Testimony of New York Solar Energy Industries Association

Before the Legislative Roundtable on Meeting New York's Climate Targets

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Introduction

New York Solar Energy Industries Association (NYSEIA) appreciates the opportunity to provide testimony on the implementation of New York's Climate Leadership and Community Protection Act (CLCPA). NYSEIA is the statewide trade association representing the distributed solar and energy storage industries in New York. Our members include hundreds of local businesses and thousands of workers who are building the clean energy future in every corner of the state.

The CLCPA outlines a bold vision for New York's energy future — one that is cleaner, more equitable, and more resilient. As we approach key milestones under the law, it is increasingly clear that New York is not on track to meet its statutory climate obligations. At the same time, energy affordability has emerged as a defining issue for households and businesses across the state. Rising utility bills, volatile fossil fuel prices, and aging infrastructure have created a landscape of energy insecurity that demands urgent attention. These dual challenges — climate and cost — require solutions that are scalable, equitable, and economically sound.

Distributed solar is uniquely positioned to address both of these challenges. It is not only a climate solution — it is an affordability solution. It reduces energy costs for consumers, stabilizes bills, and avoids expensive grid upgrades. It creates local jobs, generates revenue for communities, and delivers direct financial benefits to low- and moderate-income households. It is demonstrably one of the few success stories in New York, being ahead of schedule and under budget on its CLCPA mandated goals. In short, distributed solar is one of the few tools we have that simultaneously advances our climate goals and economic justice.

This testimony outlines NYSEIA's recommendations for how New York can scale up distributed solar and energy storage to meet CLCPA obligations, respond to federal policy changes, and deliver lasting economic and environmental benefits to communities across the state. Together, these technologies form the backbone of a resilient, affordable, and decarbonized energy system.

Distributed Solar: Delivering on Climate and Cost

New York's distributed solar industry is ahead of schedule and under budget. More than 7 gigawatts of rooftop and community solar have already been installed, and the state is on track to exceed its 10

gigawatts by 2030 goal. These projects are delivering direct bill savings to consumers, supporting thousands of jobs, and helping avoid costly infrastructure investments.

The benefits of distributed solar go far beyond emissions reductions. NYSEIA estimates that scaling distributed solar to 20 gigawatts by 2035 would:

- Generate $50 billion in gross utility bill savings for New Yorkers.
- Deliver $3.6 billion in direct revenue to host communities through land leases and property taxes.
- Create 15,000 new solar jobs, many with prevailing wages and union representation.
- Avoid 145 million metric tons of greenhouse gas emissions.
- Reduce land use impacts by prioritizing rooftops, parking canopies, brownfields, and agrivoltaics.

These benefits are not hypothetical– they are based on real-world performance and achievable policy interventions. When paired with energy storage, distributed solar becomes even more powerful; providing backup power during outages, reducing peak demand costs, and enabling grid flexibility. Storage allows solar energy to be used when it's needed most, enhancing reliability and maximizing consumer savings.

Federal Retreat Demands State Leadership

Recent federal actions — including the passage of H.R. 1 and the phase-out of clean energy tax credits — have created new headwinds for solar and storage deployment. The residential solar tax credit for homeowners will sunset at the end of 2025, and the Investment Tax Credit for commercial projects and leases will phase out for projects that do not commence construction by July 4, 2026 or achieve commercial operation by the end of 2027.

These changes threaten to undermine New York's clean energy industry and workforce and make energy less affordable for New Yorkers. In this context, state-level leadership is essential — not only to continue solar progress, but to ensure that energy storage can scale alongside it. Without proactive state action, New York risks missing the opportunity to build a flexible, resilient grid powered with distributed solar and storage.

A Roadmap for Climate and Affordability

To meet the CLCPA mandates and address energy insecurity, New York must take coordinated action across the legislative, executive, and regulatory branches. The challenges we face — rising energy costs, stalled progress on emissions reductions, and federal policy rollbacks — require a comprehensive response that includes statutory changes, budgetary investments, and regulatory reforms.

Some of the recommendations outlined below can be advanced directly by the Legislature through legislation or appropriations. Others fall under the jurisdiction of executive agencies, particularly the Public Service Commission, and will require oversight, engagement, and support from lawmakers to ensure timely and effective implementation.

NYSEIA offers this roadmap not only as a set of policy proposals, but as a reference for legislators seeking to understand where action is needed — and how they can help get New York back on track to meet its CLCPA targets while improving energy affordability for all New Yorkers.

Raise the Distributed Solar Goal to 20 GW by 2035

New York's distributed solar industry is outperforming expectations. With more than 7 gigawatts already installed and deployment rates exceeding 1 gigawatt annually, the state is on track to exceed its current 10 gigawatt by 2030 goal. That said, the CLCPA's broader mandates — and the affordability crisis facing New Yorkers — require us to go further. Raising the distributed solar target is not just achievable, it is essential. It would double the state's most successful clean energy sector, create thousands of jobs, and deliver billions in energy savings to consumers. It would also send a clear signal to investors, developers, and communities that New York is committed to scaling solutions that work, driving increased investment into the State.

The Accelerate Solar for Affordable Power (ASAP) Act [S.6570|A.8758] would codify an ambitious new statewide goal of 20 gigawatts of distributed solar by 2035 and implement interconnection reforms to reduce costs and accelerate deployment. This legislation is essential to maintaining momentum and scaling up distributed solar in the face of federal retreat.

This increased ambition in distributed solar would also compliment the State's energy storage goals and programs. Solar + storage systems unlock a greater value, enabling solar energy to be used when it is needed most– during peak demand hours and outages. As New York scales-up energy storage, it has the unique opportunity to include solar into planning, incentives, and interconnection reforms to unlock the greatest amount of value from these resources.

Reform Interconnection Processes

Interconnection is the linchpin of solar and storage deployment. Yet in New York, outdated processes, unpredictable costs, and long delays are slowing progress and driving up prices. Interconnection costs are 5x what they were five years ago. These barriers disproportionately impact smaller developers, community solar projects, and low-income customers — undermining both climate and equity goals. Reforming interconnection is one of the most impactful steps the state can take to accelerate deployment, reduce costs, and ensure that distributed solar and storage remains a viable option for all New Yorkers.

NYSEIA Recommendations:

- Public Service Commission approval of our cost-certainty petition (Case 24-E-0621) to protect projects from retroactive utility cost increases.
- Expansion of flexible interconnection to reduce upgrade costs and increase hosting capacity.
- Support for self performance of distribution upgrades using utility-approved contractors.
- Expedited CESIR studies and improved utility responsiveness to commissioning timelines.

Streamline Permitting and Siting

Permitting delays and restrictive local laws are among the most persistent but solvable barriers to distributed solar deployment. These barriers increase project costs, slow timelines, and in many cases, prevent projects from moving forward altogether. In the residential market, these delays are especially costly. With the federal residential solar tax credit for homeowners set to expire at the end of 2025, the average cost of installing solar on a home in New York is projected to rise by approximately 30% next year. Without federal support, soft costs — such as permitting, inspection, and interconnection processes — will make up a larger share of total system costs, threatening affordability for homeowners and undermining adoption at a time when millions of New Yorkers are depending on solar to provide relief from high energy costs.

Streamlining permitting and siting is a low-cost, high impact strategy to accelerate deployment, reduce soft costs, and expand access to clean energy — especially in underserved communities. It also ensures that solar development is predictable, transparent, and aligned with local and state goals. If New York wants to maintain momentum and ensure that solar remains a viable option for working families, cutting red tape and reducing costs must be a top priority.

These permitting barriers also affect energy storage, particularly in urban areas like New York City, where outdated fire codes and unclear permitting requirements create a de-facto ban on residential and medium-scale battery deployment. Addressing these issues will expand access to backup power, reduce peak demand costs, and support grid flexibility — especially in disadvantaged and grid-constrained communities.

NYSEIA Recommendations:

- Passing community solar siting reform [S.8119|A.9087] to counter unreasonably restrictive local laws and unlock up to 4.6 gigawatts of hosting capacity.
- Enacting automated permitting legislation [S.5781|A.6270] to simplify, accelerate, and reduce the cost of residential solar deployment.
- Work with New York City and the FDNY to create a viable permitting pathway for residential and medium-scale battery energy storage systems.
- Ensuring DEC's wetlands permitting reforms are clear, predictable, and solar-compatible.

Modernize Incentives and Compensation

As federal incentives phase out, New York must modernize its own programs to ensure that solar remains affordable and accessible, especially for low- and moderate-income households. Incentives and compensation structures must reflect the full value of distributed solar, including its ability to reduce transmission costs, improve grid resilience, and deliver environmental benefits. Modernizing these programs is not just about sustaining deployment — it's about ensuring that the benefits of clean energy reach every New Yorker.

NYSEIA commends the launch of New York's statewide energy storage incentive program, which represents a critical step toward building a more flexible and resilient grid. Continued investment in this

program — and its integration with distributed solar — will be essential to maintaining affordability and accelerating deployment. As solar-plus-storage becomes the new standard, New York must ensure that compensation mechanisms and program design reflect the full value these systems provide to ratepayers and the grid.

NYSEIA Recommendations:

- Improving the Value of Distributed Energy Resources (VDER) tariff to reflect avoided transmission costs and environmental value.
- Modernizing the Residential Solar Equipment Tax Credit [S.2626|A.1373A] by raising the cap, including energy storage, and making it refundable for low-income households.
- Supporting virtual power plant (VPP) programs and dynamic load management to unlock grid services from distributed assets.

Expand NY-Sun and Community Solar Programs

The NY-Sun program has been New York's most successful clean energy initiative, delivering 6 gigawatts of distributed solar ahead of schedule and under budget while leveraging billions in private and federal investment. Despite the success of the program, in April 2025, the Public Service Commission rescinded $271 million from NY-Sun and signaled its intent to wind down the program once the 10 GW target is reached. This decision threatens to stall progress at a time when distributed solar is needed most — not only to meet CLCPA mandates, but to address the growing energy affordability crisis.

Reinvesting in NY-Sun is a critical opportunity to protect ratepayers, support low-income households, and ensure continued deployment of cost-effective clean energy. Distributed solar projects supported by NY-Sun deliver direct bill savings, reduce reliance on volatile fossil fuel markets, and avoid costly transmission upgrades. With federal investments phasing out, state-level support is more important than ever.

As New York expands its energy storage incentive program, NY-Sun should evolve to complement it — supporting solar-plus-storage projects that deliver resilience and affordability benefits to communities across the state.

To preserve and expand the affordability benefits of distributed solar, NYSEIA recommends:

- Direct the Department of Public Service to develop a NY-Sun 20 GW Order with incentives for rooftop, canopy, brownfield, and agrivoltaic projects.
- Ensuring the Statewide Solar for All program complements existing programs and serves diverse customer types.

Conclusion: A Path Forward

New York's clean energy transition must be about more than meeting climate targets — it must be about making energy more affordable, more equitable, and more secure. Distributed solar is one of the few

solutions that delivers on all fronts. It reduces emissions, lowers bills, creates jobs, and strengthens communities.

The CLCPA provides a framework for transformation. Distributed solar provides a pathway to achieve it. To fully realize its potential, New York must act boldly — raising its solar ambition, reforming outdated processes, and investing in affordability.

NYSEIA stands ready to work with the Legislature, the Governor's office, and state agencies to implement these solutions and ensure that New York remains a national leader in clean energy and energy affordability.

For questions, comments, or follow up, please contact:

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