

NYSERDA REPORTS ON THE IMPACTS OF THE INFLATION REDUCTION ACT AND SUBMITS PROPOSAL STRETCHING FUNDING FOR ADDITIONAL SOLAR CAPACITY

Hodgson Russ Renewable Energy Alert
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On January 5, 2024, the New York State Energy Research and Development Authority (“NYSERDA”) filed a report with the New York State Public Service Commission (“PSC”) regarding the impacts of the federal Inflation Reduction Act (“IRA”) on the state’s flagship solar program, NY-Sun. The filing comes as part of NYSERDA’s required reporting to the PSC with NY-Sun amidst mid-program review. Also included as part of the consolidated filing is the agency’s proposal stretching existing funding for incremental distributed solar capacity beyond the NYSERDA’s 10-gigawatt goal.

Despite NYSERDA’s overall assessment that additional incentives available through the IRA for solar installations are likely to spur increased investment and development across the state, the agency did not propose further reductions in NY-Sun incentives. Instead, NYSERDA has proposed using previously allocated funding to support 557 MW to 1,254 MW of additional solar capacity under a framework outlining six different scenarios with the incremental capacity estimate varying depending upon the types of low-to-moderate income community solar projects the funding supports and what savings rate is offered to subscribers, as summarized below:

Scenario Number	Project Configuration	Customer Bill Discount	Upstate MW Funded	ConEd MW Funded	Statewide MW Funded
#1	100% ICSA*	10%	670	94	784
#2	100% Statewide Solar for All (SSFA)	10%	1,102	132	1,254
#3	50%-50% ICSA/SSFA Split	10%	833	110	963
#4	100% ICSA	20%	456	81	557
#5	100% Statewide Solar for All	20%	621	108	750
#6	50%-50% ICSA/SSFA Split	20%	526	93	639

*Inclusive Community Solar Adder

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NYSERDA's filing, which downloaded [here](#), identifies a growing number of areas where developers can secure both state and federal incentives for qualifying projects. In particular, for sites where a completed Phase I Environmental Site Assessment identifies the presence or potential presence of a hazardous substance, developers may be eligible for both NY-Sun incentives and federal "energy communities" tax credit. In many cases, the requirements to qualify as a brownfield site for the "energy communities" bonus credit are less stringent than for those under the NY-Sun landfill/brownfield adder, representing a new and potentially attractive alternative for solar developers of brownfield sites.

As the federal government issues additional guidance and regulations regarding IRA incentive programs for solar developers, NYSERDA may make changes to NY-Sun Program rules, consistent with market conditions and feedback from stakeholders. Public comments on NYSERDA's January 5 report and proposal may be filed with the PSC by following this [link](#) and uploading a letter to the attention of Hon. Michelle L. Phillips, Secretary to the Commission.

For questions regarding NYSERDA's report on the impacts of the IRA to the NY-Sun Program and Proposal to stretch 10 GW funding to support additional solar capacity, or submitting public comments, please contact [Daniel Spitzer](#), [Michael Hecker](#), or [Alicia Legland](#).

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