

New York

Solar Policy Survey

October 2016



The NESEMC Solar Policy Survey compiles information on state-level policies that significantly influence the solar energy market. The survey was produced with the help of the Pace Energy and Climate Center’s team of student researchers. The vast majority of the information contained within this document has been obtained from [the Database of State Incentives for Renewables & Efficiency](#) (DSIRE) with additional information and research obtained from various sources.

Note: These factsheets are updated periodically to reflect policy changes within each state. If you notice a mistake or out of date information, please contact Nick Martin at nmartin@nesemc.com.

SOLAR MARKET POLICIES

This document surveys the following solar market relevant policies.

POLICY	DESCRIPTION
RENEWABLE ENERGY GOALS	Does the state have enforceable and/or non-mandatory renewable energy goals? Do these goals include a specific solar PV carve out?
SOLAR TARIFFS AND RATES	How are solar PV customers impacted by utility tariffs and rates? Does the state offer net metering and/or value of solar tariffs? Do utilities impose high fixed charges or specific charges on solar customers?
VIRTUAL NET METERING	Can solar PV customers offset electricity purchases on multiple meters?
COMMUNITY AND SHARED SOLAR	Can multiple customers offset their electricity purchases from a single PV system?
GREEN FINANCING	Does the state support renewable energy financing through institutions like green banks or property assessed clean energy (PACE) financing?
PERMITTING	Has the state streamlined the solar PV permitting process?
LICENSING	What type of licensing is required to install solar PV systems? Are specialized solar PV or renewable energy licenses available?
SOLAR RIGHTS AND ACCESS	Does the state protect customers’ ability to install solar PV systems and access sunlight?
OTHER FINANCIAL INCENTIVES	Does the state offer financial incentives including grants, loans, tax credits, and/or tax exemptions?

RENEWABLE ENERGY GOALS

Goals and Mandates:

By order of the New York Public Service Commission, New York has established a Clean Energy Standard (CES) requiring 50% of retail electricity sales to be supplied by renewable sources by 2030.¹

Tier 1 of the CES is designated for new renewable sources, including but not limited to solar PV. These are resources that came into operation after January 1, 2015. The increasing yearly requirements of the CES will be fulfilled by Tier 1 resources.

Solar Carve Out:

New York's CES does not include a carve-out for solar PV. However, New York does have a goal of 3,000 MW of solar PV by 2023 through its [NY-Sun program](#). To achieve this goal, incentives (\$/W) are paid to eligible projects at declining levels as more solar capacity enrolls in the program.

SOLAR TARIFFS AND RATES

NET METERING

New York state law mandates net metering for solar PV customers.²

Maximum System Capacity:

Net metered facilities may be up to 25kW for residential, 100kW for agricultural facilities and 2MW for non-residential facilities.

Aggregate Capacity Limit:

There is an aggregate capacity limit for net metered facilities of 6% of each utility's 2005 peak demand. However, the NY Public Service Commission has ordered all utilities to continue to accept applications for net metering regardless of meeting the aggregate capacity limit until net metering is restructured as part of the [Reforming the Energy Vision](#) proceeding.

Applicable Entities:

Investor-owned utilities (representing ~85% of the state's customers) must offer net metering. Publicly owned utilities (i.e. PSEG Long Island) may do so voluntarily.

Excess Generation:

Excess generation is credited to the customer's next bill at the retail rate; excess for residential is reconciled annually at avoided-cost rate, while excess for non-residential solar carries over indefinitely.

Renewable Energy Certificate (REC) Ownership:

REC ownership is not addressed by net metering rules.

NOTE: The New York Public Service Commission is currently considering revisions to the state's net metering provisions in [15-E-0751 Interim Successor to Net Energy Metering](#).

¹ [NY PSC Order, Case 15-E-0302, Order Adopting a Clean Energy Standard](#)

² NY CLS Public Service § 66-j and § 66-l

VALUE OF SOLAR

New York utilities do not offer any value of solar tariffs.

New York has yet to conduct a comprehensive study on the value of solar, but the on-going [Reforming the Energy Vision](#) (REV) proceeding is investigating the value of distributed energy resources including solar PV.

VIRTUAL NET METERING

New York allows for virtual net metering under its existing net metering program for certain customer classes.

Maximum System Capacity:

Virtually net metered facilities may be up to 100kW for farms and 2MW for non-residential facilities.

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit, which is 6% of the utility's 2005 electric demand.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

Only non-residential and farm-based customers may virtually net meter.

Customer hosts may designate net metering credits to any meter that is located on property owned or leased by the customer and is within the same utility territory and load zone as the generating facility.

COMMUNITY AND SHARED SOLAR

New York allows for community net metering.³

Enrollment / Program Size Limits:

Eligible facilities must be less than 2MW.

The facility must serve at least 10 customers.

Compensation Rules:

The host and participants receive credit at the retail rate.

Other Limitations:

Initial projects must be located where they can provide the greatest locational benefits to the larger power grid, or where they can support economically distressed community by incorporating low- and moderate-income customers.

³ [NY PSC Order Case 15-E-0082, Order Establishing a Community Distributed Generation Program and Making Other Findings](#)

Any participating customer with demand greater than 25kW may not constitute greater than 40% of the shared facilities output.

GREEN FINANCING

Green Bank:

The New York Public Service Commission established the [New York Green Bank](#) in December 2013. The bank is housed in the New York State Energy Research and Development Authority (NYSERDA). Its funding is derived from repurposed existing state funds (in the form of System Benefits Charges) and Regional Greenhouse Gas Initiative (RGGI) funds. The initial public capitalization of the New York Green Bank was \$218.5 million, with additional funds approved in subsequent orders to provide a total of \$1 billion in capitalization.

From the NY Green Bank Website:

“NY Green Bank is a state-sponsored, specialized financial entity working with the private sector to increase investments into New York’s clean energy markets, creating a more efficient, reliable and sustainable energy system. In adopting a targeted approach to clean energy financing markets, NY Green Bank represents an innovative business model at the forefront of the trend driving institutions nationally and internationally.

NY Green Bank increases the availability of capital for projects deploying proven clean energy technologies across New York State through:

1. Leveraging private sector capital to support and expand clean energy financing markets;
2. Animating and growing capital markets reducing the need for government support; and
3. Motivating faster and more extensive deployment of clean energy assets, contributing to economic development, greater energy choices, reduced environmental impacts and more green energy advantages for every public dollar spent.”

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs.⁴

The Energy Improvement Corporation (EIC) administers the [Energize NY Finance](#) program, which provides financing for commercial facilities through the PACE structure.

Other Green Financing:

[NY-Sun Loan Program](#) – NY-Sun offers a number of solar financing options for residential and small commercial customers.

PERMITTING

Standardization:

New York does not have a statewide standard application or fee for obtaining necessary permits for solar PV projects.

⁴ NY Gen Mun L § 119-GG (2012)

Guidance:

NYSERDA, New York Power Authority (NYPA), and The City University of New York (CUNY) collaborated to develop a [standard solar electric permit](#) for New York municipalities.

LICENSING

New York does not offer solar PV specific licenses for installers. New York also does not have state wide licensure requirements for the installation of solar PV. Licensure is regulated at the county level.

Tied to Incentives:

To receive state incentives, NYSERDA [requires](#) the solar PV project to be completed by a "Participating Installer".

For systems under 200kW, installers must have either: (1) NABCEP Certification; (2) IBEW-NECA Electrical Journeyman & Apprentice Training; or (3) UL PV System Installation Certification.

For systems over 200kW, installers must provide information to NYSERDA showing their organization's experience in solar installations.

Reciprocity:

New York does not offer reciprocity with other states for electrician or solar licensing.⁵

SOLAR RIGHTS AND ACCESS**Solar Rights:**

New York does not have any state laws or regulations that specifically address solar rights.

Solar Access:

New York general city, town, and village codes allow local zoning districts to establish regulations protecting the right to solar access for the use of solar energy systems. These general laws place solar access within the zoning authority of local governments.⁶

State law explicitly allows for voluntary creation of easements for access to direct sunlight.⁷

OTHER FINANCIAL INCENTIVES**Tax Incentives:**

Residential Solar Tax Credit - An income tax credit, worth 25% of the cost of equipment and installation, applies to expenditures on solar-electric (PV) and solar-thermal equipment used on residential property. The credit is capped at \$5,000. For third-party owned system, the homeowner may claim a tax credit equal to the amount of the lease or PPA payments made during the taxable year for up to 15 years.

⁵ [National Electrical Contractors Association](#)

⁶ N.Y. Gen. City L. § 20(g); NY Town L. §263; NY Vill. L. § 7-704

⁷ N.Y. R.P.L. § 335-B

Solar Sales Tax Exemption - The sale and installation of residential solar-energy systems are exempted from the state's sales and compensating use taxes. It applies to residential, commercial, and 3rd party owned systems. Municipalities may also opt to exempt solar-energy systems from local sales taxes.

Local Option: Real Property Tax Exemption for Green Buildings - Municipal corporations may opt to exempt green buildings (e.g. LEED certified buildings) from real property taxes.

Local Option: Solar, Wind, & Biomass Energy Systems Exemption – Local governments may opt to exempt solar and other renewable energy systems constructed in New York State from real property taxes for 15 years

About NESEMC



The **Northeast Solar Energy Market Coalition** brings together solar energy business associations and other stakeholders in the Northeast United States to harmonize regional solar energy policy and advance the solar energy market. We are funded by the U.S. Department of Energy SunShot Initiative as a cooperative agreement through 2017.

Our vision is a thriving, efficient regional market for solar photovoltaic energy generation in the Northeast.

We will realize our vision by encouraging and engaging regional solar businesses in advancing market policy to lower costs and increase solar market opportunity. We will educate stakeholders and policy makers throughout the region directly, and by empowering our member organizations with robust analysis and timely information.

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