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**MEMORANDUM IN SUPPORT OF
A.10474 (Englebright) / S.8273 (Griffo)
Ensuring Market Certainty by Retaining Retail Net Metering until 2021,
while allowing opt-in to the Value of Distributed Energy Resources (VDER)
Phase 1 Compensation**

May 21, 2018

The Alliance for Clean Energy New York (ACE NY) supports A.10474/S.8273 and urges its passage. This bill would retain retail net metering for all eligible customer classes until 2021, while allowing projects to opt-in to the new Value of Distributed Energy Resources (VDER) compensation mechanism put in place by the Public Service Commission (PSC). This bill amends the definition of customer-generators to include residential and non-residential customers eligible to receive credits from remote net-metered and community distributed generation equipment, and raises the net metering cap. Further, the bill directs the PSC to establish a new compensation mechanism for distributed energy resources, i.e. a revamped VDER tariff, by June 13, 2021, and provides some guidelines for doing so.

The NYS Legislature has a long history of setting policy for the compensation of distributed energy resources and has enacted numerous statutes regarding retail net metering for solar, small hydro, farm-based digesters, fuel cells, and other clean technologies. These statutes require utilities to provide retail net metering to certain clean technologies of various sizes and customer types, up to a percentage of peak 2005 electricity sales. The PSC was given the discretion to raise the percentage cap, which it did several times as deployment of these clean technologies has advanced.

More recently, the PSC decided that NYS should move away from retail net metering, and in 2017 approved a new VDER tariff to compensate certain types of projects, including community solar farms. This transition, even if well-intentioned, has led to a serious disruption in NY's solar market. Many stakeholders note that this transition from net metering has chilled solar development and undervalued environmental, distribution, and transmission system benefits. This disruption and complexity is causing companies to pull back investment and shifting their focus to neighboring states, threatening New York's over 12,000 solar jobs.

The state has ambitious clean energy goals and a responsibility to lead on climate change. This bill would assist the state in equitably achieving its 50% by 2030 clean energy goal by providing market certainty and predictability for developers of solar and other clean energy technologies, and ensuring greater access to clean, affordable power for communities across the state.

For the above reasons, the Alliance for Clean Energy New York supports this legislation. For more information contact Anne Reynolds, Executive Director, at 518-432-1405.