



IDEAS

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Democratizing Green Energy: Expanding Community Shared Solar in New York State

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THESIS

To prioritize local and equitable community-owned energy production—over a corporate-controlled utility system—New York State should reform the Affordable Solar Predevelopment and Technical Assistance program in order to make community shared solar projects more accessible.

BACKGROUND & ANALYSIS

New York State's Reforming the Energy Vision (REV) initiative is a comprehensive plan for the state to achieve 50 percent renewable energy generation by 2030. To accomplish this goal, the REV initiative includes \$5 billion for market-based initiatives, encouraging private sector involvement in renewable energy development while neglecting local, sustainable energy development projects.¹⁴¹ REV's reliance on market-based incentives concentrates wealth into the hands of "clean energy barons"—corporate executives who profit from monopolizing clean energy development.¹⁴²

REV operates at the detriment of New Yorkers because it supports privatization, or corporate control, of utilities and boxes out low-to-middle income (LMI) populations. Since only 1 in 5 residents are able to go solar-on-site,¹⁴³ and the proportion of renters who can't is higher among populations of color,¹⁴⁴ many New Yorkers lack access to the energy reform promised by REV. This is alarming given that 40 percent of households in New York State (NYS) are LMI,¹⁴⁵ the energy burden for LMI households can reach up to 30 percent of income,¹⁴⁶ and LMI areas are often sites for traditional polluting power plants.¹⁴⁷ Private corporations do not prioritize community shared solar projects due to project risk and a lack of financial resources in LMI communities.¹⁴⁸

Community shared solar (CSS), which was introduced in New York in 2015, is an effective solution to the pitfalls of REV's market-based strategy. CSS projects involve municipalities or community organizations hosting off-site panel farms that allow individuals to join together and invest in or subscribe to community-controlled clean energy production. CSS boasts many advantages over traditional corporate-controlled energy projects, including increasing solar access to millions of New Yorkers,¹⁴⁹ putting communities in control of their energy,¹⁵⁰ lowering energy bills,¹⁵¹ and supporting the local economy.¹⁵²

TALKING POINTS

- REV's privatization of clean energy development concentrates wealth into the hands of "green energy barons" as a replacement to traditional oil barons.
- Community shared solar is the solution to a corporate-controlled energy system, making renewable energy local, accessible, and equitable.
- High pre-development costs are the number one barrier to solar development; reforming the way that NYS assists municipalities and local organizations with their pre-development costs is key to making CSS projects feasible.
- Energy projects funded by private corporations are less likely to prioritize LMI communities.

THE POLICY IDEA

In order to expand CSS projects—and therefore make green energy production local, accessible, and equitable—the New York State Public Service Commission should: 1) reallocate funding from REV’s market-based programs to the Affordable Solar Predevelopment and Technical Assistance (ASPTA) program, 2) guarantee ASPTA coverage to 100 percent of pre-development costs, 3) expand coverage of pre-development activities to help address other soft costs, such as early interconnection study fees,¹⁵³ and 4) provide ASPTA costs up-front as part of a grant program, modeled after California’s Multifamily Affordable Solar Housing (MASH) upfront rebate program.¹⁵⁴

POLICY ANALYSIS

CSS projects make up the largest portion of backlogged solar initiatives in REV.¹⁵⁵ The number one barrier to solar development is the very high upfront cost,¹⁵⁶ and pre-development spending is also very risky.¹⁵⁷ For example, a potential CSS project with Southern Tier Solar Works (STSW) had \$40,000 in fully at-risk pre-development costs, and an additional \$125,000 may have been necessary for interconnection (connecting the project to the energy grid). STSW, a non-profit organization based in Binghamton, New York, doesn’t have the risk tolerance or cash flow for this project, and ASPTA doesn’t cover many of the necessary costs.¹⁵⁸

New York State’s Affordable Solar Pre-Development and Technical Assistance (ASPTA) program provides some pre-development funding to LMI projects. The program, however, doesn’t cover many important pre-development costs, such as interconnection study fees and permits.¹⁵⁹ It also provides capital at benchmarks, not upfront.¹⁶⁰ Most detrimentally, the program lacks funding: ASPTA received only \$4.4 million,¹⁶¹ compared to the \$782 million Green Bank—a state-sponsored financial entity that works with the private sector¹⁶²—received for market-based incentives.¹⁶³

Expanding pre-development support would help initiate projects serving LMI communities.¹⁶⁴ The few programs in operation are successful: For example, California’s MASH, which provides upfront incentives to offset the costs of solar for multifamily affordable housing, has successfully led to the installation of 23 megawatts (mW) across 360 solar projects from 2008 to 2015, serving 6,500 LMI households.¹⁶⁵ Ontario, which reduces application fees for and prioritizes projects with aboriginal, community, or municipal ownership, awarded contracts for 241 mW of new generation across 936 projects in its fourth quarter of 2016 alone.¹⁶⁶

NEXT STEPS

To make community shared solar accessible to a greater number of New York residents and to prioritize CSS projects for LMI communities, the New York State Public Service Commission (PSC) must remove the barrier of pre-development costs for CSS projects. The Energy Democracy Alliance (EDA), an active statewide coalition with over 22 member organizations and 100 allied groups, should lobby the PSC to reform ASPTA and increase awareness for CSS projects throughout LMI communities in New York. Since the EDA has successfully lobbied the Public Service Commission to support CSS reform, the coalition should influence important stakeholders such as PSC Chair John Rhodes, New York State Research and Development Authority (NYSERDA) President Alicia Barton, and Chair of Energy and Finance Richard Kauffman. Moreover, since Governor Andrew Cuomo directly appoints PSC commissioners, the EDA should pressure Governor Cuomo through a public campaign for ASPTA reform.

KEY FACTS

- Only 1 in 5 New Yorkers are able to go solar-on-site.¹⁶⁷
- CSS projects have substantial pre-development costs, with one Southern Tier Solar Works CSS project requiring a fully at-risk \$40,000 in feasibility studies alone, and a potential \$125,000 to simply begin interconnection.¹⁶⁸
- The ASPTA program has only \$4.4 million in funding,¹⁶⁹ compared to \$782 million in subsidies to private corporations through the New York Green Bank.¹⁷⁰
- Community energy projects have local employment impacts which are 1.1 to 1.3 times higher during construction and 1.1 to 2.8 times higher during operation, compared to conventional projects.¹⁷¹

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