

January 28, 2025

Re: CVE North America Testimony to Joint Legislative Budget Hearing on Energy and Environmental Conservation Regarding the 2025-2026 Executive Budget

Dear Senator Kreuger and Assemblymember Pretlow,

I'm writing to you from CVE North America regarding the 2025-2026 executive budget.

CVE North America, Inc. (CVE NA) is a developer and independent power producer (IPP) based in New York City, with 41 full-time employees. CVE NA's core business is focused on solar energy that is produced and consumed locally in a distributed generation model, with a focus on community solar.

Increasing solar energy supply in New York can directly advance the Governor's Affordability Agenda by lowering electricity bills for homes and businesses across the state. However, the 2025-2026 Executive Budget and the Governor's policy agenda outlined in her State-of-the-State address do not include any policies to advance cost-effective solar deployment in New York State.

Rooftop and community solar ("distributed solar") is New York's most successful clean energy sector, and continues to have incredible momentum following a record-setting year for the state. It is also the sector that employs the most workers, with 15,490 employees based on NYSERDA's 2024 jobs census. Despite our industry's momentum, we are facing major challenges that threaten New York's solar industry, companies like mine, and our skilled workforce. These challenges can be overcome with smart policy proposals, and I encourage you to consider the following proposals in the 2025-2026 budget.

Raising the state's distributed solar goal to 20 gigawatts by 2035 ("20x35") will further push New York to close the gap on its renewable energy targets while lowering energy costs for families and businesses. In June 2024, NYSEIA released [20 Gigawatts by 2035](#), a policy roadmap to accelerate distributed solar deployment in New York. Adopting the proposals in this roadmap will deliver \$50B in direct utility bill savings to families and businesses, lower the cost of electricity for all customers, and create 15,000 additional sustainable jobs in the solar industry.

Currently, community-scale solar projects face both siting and interconnection challenges, delaying the development of many solar projects throughout the state.

Community-scale projects are permitted by local governments, who are increasingly adopting restrictive local laws and moratoria in response to utility-scale projects and/or misinformation. An estimated 4.6 gigawatts of otherwise viable community solar projects are being blocked due to restrictive local laws. New York can easily replicate Illinois' model of siting reform, where the state streamlines local permitting by creating statewide standards for community solar while

keeping project-specific zoning decisions at the local level. This approach simultaneously respects “home rule” while creating viable permitting pathways for community solar projects across the state.

At the beginning of this year, the DEC drastically expanded its jurisdiction over wetlands and surrounding areas, with the agency’s jurisdiction set to expand further in the coming years. Protecting New York’s ecological resources is important, but it must be balanced with the need to deploy renewable energy. The DEC does not yet have a general permit for solar projects, and until now the agency has enforced a de facto ban against solar on any land it regulates. This is causing community companies to cease all new solar development in the state, imperiling our clean energy progress and solar workforce. We urge the DEC to rapidly develop a general permit that allows solar on most sites where it would be permitted by the national standard—USACE’s Nationwide Permit 51.

Regarding interconnection, New York solar and energy storage developers pay utilities to upgrade distribution systems in order to interconnect their projects to the grid, but the companies do not have any control over the work completed by the utility company, nor is there regulatory oversight on these utility costs. The cost to interconnect new projects has risen faster than inflation due to the utilities’ inefficient designs, high overhead, and unchecked cost overruns. Better regulating utility interconnection costs and implementing a flexible interconnection program— where utilities actively manage distributed energy resources with smart grid technology rather than overbuilding traditional utility infrastructure— will lower interconnection costs and shorten the timeline to connect new projects.

Finally, the NY-Sun program is NYSERDA’s most successful clean energy program, supporting solar projects across much of New York State with modest capacity-based incentives, which are nearly exhausted. Near-term action is needed for market continuity, but long-term action will provide market-certainty and attract investment. Thus, NYSERDA’s NY-Sun program must be extended, especially targeted to projects that directly lower energy costs for low- to moderate-income households or projects that are beneficially sited to minimize land use impacts.

Thank you for the opportunity to provide input, and for your important work to protect New York’s environment and cost-effectively increase clean energy supply.

Sincerely,

David Froelich

Director of Business Development

CVE North America