Carbon Guidance](#), DEC recommends using a 2.0% discount rate as a central value for evaluating impacts to the public, which they note is in the middle of the range that experts deem acceptable (1% - 3%). It should be noted that DPS already uses a damages-based SCC to determine the current E-value.

While the CEP agree with DEC’s stated guidance regarding a discount rate of 2.0%, the E-value that results from using a 2.5% discount rate could be a successful near-term solution to ensure solar deployment can feasibly achieve the Governor’s stated 10 GW minimum goal.

Over the longer term, the CEP looks forward to working with the Chair, DPS and NYSERDA to identify additional market signal improvements that can be used to achieve other critical goals of the CLCPA, including deployment of solar to serve low-income customers and environmental justice populations while eliminating the dirtiest fossil fuel fired generation still in service.

Together we can achieve the CLCPA’s carbon reduction and equity goals, moving New York forward to a clean energy future.

Sincerely yours,

/s/

Anne Reynolds, Executive Director
Alliance for Clean Energy, New York

/s/

Kaitlin Kelly O’Neill, Northeast Regional Director
Coalition for Community Solar Access

/s/

Cullen Howe, Senior Renewable Energy Advocate
Natural Resources Defense Council

/s/

Dan Hendrick, Board President
New York Solar Energy Industries Association

/s/

Dave Gahl, Senior Director
Solar Energy Industries Association

/s/

Stephan Roundtree, Northeast Director
Vote Solar

cc: John O'Leary, Deputy Secretary for Energy
Tom Congdon, Executive Deputy and Deputy Chair, DPS
Doreen Harris, President, NYSERDA
David Sandbank, Vice President, NYSERDA